

Each of the questions asked by this consultation is set out in the template below. **Note that an editable version of this response template is available on our website as an associated document to this consultation.** If you do not wish to use our response template, please ensure that you indicate the RMS and DSA to which your experiences relate.

When considering your responses to these questions, please consider your experiences, the actions that SSEPD has undertaken and the actions that you consider it could reasonably undertake.

**Please check the RMS and DSAs that are relevant to you in the table below.**

RMS	SHEPD DSA (North Scotland)	SEPD DSA (South England)
2. Metered high voltage work (HV)	<input type="checkbox"/>	<input checked="" type="checkbox"/>
3. Metered HV and Extra High Voltage (EHV) work	<input type="checkbox"/>	<input checked="" type="checkbox"/>
6. Distributed Generation(DG) HV and EHV work	<input type="checkbox"/>	<input checked="" type="checkbox"/>

**When answering the questions below, please check the RMS(s) and DSA(s) that are relevant to your response.**

## **Chapter Two**

Question	RMS(s)	DSA(s)	Response
<b>One:</b> Are customers aware that competitive alternatives exist?	Metered HV <input checked="" type="checkbox"/>	SHEPD <input type="checkbox"/>	In general SSEPD's own statistics show that customers are not aware of competition. Only 12% of HV schemes have had an alternative quotation, under any other market this would not be seen as an open and competitive market and as such we struggle to see how both SSEPD and Ofgem could view this as open to competition.
	Metered HV/EHV <input checked="" type="checkbox"/>	SEPD <input checked="" type="checkbox"/>	
	DG HV/EHV <input checked="" type="checkbox"/>		
<b>Two:</b> Do customers have effective choice (ie are customers easily able to seek alternative quotations)?	Metered HV <input checked="" type="checkbox"/>	SHEPD <input type="checkbox"/>	Competitors are available however a number of SSEPD's processes make it cumbersome and difficult to compete. ICP's also encounter non contestable charges which their S16 business does not incur.
	Metered HV/EHV <input checked="" type="checkbox"/>	SEPD <input checked="" type="checkbox"/>	
	DG HV/EHV <input checked="" type="checkbox"/>		

Question	RMS(s)	DSA(s)	Response
<b>Three:</b> Does SSEPD take appropriate measures to ensure that customers are aware of the competitive alternatives available to them?	Metered HV <input checked="" type="checkbox"/> Metered HV/EHV <input checked="" type="checkbox"/> DG HV/EHV <input checked="" type="checkbox"/>	SHEPD <input type="checkbox"/> SEPD <input checked="" type="checkbox"/>	Whilst the website does have competition in connections referenced, the website is not easy to follow.
<b>Four:</b> Are quotations provided by SSEPD clear and transparent? Do they enable customers to make informed decisions whether to accept or reject a quote?	Metered HV <input checked="" type="checkbox"/> Metered HV/EHV <input checked="" type="checkbox"/> DG HV/EHV <input checked="" type="checkbox"/>	SHEPD <input type="checkbox"/> SEPD <input checked="" type="checkbox"/>	SSEPD have stated in their submission the intention to allow S16 to be accepted either in whole or just the NC. However this has not been fully implemented and as such customers still have a protracted process. Also SSEPD increase its POC and design approval charges for schemes when it is an IDNO job instead of an ICP. These charges are not cost reflective as there is actually less design approval work on an IDNO project than a ICP. An example of this has been submitted as supplementary information 1 & 2
<b>Five:</b> Have customers benefitted from competition? Have they seen improvements in SSEPD's price or service quality or have they been able to source a superior service or better price from SSEPD's competitors?	Metered HV <input checked="" type="checkbox"/> Metered HV/EHV <input checked="" type="checkbox"/> DG HV/EHV <input checked="" type="checkbox"/>	SHEPD <input type="checkbox"/> SEPD <input checked="" type="checkbox"/>	The current market share of 1.49% being undertaken by competitors would not suggest that customers have benefitted from competition.

### **Chapter Three**

Question	RMS(S)	DSA(S)	Response
<b>One:</b> Does the level of competitive activity in the RMSs show that there is the potential for further competition to develop?	Metered HV <input checked="" type="checkbox"/> Metered HV/EHV <input checked="" type="checkbox"/> DG HV/EHV <input checked="" type="checkbox"/>	SHEPD <input type="checkbox"/> SEPD <input checked="" type="checkbox"/>	The current level of competition shows there is opportunity for competition to increase as it could not be much lower. The most important aspect to enable this would be simplified processes, accepting electronic documentation and competitive non contestable charges.

Question	RMS(S)		DSA(S)		Response	
<p><b>Two:</b> Consider the organisational structure of SSEPD's business and its procedures and processes –</p> <p><b>(a)</b> how do they compare to those you encounter elsewhere in the gas and electricity markets or other industries? Do they reflect best practice?</p> <p><b>(b)</b> do they enable competitors to compete with the timescales for connection (from quote to energisation) offered by SSEPD? Or do they offer SSEPD any inherent advantage over its competitors or prevent existing competitors from competing with them effectively?</p> <p><b>(c)</b> do they assist, obstruct or delay connections providers entering the RMSs?</p>	Metered HV <input checked="" type="checkbox"/>		SHEPD <input type="checkbox"/>		<p>We have previously requested an organisation structure for SSEPD's CinC business but we are currently having difficulties establishing who is responsible for what within SSEPD. A number of the staff are also part time which makes it difficult to progress issues in a timely manner.</p> <p>Whilst SSEPD will allow revalidation of its 30 day validity period, there is no guarantee on this. S16 offer 90 day validity and so we face uncertainty when it comes to allowing customers to accept our offers. Other DNO's have extended CinC quotes to 90 day validity in line with S16 and so we do not understand why SSEPD cannot. Alternatively they should revalidate over the phone or via a same day email.</p> <p>Whilst it maybe unintentional, a number of the delivery team are unfamiliar with CinC processes within SSEPD. This can appear obstructive to an ICP.</p>	
	Metered HV/EHV <input checked="" type="checkbox"/>		SEPD <input checked="" type="checkbox"/>			
	DG HV/EHV <input checked="" type="checkbox"/>					

Question	RMS(S)	DSA(S)	Response
<b>Three:</b> Are the non-contestable charges levied by SSEPD for statutory connections in the RMSs consistent with those levied for competitive quotations? Are they easily comparable with competitive quotations?	Metered HV <input checked="" type="checkbox"/> Metered HV/EHV <input checked="" type="checkbox"/> DG HV/EHV <input checked="" type="checkbox"/>	SHEPD <input type="checkbox"/> SEPD <input checked="" type="checkbox"/>	SSEPD do not allow only the NC offer to be accepted on S16 quotations. Also S16 quotes have 90 day validity whereas we have to revalidate after 30 days. This would not be an issue if the revalidation could be done immediately.
<b>Four:</b> What factors are key influences on development of competition in the RMSs? In particular, if you are an existing/potential competitor  <b>(a)</b> what is the potential for you to enter new RMSs, or grow your share of an RMS you already operate in?  <b>(b)</b> are there any types of connection in any of the RMSs, or geographic locations in SSEPD's DSAs, that by their nature, are not attractive	Metered HV <input checked="" type="checkbox"/> Metered HV/EHV <input checked="" type="checkbox"/> DG HV/EHV <input checked="" type="checkbox"/>	SHEPD <input type="checkbox"/> SEPD <input checked="" type="checkbox"/>	<p>One of the major problems in operating in SSEPD's area is the tripartite adoption agreement. This puts a far greater onus on the end customer than if they use S16. As such it is not a level playing field to allow competition to flourish. SSEPD refuse to work on schemes until this document is signed by all parties again creating long delays in the process. Other DNO's work on bi-lateral agreements with ICP's so we do not understand why SSE refuses to allow this to occur. Also other DNO's have put in place framework agreements to cover all ICP projects to avoid the repetition of getting large amounts of documents signed, whereas SSEPD refuses to consider this option.</p> <p>Due to the connection charges it is impossible to compete on LV schemes as the non contestable charges are equal to or greater than the contestable works in a number of cases. We have tried to progress final connections work and to date we have been unable to obtain agreement for our staff or</p>

Question	RMS(S)	DSA(S)	Response
to competition? Please explain your response.			specific schemes to be completed with Power On undertaking the final connection.

## **Chapter Four**

<b>Question</b>	<b>RMS(S)</b>	<b>DSA(S)</b>	<b>Response</b>
<b>One:</b> Do you agree with the methods used by SSEPD to analyse the level of competition in each of the RMSs covered by its application? In particular, do you consider that SSEPD gives a clear indication of the current level of competitive activity?	Metered HV <input checked="" type="checkbox"/>	SHEPD <input type="checkbox"/>	Without all the data it is impossible to dispute SSEPD's figures. However the levels of competitive activity are significantly low in all areas in our view.
	Metered HV/EHV <input checked="" type="checkbox"/>	SEPD <input checked="" type="checkbox"/>	
	DG HV/EHV <input checked="" type="checkbox"/>		
<b>Two:</b> Do you consider that competitive activity is at a level that in itself indicates that effective competition exists?	Metered HV <input checked="" type="checkbox"/>	SHEPD <input type="checkbox"/>	We certainly do not believe 1.49% and 0% in HV and EHV schemes respectively can demonstrate there is effective competition and from an ICP perspective it raises even further concern when the DNO tries to justify that these levels prove the market is open to competition. We struggle to understand how in any market place a group with 98.5% and 100% market share can be deemed to be anything other than a monopoly.
	Metered HV/EHV <input checked="" type="checkbox"/>	SEPD <input checked="" type="checkbox"/>	
	DG HV/EHV <input checked="" type="checkbox"/>		

## **Chapter Six**

<b>Question</b>	<b>RMS(S)</b>	<b>DSA(S)</b>	<b>Response</b>
<b>One:</b> Do you consider customers have an effective choice of connections provider? In particular, do you feel that levels of choice, value and service will be protected and will improve if the restriction on SSEPD's ability to earn a margin is removed?	Metered HV <input checked="" type="checkbox"/>	SHEPD <input type="checkbox"/>	At present there are a number of factors such as, tripartite adoption agreements, non contestable charges and general processes that mean ICP's can not truly offer a fully competitive service to customers. As such if SSEPD are allowed to have unregulated margins in RSA's with only 1.49% competitive work undertaken then SSEPD will still be able to increase prices without impacting on its market share. On the EHV schemes we could not understand how all customers on the 5 schemes
	Metered HV/EHV <input checked="" type="checkbox"/>	SEPD <input checked="" type="checkbox"/>	
	DG HV/EHV <input checked="" type="checkbox"/>		

Question	RMS(S)	DSA(S)	Response
			averaging £1.1m each would not want to seek alternative offers if they realised they were available. Also the current G81 information available for 33kv schemes is very limited and so it becomes very difficult for new entrants to be able to compete against SSEPD.
<b>Two:</b> Do you consider that there is scope for competitors to grow their market share (for example, if SSEPD put up its prices or if its quality dropped), or are there factors constraining this?	Metered HV <input checked="" type="checkbox"/> Metered HV/EHV <input checked="" type="checkbox"/> DG HV/EHV <input checked="" type="checkbox"/>	SHEPD <input type="checkbox"/> SEPD <input checked="" type="checkbox"/>	As item 1 there are other factors which prevent ICP's from truly competing and so whilst this increase in price will help ICP's it will not solve the current situation.
<b>Three:</b> Do you consider that there is scope/appetite for new participants to enter the market? Do you consider that new entrants would be able to provide similar or better services than existing participants or are there factors constraining this?	Metered HV <input checked="" type="checkbox"/> Metered HV/EHV <input checked="" type="checkbox"/> DG HV/EHV <input checked="" type="checkbox"/>	SHEPD <input type="checkbox"/> SEPD <input checked="" type="checkbox"/>	Only once all the barriers are removed by SSE. At present it is difficult for ICP's to operate in SSE's area.
<b>Four:</b> Given your overall view of SSEPD, do you consider that we can have confidence in them to operate appropriately in the event that price regulation is lifted?	Metered HV <input checked="" type="checkbox"/> Metered HV/EHV <input checked="" type="checkbox"/> DG HV/EHV <input checked="" type="checkbox"/>	SHEPD <input type="checkbox"/> SEPD <input checked="" type="checkbox"/>	Our current view would be no.
<b>Five:</b> Do you consider that there are factors not addressed in this consultation that should be	Metered HV <input checked="" type="checkbox"/> Metered HV/EHV <input checked="" type="checkbox"/>	SHEPD <input type="checkbox"/> SEPD <input checked="" type="checkbox"/>	

Question	RMS(S)	DSA(S)	Response
taken into consideration in determining whether price regulation should be lifted?	DG HV/EHV <input checked="" type="checkbox"/>		