

Gas and Electricity Connections Industry Review 2007-08

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Target audience: Business and domestic customers seeking gas and electricity connections and their representatives, distribution network licensees, independent connection providers and other interested parties.

Overview:

This document is a revised version of the 2007-08 Connections Industry Review Appendices originally published on 16 October 2008. A corrigenda has been published on the Ofgem website detailing all revisions.

This document contains supplementary appendices to Ofgem's Connections Industry Review for 2007-08, presenting the latest developments in the gas and electricity networks connections market during the regulatory year from 1 April 2007 to 31 March 2008.

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Context

The main volume of this year's Connections Industry Review looks at key trends in the development of competition in gas and electricity connections. It presents a range of data to support the analysis of those trends. Some of that data has been presented in graphical format, and some in tabular format.

During the Connections Industry Review process we also collected a significant amount of data which has not been presented in the main volume, but which is likely to be of interest to market participants and other stakeholders. These appendices set out data supplementary to that presented in the main report including:

- more detailed and disaggregated data than has been presented in the main volume
- data in tabular form where the data was presented in chart form in the main volume

Associated Documents

- Connections Industry Review 2007-08
<http://www.ofgem.gov.uk/Networks/Connectns/ConnIndRev/Pages/ConnIndRev.aspx>
- Connections Industry Review 2006-07 (215/07)
<http://www.ofgem.gov.uk/NETWORKS/CONNECTNS/CONNINDREV/Pages/ConnIndRev.aspx>
- Review of Competition in Gas and Electricity Connections Proposals Document (26/07)
<http://www.ofgem.gov.uk/Networks/Connectns/CompinConn/Pages/CompinConnctns.aspx>
- Ofgem Corporate Strategy and Plan 2008-2013 (34/08)
<http://www.ofgem.gov.uk/About%20us/CorpPlan/Pages/CorpPlan.aspx>

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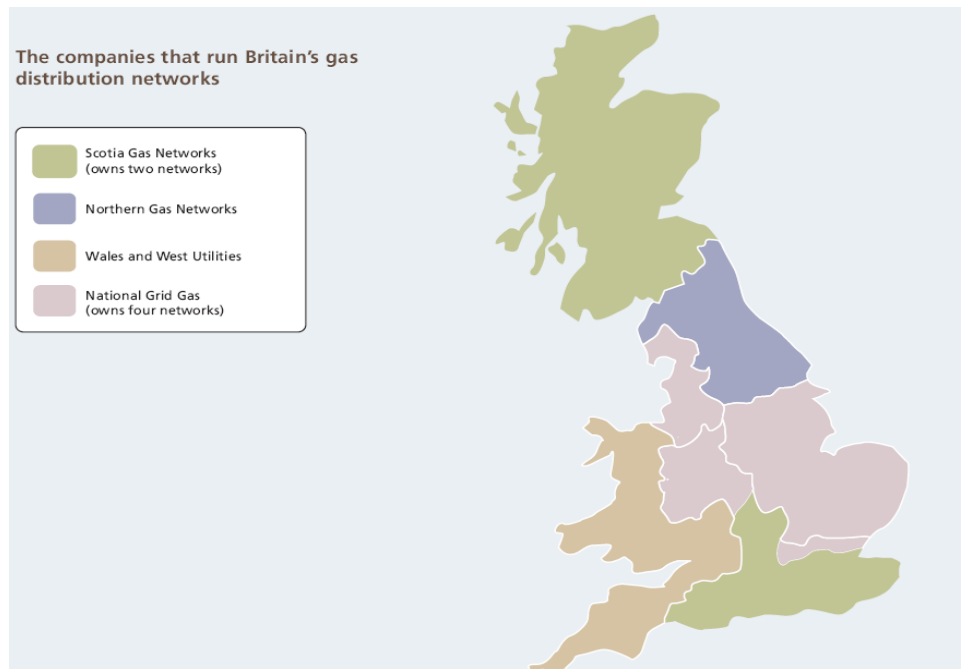
Appendix 5 - Industry Structure

→ This appendix contains further detail about the structure of the GB gas and electricity distribution industry, and licence conditions relevant to connections.

Gas Distribution Network Operators

1.1. There are eight Gas Distribution Networks (GDNs) in Great Britain. Formerly, all eight were owned and operated by Transco but in May 2005 Transco (renamed National Grid Gas in October 2005) sold four of its eight gas distribution networks in Great Britain. Two of them (Scotland Gas Networks and Southern Gas Networks) are now owned by Scotia Gas. Northern Gas Networks and Wales and West Utilities own one each. GDN licences refer to defined network areas called Transportation Services Areas (TSAs). There are 11 Independent Gas Transporters (IGTs) in Great Britain. IGTs own and operate their own networks (mainly new housing developments). Both GDNs and IGTs can adopt connections undertaken by ICPs¹. The 11 IGTs are owned by seven businesses: East Surrey Pipelines, Gas Transportation Company, Energetics Gas, Inexus, Scottish and Southern Pipelines, National Grid and British Gas².

Figure A5.1 – GDN TSA's



¹ For the purposes of this document the terms gas distributor and gas transporter have the same meaning

² British Gas Pipelines Ltd has not undertaken any activity during the reporting period

GDN organisational structure

1.2. In 1997 British Gas was split into a customer service arm and a distribution arm called Transco which carried out gas connections as part of its business. In 2001 Transco connections became a stand-alone business providing connections services for Transco and in 2002 this business was renamed Fulcrum Connections.

1.3. For some time after the network sales in 2005, Fulcrum provided connection services to all the GDNs. They continue to provide connections in the four National Grid Gas distribution areas for schemes where four or more properties are being connected. In the other four GDN areas (and in the National Grid Gas areas in instances where less than four properties are being connected) the GDNs have in-house connections resources.

1.4. It is also possible for developers to use an Independent Connections Provider (ICP), sometimes alternatively referred to as a Utility Infrastructure Provider (UIP) in the context of gas, to provide some elements of connections infrastructure. In addition, developers can ask a licensed gas supplier to make connection arrangements on their behalf or consider using an independent gas transporter (IGT) to provide a local distribution network to meet their needs.

Gas Transporters Licence: Standard Conditions

1.5. Under Standard Condition 4B (Connection Charges etc) of the Gas Transporters Licence Ofgem can require licensees to provide a statement setting out the way they calculate charges for gas connections. Licensees have to comply with the approach set out in their statement, keep it up to date and give worked examples of charges. They also have to provide information on the Authority's power to determine (adjudicate) on disputes between connection applicants and licensees.

1.6. Standard special condition D10 of the Gas Transporters licence applies solely to GDNs and lays down a number of required standards for gas connection services by licensees:

- 90 per cent of standard quotations must be issued within six working days
- 90 per cent of non-standard quotations for obtaining a new gas connection or altering an existing gas connection up to and including rates of flow of 275kWh per hour must be issued within eleven working days of receipt of the request unless the customer requests a deferral
- 90 per cent of non-standard quotations for obtaining a new gas connection or altering an existing gas connection where rates of flow exceed 275kWh per hour must be issued within twenty one working days of receipt of the request unless the customer requests a deferral
- 90 per cent of replies to land enquiries must be issued within five working days
- in 90 per cent of cases, GDNs must provide dates for the commencement and substantial completion of work within 20 working days

- in 90 per cent of cases, GDNs must provide dates within twenty working days for the commencement and substantial completion of works from the receipt of acceptance of a quotation unless the customer requests a deferral
- 90 per cent of connections must be completed within the timescales agreed with the customer

1.7. In addition, standard special condition D10 provides for a scheme to review the accuracy of connections quotations prepared by GDNs, and requires GDNs to undertake a regular audit of their connections services and provide the results to the Authority.

Electricity Distribution Network Operators

1.8. There are fourteen electricity DNOs in Great Britain owned and operated by seven corporate groups. DNO licenses refer to defined network areas called Distribution Services Areas (DSAs). There are presently five Independent Distribution Network Operators (IDNOs) in Great Britain. Independent Power Networks Limited (IPNL), The Electricity Network Company Limited (ENC), Energetics Electricity Limited, ESP Electricity Limited and ECG (Distribution) Limited³. There is also one IDNO application pending which is by an affiliate of an existing DNO⁴. IDNOs own and operate their own networks but do not have DSAs. Both DNOs and IDNOs can adopt connections undertaken by ICPs.

³ ECG Distribution Limited's licence was granted in August 2008. Therefore they were not active in the period of this report.

⁴ EDF Energy (IDNO) Ltd:

<http://www.ofgem.gov.uk/Pages/MoreInformation.aspx?docid=117&refer=Networks/ElecDist/Policy/IDNOs>

Figure A5.2 - Map of DNO DSAs

DNO Organisational structure

1.9. In fulfilling their obligations to provide connections to their networks DNOs may use:

- in-house teams / directly instructed contractors, or
- affiliates acting as agents / main contractor

1.10. Some affiliates of DNOs act on their own behalf to offer “competitive” quotes for contestable services; this activity is captured in price control cost returns by DNOs to Ofgem. In addition some DNOs and affiliates of DNOs offer electricity or multi-utility connection services outside their DSAs (i.e. in other DNO areas). In these cases they function in a manner akin to an ICP and can only carry out contestable works.

1.11. IDNOs often work closely with one or more ICPs to offer a 'one stop shop' to developers. In this respect they make the arrangements for connection of a newly created IDNO network to the incumbent DNO network and pass on charges levied by the DNO for connection and relevant upstream reinforcement. Once an IDNO network is established, the IDNO has the same obligations in respect of providing additional new connections to that network a DNO has for its network.

1.12. There are some instances of DNOs operating 'out of area' networks (which they can do under the terms of their licences), and in these cases they function in a manner akin to an IDNO.

Electricity Distribution Licence: Standard Conditions

1.13. Electricity DNOs are bound by a series of licence conditions. In 2008 the Electricity Distribution Licence was reviewed and revised to arrive at a slimmer and easier to use set of Standard Licence Conditions (SLCs). This has resulted in changes to SLC numbering. The following SLCs deal with electricity connections.

SLC	Formerly SLC	Description
6	24	Sets out the requirements for the provision of information by electricity distributors to the Authority. Ofgem request information about connections for this review under SLC 6.
7	4E	Allows the Authority to determine disputes.
12	4D	Requires the licensee to offer to enter into an agreement for use of their system to distribute or take in electricity when requested to do so by any person.
13	4B	Requires the licensee to have in force use of system and connections charging methodologies that have been approved by the Authority.
14	4B	Requires charging statements that have been approved by the Authority to always be available.
15	4F	Requires DNOs and IDNOs ⁵ to meet prescribed levels of performance against the three key non-contestable service and information areas: the provision of quotations (including Point of Connection (POC)); design approval or reasoned rejection; and the completion of final connections.
19	4C	Requires DNOs/IDNOs to report information about the provision of non-contestable services to their own business, their affiliates and to independent parties.

⁵ All IDNOs are presently exempted from the provisions of SLC15 by Direction under paragraph 15.10 of that condition

Appendix 6 - Gas connections: detailed analysis

- ➔ This appendix contains further information about new and modified gas connections in 2007-08.
- ➔ The templates used to gather this information can be found at www.ofgem.gov.uk under Ofgem -> Connections -> Connections Industry Review.

Total number of gas connections

1.1. In 2007-08 258,800 new and modified⁶ gas connections were undertaken in aggregate by GDNs and IGTs. This compares to 231,600 connections in 2006-07, although it should be noted that the 2006-07 figure relates to new connections only. Modified connections refer to increases in capacity, which may include contestable elements, but also to 'service alterations' which are generally not contestable.

1.2. As illustrated in Table A6.1, just over 114,000 of these connections were to GDN owned networks, of which 108,000 were connected by the GDNs themselves whilst around 6,000 were connections by third parties to networks owned by GDNs.

Table A6.1 - Total number of gas connections

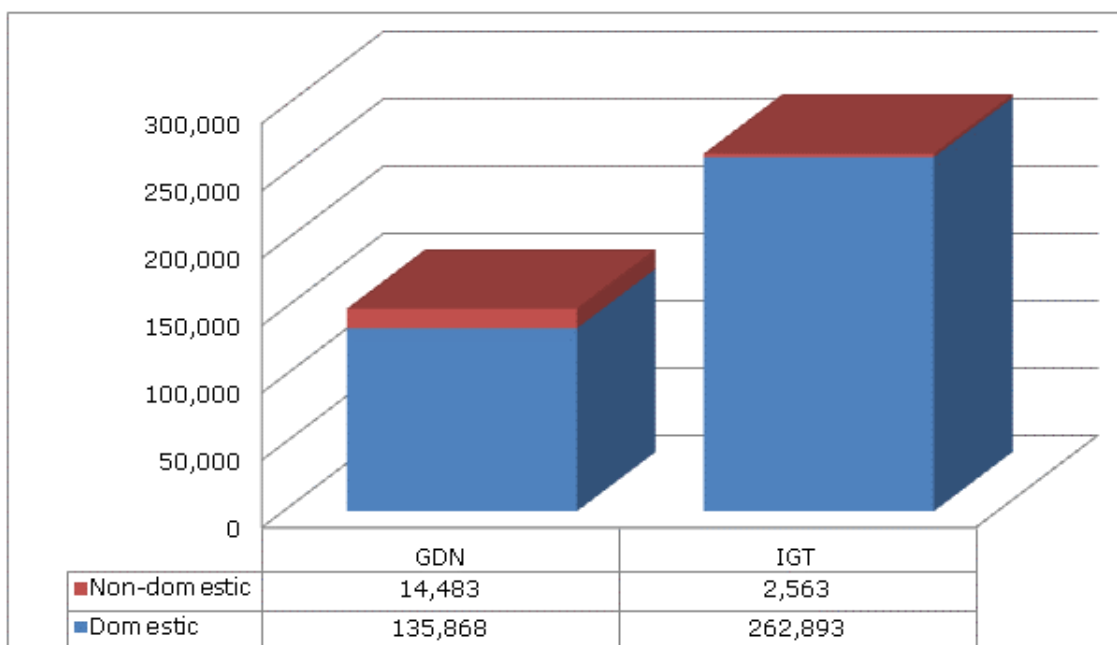
Connections by:	GDN 2006-07 Number (Percentage of total)	IGT 2006-07 Number (Percentage of total)	GDN 2007-08 Number (Percentage of total)	IGT 2007-08 Number (Percentage of total)
Licensee	102,421 95%	26,238 21%	108,371 95%	9,782 7%
Companies affiliated to the licensee	204 0%	43,401 35%	139 0%	65,934 46%
Third Parties	4,750 4%	54,551 44%	5,573 5%	69,027 48%
Total	107,375 100%	124,190 100%	114,083 100%	144,743 100%
Industry Total	231,565		258,826	

⁶ A modified connection is an existing connection that has been changed. In metered connections this includes position alterations, increases in capacity and diversions. In unmetered connections it does include transfers but not disconnections. Figures submitted by National Grid Gas cover new connections only and do not include modified connections

Total number of gas connection queries handled

1.3. We asked GDNs and IGTs about the number of connection queries they receive. As this was the first year we have requested this information estimated data has been accepted. In 2007-08 around 416,000 connection queries were handled by GDNs and IGTs⁷. Of the 150,000 connection queries handled by GDNs approximately 58 per cent resulted in an acceptance of the offer. Approximately 27 per cent of the 265,000 connection queries handled by IGTs resulted in an acceptance of the offer.

Figure A6.1 - Number of Gas connection enquiries handled in 2007-08



In-fill schemes

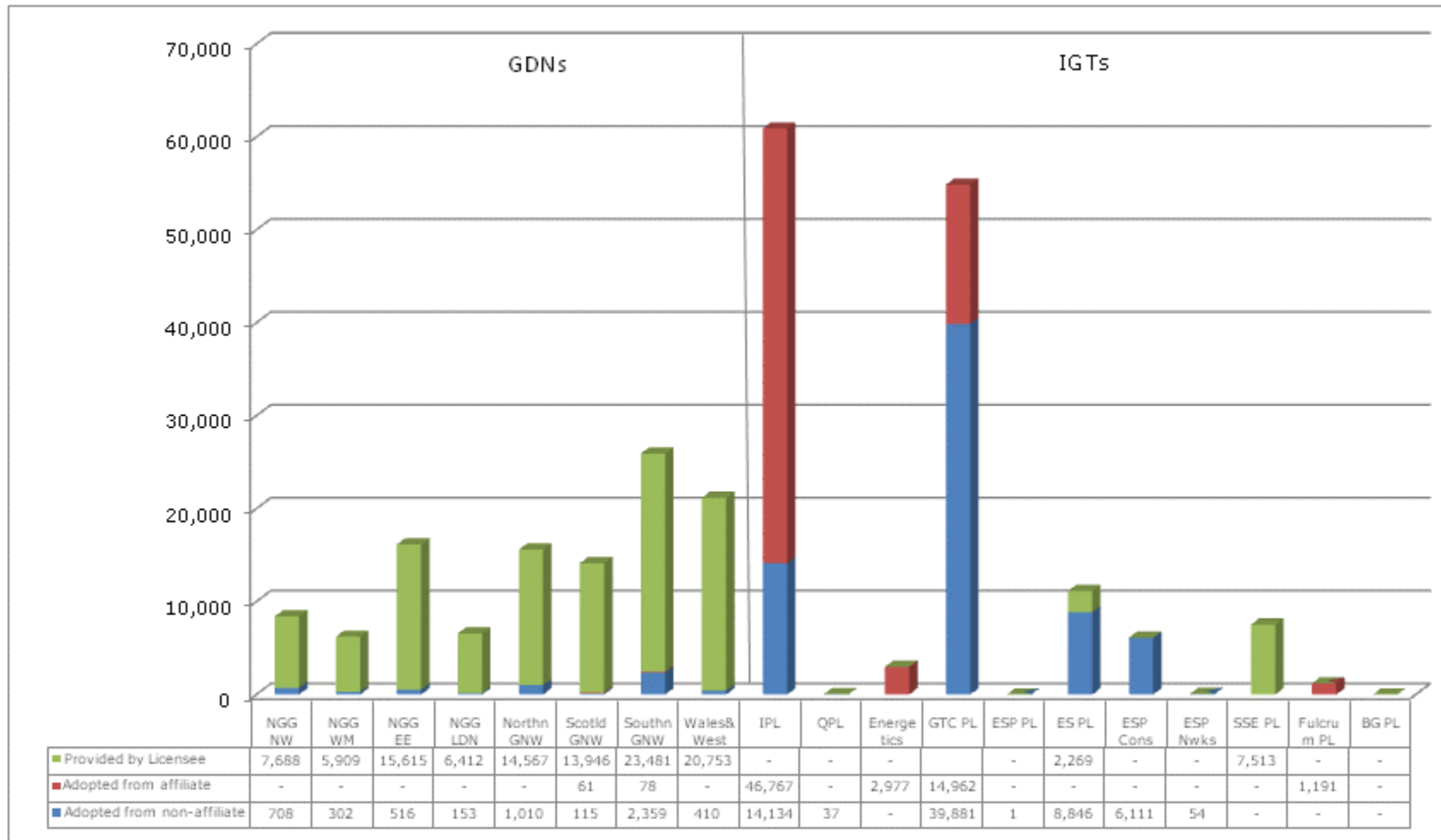
1.4. Of the 258,800 gas connections performed in 2007-08 approximately 3,280 formed part of in-fill schemes. Of these 1,010 were connections to GDN networks whilst 2,270 were connections to IGT networks.

⁷ We specified that queries should only be counted once i.e. multiple contacts from the same party about the same connection should only count as one query. However, the high numbers reported suggests that some respondents may have counted each property included in a query separately i.e. a query about connection of an estate of 50 houses may have been counted as 50 queries.

Connected systems exit points

1.5. In 2007-08 there were 3,818 new system exit points created between primary networks and embedded networks. Of these 3,693 were exit points from GDN networks whilst 125 were exit points from IGT networks.

Figure A6.2 - Total number of gas connections reported by each distribution network operator in 2007-08



Out of area connections

1.6. No GDNs made connections outside of their own areas.

Total charges for gas connections by pressure

1.7. One GDN and all IGTs were able to break down the charges they had levied for connections by pressure. As the remaining seven GDNs were unable to provide this information they have not been included in this section.

1.8. As illustrated in Table A6.2, the GDNs and IGTs who were able to provide connections data by pressure reported that almost all connection charges related to low pressure connections (99% for the GDN respondent and 98% for the IGTs).

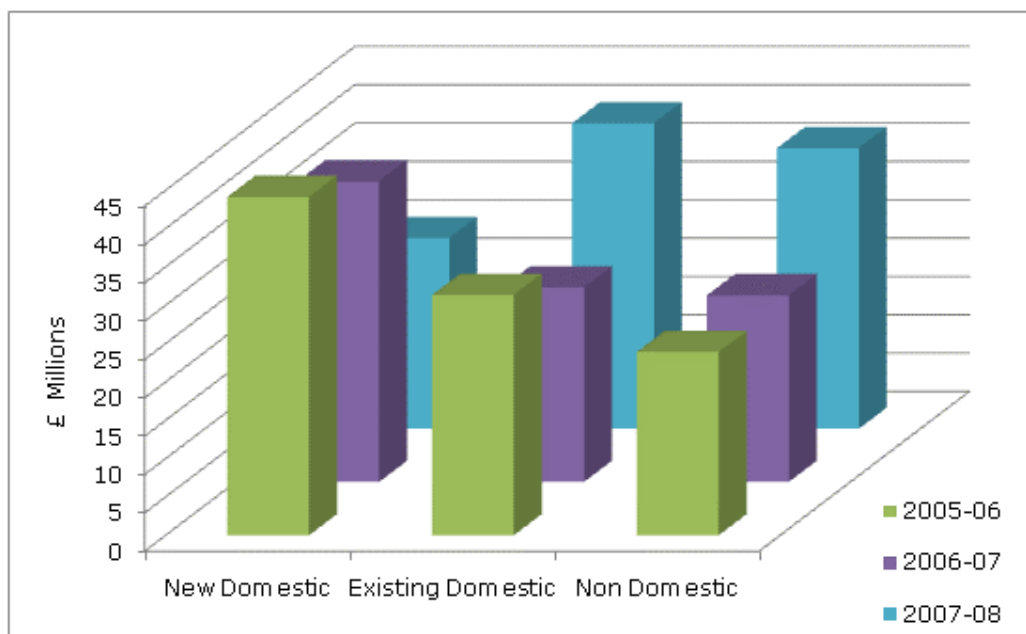
Table A6.2: Breakdown of gas connection charges by pressure (%)

	Low	Medium	Intermediate	LTS	Total
Sample GDN	99%	1%	0%	0%	100%
IGTs	98%	2%	0%	0%	100%

Connection charges disaggregated by customer type

1.9. As illustrated in Figure A6.3, there was a decline in connection charges for new domestic premises in 2007-08 to around £25 million from £44 million in 2005-06. However there was a significant increase in connection charges for existing domestic premises to around £40 million up from £31 million in 2005-06 and for non-domestic premises to around £37 million from around £24 million. The increases for existing premises and non-domestic premises may be partially due to the inclusion of modified connections in this year's reporting.

Figure A6.3: Historical summary of gas connection charges disaggregated by customer type (£ millions)



New and modified gas connections to new domestic premises

1.10. In 2007-08 169,000 gas connections to new domestic premises were undertaken, of which around 27,500 were connections to GDN networks (see Table A6.3) and around 141,500 were connections to IGT networks (see Table A6.4). The total number of connections is up from the 161,000 reported in 2006-07, although the 2007-08 figures include modified connections for the first time.

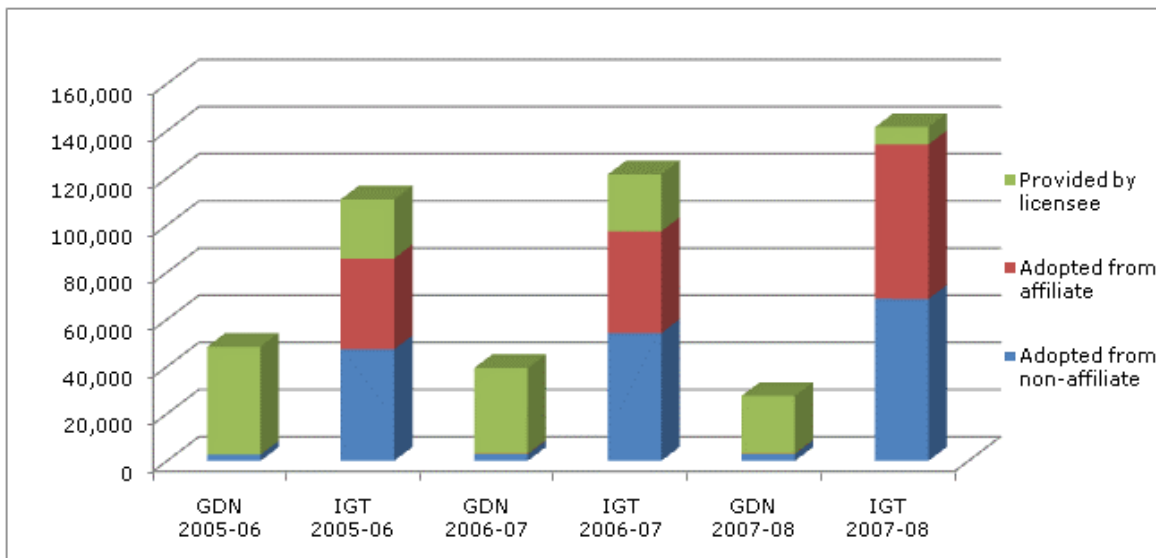
Table A6.3 - New and modified gas connections to new domestic premises reported by GDNs

Connections by:	2005-06 (Percentage of year)	2006-07 (Percentage of year)	2007-08 (Percentage of year)
GDNs	45,739 (95%)	36,453 (92%)	24,469 (89%)
Companies affiliated to GDNs	0 (0%)	192 (0%)	138 (1%)
Third Parties	2,640 (5%)	2,787 (7%)	2,889 (11%)
Total	48,379 (100%)	39,432 (100%)	27,496 (100%)

Table A6.4 - New and modified gas connections to new domestic premises reported by IGTs

Connections by:	2005-06 (Percentage of year)	2006-07 (Percentage of year)	2007-08 (Percentage of year)
IGTs	25,095 (23%)	24,138 (20%)	7,348 (5%)
Companies affiliated to IGTs	38,481 (35%)	43,161 (36%)	65,490 (46%)
Third Parties	47,328 (43%)	54,226 (45%)	68,730 (49%)
Total	110,904 (100%)	121,525 (100%)	141,568 (100%)

Figure A6.4 - New and modified gas connections to new domestic premises



New and modified gas connections to existing domestic premises

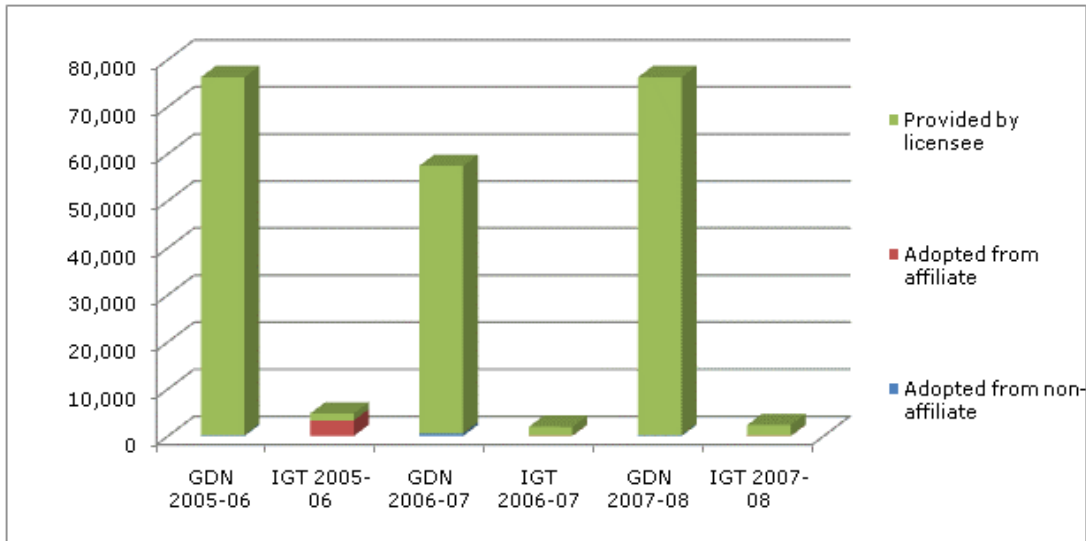
1.11. In 2007-08 78,600 gas connections to existing domestic premises were undertaken, compared to 59,000 in 2006-07. As illustrated in Table A6.5, around 76,300 of the 78,600 were connections to GDN networks and only around 2,300 were connections to IGT networks (see Table A6.6).

Table A6.5 - New and modified gas connections to existing domestic premises reported by GDNs

Connections by:	2005-06 (Percentage of year)	2006-07 (Percentage of year)	2007-08 (Percentage of year)
GDNs	76,042 (100%)	56,894 (99%)	76,045 (100%)
Companies affiliated to GDNs	0 (0%)	0 (0%)	0 (0%)
Third Parties	213 (0%)	544 (1%)	206 (0%)
Total	76,255 (100%)	57,438 (100%)	76,251 (100%)

Table A6.6 - New and modified gas connections to existing domestic premises reported by IGTs

Connections by:	2005-06 (Percentage of year)	2006-07 (Percentage of year)	2007-08 (Percentage of year)
IGTs	1,444 (30%)	1,857 (96%)	2,266 (97%)
Companies affiliated to IGTs	3,288 (69%)	69 (4%)	67 (3%)
Third Parties	16 (0%)	0 (0%)	0 (0%)
Total	4,748 (100%)	1,926 (100%)	2,333 (100%)

Figure A6.5 - New and modified gas connections to existing domestic premises

1.12. We note that GDN networks account for a much higher proportion of new / modified connections to existing domestic premises, whereas the opposite is true for new domestic premises.

Gas connections to non-domestic premises

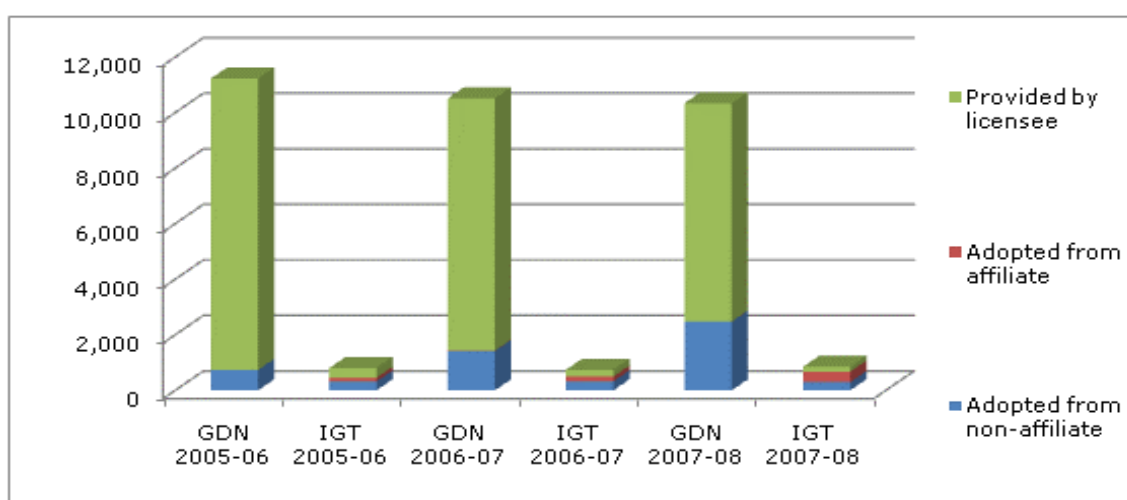
1.13. In 2007-08 11,178 gas connections to non-domestic premises were undertaken, compared to 11,244 during 2006-07. Of the 11,178, over 10,300 were connections to GDN networks (see Table A6.7)

Table A6.7- Gas connections to non-domestic premises reported by GDNs

Connections by:	2005-06 (Percentage of year)	2006-07 (Percentage of year)	2007-08 (Percentage of year)
GDNs	10,485 93%	9,074 86%	7,857 76%
Companies affiliated to GDNs	0 0%	12 0%	1 0%
Third Parties	737 7%	1,419 14%	2,478 24%
Total	11,222 100%	10,505 100%	10,336 100%

Table A6.8- Gas connections to non-domestic premises reported by IGTs

Connections by:	2005-06 (Percentage of year)	2006-07 (Percentage of year)	2007-08 (Percentage of year)
IGTs	342 (43%)	243 (33%)	168 (20%)
Companies affiliated to IGTs	138 (17%)	171 (23%)	377 (45%)
Third Parties	318 (40%)	325 (44%)	297 (35%)
Total	798 (100%)	739 (100%)	842 (100%)

Figure A6.6 - Non-Domestic Gas connections

Gas Connections: Performance Standards

1.14. As described in Chapter 3 of the main document, Connections related Guaranteed Standards of performance were introduced into both the Gas (Standards of Performance) Regulations 2005⁸ and GDNs' D10 Licence Condition⁹ at the time of National Grid's Distribution Network (DN) sales in 2005. In the main document we presented summary information on aggregate GDN performance against the standards. In this appendix we present a breakdown of performance by GDN. Where payments are referred to in the subsequent text, these relate to compensation to

⁸ Statutory Instrument 2005 No.1135

⁹ Standard Special Licence Condition D.10 of the Gas Transporters licence. National Grid Gas' performance against SLCD10 is measured in aggregate across their four GDNs which operate under a single licence

customers under the Regulations, not any potential fines in respect of licence breaches

GS 4 - Provision of standard connection quotations \leq 275 kWh per hour

1.15. GTs must provide a standard quotation for providing a new or altering an existing connection up to and including 275 kWh per hour within six working days. Where a GT fails to achieve this, a fixed payment of £10 must be made in respect of the initial failure and each additional day during which the failure continues. Where a quotation is later found to be inaccurate it has to be treated as if it wasn't provided on time. The cap per customer is the lesser of £250 or the quotation sum.

Figure A6.7 - Standard connection quotations \leq 275 kWh per hour

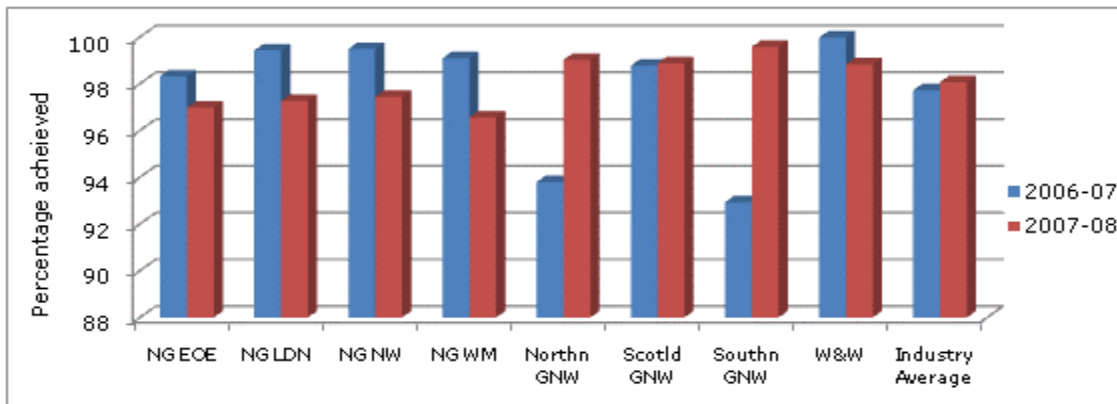
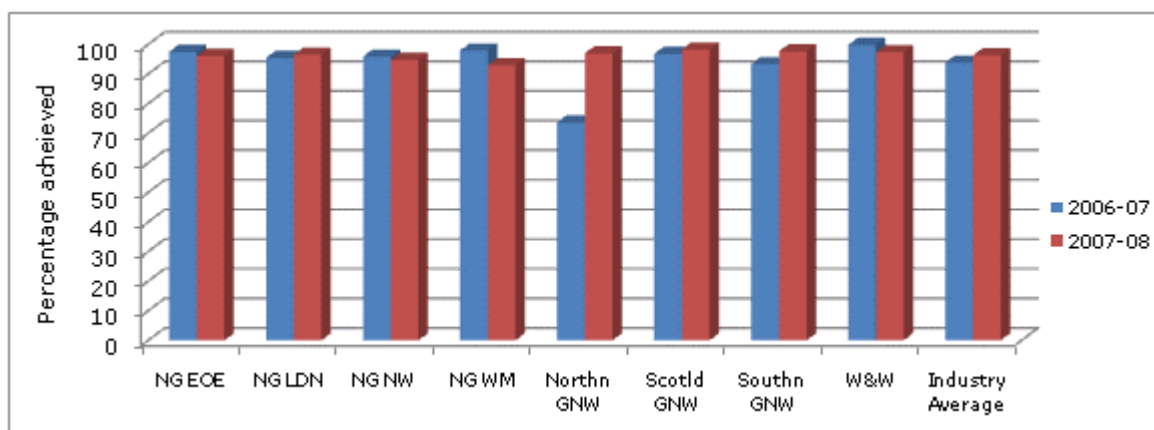


Table A6.9 - Standard connection quotations \leq 275 kWh per hour

GT	2006-07			2007-08		
	Number of requests	Number of standard quotations within timescale	% achieved	Number of requests	Number of standard quotations within timescale	% achieved
NG EOE	13,435	13,209	98.3	12,731	12,346	97.0
NG LDN	6,282	6,246	99.4	5,932	5,770	97.3
NG NW	8,992	8,946	99.5	7,309	7,122	97.4
NG WM	6,037	5,982	99.1	5,380	5,195	96.6
Northn GNW	6,609	6,199	93.8	4,196	4,155	99.0
Scotld GNW	2,610	2,578	98.8	3,309	3,272	98.9
Southn GNW	5,839	5,426	92.9	4,767	4,747	99.6
W&W	7,949	7,947	100.0	8,811	8,708	98.8
Total	57,753	56,533	97.9	52,435	51,315	97.9

GS 5 - Provision of nonstandard connection quotations \leq 275 kWh per hour

1.16. GTs must provide a non-standard quotation for providing a new, or altering an existing, connection up to and including 275 kWh per hour within 11 working days. Where a GT fails to achieve this, a fixed payment of £10 must be made in respect of the initial failure and each additional day during which the failure continues. Where a quotation is later found to be inaccurate it is treated as if it wasn't provided on time. The cap per customer is the lesser of £250 or the quotation sum.

Figure A6.8 - Nonstandard connection quotations \leq 275 kWh per hour**Table A6.10 - Nonstandard connection quotations \leq 275 kWh per hour**

GT	2006-07			2007-08		
	Number of requests	Number of non standard quotations provided within timescale	% achieved	Number of requests	Number of non standard quotations provided within timescale	% achieved
NG EOE	3,368	3,283	97.5	2,996	2,879	96.1
NG LDN	1,786	1,705	95.5	1,673	1,615	96.5
NG NW	1,993	1,911	95.9	1,487	1,409	94.8
NG WM	1,634	1,600	97.9	1,255	1,167	93.0
Northn GNW	2,274	1,674	73.6	2,226	2,159	97.0
Scotld GNW	8,153	7,893	96.8	7,837	7,702	98.3
Southn GNW	9,282	8,661	93.3	8,676	8,470	97.6
W&W	11,285	11,268	99.8	9,212	8,967	97.3
Total	39,775	37,995	95.5	35,362	34,368	97.2

GS6 - Provision of nonstandard connection quotations >275 kWh per hour

1.17. GTs must provide a non-standard quotation for providing a new, or altering an existing, connection greater than 275 kWh per hour within 21 working days. Where a GT fails to achieve this, a fixed payment of £20 must be made in respect of the initial failure and each additional day during which the failure continues. Where a quotation is later found to be inaccurate it is treated as if it wasn't provided on time. The cap per customer is the lesser of £500 or the quotation sum.

Figure A6.9 - Provision of nonstandard connection quotations >275 kWh per hour

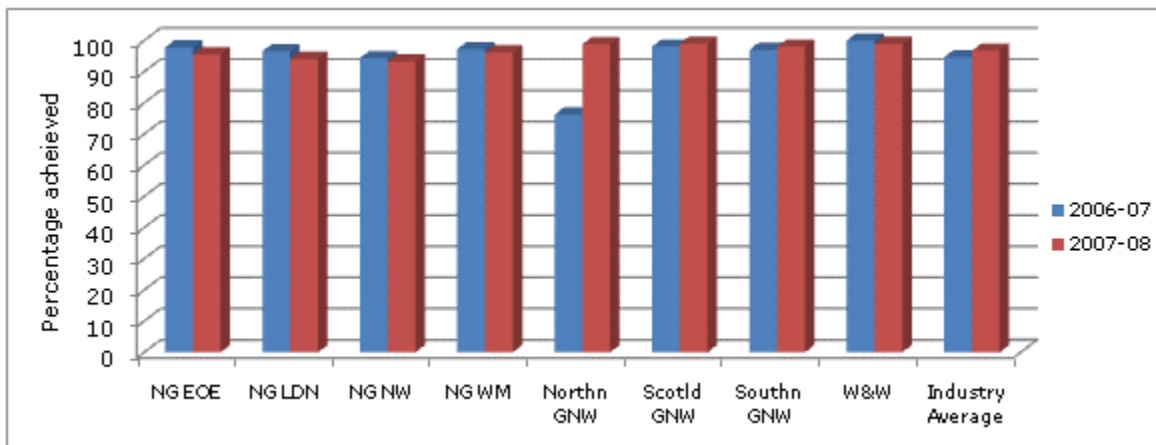


Table A6.11 - Provision of nonstandard connection quotations >275 kWh per hour

GT	2006-07			2007-08		
	Number of requests	Number of standard quotations within timescale	% achieved	Number of requests	Number of standard quotations within timescale	% achieved
NG EOE	992	970	97.8	697	666	95.6
NG LDN	579	559	96.5	544	512	94.1
NG NW	653	616	94.3	418	390	93.3
NG WM	474	461	97.3	367	353	96.2
Northn GNW	299	228	76.3	169	167	98.8
Scotld GNW	354	347	98.0	139	138	99.3
Southn GNW	368	357	97.0	322	316	98.1
W&W	315	315	100.0	93	92	98.9
Total	4,034	3,853	95.5	2,749	2,634	95.8

GS7 - The accuracy of quotations

1.18. Where a customer challenges a quotation under the GTs published accuracy scheme and the quotation is found to be inaccurate the GTs must refund any overcharge that has been made. The quotation is treated as a failure under the relevant Guaranteed Standard until a revised quotation has been provided.

1.19. Although a number of GTs found quotations to be inaccurate no refunds were issued in 2006-07 or 2007-08.

1.20. It is likely that no refunds were issued because the inaccurate quotations had not been paid for by customers, therefore, a refund was not required and the GDNs subsequently reissued the quotations.

Table A6.12 - The accuracy of quotations

GT	2006-07			2007-08		
	Number of quotations found to be inaccurate	Number of refunds issued	Percentage achieved	Number of quotations found to be inaccurate	Number of refunds issued	Percentage achieved
NG EOE	1	0	0.0	3	0	0.0
NG LDN	2	0	0.0	2	0	0.0
NG NW	-	-	-	-	-	-
NG WM	1	0	0.0	1	0	0.0
Northn GNW	5	0	0.0	2	0	0.0
Scotld GNW	10	0	0.0	-	-	-
Southn GNW	5	0	0.0	2	0	0.0
W&W	1	0	0.0	-	-	-
Total	25	0	0.0	10	0	0.0

GS8 - Response to land enquiries within 5 working days

1.21. A GT must respond to a land enquiry in respect of a new connection or alteration of an existing connection within 5 working days. Where a GT fails to achieve this, a fixed payment of £40 must be made in respect of the initial failure and each additional day during which the failure continues. There is a cap per customer of £250 for a new connection or altering an existing connection up to 275 kWh per hour and £500 for > 275 kWh per hour.

Figure A6.10 - Response to land enquiries within 5 working days

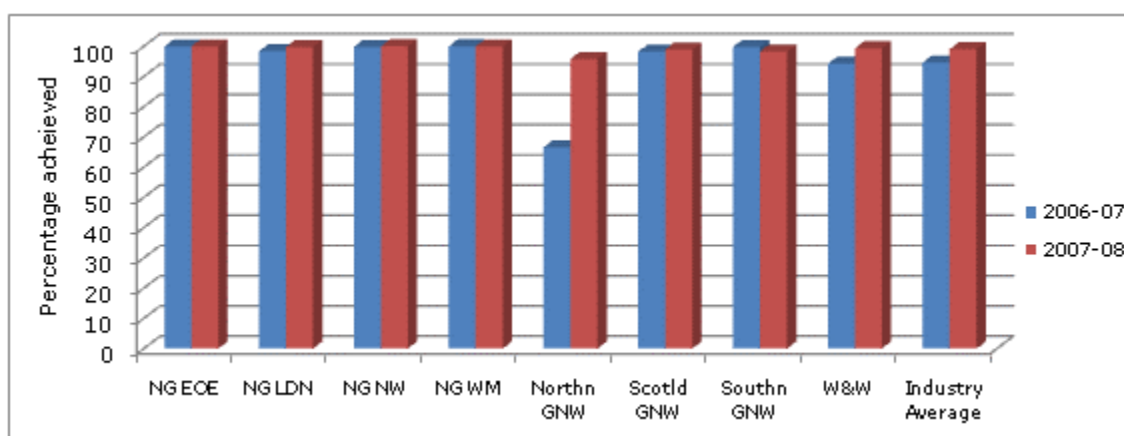


Table A6.13 - Response to land enquiries within 5 working days

GT	2006-07			2007-08		
	Number of requests	land enquiries provided within timescale	% achieved	Number of requests	Number of land enquiries provided within timescale	% achieved
NG EOE	18	14	77.8	186	185	99.5
NG LDN	10	10	100.0	73	72	98.6
NG NW	21	21	100.0	118	117	-
NG WM	11	11	100.0	88	87	98.9
Northn GNW	-	-	-	-	-	-
Scotld GNW	6	6	100.0	147	146	99.3
Southn GNW	471	471	100.0	300	296	98.7
W&W	-	-	-	-	-	-
Total	537	533	99.3	912	903	99.0

GS9 - Offering a date for commencement and substantial completion of connection work (≤ 275 kWh per hour)

1.22. Where a customer has accepted a quotation, the GT must offer a date for commencement of the work and substantial completion within 20 working days. Where a GT fails to achieve this, a fixed payment of £20 will be made in respect of the initial failure and each additional day during which the failure continues. The cap per customer is the lesser of £250 or the contract sum.

Figure A6.11 - Offering a date for commencement and substantial completion of connection work (≤ 275 kWh per hour)

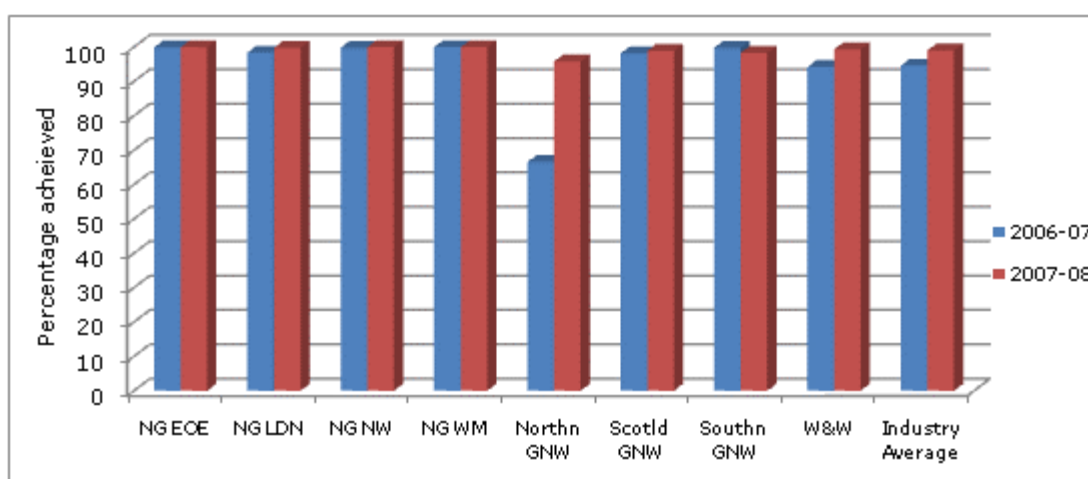


Table A6.14 - Offering a date for commencement and substantial completion of connection work (≤ 275 kWh per hour)

GT	2006-07			2007-08		
	Number of quotations accepted	Both dates offered within timescale	% achieved	Number of quotations accepted	Both dates offered within timescale	% achieved
NG EOE	13,066	13,049	99.9	9,930	9,924	99.9
NG LDN	6,113	6,012	98.3	3,907	3,898	99.8
NG NW	7,412	7,396	99.8	5,628	5,626	100.0
NG WM	4,713	4,711	100.0	3,644	3,642	99.9
Northn GNW	8,207	5,459	66.5	8,203	7,856	95.8
Scotld GNW	7,425	7,289	98.2	9,159	9,059	98.9
Southn GNW	10,108	10,084	99.8	8,335	8,192	98.3
W&W	12,325	11,606	94.2	11,060	10,982	99.3
Total	69,369	65,606	94.6	59,866	59,179	98.9

GS10 - Offering a date for commencement and substantial completion of connection work (> 275 kWh per hour)

1.23. Where a customer has accepted a quotation, the GT must offer a date for commencement of the work and substantial completion within 20 working days. Where a GT fails to achieve this, a fixed payment of £40 will be made in respect of the initial failure and each additional day during which the failure continues. The cap per customer is the lesser of £500 or the contract sum.

Figure A6.12 - Offering a date for commencement and substantial completion of connection work (> 275 kWh per hour)

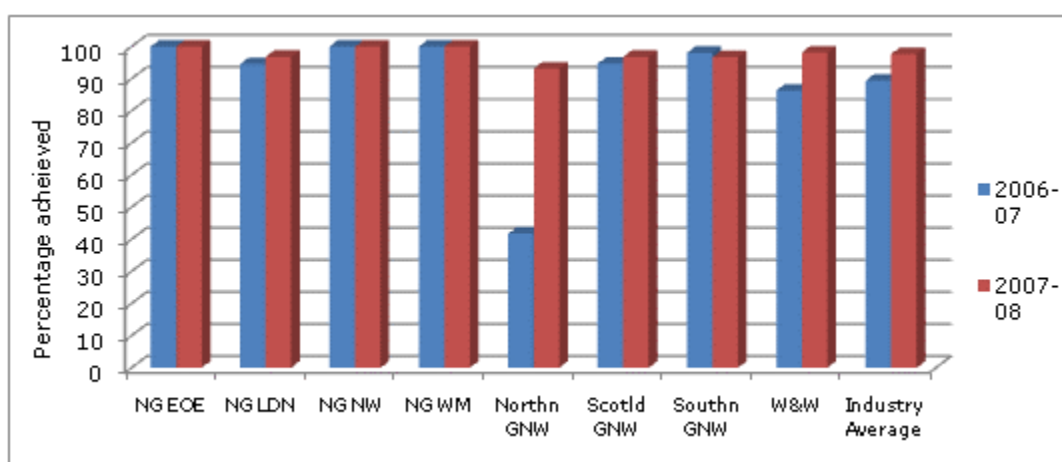


Table A6.15 - Offering a date for commencement and substantial completion of connection work (> 275 kWh per hour)

GT	2006-07			2007-08		
	Number of quotations accepted	Both dates offered within timescale	% achieved	Number of quotations accepted	Both dates offered within timescale	% achieved
NG EOE	94	94	100.0	12	12	100.0
NG LDN	55	52	94.5	31	30	96.8
NG NW	51	51	100.0	6	6	100.0
NG WM	44	44	100.0	7	7	100.0
Northn GNW	127	53	41.7	73	68	93.2
Scotld GNW	75	71	94.7	31	30	96.8
Southn GNW	101	99	98.0	90	87	96.7
W&W	146	126	86.3	54	53	98.1
Total	693	590	85.1	304	293	96.4

GS11 - Completion of the work on the agreed date

1.24. Where a GT fails to substantially complete a connection on the date agreed with the customer, a payment will be made in respect of the initial failure and each additional day during which the failure continues. The Payment levels are set as follows: connections up to and including £1k - £20 (capped at lesser of £200 or the contract sum); >£1k but not exceeding £4k - lesser of £100 or 2.5% of contract sum (cap at 25% of contract sum); >£4k not exceeding £20k - £100 (cap at 25% of contract sum); >£20k but not exceeding £50k - £100 (cap at £5000); >£50k but not exceeding £100k - £150 (cap at £9000).

Figure A6.13 - Completion of the work on the agreed date

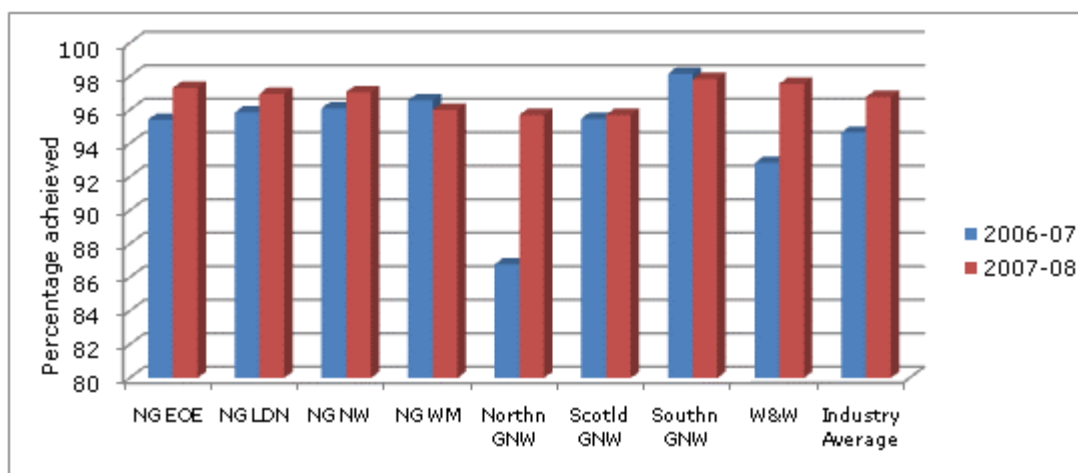


Table A6.16 - Completion of the work on the agreed date

GT	2006-07			2007-08		
	Number of Substantially Completed Quotations	Within agreed timescale	% achieved	Number of Substantially Completed Quotations	Within agreed timescale	% achieved
NG EOE	13,233	12,627	95.4	11,475	11,168	97.3
NG LDN	6,054	5,803	95.9	4,223	4,095	97.0
NG NW	7,349	7,062	96.1	6,035	5,858	97.1
NG WM	5,450	5,264	96.6	4,095	3,932	96.0
Northn GNW	7,630	6,622	86.8	7,272	6,960	95.7
Scotld GNW	6,199	5,919	95.5	8,118	7,770	95.7
Southn GNW	9,511	9,337	98.2	8,417	8,237	97.9
W&W	11,870	11,020	92.8	11,152	10,881	97.6
Total	67,296	63,654	94.6	60,787	58,901	96.90

IGT performance against guaranteed standards

1.25. IGT's must meet the same guaranteed standards as GDNs. Table A6.17 and Figure A6.14 below show how IGTs performed against the standards as an industry average.

1.26. We did not collect guaranteed standards data from one IGT and this IGT's performance has not been included in table A6.17 and Figure A6.14. Data for GS 7 and 8 has not been included below as IGTs reported that they did not find any quotations to be inaccurate (GS7) or receive any land enquiries (GS8) in this period.

Figure A6.14 - IGT performance against guaranteed standards

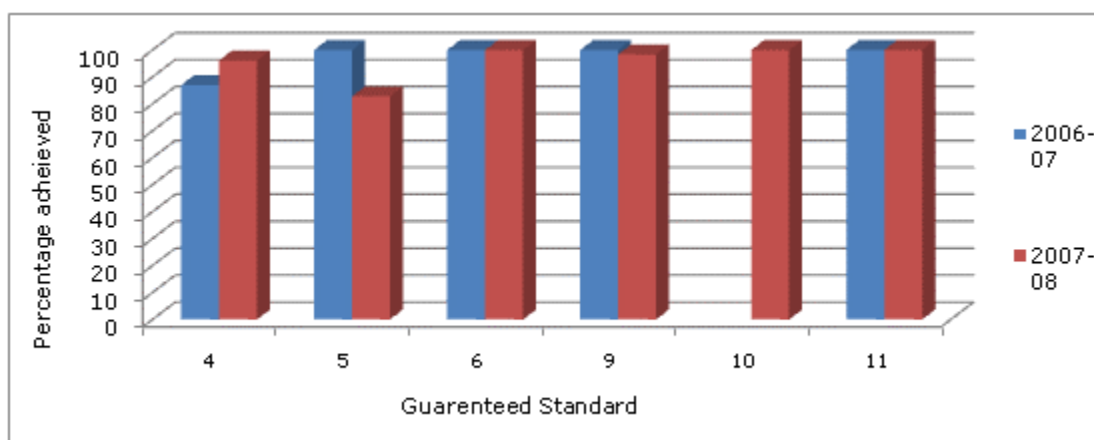


Table A6.17 - IGT performance against guaranteed standards

GS	2006-07			2007-08		
	Requests received	Achieved within timeframe	% achieved	Requests received	Achieved within timeframe	% achieved
4	115	100	86.96	103	99	96.12
5	227	227	100.00	302	250	82.78
6	10	10	100.00	17	17	100.00
9	259	259	100.00	247	243	98.38
10	-	-	-	12	12	100.00
11	201	201	100.00	237	237	100.00
Total	812	797	97.4*	918	858	96.2*

*Unweighted average of the percentage achieved across the 6 relevant guaranteed standards

Appendix 7 - Metered electricity connections: detailed analysis

- This appendix contains further information about DNO and IDNO metered electricity connections as well as DNOs performance against service standards.
- The templates used to gather this information can be found at www.ofgem.gov.uk under Networks -> Connections -> Connections Industry Review.

Number of metered electricity connections by voltage¹⁰

1.1. In 2007-08 a total of 337,556 LV connections by in-area DNOs and IDNOs were reported. This compares to 320,315 in 2006-07. DNO's also completed 618 HV and 9 EHV connections in 2007-08, this compares to 355 HV and 13 EHV in 2006-07. The totals for numbers of connections include modified connections. Modified connections refer to increases in capacity, which may include contestable elements, but also to 'service alterations' which are generally not contestable.

1.2. DNOs also reported 94 DG connections to their networks in the period. This compares to 151 in 2006-07. IDNOs did not report any DG connections to their networks.

1.3. For connections established since 1 April 2005 relevant DG will have been charged under a 'shallowish' connections charging regime¹¹. This is similar to the regime for demand connections and is addressed in each DNO's connections charging methodology. They will also be eligible to pay use of system charges subject to the incentive schemes for DG and registered power zones under the electricity distribution price control.

1.4. The total capacity of relevant DG connected to DNO networks as at 31 March 2008 was reported to be 442MW (compared to 181MW at 31 March 2007). An approximate breakdown of the 442MW total capacity into generation types is shown below, although the mix varies around the country.

▪ Onshore wind	35%
▪ Offshore wind	1%
▪ Biomass & energy crops (not CHP)	2%
▪ Hydro	2%
▪ Landfill gas, sewage gas, biogas (not CHP)	36%

¹⁰ In this section HV connections for SSE Hydro and SSE Southern have not been broken out and have been included in the total for LV connections as has been the case in previous editions of the CIR.

¹¹ Prior to this distributed generators paid 'deep' connection charges i.e. they paid all of the costs associated with their connection to the network without apportionment or limit.

- Photovoltaic 1%
- Mini CHP (<1 MW) 2%
- Small CHP (>=1 MW, <5MW) 7%
- Medium CHP (>=5MW, <50MW) 10%
- Other generation 4%

Further information on DG can be found on the Ofgem website under Electricity Distribution -> Policy -> Distributed Generation

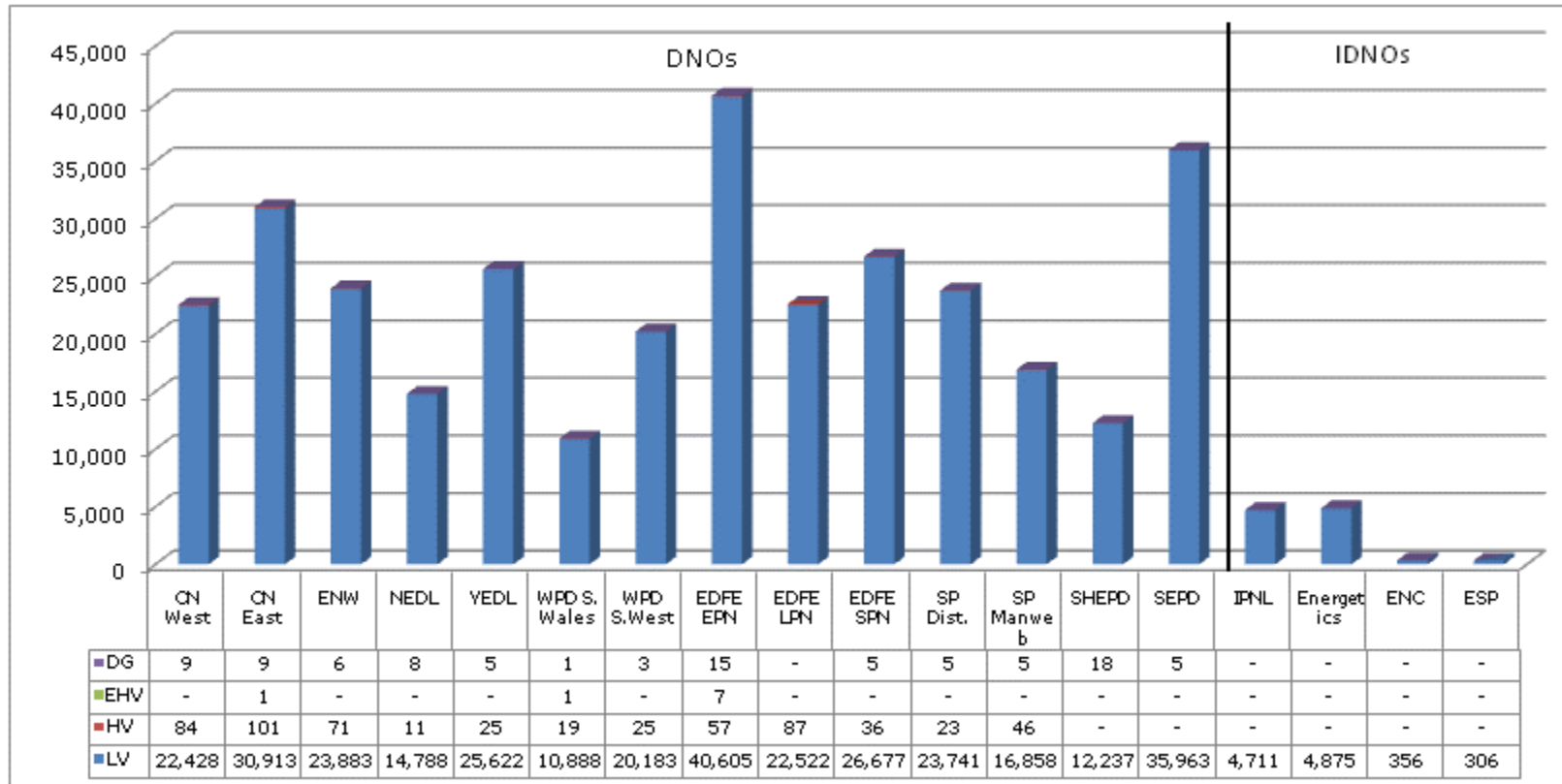
Table A7.1 - Total number of metered electricity connections by voltage and provider, DNO networks

Connection by:	LV	HV	EHV	DG	Total
DNOs	293,681	382	8	90	294,161
Companies affiliated to DNOs	19,700	27	0	0	19,727
Independent connections providers	13,927	176	1	4	14,108
Total	327,308	585	9	94	327,996

Table A7.2 - Total number of metered electricity connections by voltage and provider, IDNO networks

Connection by:	LV	HV	EHV	DG	Total
IDNOs	308	0	0	0	308
Companies affiliated to IDNOs	3,961	0	0	0	3,961
Independent connections providers	5,979	0	0	0	5,979
Total	10,248	0	0	0	10,248

Figure A7.1 - Total number of metered electricity connections reported by distribution network operator and voltage¹²



¹² In this section HV connections for SHEPD and SEPD have not been broken out and have been included in the total for LV connections as has been the case in previous editions of the CIR.

Charges for metered electricity connections by voltage ^{13,14}

1.5. Where DNO's and IDNOs were able to report the charges they made by voltage they reported charges for Low Voltage ("LV") connections in 2007-08 as over £411 million. Charges of approximately £88 million and £45 million were also reported for High Voltage ("HV") and Extra High Voltage ("EHV") connections respectively.

1.6. Total charges of nearly £36 million were reported for Distributed Generation ("DG") connections in the period. This compares to almost £28 million in 2006-07.

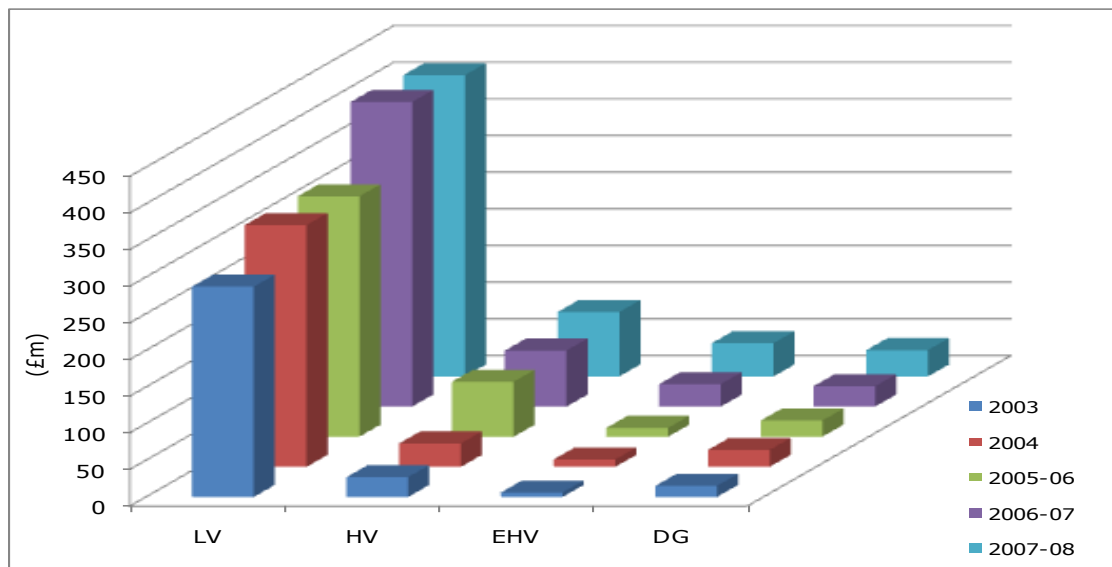
Table A7.3- Breakdown of metered electricity connection charges by voltage (£ millions)

	DNOs (£m)	IDNO (£m)	Total (£m)
LV	411.160	0.008	411.168
HV	87.800	0.000	87.800
EHV	45.400	0.000	45.400
DG	35.850	0.000	35.850
Total Attributed	580.210	0.008	580.218
Total Unattributed	40.445	0.000	40.445
Total	620.655	0.008	620.663

¹³ In addition to reporting separately by voltage tier, we have reported DG connections separately from supply connections

¹⁴ Two DNO's were unable to split out LV, HV and EHV connections charges. LV, HV and EHV connection charges made by these DNOs have not been included in this section. DG charges by these DNO's are included in this section.

Figure A7.2 - Historical summary of metered electricity connection charges by voltage (£ millions)¹⁵



Connection of Embedded Networks

1.7. In 2007-08 there were 218 new connection points between licensees networks and embedded networks. All of these connections were reported by DNOs, i.e. related to a connection by an embedded network to a DNO network rather than an IDNO network.

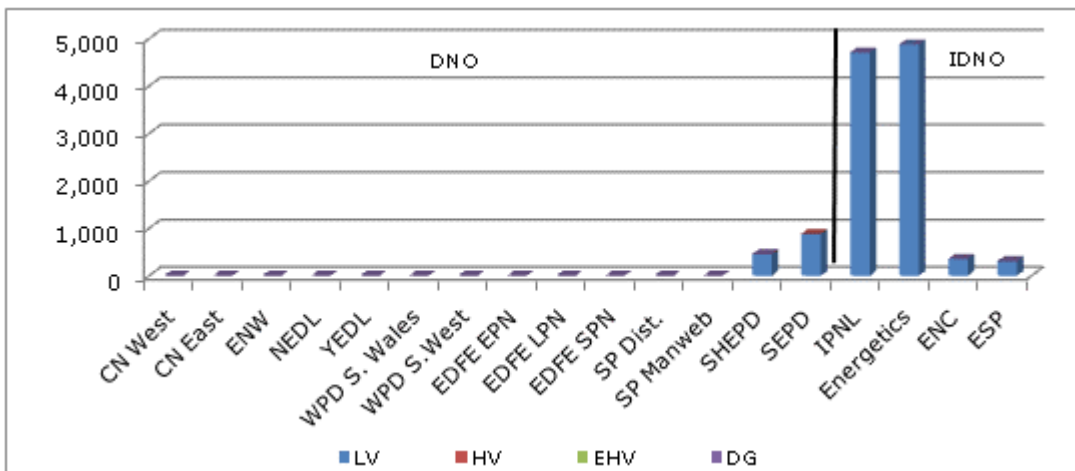
Out of area connections

1.8. In 2007-08 DNOs and IDNOs completed a total of 11,585 connections outside their DSA. This compares with 2,326 in 2006-07.

1.9. 1,337 of the 11,585 out of area connections were completed by DNOs acting outside of the DSA. The remainder of the out of area connections were reported by IDNOs who do not have a DSA. The number of out of area connections reported by each DNO can be seen in Figure A7.3.

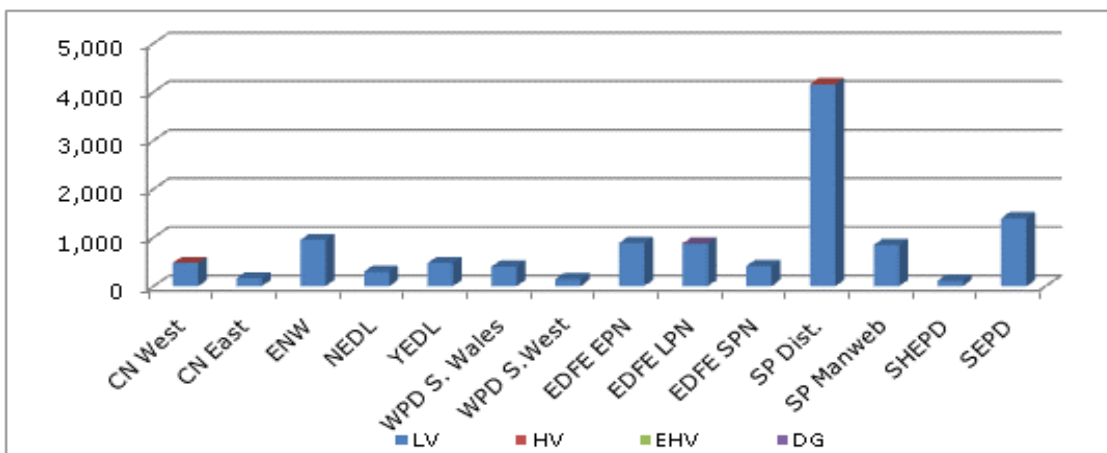
¹⁵ Unattributed values shown in Table A7.3 not included in chart

Figure A7.3 – Number of independent network connections reported (2007-08)



1.10. 4,159 of the 11,585 out of area connections completed were in Scottish Power Distribution’s DSA. The Geographical disposition of all the independent network connections detailed in Figure A7.3 can be seen in Figure A7.4 below.

Figure A7.4 - Geographical (DSA) disposition of independent network connections reported (2007-08)¹⁶



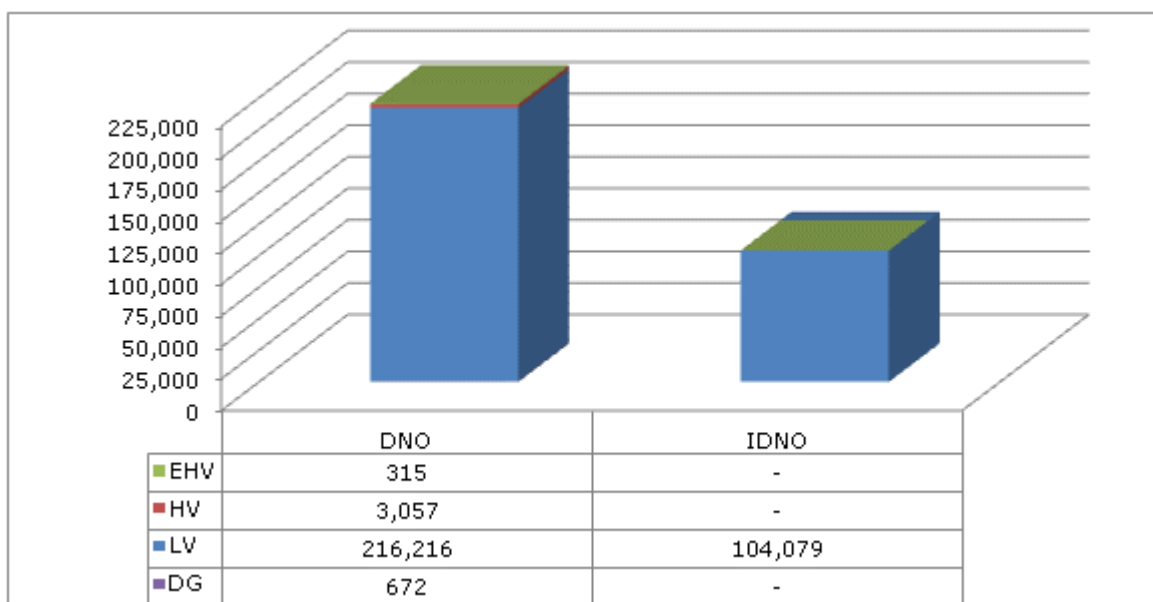
¹⁶ In this section HV connections for SSE Hydro and SSE Southern have not been broken out and have been included into the total for LV connections as has been the case in previous editions of the CIR.

Total number of Electricity connection queries handled

1.11. We asked DNOs and IDNOs about the number of connection queries they receive. As this was the first year we have requested this information estimated data has been accepted.

1.12. In 2007-08 324,339 connection queries were handled by DNOs and IDNOs. Of the 220,260 connection queries handled by DNOs approximately 55 per cent resulted in an acceptance of the offer. Approximately 12 per cent of the 104,079 connection queries handled by IDNOs resulted in an acceptance of the offer.

Figure A7.5 - Number of electricity connection enquiries handled by voltage



Breakdown by licensee of performance reporting against SLC 15 (Formerly 4F) – Standards for the provision of Non-Contestable Connection Services

Table A7.4 - DNO average performance against SLC 15 - Provision of quotations

Service	Required Standard	Percentage achieved
1a) LV demand: For a new demand connection to the licensee's distribution system where the highest voltage of the assets at the point of connection and any associated works is not more than one kV.	Within 15 working days of receiving the request.	97.18
1b) LV generation: For a new generation connection to the licensee's distribution system where the highest voltage of the assets at the point of connection and any associated works is not more than one kV.	Within 30 working days of receiving the request.	100
1c) HV demand: For a new demand connection to the licensee's distribution system where the highest voltage of the assets at the point of connection and any associated works is more than one kV but not more than 22 kV.	Within 20 working days of receiving the request.	94
1d) HV generation: For a new generation connection to the licensee's distribution system where the highest voltage of the assets at the point of connection and associated works is more than one kV but not more than 22 kV.	Within fifty working days of receiving the request.	100
1e) EHV demand: For a new demand connection to the licensee's distribution system where the highest voltage of the assets at the point of connection and associated works is more than 22 kV but nor more than 72 kV.	Within fifty working days of receiving the request	95
1f) Other connections: For a new demand connection or generation connection to the licensee's distribution system that is not included within the preceding sub-paragraphs.	Within three months of receiving the request.	100

Table A7.5 - DNO average performance against SLC 15 - Information and design submissions

Service	Required standard	Percentage achieved
2a) Point of connection information: Provide the technical information necessary to enable the applicant to identify the proposed location and characteristics of the point of connection of the premises to the licensee's distribution system, where the highest voltage of the assets at that point and any Associated Works is more than 22 kV but not more than 72 kV.	Within 30 working days of receiving the request.	97
2b) Design submissions: For LV and high voltage connections: in response to a design submitted by the applicant for the licensee's approval, outlining a new proposal for connection premises to the licensee's distribution system, provide a written approval of the proposed design, or a written rejection stating reasons for rejection.	Within 10 working days of receiving the proposed design (unless any part of it would require or directly affect the use of EHV assets).	95
2c) Design submissions: For EHV and other connections: in response to a design submitted by the applicant for the licensee's approval, outlining a new proposal for connection premises to the licensee's distribution system, provide a written approval of the proposed design or a written rejection stating reasons for rejection.	Within 20 working days of receiving the proposed design.	93

Table A7.6 - DNO performance against SLC 15 - Final works and phased energisation

Service	Required standard	Percentage achieved
3a) Low voltage connections: Complete the final works for a low voltage connection	Within 10 working days of receiving the request	95
3b) High voltage connections: Complete the final works for a high voltage connection	Within 20 working days of receiving the request	95
3c) Extra high voltage connections: Inform the applicant of the date by which it is proposed to complete the final works for an extra high voltage connection	Within 20 working days of receiving the request (and complete the works as soon as reasonably practicable)	100
3d) Low voltage energisation: Complete the works required for a low voltage phased energisation.	Within 5 working days of receiving the request.	91
3e) High voltage energisation: complete works required for a high voltage phased energisation.	Within 10 working days of receiving the request	100

SLC 15 – Appendix 1 1(a) – Provision of LV demand quotation: 90 per cent within 15 working days

Figure A7.6 - Individual DNO performance against SLC 15 – Appendix 1 1(a)

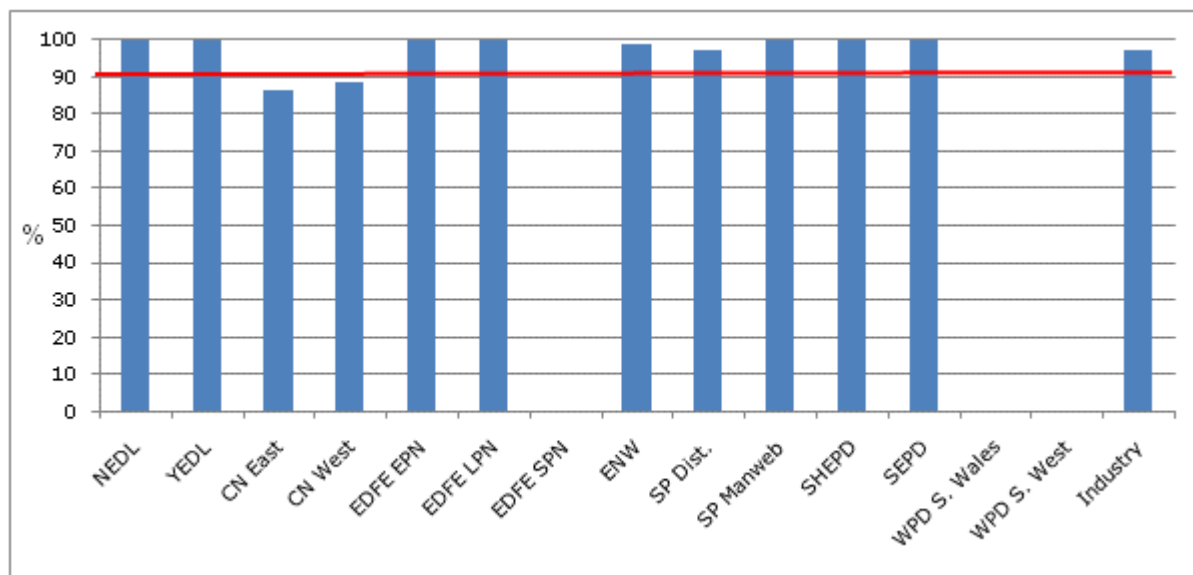


Table A7.7 - Individual DNO performance against SLC 15 – Appendix 1 1(a)

DNO	Total LV Quotations issued	Issued within timescale	Percentage Achieved
NEDL	26	26	100
YEDL	68	68	100
CN East	67	58	87
CN West	63	56	89
EDFE EPN	1	1	100
EDFE LPN	1	1	100
EDFE SPN	-	-	-
ENW	227	224	99
SP Dist.	451	440	98
SP Manweb	125	125	100
SHEPD	13	13	100
SEPD	21	21	100
WPD S. Wales	-	-	-
WPD S. West	-	-	-
Industry total	1063	1033	97

SLC 15 – Appendix 1 1(b) – Provision of LV generation quotation: 90 per cent within 30 working days

Figure A7.7 - Individual DNO performance against SLC 15 – Appendix 1 1(b)

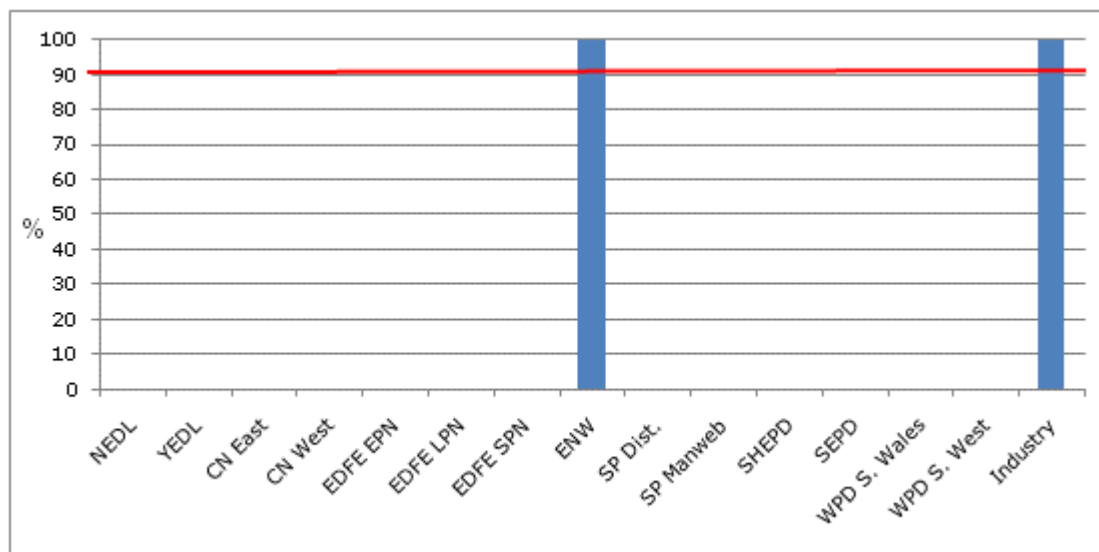


Table A7.8 - Individual DNO performance against SLC 15 – Appendix 1 1(b)

DNO	Total Quotations issued	Issued within timescale	Percentage Achieved
NEDL	-	-	-
YEDL	-	-	-
CN East	-	-	-
CN West	-	-	-
EDFE EPN	-	-	-
EDFE LPN	-	-	-
EDFE SPN	-	-	-
ENW	1	1	100
SP Dist.	-	-	-
SP Manweb	-	-	-
SHEPD	-	-	-
SEPD	-	-	-
WPD S. Wales	-	-	-
WPD S. West	-	-	-
Industry	1	1	100

SLC 15 – Appendix 1 1(c) – Provision of HV demand quotation: 90 per cent within 20 working days

Figure A7.8 - Individual DNO performance against SLC 15 – Appendix 1 1(c)

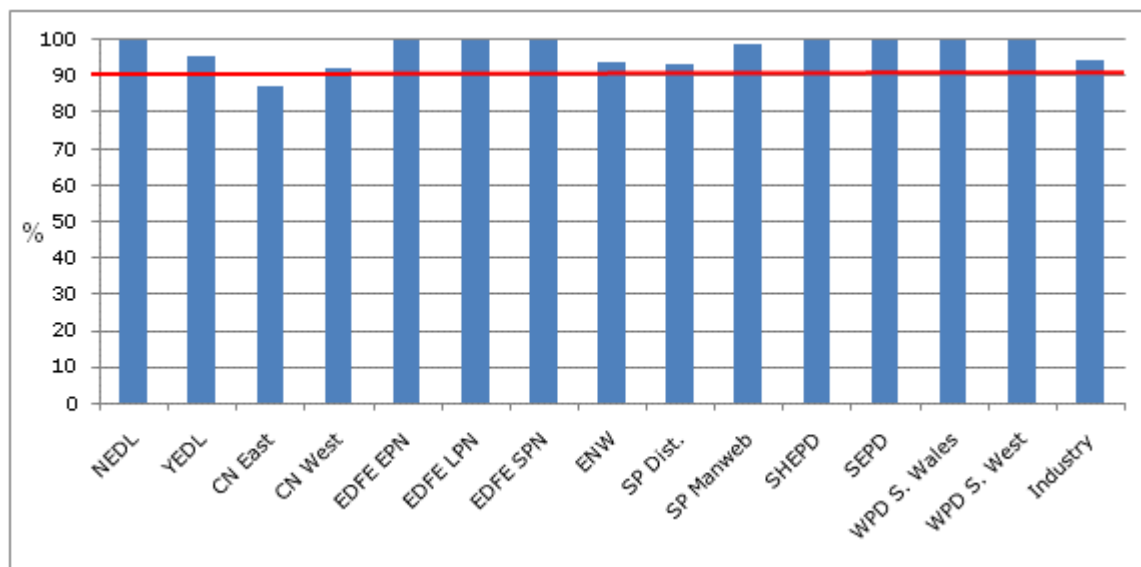


Table A7.9 - Individual DNO performance against SLC 15 – Appendix 1 1(c)

DNO	Total Quotations issued	Issued within timescale	Percentage Achieved
NEDL	14	14	100
YEDL	66	63	95
CN East	142	124	87
CN West	129	119	92
EDFE EPN	2	2	100
EDFE LPN	2	2	100
EDFE SPN	1	1	100
ENW	230	216	94
SP Dist.	442	412	93
SP Manweb	318	315	99
SHEPD	6	6	100
SEPD	6	6	100
WPD S. Wales	2	2	100
WPD S. West	1	1	100
Industry	1361	1283	94

SLC 15 – Appendix 1 1(d) – Provision of HV generation quotation: 90 per cent within 50 working days

Figure A7.9 - Individual DNO performance against SLC 15 – Appendix 1 1(d)

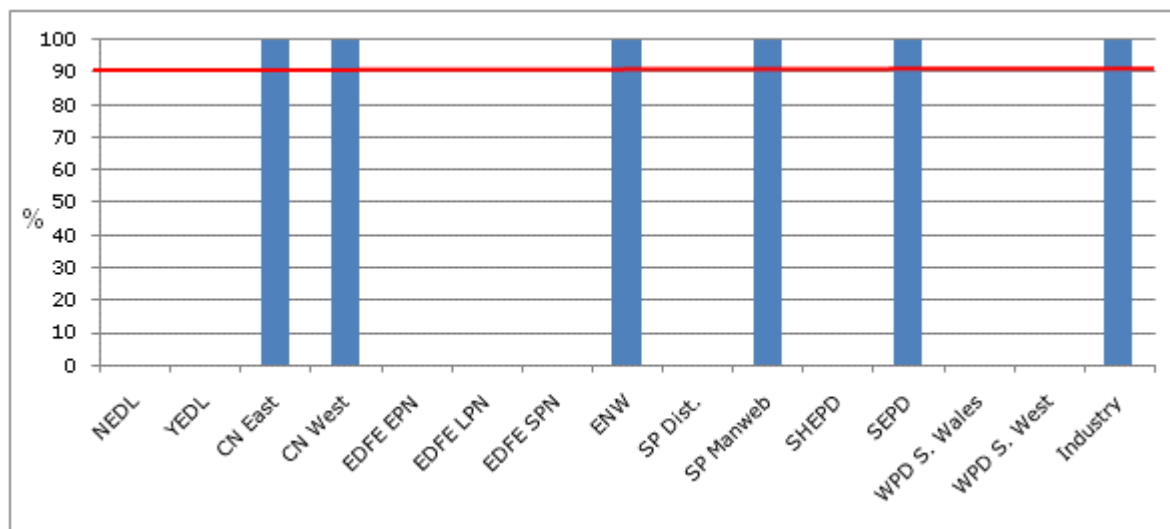


Table A7.10 - Individual DNO performance against SLC 15 – Appendix 1 1(d)

DNO	Total Quotations issued	Issued within timescale	Percentage Achieved
NEDL	-	-	-
YEDL	-	-	-
CN East	1	1	100
CN West	7	7	100
EDFE EPN	-	-	-
EDFE LPN	-	-	-
EDFE SPN	-	-	-
ENW	2	2	100
SP Dist.	-	-	-
SP Manweb	1	1	100
SHEPD	-	-	-
SEPD	2	2	100
WPD S. Wales	-	-	-
WPD S. West	-	-	-
Industry	13	13	100

SLC 15 – Appendix 1 1(e) – Provision of EHV demand quotations: 90 per cent within 50 working days

Figure A7.10 - Individual DNO performance against SLC 15 – Appendix 1 1(e)

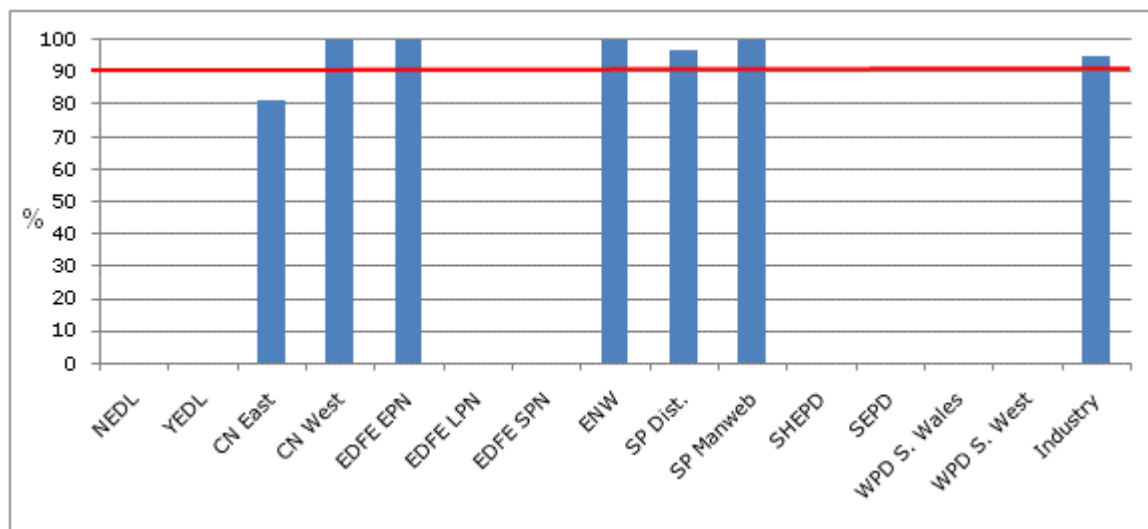


Table A7.11 - Individual DNO performance against SLC 15 – Appendix 1 1(e)

DNO	Total Quotations issued	Issued within timescale	Percentage Achieved
NEDL	-	-	-
YEDL	-	-	-
CN East	16	13	81
CN West	10	10	100
EDFE EPN	1	1	100
EDFE LPN	-	-	-
EDFE SPN	-	-	-
ENW	3	3	100
SP Dist.	33	32	97
SP Manweb	16	16	100
SHEPD	-	-	-
SEPD	-	-	-
WPD S. Wales	-	-	-
WPD S. West	-	-	-
Industry	79	75	95

SLC 15 – Appendix 1 1(f) – Provision of other quotations for new demand or generation: 90 per cent within three months of receiving the request

Figure A7.11 – Individual DNO performance against SLC 15 – Appendix 1 1(f)

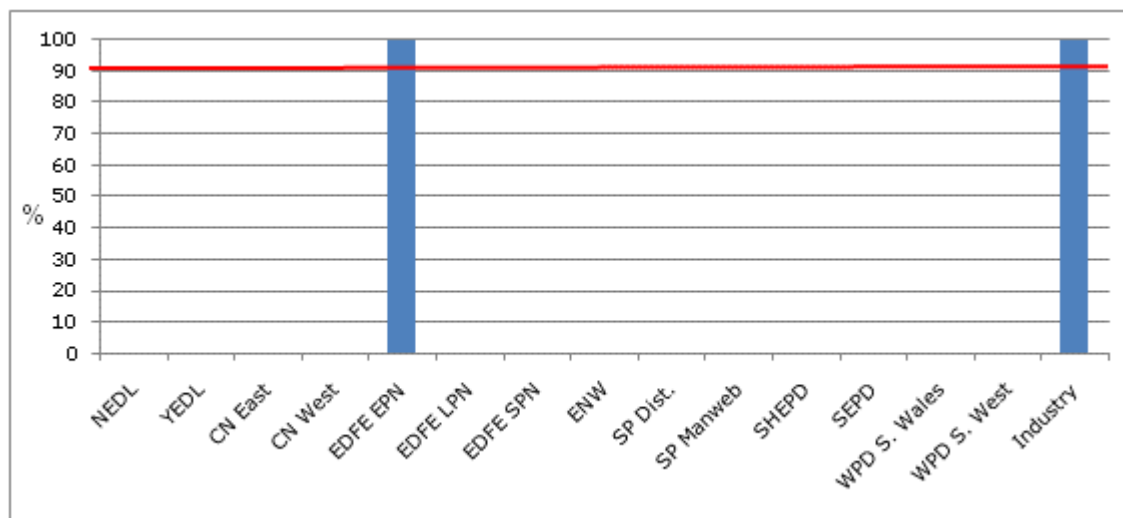


Table A7.12 – Individual DNO performance against SLC 15 – Appendix 1 1(f)

DNO	Total Quotations issued	Issued within timescale	Percentage Achieved
NEDL	-	-	-
YEDL	-	-	-
CN East	-	-	-
CN West	-	-	-
EDFE EPN	1	1	100
EDFE LPN	-	-	-
EDFE SPN	-	-	-
ENW	-	-	-
SP Dist.	-	-	-
SP Manweb	-	-	-
SHEPD	-	-	-
SEPD	-	-	-
WPD S. Wales	-	-	-
WPD S. West	-	-	-
Industry	1	1	100

SLC 15 – Appendix 1 2(a) – Providing Point of connection (POC) information: 90 per cent within 30 working days

Figure A7.12 - Individual DNO performance against SLC 15 – Appendix 1 2(a)

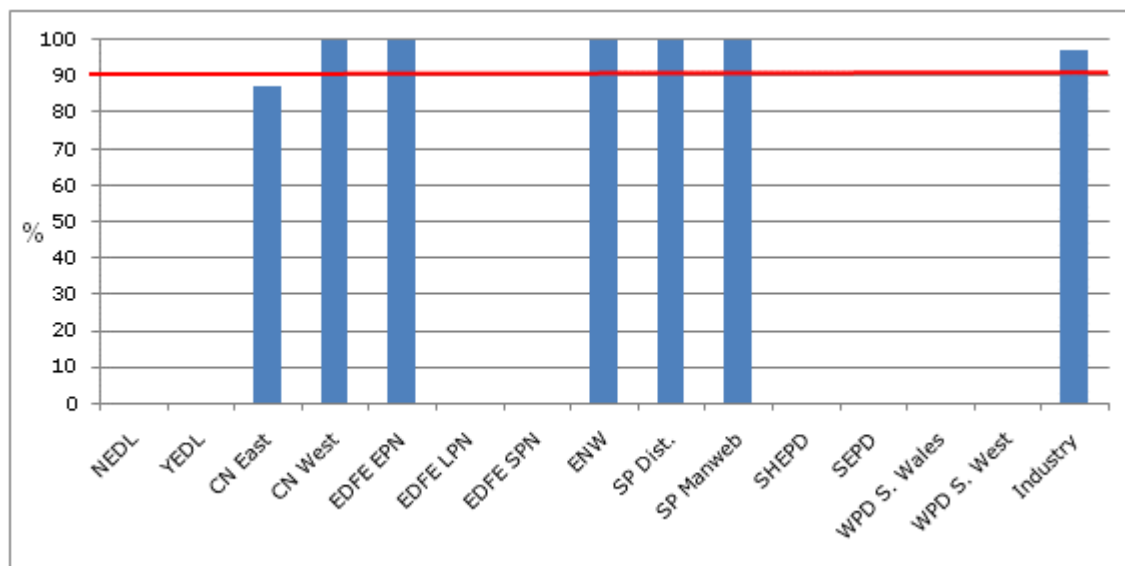


Table A7.13 - Individual DNO performance against SLC 15 – Appendix 1 2(a)

DNO	Total Quotations issued	Issued within timescale	Percentage Achieved
NEDL	-	-	-
YEDL	-	-	-
CN East	16	14	88
CN West	10	10	100
EDFE EPN	1	1	100
EDFE LPN	-	-	-
EDFE SPN	-	-	-
ENW	3	3	100
SP Dist.	33	33	100
SP Manweb	16	16	100
SHEPD	-	-	-
SEPD	-	-	-
WPD S. Wales	-	-	-
WPD S. West	-	-	-
Industry	79	77	97

SLC 15 – Appendix 1 2(b) – Providing design submissions for LV and HV connections: 90 per cent within 10 working days

Figure A7.13 - Individual DNO performance against SLC 15 – Appendix 1 2(b)

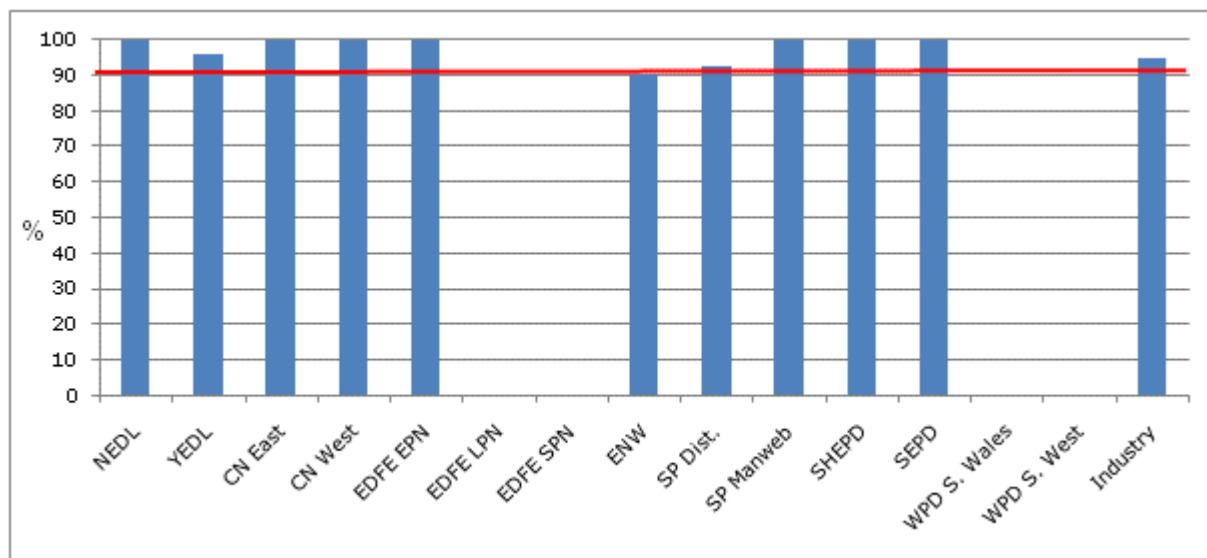


Table A7.14 - Individual DNO performance against SLC 15 – Appendix 1 2(b)

DNO	Connection designs approved / rejected	Approved / rejected within timescale	Percentage achieved
NEDL	6	6	100
YEDL	27	26	96
CN East	41	41	100
CN West	33	33	100
EDFE EPN	1	1	100
EDFE LPN	-	-	-
EDFE SPN	-	-	-
ENW	168	152	90
SP Dist.	494	457	93
SP Manweb	233	233	100
SHEPD	18	18	100
SEPD	1	1	100
WPD S. Wales	-	-	-
WPD S. West	-	-	-
Industry	1,022	968	95

SLC 15 – Appendix 1 2(c) – Providing design submissions for EHV and other connections: 90 per cent within 20 working days

Figure A7.14 - Individual DNO performance against SLC 15 – Appendix 1 2(c)

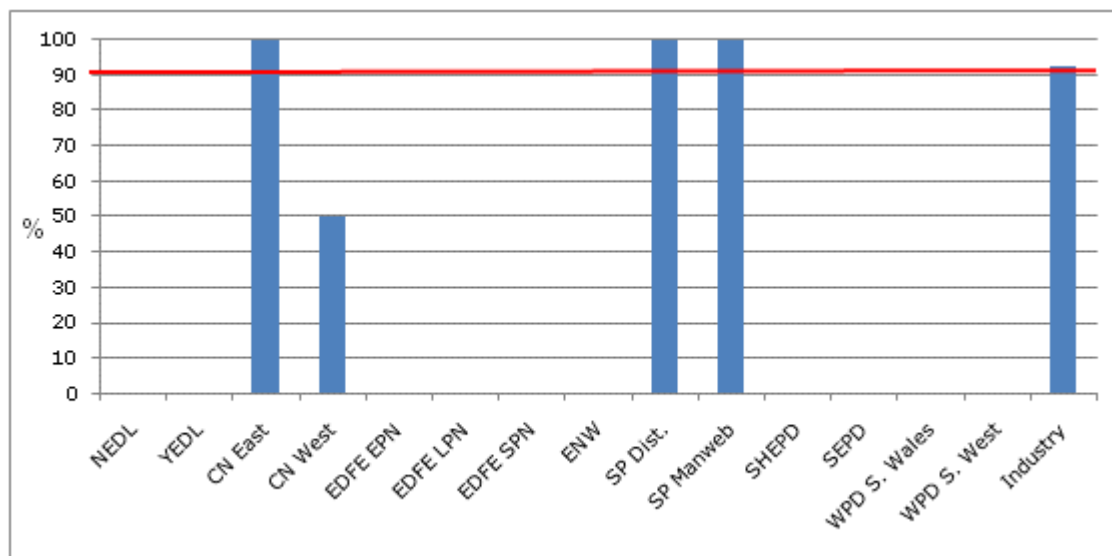


Table A7.15 - Individual DNO performance against SLC 15 – Appendix 1 2(c)

DNO	Connection designs approved / rejected	Approved / rejected within timescale	Percentage achieved
NEDL	-	-	-
YEDL	-	-	-
CN East	3	3	100
CN West	2	1	50
EDFE EPN	-	-	-
EDFE LPN	-	-	-
EDFE SPN	-	-	-
ENW	-	-	-
SP Dist.	4	4	100
SP Manweb	5	5	100
SHEPD	-	-	-
SEPD	-	-	-
WPD S. Wales	-	-	-
WPD S. West	-	-	-
Industry	14	13	93

SLC 15 – Appendix 1 3(a) – Complete final works for a LV connection: 90 per cent within 10 working days

Figure A7.15 - Individual DNO performance against SLC 15 – Appendix 1 3(a)

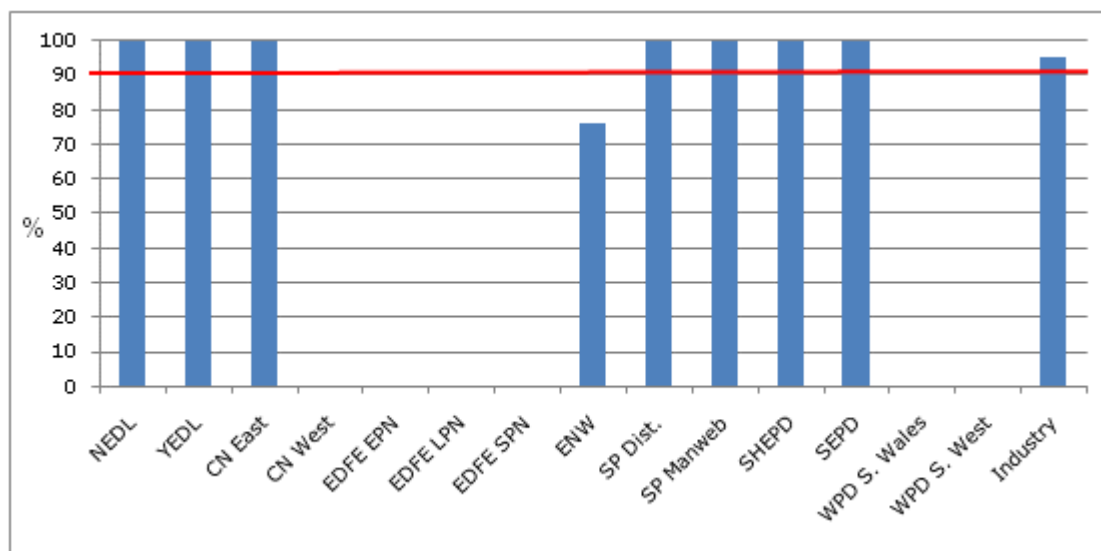


Table A7.16 - Individual DNO performance against SLC 15 – Appendix 1 3(a)

DNO	Final works completed	Completed within timescale	Percentage achieved
NEDL	143	143	100
YEDL	103	103	100
CN East	11	11	100
CN West	-	-	-
EDFE EPN	-	-	-
EDFE LPN	-	-	-
EDFE SPN	-	-	-
ENW	97	74	76
SP Dist.	25	25	100
SP Manweb	85	85	100
SHEPD	16	16	100
SEPD	3	3	100
WPD S. Wales	-	-	-
WPD S. West	-	-	-
Industry	483	460	95

SLC 15 – Appendix 1 3(b) – Complete final works for a HV connection: 90 per cent within 20 working days

Figure A7.16 - Individual DNO performance against SLC 15 – Appendix 1 3(b)

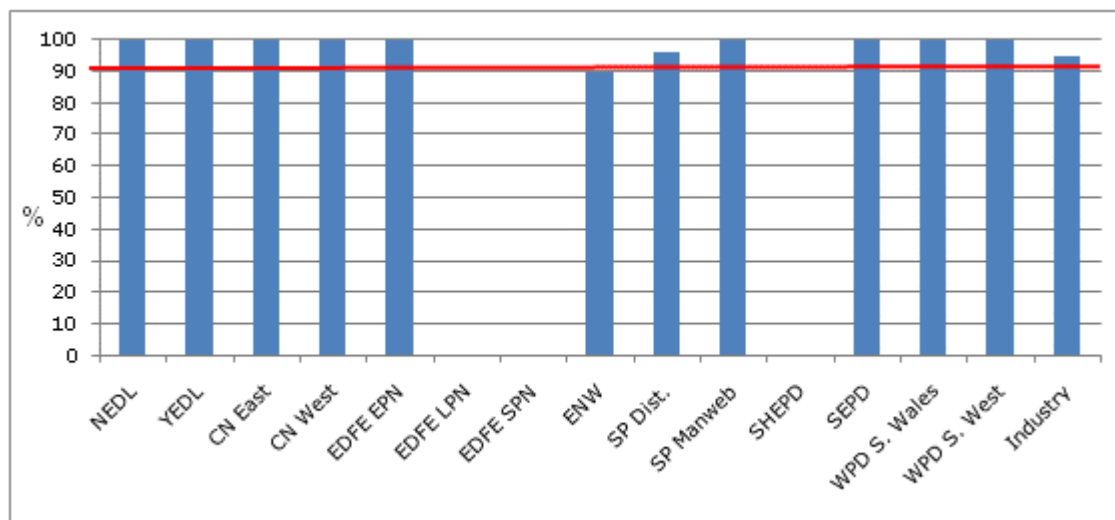


Table A7.17 - Individual DNO performance against SLC 15 – Appendix 1 3(b)

DNO	Final works completed	Completed within timescale	Percentage achieved
NEDL	2	2	100
YEDL	1	1	100
CN East	4	4	100
CN West	1	1	100
EDFE EPN	5	5	100
EDFE LPN	-	-	-
EDFE SPN	-	-	-
ENW	39	35	90
SP Dist.	25	24	96
SP Manweb	21	21	100
SHEPD	-	-	-
SEPD	1	1	100
WPD S. Wales	1	1	100
WPD S. West	1	1	100
Industry	101	96	95

SLC 15 – Appendix 1 3(c) – Inform applicant of the date it is proposed to complete final works for EHV connection: 90 per cent within 20 working days

Figure A7.17 - Individual DNO performance against SLC 15 – Appendix 1 3(c)

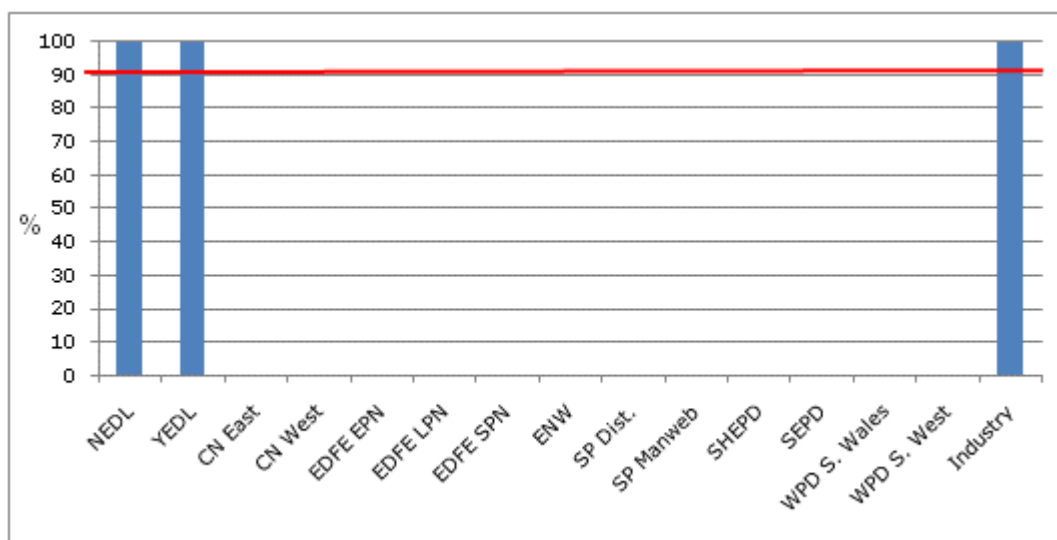


Table A7.18 - Individual DNO performance against SLC 15 – Appendix 1 3(c)

DNO	Number of final connection dates provided	Provided within timescale	Percentage achieved
NEDL	1	1	100
YEDL	1	1	100
CN East	0	0	-
CN West	0	0	-
EDFE EPN	0	0	-
EDFE LPN	0	0	-
EDFE SPN	0	0	-
ENW	0	0	-
SP Dist.	0	0	-
SP Manweb	0	0	-
SHEPD	0	0	-
SEPD	0	0	-
WPD S. Wales	0	0	-
WPD S. West	0	0	-
Industry	2	2	100

SLC 15 – Appendix 1 3(d) – Complete the works required for a LV phased energisation: 90 per cent within 5 working days

Figure A7.18 - Individual DNO performance against SLC 15 – Appendix 1 3(d)

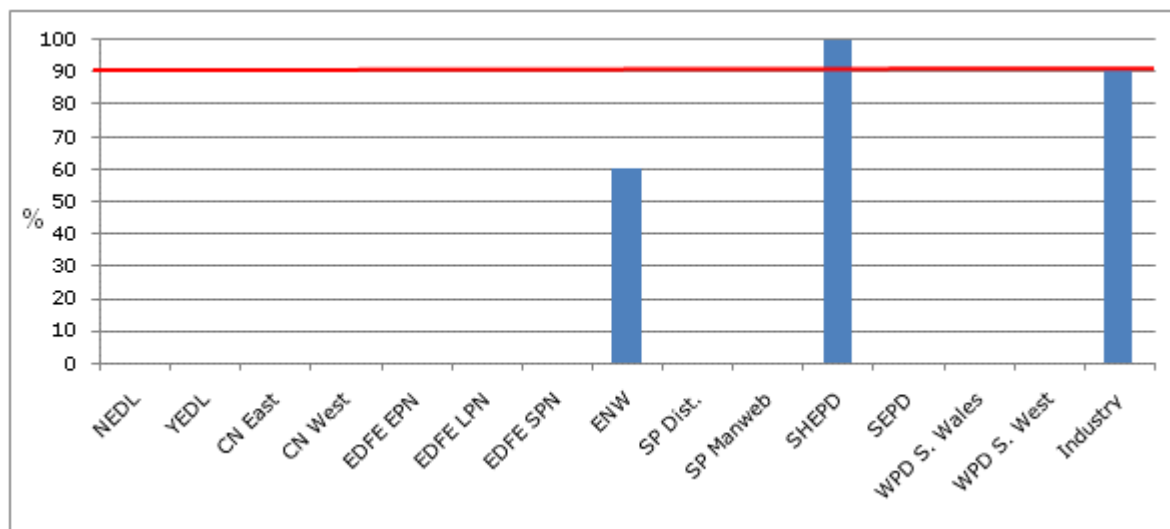


Table A7.19 - Individual DNO performance against SLC 15 – Appendix 1 3(d)

DNO	Works Completed	Completed within timescale	Percentage achieved
NEDL	-	-	-
YEDL	-	-	-
CN East	-	-	-
CN West	-	-	-
EDFE EPN	-	-	-
EDFE LPN	-	-	-
EDFE SPN	-	-	-
ENW	5	3	60
SP Dist.	-	-	-
SP Manweb	9	9	-
SHEPD	8	8	100
SEPD	-	-	-
WPD S. Wales	-	-	-
WPD S. West	-	-	-
Industry	22	20	91

SLC 15 – Appendix 1 3(e) – Complete the works required for a HV phased energisation: 90 per cent within 10 working days

Figure A7.19 - Individual DNO performance against SLC 15 – Appendix 1 3(e)

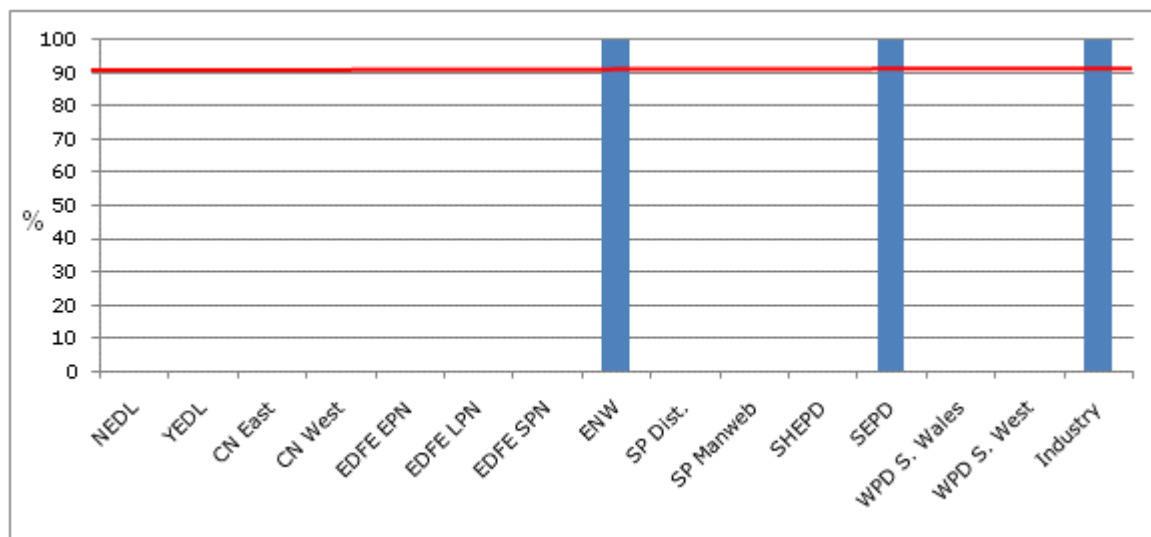


Table A7.20 - Individual DNO performance against SLC 15 – Appendix 1 3(e)

DNO	Works Completed	Completed within timescale	Percentage achieved
NEDL	0	0	-
YEDL	0	0	-
CN East	0	0	-
CN West	0	0	-
EDFE EPN	0	0	-
EDFE LPN	0	0	-
EDFE SPN	0	0	-
ENW	1	1	100
SP Dist.	0	0	-
SP Manweb	0	0	-
SHEPD	0	0	-
SEPD	1	1	100
WPD S. Wales	0	0	-
WPD S. West	0	0	-
Industry	2	2	100

Appendix 8 - Unmetered electricity connections: detailed analysis

- ➔ This appendix contains further information about DNO and IDNO unmetered electricity connections and performance against unmetered key performance indicators.
- ➔ The templates used to gather this information can be found at www.ofgem.gov.uk under Networks -> Connections -> Connections Industry Review.

Total charges for unmetered electricity connections

1.1. In 2007-08 £54 million of charges were levied for completed unmetered electricity connections, compared with £55 million of charges reported in 2006-07. As illustrated in Figure A8.1, all of these charges were levied by DNOs.

1.2. It should be noted that the 2007-08 reporting template specified that both new and modified connections should be reported, in the past the template has only specified new connections.

Figure A8.1 - Total charges for unmetered electricity connections (£ millions)

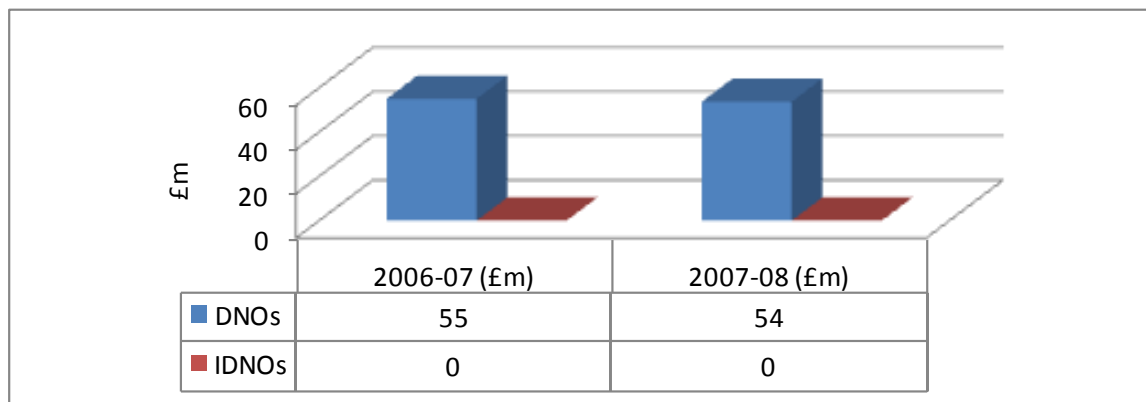
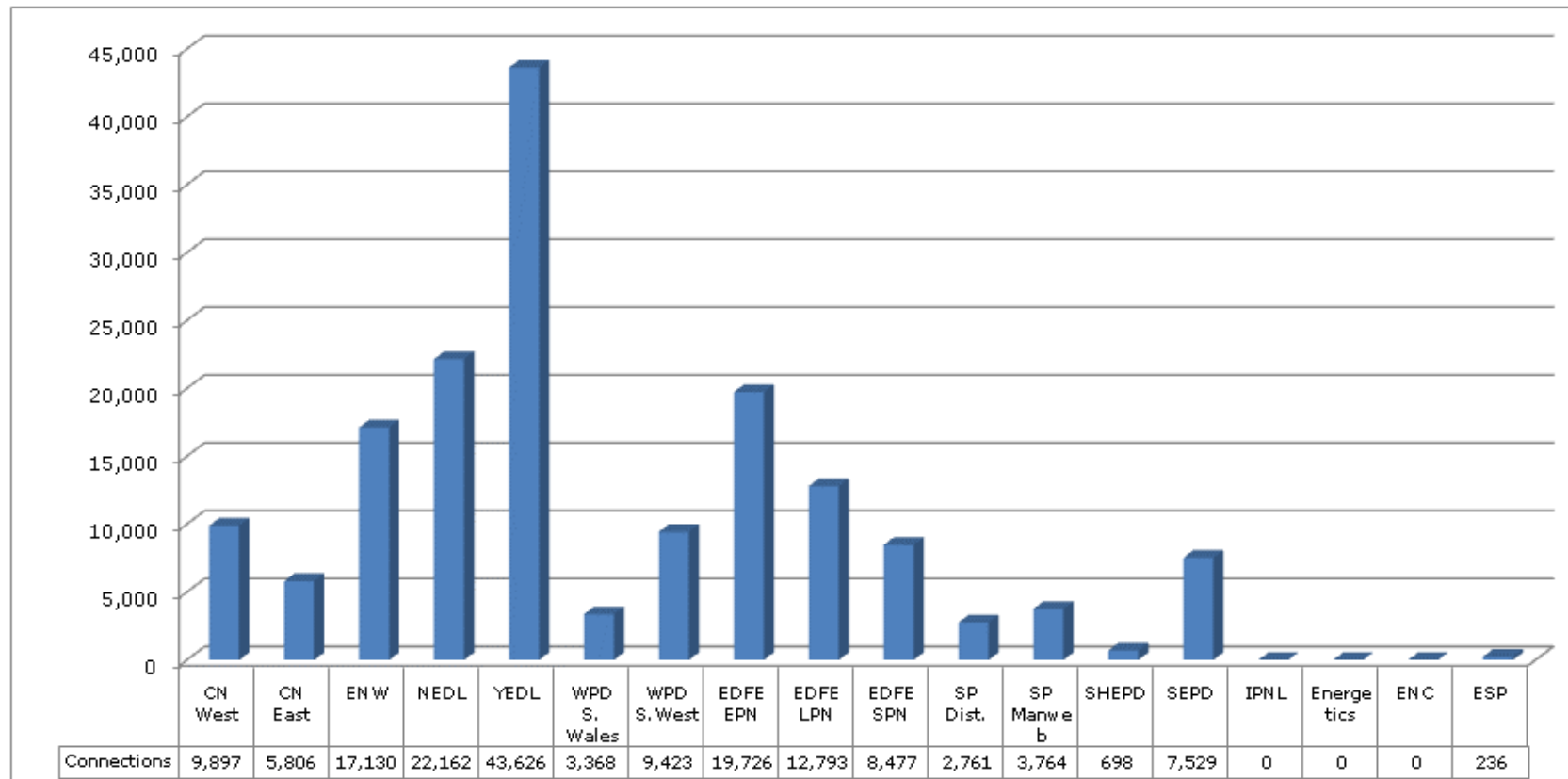


Figure A8.2 - Total number of unmetered electricity connections reported by each DNO/IDNO for 2007-08



Key performance indicators: industry averages

Emergency / fault repair

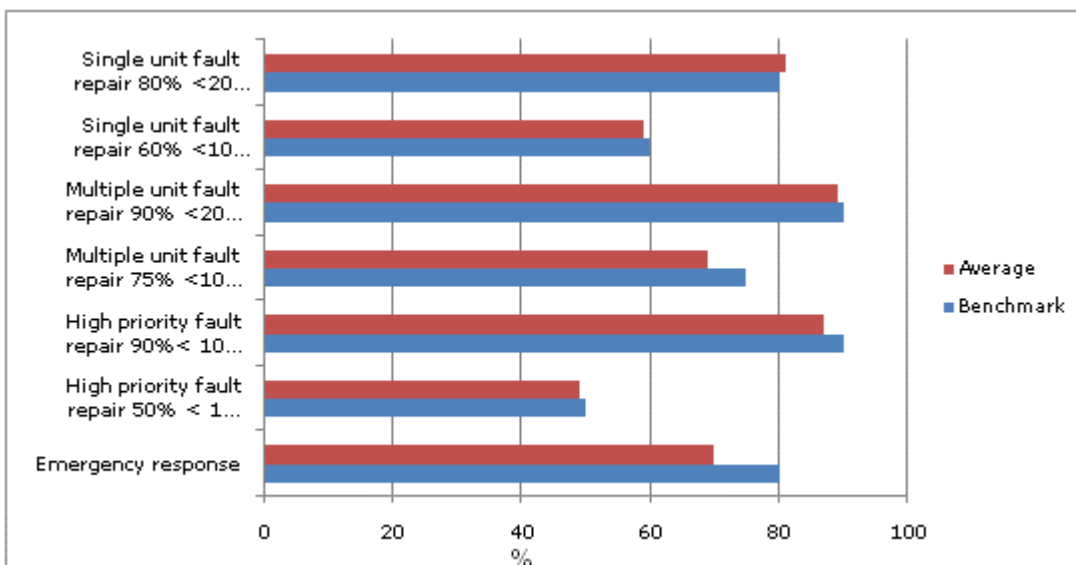
1.3. Standard one requires DNOs to meet minimum benchmarks when responding to emergency faults, high priority repairs, multiple unit repairs and single unit repairs.

1.4. In the case of emergency faults the network operator must attend at the site to remove immediate danger to the public or property arising from the electricity distribution network. A high priority repair consists of work that is urgent but would not require attendance out of normal working hours to restore electricity supplies.

1.5. Multiple unit fault repairs will involve a fault on service, for example, no current, LV, faulty cut-out (i.e. electrically distressed), loss of neutral and high earth impedance affecting more than one unit. Single unit fault repairs will have the same definition but will only affect one unit.

1.6. As illustrated in Figure A8.3, on average, DNOs only met one of the seven fault repair benchmarks. The standard met was single unit fault repair (80 per cent within 20 working days.) This standard was exceeded by only one per cent.

Figure A8.3 - Industry performance against benchmarks for emergency and fault repairs

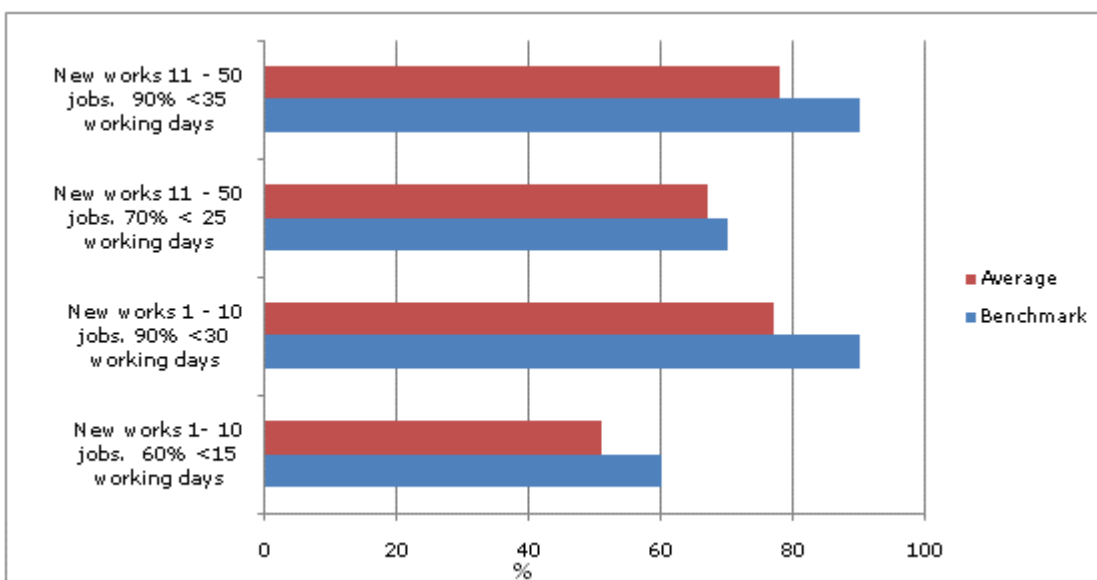


New / transferred connections

1.7. Standard two requires DNOs to meet minimum benchmarks for new and transferred connections. These may include new capital lighting schemes, road improvement schemes, provision of connection/disconnections, service transfer, new service and disconnections.

1.8. There are two categories in this standard, new works 1-10 jobs¹⁷ and new works 11-50 jobs, each of which has two standards, making four standards in total. As illustrated in Figure A8.4, on average, DNOs failed to meet any of the four standards.

Figure A8.4 - Industry performance against benchmarks for new / transferred connections



Providing quotations

1.9. Standard three relates to providing quotations for non standard works within agreed timescales. There is no benchmark for this standard.

1.10. DNOs managed to provide 97.28 per cent of quotations within their agreed timescales.

¹⁷ A job can be defined as a unit. For example a order for new works would fall into this category if it contained 1-10 jobs.

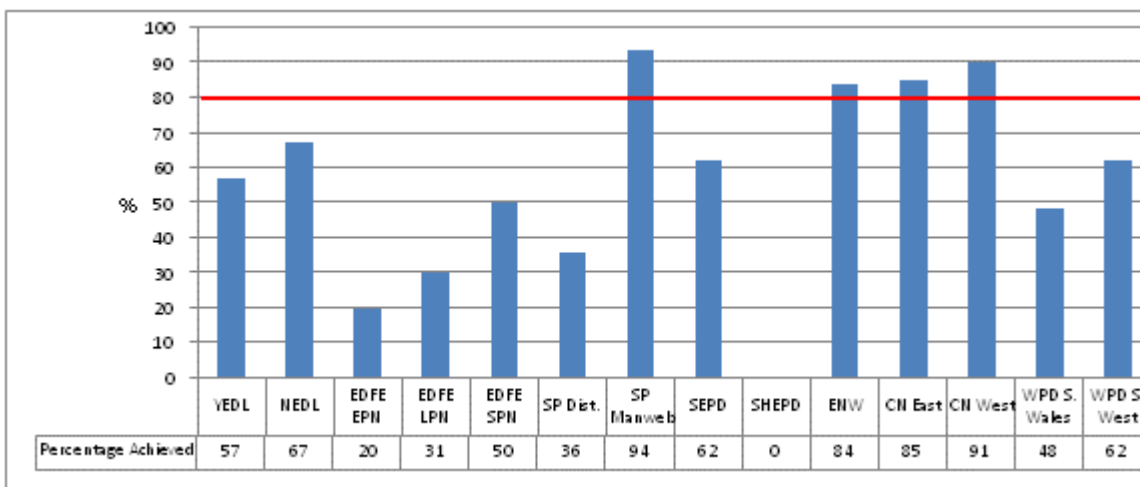
Emergency Response

1.11. Standard: Emergency response attendance on site within two hours in 80 per cent of cases at any time of day

Table A8.1 - Individual DNO performance against standard for emergency response attendance on site within two hours

DNO	In standard	Out of Standard	Percentage Achieved	Total
YEDL	414	314	57	728
NEDL	139	68	67	207
EDFE EPN	17	69	20	86
EDFE LPN	22	50	31	72
EDFE SPN	118	116	50	234
SP Dist.	9	16	36	25
SP Manweb	211	14	94	225
SEPD	111	67	62	178
SHEPD	-	-	-	-
ENW	464	89	84	553
CN East	181	32	85	213
CN West	545	57	91	602
WPD S. Wales	100	107	48	207
WPD S. West	97	59	62	156
Total	2,428	1,058	70	3,486

Figure A8.5 - Individual DNO performance against standard for emergency response attendance on site within two hours



High Priority fault repair.

Standard: 50 per cent of high priority fault repairs undertaken within one working day.

Figure A8.6 - Individual DNO performance against standard for high priority fault repairs undertaken within one working day

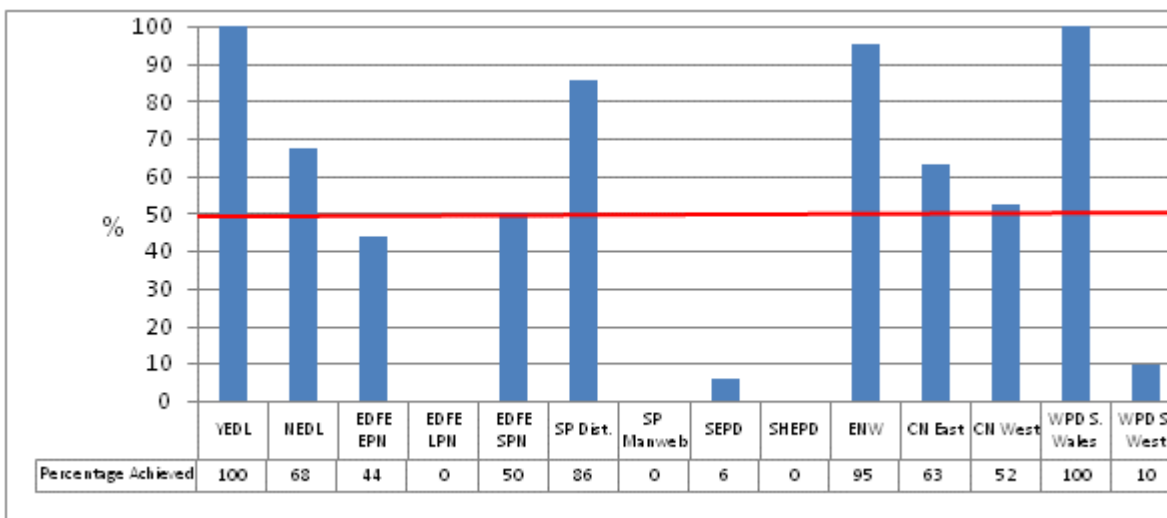


Table A8.2 - Individual DNO performance against standard for high priority fault repairs undertaken within one working day

DNO	In standard	Out of Standard	Percentage Achieved	Total
YEDL	1	0	100	1
NEDL	25	12	68	37
EDFE EPN	76	98	44	174
EDFE LPN	-	-	-	-
EDFE SPN	21	21	50	42
SP Dist.	143	24	86	167
SP Manweb	-	-	-	-
SEPD	3	48	6	51
SHEPD	-	-	-	-
ENW	20	1	95	21
CN East	22	13	63	35
CN West	48	44	52	92
WPD S. Wales	1	0	100	1
WPD S. West	13	123	10	136
Total	373	384	49	757

Standard : 90 per cent of high priority fault repairs undertaken within 10 working days.

Figure A8.7 - Individual DNO performance against standard for high priority fault repairs undertaken within 10 working days

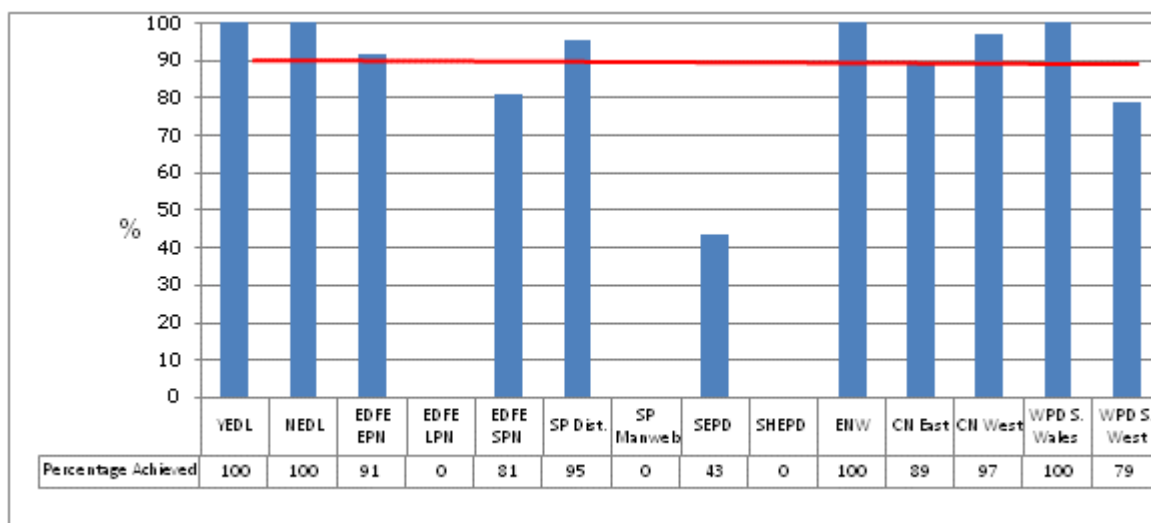


Table A8.3 - Individual DNO performance against standard for high priority fault repairs undertaken within 10 working days

DNO	In standard	Out of Standard	Percentage Achieved	Total
YEDL	1	0	100	1
NEDL	25	12	68	37
EDFE EPN	76	98	44	174
EDFE LPN	-	-	-	-
EDFE SPN	21	21	50	42
SP Dist.	143	24	86	167
SP Manweb	-	-	-	-
SEPD	3	48	6	51
SHEPD	-	-	-	-
ENW	20	1	95	21
CN East	22	13	63	35
CN West	48	44	52	92
WPD S. Wales	1	0	100	1
WPD S. West	13	123	10	136
Total	373	384	49	757

YEDL	1	0	100	1
NEDL	37	0	100	37
EDFE EPN	159	15	91	174
EDFE LPN	-	-	-	-
EDFE SPN	34	8	81	42
SP Dist.	159	8	95	167
SP Manweb	-	-	-	-
SEPD	22	29	43	51
SHEPD	-	-	-	-
ENW	21	0	100	21
CN East	31	4	89	35
CN West	89	3	97	92
WPD S. Wales	1	0	100	1
WPD S. West	107	29	79	136
Total	661	96	87	757

Multiple unit fault repair

Standard: 75 per cent of multiple unit fault repairs undertaken within 10 working days.

Figure A8.8 - Individual DNO performance against standard for multiple unit fault repairs undertaken within 10 working days

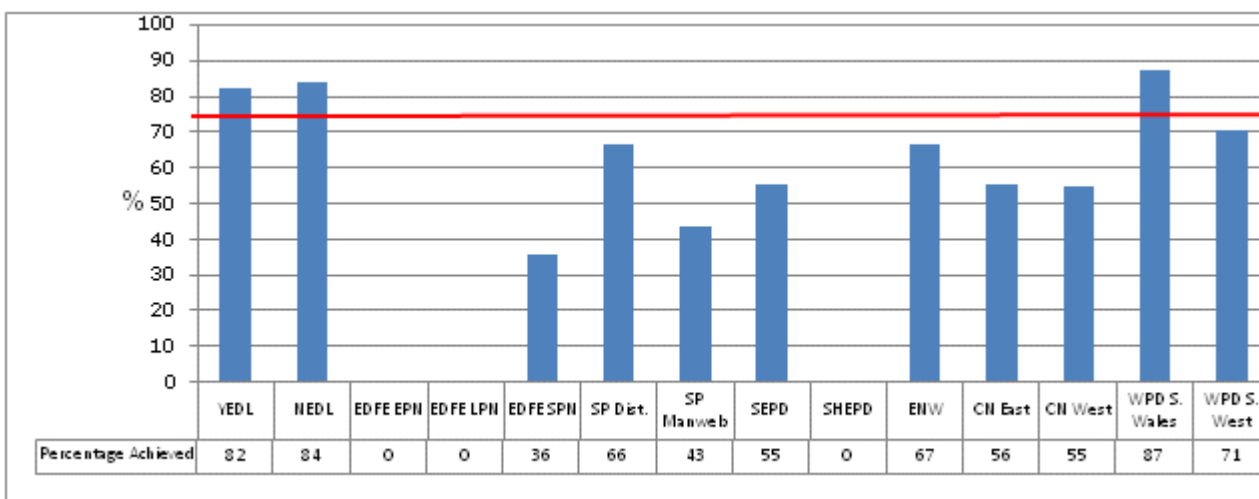


Table A8.4 - Individual DNO performance against standard for multiple unit fault repairs undertaken within 10 working days

DNO	In standard	Out of Standard	Percentage Achieved	Total
YEDL	784	169	82	953
NEDL	73	14	84	87
EDFE EPN	-	-	-	-
EDFE LPN	-	-	-	-
EDFE SPN	19	34	36	53
SP Dist.	127	64	66	191
SP Manweb	10	13	43	23
SEPD	306	246	55	552
SHEPD	-	-	-	-
ENW	72	36	67	108
CN East	166	133	56	299
CN West	156	130	55	286
WPD S. Wales	190	28	87	218
WPD S. West	560	233	71	793
Total	2,463	1,100	69	3,563

Standard: 90 per cent of multiple unit fault repairs undertaken within 20 working days.

Figure A8.9 - Individual DNO performance against standard for multiple unit fault repairs undertaken within 20 working days

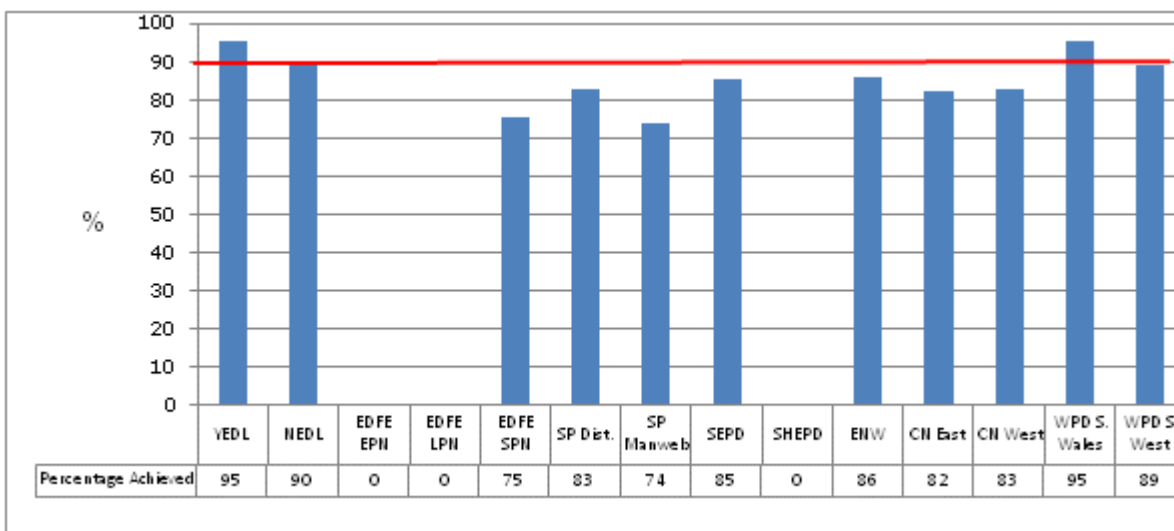


Table A8.5 - Individual DNO performance against standard for multiple unit fault repairs undertaken within 20 working days.

DNO	In standard	Out of Standard	Percentage Achieved	Total
YEDL	909	44	95	953
NEDL	78	9	90	87
EDFE EPN	-	-	-	-
EDFE LPN	-	-	-	-
EDFE SPN	40	13	75	53
SP Dist.	158	33	83	191
SP Manweb	17	6	74	23
SEPD	471	81	85	552
SHEPD	-	-	-	-
ENW	93	15	86	108
CN East	245	54	82	299
CN West	237	49	83	286
WPD S. Wales	208	10	95	218
WPD S. West	704	89	89	793
Total	3,160	403	89	3,563

Single unit fault repair

Standard: 60 per cent of single unit fault repairs in 10 working days

Figure A8.10 - Individual DNO performance against standard for single unit fault repairs in 10 working days

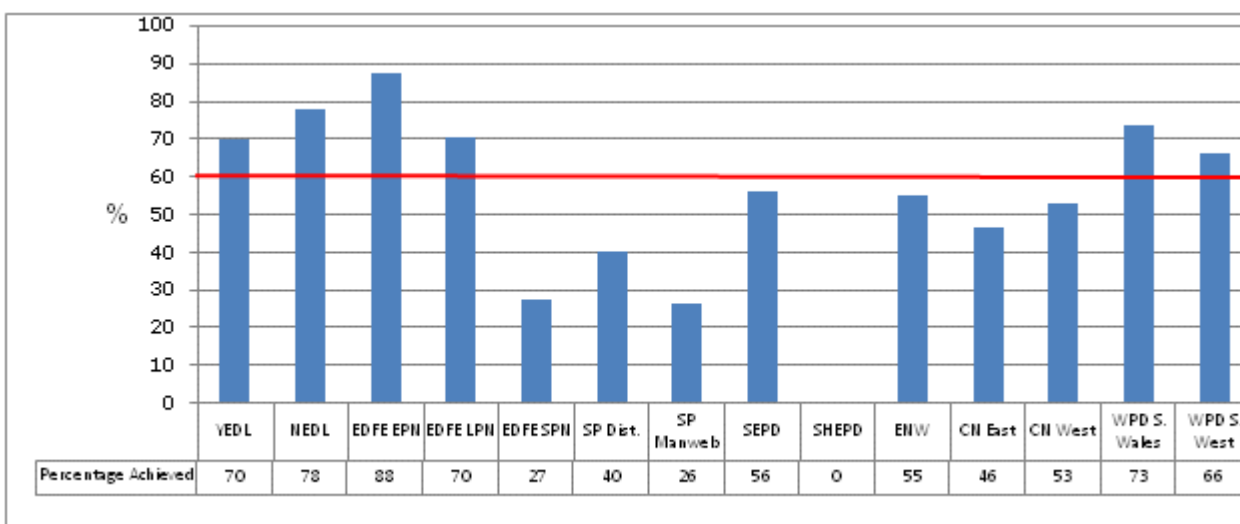


Table A8.6 - Individual DNO performance against standard for single unit fault repairs in 10 working days

DNO	In standard	Out of Standard	Percentage Achieved	Total
YEDL	2,213	956	70	3,169
NEDL	846	245	78	1,091
EDFE EPN	394	56	88	450
EDFE LPN	43	18	70	61
EDFE SPN	282	745	27	1,027
SP Dist.	162	240	40	402
SP Manweb	194	539	26	733
SEPD	857	668	56	1,525
SHEPD	-	-	-	-
ENW	614	498	55	1,112
CN East	624	721	46	1,345
CN West	372	332	53	704
WPD S. Wales	837	305	73	1,142
WPD S. West	686	354	66	1,040
Total	8,124	5,677	59	13,801

Standard: 80 per cent of single unit fault repairs in 20 working days.

Figure A8.11 - Individual DNO performance against standard for single unit fault repairs in 20 working days

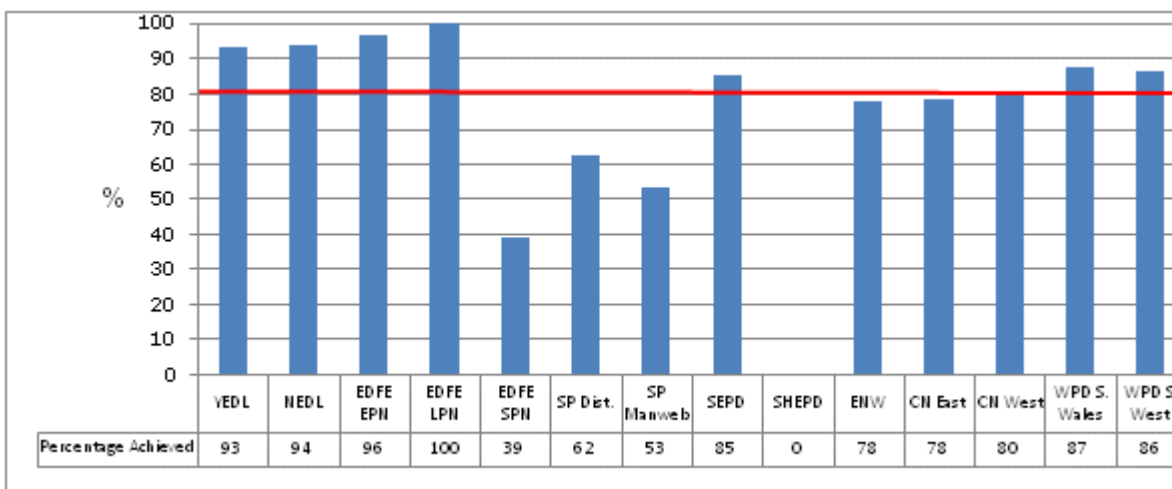


Table A8.7 - Individual DNO performance against standard for single unit fault repairs in 20 working days

DNO	In standard	Out of Standard	Percentage Achieved	Total
YEDL	2,959	210	93	3,169
NEDL	1,021	70	94	1,091
EDFE EPN	434	16	96	450
EDFE LPN	61	0	100	61
EDFE SPN	400	627	39	1,027
SP Dist.	250	152	62	402
SP Manweb	389	344	53	733
SEPD	1,299	226	85	1,525
SHEPD	-	-	-	-
ENW	862	250	78	1,112
CN East	1,050	295	78	1,345
CN West	564	140	80	704
WPD S. Wales	998	144	87	1,142
WPD S. West	898	142	86	1,040
Total	11,185	2,616	81	13,801

New Works

Standard: 1 - 10 jobs 60 per cent within 15 working days

Figure A8.12 - Individual DNO performance against standard for 1-10 jobs within 15 working days

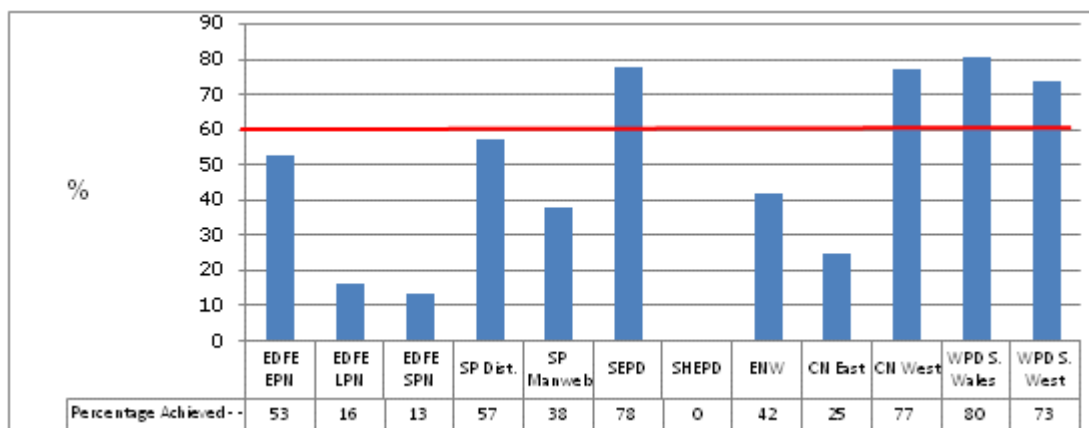


Table A8.8 - Individual DNO performance against standard for 1-10 jobs within 15 working days

DNO	In standard	Out of Standard	Percentage Achieved	Total
YEDL	-	-	-	-
NEDL	-	-	-	-
EDFE EPN	321	289	53	610
EDFE LPN	79	412	16	491
EDFE SPN	150	983	13	1,133
SP Dist.	804	607	57	1,411
SP Manweb	804	1,335	38	2,139
SEPD	1,992	578	78	2,570
SHEPD	-	-	-	-
ENW	1,959	2,734	42	4,693
CN East	494	1,518	25	2,012
CN West	2,293	699	77	2,992
WPD S. Wales	320	79	80	399
WPD S. West	669	244	73	913
Total	9,885	9,478	51	19,363

Standard: 1 - 10 jobs 90 per cent within 30 working days

Figure A8.13 - Individual DNO performance against standard for 1-10 jobs within 30 working days

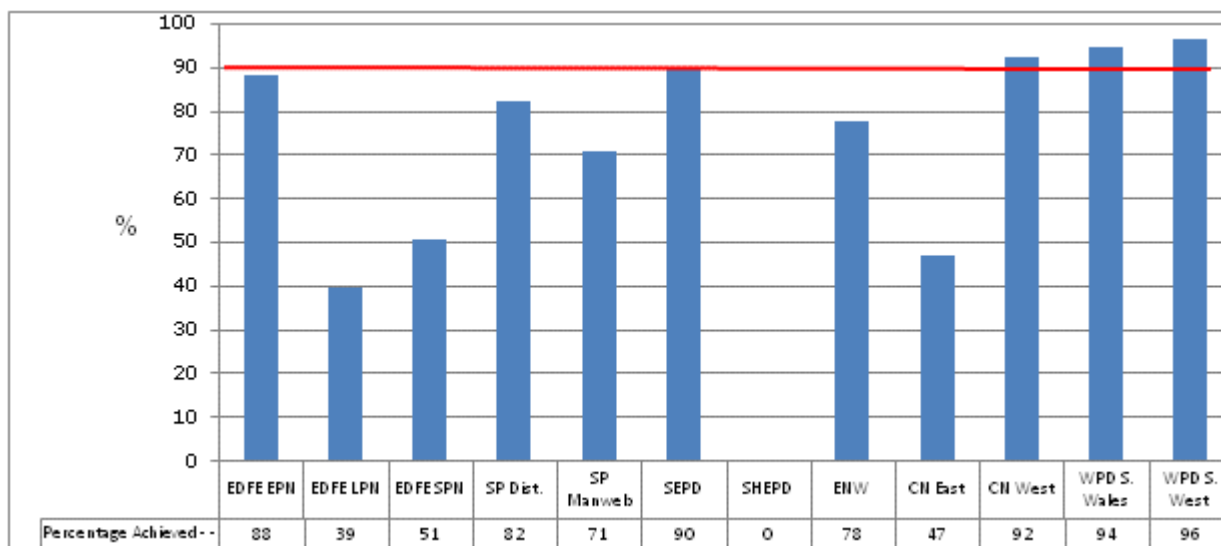


Table A8.9 - Individual DNO performance against standard for 1-10 jobs within 30 working days

DNO	In standard	Out of Standard	Percentage Achieved	Total
YEDL	-	-	-	-
NEDL	-	-	-	-
EDFE EPN	537	73	88	610
EDFE LPN	193	298	39	491
EDFE SPN	574	559	51	1,133
SP Dist.	1,157	254	82	1,411
SP Manweb	1,513	626	71	2,139
SEPD	2,315	255	90	2,570
SHEPD	-	-	-	-
ENW	3,645	1,048	78	4,693
CN East	944	1,068	47	2,012
CN West	2,764	228	92	2,992
WPD S. Wales	377	22	94	399
WPD S. West	879	34	96	913
Total	14,898	4,465	77	19,363

Standard: 11- 50 jobs 70 per cent within 25 working days

Figure A8.14 - Individual DNO performance against standard for 11-50 jobs within 25 working days

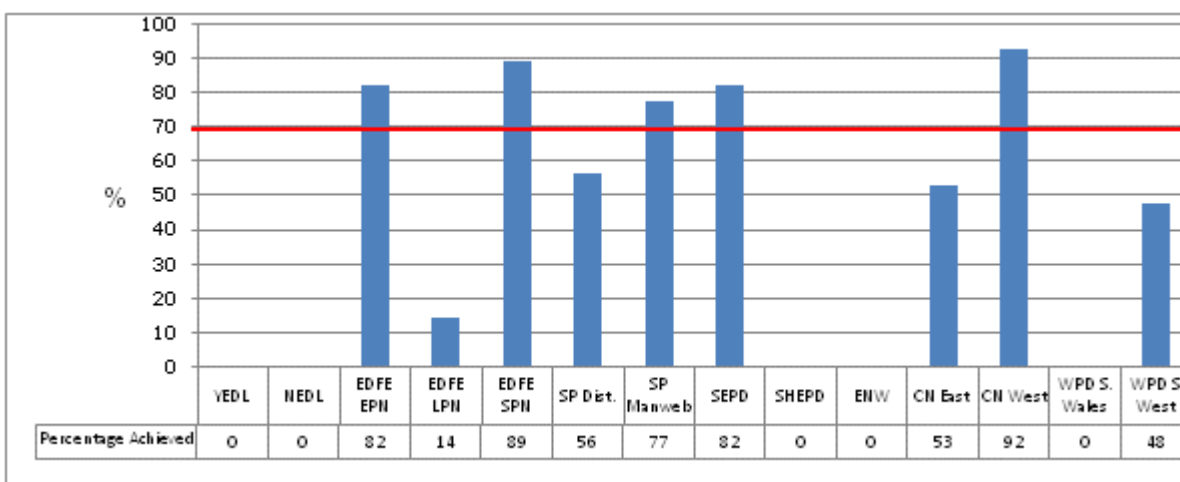


Table A8.10 - Individual DNO performance against standard for 11-50 jobs within 25 working days

DNO	In standard	Out of Standard	Percentage Achieved	Total
YEDL	-	-	-	-
NEDL	-	-	-	-
EDFE EPN	831	180	82	1,011
EDFE LPN	241	1,426	14	1,667
EDFE SPN	8	1	89	9
SP Dist.	119	92	56	211
SP Manweb	491	146	77	637
SEPD	1,056	235	82	1,291
SHEPD	-	-	-	-
ENW	-	-	-	-
CN East	833	748	53	1,581
CN West	2,485	208	92	2,693
WPD S. Wales	-	-	-	-
WPD S. West	22	24	48	46
Total	6,086	3,060	67	9,146

Standard: 11 - 50 jobs 90 per cent within 35 working days

Figure A8.15 - Individual DNO performance against standard for 11-50 jobs within 35 working days

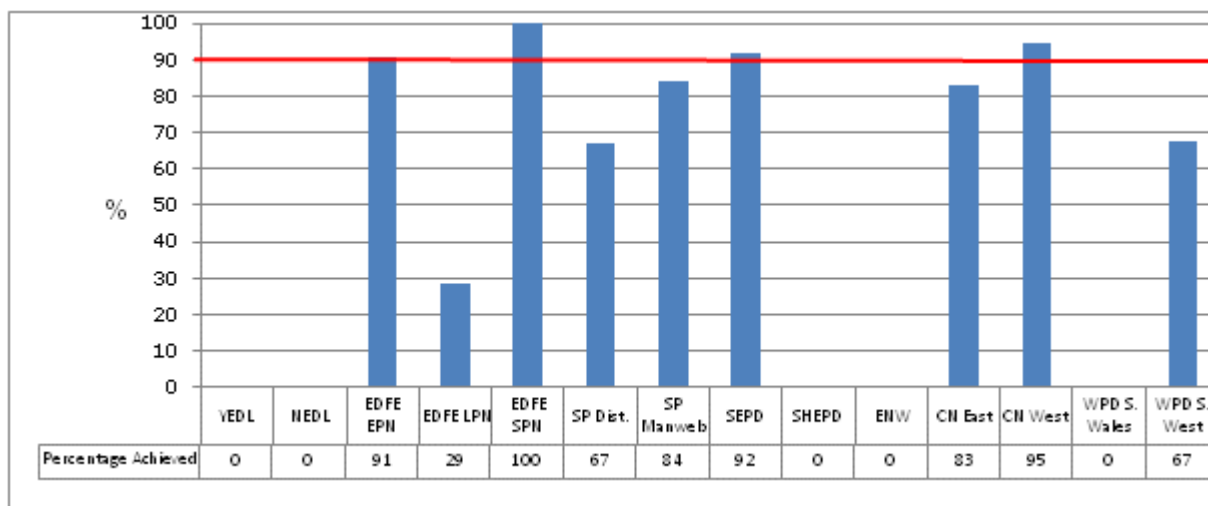


Table A8.11 - Individual DNO performance against standard for 11-50 jobs within 35 working days

DNO	In standard	Out of Standard	Percentage Achieved	Total
YEDL	-	-	-	-
NEDL	-	-	-	-
EDFE EPN	918	93	91	1,011
EDFE LPN	477	1,190	29	1,667
EDFE SPN	9	0	100	9
SP Dist.	142	69	67	211
SP Manweb	534	103	84	637
SEPD	1,188	103	92	1,291
SHEPD	-	-	-	-
ENW	-	-	-	-
CN East	1,314	267	83	1,581
CN West	2,549	144	95	2,693
WPD S. Wales	-	-	-	-
WPD S. West	31	15	67	46
Total	7,162	1,984	78	9,146

Appendix 9 - Update on Competition in Connections

→ This appendix contains information about the work of the ECSG and the changes that have been introduced since the review of competition in Gas and Electricity Connections.

Work of the ECSG

1.1. The Electricity Connections Steering Group (ECSG) advises Ofgem on the measures that are required to support the development of competition in the electricity connections market. The group is attended by representatives of each DNO, third party connections providers, house building developers and Local Authorities.

1.2. The ECSG has worked with Ofgem to develop new licence conditions 15 (formerly 4F) and 19 (formerly 4C) and the service level agreement / key performance indicators. The group has also been a driving force behind the extension of contestability.

Introduction of a new Licence condition for metered electricity connections

1.3. As proposed in the "Review of Competition in Gas and Electricity Connections Proposals Document" a new licence condition was brought into the Electricity Distribution Licence to improve competition.

1.4. Prior to the introduction of Standard Licence Condition (SLC) 15 (formerly 4F) there were in place a set of voluntary standards of service requiring DNOs to meet performance timescales. Concerns regarding delays and poor DNO performance against these standards led to increasing complaints about anti-competitive behaviour and spurred Ofgem to introduce a more robust requirement that allowed greater scope for action by Ofgem in the event of a licensee failing to meet the standards.

1.5. The licence condition introduced (15) requires DNOs and IDNOs to meet prescribed levels of performance against the three key non-contestable service and information areas:

- Provision of quotations including point of connection (POC)
- Design approval or reasoned rejection, and
- Completion of final connections.

1.6. Information about DNO compliance with Standard Licence condition 15 (Formerly 4F) can be found in chapter 5 of the main document and appendix 7.

Introduction of Service Level Agreements / key performance indicators for unmetered electricity connections

1.7. The Service Level Agreement (SLA) had been operating on a trial basis since April 2005 with DNOs reporting performance on the key metrics.

1.8. Concerned that the trial SLA was not promoting consistently good performance in October 2007 Ofgem decided that the SLA should no longer work on a trial basis and compulsory quarterly reporting by DNOs against all local authorities was introduced.

1.9. At the time SLA reporting became compulsory it was expected that DNOs would meet the required service levels for the 2007-08 period. It was stated in Ofgem's October 2007 decision letter that if performance remained poor Ofgem would consider formalising the SLA arrangements and introducing incentives through the Distribution price control review (DPCR5).

1.10. Information about DNO performance against unmetered key performance indicators can be found in chapter 6 of the main document and appendix 8.

Extending the scope of contestability

1.11. Competition in electricity connections is limited to a number of "contestable activities" that can be carried out by a DNO/IDNO or an ICP. There are other "non-contestable" areas of connection works that can only be provided by the host DNO/IDNO, due to economic, technical or safety issues.

1.12. The ECSG and its sub-groups have been the main forums for discussions about the feasibility of extending the scope of contestability in connections, highlighting and pursuing areas where it could be beneficial to make "non-contestable" areas "contestable".

1.13. The following activities are now contestable:

- providing the equipment and materials for the works
- constructing a network extension
- the preparation of the site
- the reinstatement of the site
- arranging for the installation of metering equipment
- reinforcement and diversionary works where they form part of new works separate from existing infrastructure
- reinforcement and diversionary works where they do not require access to DNO property
- reinforcement and diversionary works associated with connections that are funded by a single third party, and

- reinforcement and diversionary works associated with works to install overhead lines and underground cables at voltage levels not exceeding 33 kV and HV/LV distribution substations.

1.14. The ECSG is currently discussing the possibility of partially funded projects becoming contestable and Ofgem hopes to issue a draft proposal in this area before the end of 2008.

1.15. The ECSG is also interested in pursuing contestability in live jointing.

1.16. The following activities are currently non-contestable:

- design and specification
- confirmation of the method of installation of an extension which is to be adopted
- the inspection, monitoring and testing of contestable works prior to connection to the existing distribution system
- the connection to the existing distribution system
- reinforcement of the existing distribution system (works brought about by the new or increased connection but not for its sole use)
- determining the point of connection (POC) to the existing distribution system
- the movement of existing assets (including the removal of existing assets), and
- the diversion of the existing network.

Agreement to provide cost breakdown and point of connection information

1.17. One area of discussion and agreement at the ECSG has concerned the provision of cost breakdown and point of connection information with connection quotes.

1.18. Generally speaking customers who approach a DNO in respect of small domestic connections do not require a breakdown of the charge they are quoted, although some do request this information. However, quotations for bigger schemes may run into tens of thousands of pounds and customers, especially commercial customers, are interested in receiving a breakdown of the charges. Although such information has sometimes been available on request it has not always been provided to customers automatically. This could make it difficult for customers to validate what can be significant expenditure.

1.19. In addition, it has not been universal practice to provide customers with a split of the charge between the non-contestable elements (which the DNO has to carry out) and the contestable elements which could be completed by an ICP. This could mean that customers are less likely to investigate the possibility of a cheaper quote for the contestable works.

1.20. The point of connection to a DNO's existing network usually represents the demarcation between the physical aspects of non-contestable and contestable works. In respect of larger connection schemes, where it may be feasible for an ICP to carry

out the contestable works, it is useful for the applicant to receive basic information about the expected point of connection to assist in obtaining competitive quotations. This can also save time and effort on the part of the DNO in providing this same information to various ICPs who the customer may have approached for a quote. However, where an ICP does approach a DNO on a customer's behalf it is helpful for them to be provided with basic cost breakdown and point of connection information for the larger jobs on which they tend to work.

1.21. To address these points, and following discussions at the ECSG, agreement has been reached on minimum levels of information which DNOs will provide to connection applicants.

1.22. In response to a request relating to both non-contestable and contestable connection works/services the DNO will provide basic point of connection information (X marks the spot on a drawing/grid reference) and a breakdown of overall costs (including the elements referred to below) in every case when:

- the overall quote exceeds £50,000 (implement by 1 August 2008)¹⁸
- the overall quote exceeds £20,000 (implement by 1 January 2009)¹⁹

1.23. The costs breakdown is to include:

- A description of the works involved
- The length of cable required
- The number of substations required
- Information on any reinforcement works required

1.24. In response to a "competitive" connection request or quotation request (i.e. a request relating to non-contestable works/services only) the DNO will provide basic point of connection information ("X marks the spot on a drawing") and a full breakdown of the non-contestable costs quoted.

¹⁸ Some DNOs have dispensation to introduce this information provision over longer periods owing to operational or information technology constraints

Appendix 10 - Good Practice

➔ This appendix contains information about our proposals for good practice, our findings from bi-lateral meeting visits undertaken in autumn 2007 and a further survey which we undertook in July 2008.

Introduction

1.1. In February 2007 we published a proposals document as part of an ongoing review of competition in the gas and electricity connections markets (No 26/07 – see Associated Documents above). One of the deliverables in our Corporate Strategy and Plan 2008-2013, which we have addressed through this year's expanded CIR, was to publish an update on the implementation of our proposals. A number of initiatives relating to competition and service levels in gas connections were addressed in the recent gas distribution price control review. The proposals in relation to electricity connections covered the following areas:

- the introduction of formal standards for the provision of non-contestable services - information on the implementation of Standard Licence Condition 15 and initial performance data can be found in Chapter 5 and at Appendix 7 above
- service levels relating to connections and fault repairs for unmetered supplies – information on service level agreements and the implementation of the Key Performance Indicator regime can be found in Chapter 6 and at Appendix 8 above
- the extension of 'rent-a-jointer' and triangular agreement schemes for the provision of unmetered connections – See Chapter 6
- the scope of contestability – see Work of the ECSG in Appendix 9 above, and
- a number of good practice principles designed to improve the way DNOs manage their interfaces with customers – see following sections

Good Practice in Electricity Connections

1.2. Whilst it would be inappropriate and infeasible for Ofgem to dictate in detail the way DNOs manage their relationships with their customers or organise their connections businesses, we do expect them to offer a consistently high level of customer service in key areas. Accordingly we set out (in chapter 4 of our 2007 proposals document) a number of good practice measures which we expected DNOs to be conforming to by 2008.

Bi-lateral meeting visits – autumn 2007

1.3. In autumn 2007 we carried out a series of visits to DNO offices to discuss progress on the adoption (or continuance) of good practice in providing electricity connections. During the visits we met connections managers and other senior key personnel. Although each visit followed a similar overall agenda, DNOs had the opportunity to make their own presentations and provide feedback on the main challenges they face in relation to connections and the actions they are taking to meet them. All DNOs stressed their aim of operating safe and reliable distribution networks with accurate asset records and took pride in providing an important public service. There were also discussions on:

- new reporting requirements under SLC15 (standards for the provision of non-contestable connection services)
- new reporting requirements under the key performance indicator regime for unmetered connections, and
- the good practice measures referred to in Ofgem's proposals document (26/07)

The main areas of discussion and feedback on good practice are summarised below:

Connections business structures

1.4. The approach to managing connections varies but strong corporate branding has become a feature in a number of DNO groups. Some DNOs are still completing the evolution of their connections businesses from the legacy arrangements put in place by former owners/operators or sharing best practice between DNOs in the same ownership group¹⁹. Most DNOs have bolstered the numbers of staff dealing with connections and instigated service improvement programmes.

Access to information

1.5. We note that DNOs have generally improved the quantity and clarity of information on their websites concerning electricity connections and the options available to consumers. Many now feature 'frequently asked question' sections.

1.6. Connection application forms are generally available online and are easier to complete than past examples, with clearer guidance notes (although there is a limit to how simple application forms can be made because DNOs have to collect information about the nature of final connection loads which can have implications for the wider network). In most cases applications can be submitted using an

¹⁹ In several cases networks are operated by affiliates of the registered companies that hold the distribution licences under service contracts and in one case network operation is provided by a non-affiliate. However, the statutory duty in respect of connections provision rests with the licence holder

electronic form or by submission of a completed pdf form. Some DNOs expressed concern that they can incur significant costs in respect of abortive applications with this mainly applying to larger projects.

Monitoring service levels and customer requirements

1.7. A number of DNOs have carried out customer satisfaction and feedback surveys²⁰ and some monitor their effectiveness in dealing with telephone enquiries. This is a particularly important area because it allows DNOs to monitor the delivery of their service on the ground versus the promises in their literature. In several cases a 'net promoter scoring' approach is used reflecting a customer's likelihood to recommend services to a third party. Several DNOs actively monitor the number of complaints received directly or which are referred to them by energywatch in respect of their connections services. This is useful in identifying any common areas of dissatisfaction.

1.8. Most DNOs have now established formal complaint escalation procedures including review by a manager not directly associated with the disputed service, although some DNOs have expressed a preference to retain flexibility in their handling of complaints. Most DNOs have voluntary policies which allow them to make payments to customers where service levels have fallen short, either on a case by case basis or when certain criteria apply. Other initiatives introduced by DNOs include: 'developer packs' and enhanced mobile IT equipment for field staff.

1.9. Some DNOs made the point that on jobs where they are doing only the non-contestable works, they do not have direct contact with the developer and feel that on occasions this means that delays are attributed to them which are not their responsibility.

1.10. Customer requirements identified by DNOs (apart from value for money) include:

- consistent achievement of agreed completion/power on dates
- named points of contact
- proactive and flexible service delivery
- effective communication with commercial customers to minimise delays on site with interaction between DNO/customer planners
- the ability to track progress of works on-line
- good communication on issues relating to wayleaves and easements (land rights) and works in public streets

²⁰ We note that the DNOs who undertake some form of customer satisfaction survey have not published their findings

- consistent service level experience (for customers operating on a national basis) across the country notwithstanding different DNO corporate approaches
- acceptable/balanced construction and adoption agreements
- on-line fault reporting facilities and prompt invoicing for unmetered connections (requested by public lighting authorities).

1.11. Customers requiring single, straightforward domestic connections appear relatively satisfied with the service provided by DNOs, even though there is usually no competitive offering for this type of connection – generally only larger developments are viable for ICPs and IDNOs to bid for and as such the DNO will always have a role as ‘connector of last resort’.

Competition in connections

1.12. Some DNOs have made progress in balancing the ‘one-stop-shop’ sought by some customers with the flexible and informative offering required by customers who want to make separate arrangements for the completion of contestable works, or ICPs acting on behalf of such customers. Indeed, there is a growing acceptance that ICPs and IDNOs should be treated as an important customer group in their own right. As a result, a number of DNOs have established key account managers who manage these interfaces.

1.13. All DNOs have been required to put in place arrangements to monitor performance against SLC15 and the unmetered KPIs; in some cases this has involved significant development of IT systems. We discussed with DNOs our expectation that they would have in place measures to actively guard against discrimination (against ICPs) in their provision of non-contestable connections services. For example, whilst it could be mutually beneficial to provide a dedicated IT portal for ICP connection requests it would be unacceptable if use of that facility placed an unfair cost burden on ICPs.

1.14. A number of DNOs have worked with industry groups to foster good working relationships on issues such as the inspection of ICP works during construction and technical requirements at the boundary between DNO and IDNO networks. A significant number of IDNO staff have previous experience of working for DNOs. In addition some DNOs have arranged workshops and liaison meetings with ICPs to take forward live jointing trials. In some cases DNOs are prepared to extend the benefit of their ‘deemed planning consent’ to ICPs under the terms of construction and adoption agreements. Several DNOs who operate out of area networks, or whose connections businesses offer contestable services in other areas, have used their experience of dealing with the incumbent DNO to improve their own service offering. DNOs generally offer contestable services on an ‘all or nothing’ basis – i.e. they are usually not prepared to undertake some of the contestable elements where an ICP has limited capabilities.

Annual/economic cycle factors

1.15. DNOs commented on the fact that wider economic factors have tended to drive up the cost of both labour and materials recently. In some cases cost-reflectivity reviews have led to steep increases in connection charges and this is an area of some concern, particularly where notice periods have been short or where little explanatory information has been provided to customers. A number of DNOs commented on the fact that demand for unmetered connections can be 'lumpy' as a result of local authority planning/budgeting cycles. Some DNOs have commented recently on feedback that some developers are delaying or curtailing development projects in response to general economic conditions and the credit crunch.

Survey of good practice – July 2008

1.16. In July 2008 we carried out a further survey on good practice features using the 'checklist' devised for the 2007 visits. We have summarised the responses in detail below including a 'traffic light' indicator showing in broad terms whether the good practice is now universal or predominant (green), not yet predominant but where reasonable progress has been made (amber) or sporadic to non-existent (red). It should be noted that the information presented has not been independently verified at this stage and simply reflects the information provided by DNOs. Most connection services are organised/provided on a group basis, notwithstanding that regulatory reporting and compliance is at individual DNO level. Responses to our recent good practice survey were generally provided at a group level.

1.17. Some additional questions (marked *) were asked in the recent good practice survey which did not relate to specific items in the 2007 proposals document. Therefore we did not necessarily expect DNOs to have adopted these practices.

Increasing Customer Awareness

1.18. In February 2007 we noted that a key factor in providing good customer service is educating customers about the service that they can expect from their distributor and the choices that they have. We further noted that the process for obtaining a connection is set out in each DNO's connection charging methodology statement, but that this is not a user-friendly means of communicating key messages to customers. We stated our view that DNOs should develop additional and more intuitive means to inform customers on these issues and to ensure consistency and quality in each DNO's approach to customer service.

1.19. In Autumn 2007, when we visited the DNOs we were briefed on programmes which are being put into place to boost customer awareness. We were also given examples of initiatives to improve telephone response, web-site pages and literature to give business and domestic customers better access to relevant information.

1.20. In July 2008, we chose four good practice areas to represent DNOs' performance in increasing customer awareness, and asked the DNOs to report against these areas. The Good Practice areas and DNO feedback on them are summarised in Table A10.1 below. Overall, virtually all companies stated that their practices were consistent with these indicators in relation to increasing customer awareness.

Table A10.1 - Reporting against Good Practice in Increasing Customer Awareness

Good practice area	Summary position	Overall rating and rationale
It is easy to get through to "Connections" from website home page or by telephone	Companies generally reported that specific connections pages were accessible easily and quickly from their homepages, and that they had clearly published dedicated connections call centre numbers	All companies report practices consistent with the proposals
Connections charging methodology/statements are easy to access	All companies reported that the charging methodology statements were also accessible from their connections websites	All companies report practices consistent with the proposals
Plain English is used as far as possible (or legal terms are explained in easy to follow guides).	All companies reported that they had made efforts to use plain English, often including glossaries to explain legal or technical terms, and some had specifically hired external consultants to support the use of plain English	All companies report practices consistent with the proposals
Enquirers are advised how a connections application made by them would be processed	Companies generally advised that the connections application process was set out on their websites, with information tailored to the type/size of connection. One company reported that due to technical difficulties, they had not yet been able to post this information to their website, and some reported that they had a range of leaflets setting out the process. Responses generally focussed less on how telephone enquiries were supported, although as indicated above, most have dedicated connections call centre numbers	All companies report practices consistent with the proposals

Managing customer interfaces effectively

1.21. In February 2006 we noted that DNOs have to deal with the varying needs of different customer groups but that some service level requirements are common to all of them. We commented on the importance of providing easily accessible information to customers which is relevant to their circumstances and suggested that information packs and 'frequently asked questions' sections on websites could be useful tools. We also suggested that regular liaison should take place with key clients and stakeholders through meetings and the appointment of key account managers. In order to mitigate the workload involved with speculative quotes we

considered that DNOs should also provide a user friendly interface for budget estimates, with appropriate caveats. We believed that this could best be achieved through web based or third party facilities.

1.22. A crucial step for customers following the submission of an application is the way that DNOs interface with them. A particular concern for developers is the lack of continuity in contact with DNOs through the lifecycle of a connection request. Establishing a single point of contact for schemes may bring about improvements in customer service and may head off complaints relating to delays or specific problems. We would expect DNOs to be proactive in their handling of connection requests and notify customers about problems as they arise rather than waiting for complaints.

1.23. We expect DNOs to work proactively to implement the measures we have outlined above, including developing information packs and FAQ guides, holding regular liaison meetings with relevant stakeholders and providing a single point of contact for those requesting connections services.

1.24. In July, the DNOs reported against the thirteen Good Practice Areas set out in Table A10.2 below (three of which, marked*, were added after publication of the 2007 Proposals document). Overall, in six of the areas most or all of the companies had wholly or substantially met the required standard (on a self- assessed basis), so that we scored the industry as green in those areas. In three areas (providing Information Packs / FAQ publication on their websites, making on-line quotations available, implementing a link to Lloyds Register NERS) significant work remained to be done. Finally, in one area, making a budget / cost estimation tool available, we scored the industry as red. A number of companies said that they had no plans to implement this and had not agreed a business case internally. Indeed some companies argued that this position constituted Good Practice.

Table A10.2 - Reporting against Good Practice in Managing Customer Interfaces Effectively

Good practice area	Summary position	Overall rating and rationale
An Information Pack or FAQ publication is available on the website and by request.	3 out of 7 respondents reported that this remained work-in-progress	A number of companies not yet consistent with best practice
Procedures and documentation are in place to cater for small scale through to major project enquiries.	All companies reported that appropriate procedures are in place. Although approaches varied. Some have different application forms for different customer types, others argue that they can accommodate all customer types within a single, clear application form	All companies report practices consistent with the proposals
There is a link to LTDS info on website.	All companies reported that there is a link from their website	All companies report practices consistent with the proposals
A Budget/cost estimating tool is available.	No company has this fully implemented. Some companies are in the process of implementing such a tool, others argue that the standard statement of charges fulfils this function, whilst one other argues that an estimation tool is counter-productive in that it could mis-lead customers	Slow progress in implementation, and some companies do not consider necessary / appropriate
On-line quotations are available.	No company has this fully implemented. A couple are in the process of developing it, with one having on-line quotations for a limited customer set (street lighting). Some of the companies have no current intention of implementing on-line quotations.	Most but not all companies implementing, but implementation incomplete
Competition in connections - Contestable and non-contestable activities are explained on website and in information packs / FAQs.	Most companies report that this is available, but one company reported that the information had not yet been posted to its website due to technical difficulties. For example, one company reported that it has a helpfully titled publication called Your Choice which is displayed on its Competition in Connections web page.	Most but not all companies have placed the information on the website
A link is provided on the website to Lloyds Register NERS.	4 out of 7 companies, have implemented the link, although this was not explicitly identified as good practice target in the 2007 Proposals document. The remaining companies have stated an intention to do so in the near future.	A number of companies not implemented, but planning to
The consequences of a customer asking the DNO to complete some contestable aspects are explained on the website and in information pack/FAQ.	5 of the 7 companies state that they have placed the information on the website, although one of the 5 companies stated that the information was not well signposted on the site.	Most but not all companies have placed the information on the website
DNO's statutory responsibilities are explained on the website and in information packs / FAQ.	5 of the 7 companies state that they have placed the information on the website, although one of the 5 companies stated that the information was not well signposted on the site.	Most but not all companies have placed the information on the website
The DNO liaises with local authorities and regional development agencies	All DNOs stated that they liaise with local authorities and regional development agencies. However the extent of liaison appears to vary. For instance, one company stated that it designated account managers and held regular monthly meetings, whilst one company was much more vague, stating that liaison was "as and when needed"	All liaise, but depth of liaison unclear in some instances

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Other DNO websites are monitored for ideas/best practice*	Most, but not all DNOs said that they review other DNO websites to provide a benchmark for their own site and to pick up good ideas. At least one DNO looks across a variety of different industry websites for this purpose	Most but not all DNOs do this
Links/referrals to DNO-affiliated companies are clearly flagged as such*	DNOs whose websites refer/link enquirers to affiliates said that the relationship with the affiliate and the basis on which it would provide services (e.g. as the DNO's agent) were explained. One DNO confirmed that that the same applied in reverse - i.e. that information on the website of its affiliate explained its relationship with the licensee	Sufficient information appears to be available, but web site content and presentation tends to change quickly
Referrals to affiliates for services work seamlessly*	Responses to this question indicate that customers are dealt with by one organisation once they have made a connection application to the DNO - either the DNO itself or a service provider acting on its behalf	No DNOs indicated that there are issues in transferring customers between service providers during the course of a connection

Streamlining the applications process

1.25. DNOs have developed their connection enquiry and application services over recent years to provide clearer and more accessible information and to make application forms more user-friendly and easier to complete. Although forms and processes vary between DNOs to reflect different operational, organisational and corporate cultures, we have encouraged DNOs to converge on common areas of good practice such as the use of plain language wherever possible and the provision of named contacts that a customer can liaise with throughout their connections application.

1.26. In July we asked the DNOs to report against four Good Practice areas. All of the companies reported that they had met the requirement in most or all of the areas. However, our analysis of the text of the responses leads us to doubt that they have. Specifically:

- special access requirements: Some companies stated that they had improved access for the partially sighted, others for the blind and others for those with English as a second language. It was not clear that all companies have improved access in respect of all special needs requirements
- all companies stated that they had made clear the obligations on the applicant and some companies stated that they had provided plain English guides. However, other companies considered that this requirement had been met by providing customers with a copy of the standard legal terms and conditions, and
- some companies stated that they had a single point of contact, but described a process where customer might need to interact with a number of DNO staff throughout the lifecycle of the connection implementation

Table A10.3 - Reporting against Good Practice in streamlining the applications process

Good practice area	Summary position	Overall rating and rationale
Forms for completion by enquirers/applicants are easy to access and complete.	All of the companies state that their forms are easy to complete, although a variety of approaches are employed. Some use different forms for different customer types, others a standard form. Forms are generally available on-line, but cannot always be completed entirely on line.	Most companies report practices consistent with the proposals
Facilities are in place for applicants with special needs such as disabilities.	Most companies report they have taken some steps to improve accessibility for at least one special needs group, but different companies have focussed on particular areas. Some have addressed needs of the visually impaired (e.g. By allowing scaling of web views), others have considered Braille users while others operate special contact centres for the deaf or a language line for those whose first language is not English. Other companies state that "they have no special additional resource in place for connections, but that they have general provisions in place as required by their licence".	Most companies report they have taken some steps to improve facilities for applicants with special needs
Forms and other information provided to applicants make clear the obligations on the applicant and the agreement they are entering into.	All companies report that they meet this standard, although the degree to which obligations are presented in plain English appears to vary. Some companies report that these obligations are set out in plain English, whilst one company merely states that "they are contained in our standard terms and conditions, which are issued with all quotations"	Whilst all companies report compliance, in some cases we are unsure about the plain English nature of communication
A 'single point of contact' is provided to applicants for ongoing communications.	Whilst all companies report that they meet this standard, we would argue that some of the accompanying descriptions do not really describe a single point of contact. ICPs and larger customers may have assigned Account Managers, but the following description is relatively typical: "The contact is provided as a planner or designer for the quotation stage and the project manager for the construction phase. There is also an 0845 number for both general enquiries and to provide a contact point for specific project issues. It will probably never be one person for the life of the job, the main process amendments are to make the customer contacts proactive so following quotation the customer should not need to contact us again."	Whilst all companies report practices consistent with the proposals, we are unsure that the processes/ procedures described constitute single points of contact

Standardising the applications process

1.27. In order to meet customer service expectations DNOs' systems for handling connection enquiries and applications need to be flexible enough to meet the needs of customers ranging from individual householders through to major developers with multi million pound/time sensitive projects. As the incumbent network operators DNOs must ensure that they provide a consistently high level of service to all connection applicants, including those customers using an ICP for the contestable aspects of their connection. To achieve this DNOs have followed differing organisational approaches and made different uses of new information technology.

1.28. In July we asked the DNOs to report against four Good Practice areas (including one added since the 2007 Proposals document, marked with an asterisk). There remain some areas where we do not believe the Good Practice standards are being followed although all companies have implemented a degree of customer segmentation with different handling staff/procedures for different classes of customer.

1.29. There remain some concerns about DNOs' performance in proactively addressing potential problems during the process. Some were in the process of implementing systems, whilst we were concerned to note that some DNOs considered that complaints procedures constituted proactive management rather than reactive. We also note that no company had fully implemented web-tracking of applications, and some have no current intention to do so.

Table A10.4 - Reporting against Good Practice in standardising the applications process

Good practice area	Summary position	Overall rating and rationale
Web tracking of application progress available to applicants.	No company reported that all customers had web tracking capability through the life cycle of the connection. About half reported that some customers had web tracking capability, whilst about half reported that no customers had this capability and they had no plans to roll out this capability. One company argued that direct dial access to the Planner would suffice.	A number of companies have no current plans to roll out this capability uniformly
Different account handlers are in place for business and domestic applicants.	The following response was quite typical.." Different structures and account management approaches are in place for different customer types including: <ul style="list-style-type: none"> • Small services; • Projects; • Major connections; • ICPs/IDNOs; • Local authorities" 	All companies have some degree of customer segmentation
A system for addressing potential problems proactively is in place.	Significant work remains to be done in this area. Three companies were currently engaged in delivering projects that would track progress and proactively address potential problems before they became actual problems. Of the other companies, a couple discussed proactivity in terms of complaints procedures, which, in our view constitutes reactive rather than proactive management	Some companies have systems in place, some are close to delivery of systems, but others have not interpreted "proactively" in the manner we would expect

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<p>There is consistent treatment for applications handled as section 16/statutory duty to connect and those handled as 'competitive'*</p>	<p>All DNOs said that they provide consistent levels of service as between:</p> <ul style="list-style-type: none"> i) customers asking the DNO to complete all connections works under their statutory duty ii) customers (or ICPs on the customer's behalf) seeking non-contestable services only iii) customers asking the DNO (group) to quote against an ICP's quote for contestable elements. <p>Some DNOs pointed out that applicants for non-contestable services benefit from the specific service standards laid down in standard licence condition 15. Several DNOs commented that the actual handling of an application would depend on the particulars - for example, a single domestic connection would be handled differently to a major industrial site and might be dealt with by a different team.</p>	<p>DNOs have affirmed that they treat applications on a consistent basis. However we shall keep this aspect under review given the ongoing development of services offered by DNO affiliates, including multi-utility solutions, and the often complex resource and organisational relationships involved.</p>
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Dispute resolution processes

1.30. As referred to elsewhere in this document, from October 2008 domestic consumers who have an unresolved complaint or dispute with a DNO on a connections related matter will be able to approach the Energy Ombudsman for an independent review and decision²¹. However, before approaching the Energy Ombudsman, domestic customers must seek to resolve their complaint through the DNO's own dispute resolution procedures. At present, large business/industrial customers cannot refer complaints to the Energy Ombudsman. It is therefore very important that each DNO has an accessible and effective dispute resolution process within its own organisation which is both robust and flexible and minimises instances of 'deadlock' and the need for external adjudication which can involve additional expense and delay. In our 2007 proposals document we set out a number of points concerning dispute resolution and we referred to the possibility of provisions being included in forthcoming consumer redress legislation.

1.31. On 16 July 2008 the Authority made the Gas and Electricity (Consumer Complaints Handling Standards) Regulations 2008 ('the complaints Regulations')²² which will come into force on 1 October 2008. The regulations apply to DNOs as "regulated providers" and require them to have a complaints handling procedure in place at all times for domestic and micro business consumers and impose requirements concerning the recording and handling of complaints. As referred to above, we discussed dispute handling arrangements in the context of connections disputes during our bi-lateral meetings with DNOs in autumn 2007.

²¹ Ofgem retains its role in determining disputes under section 23 of the Electricity Act 1989. Consumer Direct will assist consumers by providing advice and referring them to the appropriate body through which to progress a complaint

²² http://www.opsi.gov.uk/si/si2008/uksi_20081898_en_1

1.32. In our July 2008 survey we asked DNOs to report against ten good practice areas under the heading of dispute resolution processes, two of which were added after publication of the February 2007 proposals document and which are marked with asterisks. All DNOs reported that they have a complaints procedure which they bring to the attention of connections customers and all said that they have a facility to refer disputes for review away from the connections business. However, some DNOs are more proactive in having senior management review logged complaints to spot trends and identify problem areas. Most DNOs made specific reference to their readiness for the Gas and Electricity (Consumer Complaints Handling Standards) Regulations 2008 which come into force on 1 October 2008. In addition, most DNOs made reference to their relationship with energywatch and their preparations for dealing with referrals from Consumer Direct and the Energy Ombudsman from October 2008.

1.33. Although we are generally pleased with the progress DNOs have made in developing efficient dispute resolution processes, we have scored most areas as amber, because of apparent differences between DNOs in the level of active review and tracing of complaints at a senior level to learn lessons from trends and improve services. In addition, we will want to see how connections complaints are taken forward under the complaints Regulations and in the context of the new roles for Consumer Direct and the Energy Ombudsman and the discontinuation of Energywatch.

Table A10.5 - Reporting against Good Practice in dispute resolution procedures

Good practice area	Summary position	Overall rating and rationale
Clear and effective procedures are in place for resolving disputes and handling complaints	All DNOs said that they had a complaints procedure in place. Some DNOs specifically referred to having developed their procedures to be ready for requirements under the Gas and Electricity (Consumer Complaints Handling Standards) Regulations 2008 ['the Regulations'] which come into force on 1 October 2008	Although all DNOs have a complaints procedure, they will need to review them to ensure that they are compliant with the Regulations which come into effect from 1 October 2008.
Complaints procedures are well publicised	DNO signpost their complaints processes in a number of ways. Some include details with connection quotes while most have information on how to complain in the 'contact us' section of their websites	(see comment above)
Complaints procedures allow for a review by a non-connections manager if necessary	All DNOs said that complaints could be reviewed outside the connections business usually as part of an escalation process. One DNO said that written complaints are reviewed by a director on a regular weekly basis	Although responses from DNOs show that the ability to refer a complaint outside the connections business is important, in most cases this is only triggered by an escalation of the dispute

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Complaints procedures leave an audit trail	All DNOs said that they had a method for recording complaints. However, some DNOs are more proactive in reviewing logged complaints to spot trends/learn lessons	DNOs will have to review complaints recording procedures to ensure that every relevant complaint is logged in compliance with the Regulations which come into effect on 1 October 2008
Complaints procedures include liaison with energywatch	All DNOs professed to have a healthy working relationship with energywatch. Several referred to the fact that they are amending their processes to be consistent with the new consumer redress legislation and the roles which will be played by Consumer Direct and the Energy Ombudsman.	(see comment above)
Complaints procedures are flexible enough to settle matters on an ex-grata basis	All DNOs said that they have the facility to make ex-gratia payments in appropriate circumstances.	All companies report practices consistent with the proposals
The complaint escalation process is clear	All DNOs said that they clearly communicated the way in which complaints could be escalated within their organisations. Several mentioned that they would be reviewing the process to ensure compliance with the new Regulations	All companies report practices consistent with the proposals
Regular customer satisfaction surveys are conducted	All DNOs said that they have some kind of customer survey programme. Some DNOs said that their surveys focus on key areas of connections service or are an integrated part of a service improvement programme. Some companies use independent consultants for their surveys.	Whilst all DNOs are conducting surveys, some programmes appear more comprehensive than others.
There are separate complaints processes for business customers and domestic customers*	Responses to this point varied. Some DNOs make no differentiation between customer types for dispute handling whereas other do vary their processes depending on the type of customer. One DNO mentioned that it is reviewing its procedures to take into account the fact that larger business customers will not have recourse to the Energy Ombudsman.	The specific approach to this aspect is a matter for DNOs, provided that complaints procedures meet the needs of the particular customer seeking to use them.
Mystery shopper exercises are undertaken*	Several DNOs said that they either conducted or planned to introduce mystery shopper exercises in respect of connection enquiries	We consider that this could be a useful tool for DNOs to monitor and improve their customer service levels

Cost breakdown and point of connection (POC) information

1.34. In 2007 we proposed that DNOs should routinely provide more information on the breakdown of charges included in connections quotations and automatically provide point of connection information in some cases. We obtained updates on individual practices by DNOs during our bi-lateral meetings. This is an important area for higher value connections because:

- making customers aware of the charges for contestable works means they are more likely to seek competitive quotes
- providing basic POC information means that an ICP can provide an indication of costs to the customer without having to make a formal application to the DNO, and
- providing a breakdown of costs assists customers in their own budgeting/reporting and empowers them to challenge quotes

1.35. In July 2008 we selected three good practice areas for our survey. At present the level of cost breakdown and POC information varies considerably. In some cases basic information is provided automatically whereas in others it is only provided when the customer requests it. DNOs have recently agreed to provide charge breakdown and point of connection information under certain criteria following work at the ECSG. This was referred to in responses from some DNOs and the details of the agreement are set out in paragraphs 1.28 to 1.35 of Appendix 9.

Table A10.5 - Reporting against Good Practice in providing cost breakdowns and point of contact information

Good practice area	Summary position	Overall rating and rationale
The non-contestable/contestable elements of total quote are given if total value of job exceeds £Xk	Several DNOs currently provide information on the split of charges between the non-contestable and contestable elements of connection quotes, either automatically or on request. Other DNOs plan to introduce this for quotes above agreed threshold amounts during the coming months following agreement at the ECSG	See additional info under "Work of the ECSG"
POC technical information is provided on request or by default if total value of job exceeds £Xk	Several DNOs currently provide point of connection information with connection quotations either automatically or on request. Other DNOs plan to introduce provision of basic POC information for quotes above agreed threshold amounts during the coming months following agreement at the ECSG	See additional info under "Work of the ECSG"

A breakdown of costs (e.g. labour, materials etc) is provided in every case	Most DNOs provide some breakdown of charges in connection quotations either automatically or on request. A commonly agreed minimum level of information will be provided in future following discussions at the ECSG.	See additional info under "Work of the ECSG"
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Summary and Conclusions

1.36. Our original proposals for the promotion of convergence and good practices in electricity connections had three broad objectives:

- to promote consistent service levels for customers and common requirements of developers, ICPs and IDNOs seeking connections across the country
- to promote competition in connections where appropriate by ensuring that ICPs and IDNOs have access to good levels of service and information from DNOs and have recourse to an effective dispute resolution process where this does not occur, and
- to raise levels of service for customers who obtain their electricity connection from the incumbent DNO either by choice or because there is no alternative at their location.

1.37. Connections customers are generally clear on the levels of service they require, whether in relation to information provision, timeliness of delivery or cost effectiveness. Arguably therefore, promotion of competition is the best way to drive up service levels since, if customers are dissatisfied by the service received from the DNO or a particular connections provider, they will switch to another provider who gives them what they want. Therefore, some of the good practice areas we set out in our 2007 proposals were particularly aimed at improving the service experienced by ICPs and IDNOs. In addition, as connections customers, ICPs and IDNOs benefit from all improvements in connection services from DNOs.

1.38. However, even under ideal circumstances, increasing competitive pressure would take time to improve the service experienced by end customers. In addition, a significant proportion of customers will always choose to obtain all aspects of their connection from the DNO – and in some cases will not have the choice of a competitive offering. It is therefore important that DNOs continuously improve their service standards whether or not they are in direct competition with other providers. Some of the good practice areas in our proposals were set out with this in mind. However, we have sought to move forward on a consensus basis with DNOs since they should have a good understanding of customer needs in their respective distribution services areas and the way in which they can be met by their organisational approach. This approach also minimises the risk of unintended/perverse consequences of customer service edicts by the regulator.

1.39. A key aspect of empowering customers is making sure they are aware of both the service levels they should expect from the DNO (driven by legislation and licence conditions) and the possibility of seeking a competitive quote in some circumstances. We focussed on the information provided on DNOs' websites in this regard since this is the main medium of communication available to DNOs. We also recognised that the profile of connections customers varies considerably and that the consequences of poor service and delays can be especially severe for commercial applicants. We have also placed emphasis on the dispute resolution procedures available to customers which will complement statutory requirements under the Gas and Electricity (Consumer Complaints handling standards) Regulations 2008.

1.40. Whilst improvements have been made in the provision of on-line/automated services, handling of most connection requests still requires significant 'human input'. In that regard we expect DNOs to consider assigning key account managers and designated contacts to connections customers.

1.41. The visits we made to DNOs in autumn 2007 to discuss good practice areas and the recent survey have also helped us to develop our understanding of the various corporate/organisation structures DNOs have put in place to deliver electricity connections in the context of the electricity distribution price control regime. The good practice requirements recognise that there will be different approaches to administration by different DNOs, not least because of the history and investment requirements associated with information technology systems. However, it should be no more onerous to obtain an electricity connection in one area than it is in another. Similarly, any differences in charges applied by DNOs from area to area should clearly relate to differences in the commensurate costs.

1.42. Overall therefore, whilst we felt that some progress has been made by DNOs, continued effort will be needed to improve services so that they meet customer needs and are responsive to healthy levels of competition in connections going forward. The ECSG will continue to be a key forum to take forward improvements in connections standards through discussion and agreement between industry stakeholders, and connections standards will be one of the issues addressed in the context of the next distribution price control (DPCR5).