

# Connections WG Meeting – 28/04/12

## SSEPD – Cost Effective & Timely Connections



# Background

- **Customers' expectation**

- Willingness to pay
- Timely connections
- Efficient utilisation of networks

- **Challenge for DNOs**

- To achieve all of the above with no increase in DUoS charges
- To achieve this through efficient and innovative investment

- **Continuing as we are**

- Will not produce cost effective and timely Connections
- Does not encourage innovation

# Cost Effective

- **Delivering Connections at lower overall costs**
- **Through**
  - Minimising Connection and Reinforcement Costs
  - Applying Innovative Solutions
- **Objective must be to**
  - Delivering Connections at lower cost
  - Increased Network Utilisation
- **How to Incentivised through RIIO?**
  - The Current DG Incentive Mechanism **or**
  - A “Revenue Driver” that encourages Innovative Solutions.

# And Timely

- **Delivering Connections in a timely manner**
- **Issues to Overcome**
  - Investment ahead of need/Risk of stranded Assets
  - Cost recovery mechanism
  - SLC 19 (treatment of different customers/technologies/locations)
- **Objective must be to**
  - Delivering connections more quickly
- **How to Incentivised through RIIO?**
  - (Out) Performing GSoPs for New Connections **or**
  - A mechanism to allow Early Actions

# Connections WG

- Should be one of the key drivers for this group
- Important to include in Terms of Reference
- Should be a key measure of DNO performance going forward
- Important to incentivised through RIIO