

Rachel Fletcher
Acting Partner, Smarter Grids & Governance Distribution
Office of Gas and Electricity Markets
9 Millbank
London
SW1P 3GE

Avonbank
Feeder Road
Bristol
BS2 0TB

Telephone 0117 9332175
Fax 0117 9332428
Email asleightholm@westernpower.co.uk

Our ref

Your ref

Date

22 November 2011

Dear Rachel

FOLLOW-UP TO DISTRIBUTED GENERATION FORUM

I am writing on behalf of Western Power Distribution (South Wales) plc, Western Power Distribution (South West) plc, Western Power Distribution (East Midlands) plc and Western Power Distribution (West Midlands) plc in response to your letter of 27th October asking for our plans to improve the service and information that DG customers receive.

We have always placed customer service as a key objective in the way we work and this applies to DG customers as well as demand customers. We constantly monitor the service we provide to identify areas for improvement and to provide feedback to our workforce.

The feedback from the DG Forum is helpful in showing us that more needs to be done to assist DG customers. In particular the feedback that consistency in technical standards and level of cost detail need further changes to be considered.

Current Issues

Ofgem will be aware that over the last 18 months there has been a dramatic increase in the volume of DG applications, driven by the various government policy changes in the Feed in Tariff (FiT). These application peaks have and are currently presenting real challenges to our staff and DG customers.

An additional challenge is that draft regulations to allow for assessment and design fees are still on hold. This means that a large proportion of DG applications are speculative, without planning permission and do not go ahead. However we are unable to give priority to committed projects with planning consent which we understand can create frustration to the customers involved. It would be useful if a method of prioritisation could be developed for committed projects.

Finally feedback from our DG customers and organisations such as the NFU is that the cost of reinforcement is a significant barrier to DG connections. You indicate in your letter a desire to look for ways to enable DNOs to reinforce ahead of need and

socialise costs so that DG customers are not required to pay. We appreciate that this issue also has DECC planning consent implication.

Actions taken

We are currently reorganising our structure in our Midlands licence areas to match that which exists in South Wales and the South West and introducing the same policies, procedures and IT systems across all 4 licenced areas. We believe that the introduction of the team approach in the Midlands will significantly improve the level of service seen by both DG and demand customers when seeking connection to the network. We also continue to meet with individual generators and other stakeholders on a local basis to explain our policies and connection processes. Where appropriate we are testing and trialing innovative ways of connecting generators using the the LCNF and IFI mechanisms.

We have worked with other DNOs and Ofgem on a number of areas to improve connection performance during 2010-11.

As part of DPCR5, Ofgem introduced comprehensive guaranteed standards of performance timescales across all types of demand and generation connections. These were implemented in WPD October 2010. To date with a small number of exceptions we have met these timescales.

We also implemented our DG Information Strategy (DGIS) in October 2010, including actions for improvement. This was approved by Ofgem in March 2011. As part of DGIS we included a new section on our website containing information to help DG customers understand the connection process and how to contact us to progress a connection. We also ran a six month survey on our DG connections webpage to ask users for specific feedback. As a result we made a number of changes to the website. In addition we have trained our call centre staff using the Centre for Sustainable Energy, based in Bristol, in assisting customers when they call us to seek information or connection.

The DGIS is due for review by April 2012. As part of our reorganisation process we are planning to update and consolidate the Midlands and WPD Wales & South West DGISs.

As required by Ofgem the DG Connections Guide was developed nationally by all DNOs and approved by Ofgem in December 2010. This is available on DNO and ENA websites. The changes recommended by Ofgem were implemented and an updated version published in June 2011.

We have also adopted the ENA's industry standard DG application form to provide a consistency of application information requirements.

With regard to the provision of more detailed cost breakdowns, the industry's COG Group has been working on this area.

The way forward

We recognise that as the UK moves towards the development of low carbon networks, the connection of DG is an increasingly complex commercial and engineering process. We would welcome working with the other DNOs, Ofgem and stakeholders to review and where possible simplify the DG application process and the technical requirements. We see joint working on this as essential to achieve common national standards.

We would also welcome similar discussions with Ofgem and DECC about reinforcement ahead of need and socialisation of reinforcement costs.

If you would like to discuss this further please do not hesitate to contact me.

Yours sincerely

A handwritten signature in black ink, appearing to be 'AS', with a stylized flourish extending from the end.

ALISON SLEIGHTHOLM
Regulatory & Government Affairs Manager