

TDS Response to the Ofgem Consultation – Access and Forward-looking Charges Significant Code Review: Consultation on Minded to Positions

Introduction

TDS is an Engineering Consultancy that operates throughout England and Wales. It is one of the leading Consultants in the procurement and project management of utilities for House Builders and Developers.

We work in partnership with our Clients to provide various options in how utilities can serve a development in both a cost effective way as well as from a practical perspective on their development requirements.

Question 3a: Do you agree with our proposals to remove the contribution to reinforcement for demand connections and reduce it for generation. Do you think there are any arguments for going for generation under the current DUoS arrangements? Please explain why.

Can we from the outset compliment Ofgem on the structure of this Consultation and notably the forward-thinking way in which network reinforcement charging is being looked at in the future.

For a long time, we have advocated that demand reinforcement needs to be looked at in the “macro rather than the micro” where the advantage of long term planning and reinforcement requirements need to be assessed, especially in relation to the Climate Change Agenda that is being championed by Government.

The demand element of new development is such a small part of the overall Price Review in financial terms but does at times seem disproportionately large in quantitative costs on many developments. Although we do not have numbers to support this statement the economics of scale between existing and new homes does support such a claim.

The future direction of how networks will, or will not, be reinforcement due to climate change criteria and especially issues like Future Homes from 2025 must be looked at in the realm. If the opportunities around generated connections are also factored into the overall effectiveness of the existing and future networks the direction that Ofgem are taking makes total common sense.

Paragraphs 3.17, 3.18, 3.19 and 3.20 in the Consultation are astute observations and again Ofgem should be complimented in listening and taking their proposed position. It is a great shame that other Utility Regulators cannot take a leaf out of Ofgem’s book and apply the same attitude in being able to partner and listen to other stakeholders.

We would suggest that a direction of this nature will also result in lower administration costs from DNO’s in their need to spend considerable time in

assessing demand criteria from new developments, as well as having to implement the necessary reinforcement works. In essence a “win-win” situation.

It is our intention to only respond to this one question in the Consultation because we feel that we cannot provide the required depth of detail to aid Ofgem going forward.