



Sustainable Energy

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James Veaney,
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16 January 2013

Dear James

Competition in Connections - Consultation on WPD's Competition Notices

In relation to Ofgem currently seeking views on the development of competition in connections in WPDs operating areas, following the submission by WPD of "Competition Notices" on 26 October 2012.

Please find enclosed a completed pro-forma detailing our views on our experience of operating in WPD's area.

E.ON Highways Lighting has over the past 18 months been significantly involved in the WPD East and West Midlands licensed areas delivering unmetered connections predominantly for street lighting. The majority of our work is for Local Authorities, Developers and PFI contracts and we are now delivering several hundred unmetered connections monthly.

In general we have found WPD to be proactive in resolving issues raised and provide the opportunity for ongoing discussion through regular meetings. While the overall process is admin intensive we are pleased that it is consistent across all WPD licensed areas and anticipate continued refinement overtime.

The end to end process works well with responsibilities for the DNO and ICP well defined along with timescales and WPD have demonstrated a sensible attitude to jointly monitor performance and work through any issues.

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Although focusing on unmetered connections we have an aspiration to both increase our geographic coverage of this activity and also progress into other works such as Low Voltage connections and the workshops WPD have held over recent months to demonstrate and launch the various systems and processes has proven helpful and well attended by ICPs.

The WPD access and adoption agreement is typical of those we have entered with other DNO's and the inclusion of a cap on liabilities has addressed the main concern we previously had with it. In addition it has proven to be one of the most inclusive covering both LV and HV works but also overhead connections which is an important aspect for our customers with assets in rural locations and for us to provide them a total service. The need for only a single agreement covering all their licensed areas inclusive of all customers is also by far the best methodology we have experienced.

We are pleased that WPD are continuing to look for opportunities to evolve the overall competition process and strongly support the recent issue of a revised access and adoption agreement that allows ICP's to manage their own assessment and authorisation process as this enables us to take responsibility for our own staff and reduces duplication with our own process and that of WPD.

While we understand a period of transition is needed for all ICP's to achieve this position E.ON Highways Lighting would like this to be the normal approach of all DNO's and our concern is that if it is not then ICP's not capable of meeting this requirement will have entered the competitive market but will not be exposed to the true cost of doing so.

I hope this feedback proves helpful to your consultation process.

Yours sincerely,

Richard Jackson
Head of Highways Lighting (Central)

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Competitor Feedback

Do you agree with the following statements?	Agree	Disagree	Any other comments
Customers are aware that competitive alternatives exist.	Y		We have established customers, customers who jointly utilise ourselves and WPD, and new former WPD customers who have decided our one stop shop proposition (column & connection) is their preference.
WPD takes appropriate measures to ensure that customers are aware of the competitive alternatives available to them.	Y		We would only really comment on unmetered connections where we believe this is well understood.
WPD's procedures and processes allow competitors to compete effectively including access to network data and policy documents.	Y		We have appropriate access to network data and policy documents. The vast majority of our work can fit the WPD procedures and processes and we have been provided an exceptions process for the small element of urgent works which is essential.
WPD provides assistance to competitors in entering the RMSs (Relevant Market Segments).	Y		Our core area is unmetered connections and we have found WPD to be helpful in developing a process for us to compete in this area and held regular workshops and meetings to support this.
WPD listens to our requirements and responds positively and acts pro-actively to improve processes.	Y		There has been dialogue on a number of issues and there are tangible examples where once WPD fully understand the impact on ICPs action is taken to provide appropriate solutions to issues raised.

Do you agree with the following statements?	Agree	Disagree	Any other comments
WPD's non-contestable charging regime compares favourably with others.	Y		Our view would be that WPD's charging process aligns with that of other DNO's and is consistently applied.
WPD compares favourably with other DNOs.	Y		We interface with a number of DNO's and we find WPD's approach helpful, proactive and open to ongoing review and improvement.
Our experience of working with WPD gives us confidence that they will operate appropriately if price regulation is lifted.	Y		We believe this to be the case and for WPD to prove.

Which areas do you operate in – please tick

East Midlands	Yes
West Midlands	Yes
South Wales	About to
South West England	About to

LV	
HV	
HV and EHV	
EHV and above	
LV generation	
HV/EHV generation	
Unmetered Local Authority	Yes
Unmetered PFI	Yes
Unmetered Other	Yes

Name.....

Company.....

Date.....