

WPD Competition Test Notice

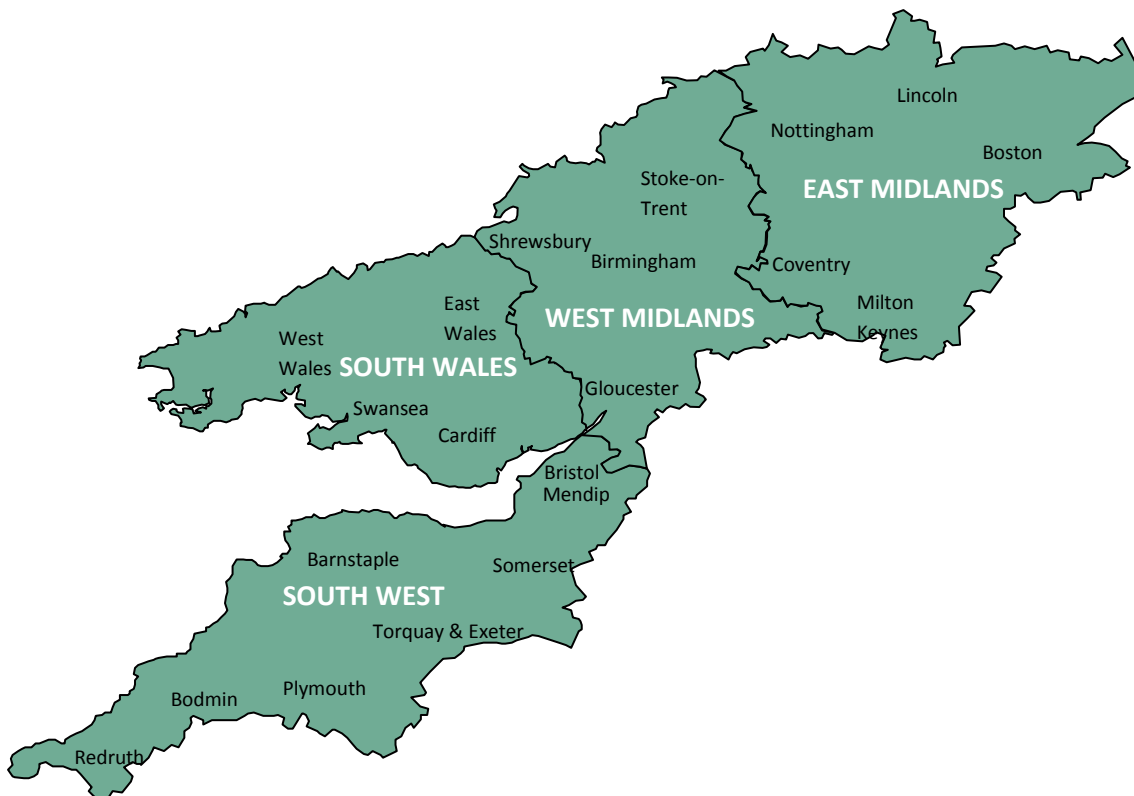
For Relevant Market Segment: Distributed Generation HV and EHV work

WPD Competition Test Notice

Executive Summary

Western Power Distribution (WPD) owns and operates the electricity distribution networks in South Wales, South West England as well as the East and West Midlands that were acquired in April 2011.

We deliver electricity to over 7.7 million customers over a 55,300 sq kms service area with a network of 216,000 kms of overhead lines and underground cables, and 184,000 substations.



WPD applies the same ethos and core values to across all areas and activities. In particular, our policy in relation to Independent Connection Providers and Independent Distribution Network Operators (Independents) is the same as we apply to all customers which is to get it right first time, every time by treating our customers as we would wish to be treated ourselves. We are committed to delivering outstanding customer service and we are proud of our reputation as the leading electricity distribution company in this respect.

As part of the DPCR5 Final Proposals, Ofgem required all DNOs to submit and pass a Competition Test (CT) for their connections activities by December 2013. In compliance with that requirement, this document constitutes WPD's formal Competition Test submission in respect of its four licences distribution networks:

Western Power Distribution (South West) plc

Western Power Distribution (South Wales) plc

Western Power Distribution (West Midlands) plc

Western Power Distribution (East Midlands) plc

We believe WPD's proactive approach has made a significant contribution to facilitating competition in WPD's distribution areas.

Whilst market share is a significant indicator of the effectiveness of competition we believe there are a number of other factors that have an influence on competition and in making this submission WPD aims to demonstrate that it has taken account of each of these factors.

Overview

This Competition Notice is the second notice WPD has submitted for the DG HV EHV Relevant Market Segment (RMS). It provides updates on initiatives undertaken or bedded in since the initial submission along with more up to date analysis of the volume of activity in the RMS and how the share of the market is divided between WPD and independents.

The notice is intended to provide the evidence to support why WPD believe that the requirements of the competition test have been met in the RMS in each of our licence areas and that independents are able to enter and compete in this market giving customers a choice.

We believe that this Notice demonstrates that WPD has facilitated the development of competition in this RMS and shows that competition has been able to grow in an expanding market. This RMS has seen a large increase in large-scale generation connections, particularly those connecting to the 33kV network and it appears to be these schemes which have attracted independents to the market in the four WPD regions. The analysis provided in this submission demonstrates that there have been increasing numbers of parties both requesting and also accepting competitive connection offers, gaining market share in this RMS. We have been able to show that these schemes are on average larger than the non-competitive schemes and believe that the trends show that there are few barriers to successful entry into the market.

Background

In their Final Proposals Document for DPCR5 Ofgem expressed their view that they were "concerned that competition is yet to develop effectively in all parts of the electricity connections market and that in most DNO regions many customers do not have effective choice". In order to drive the promotion of competition to deliver choice and value to the consumer, Ofgem has set the CT to "remove barriers to competition and provide an incentive for DNOs to proactively facilitate competition where competition is viable. By December 2013 at the latest, DNOs must provide detailed evidence to Ofgem to demonstrate that competition in their regional markets is working well for customers and there are no barriers to competition imposed by the DNO."

The requirements of the CT are set out in Charge Restriction Condition (CRC) 12 under the Special Conditions of WPD's Distribution Licences.

WPD submitted a Competition Test Notice encompassing the nine RMS for each of its four licence areas on 26th October 2012 and Ofgem determined on these on 25 February 2013. The determinations were that WPD had successfully passed both the Legal Requirements Test and the Competition Test in:

- in each of WPD's four Licence areas –
 - Unmetered connections Local Authority (LA) work; and
 - Unmetered connections Private Finance Initiative (PFI) work.
- in WPD East Midlands and WPD West Midlands –
 - Metered demand High Voltage (HV) and Extra High Voltage (EHV) work; and
 - Metered demand EHV work and above.

Licence Area	Relevant Market Segment								
	Demand Connections				Distributed Generation		Unmetered Connections		
	LV work	HV work	HV & EHV work	EHV work & above	LV work	HV & EHV work	LA work	PFI work	Other work
WPD East Midlands	✗	✗	✓	✓	✗	✗	✓	✓	✗
WPD West Midlands	✗	✗	✓	✓	✗	✗	✓	✓	✗
WPD South Wales	✗	✗	✗	✗	✗	✗	✓	✓	✗
WPD South West	✗	✗	✗	✗	✗	✗	✓	✓	✗

Under CRC12, DNOs are able to submit further notices four months after the date of determinations on a submission and have until 31st December 2013 to do so. This notice is a resubmission for the Relevant Market Segment: *Distributed Generation HV and EHV work*.

The Legal Requirements Test

There are two tests which make up the overall requirement for DNOs to meet the requirements of CRC12, the Competition Test itself and the Legal Requirements Test.

Under the Legal Requirements Test, WPD must have no enforced breaches or pending investigations in the current regulatory year 2013/2014 of the following legal requirements in respect of connection activities:

- ✓ standard licence condition 12.6(c): Requirement to offer terms for use of system and connection,

- ✓ amended standard licence condition 15: Standards for the provision of Non-Contestable Connections Services,
- ✓ standard licence condition 15A: Connections policy and connection performance,
- ✓ standard licence condition 19: Prohibition of discrimination under Chapters 4 and 5, and
- ✓ the Competition Act 1998.

WPD can confirm that there have been no such investigations or breaches in respect of the above criteria and WPD therefore consider that we have passed the conditions of the Legal Requirements Test.

Scope of the Competition Test Notice

This document constitutes WPD's formal Competition Test Notices under CRC 12 of the Special Conditions in respect of WPDs four licenced distribution networks:

- Western Power Distribution (South West) plc
- Western Power Distribution (South Wales) plc
- Western Power Distribution (West Midlands) plc
- Western Power Distribution (East Midlands) plc

WPD are submitting Notices for each of the licenced distribution networks above for the Relevant Market segments *Distributed Generation HV and EHV work* as defined in CRC 12 and this document sets out the evidence to demonstrate that the requirements of the Competition Test have been met in this segment in each network area.

In their DPCR5 final proposals document, Ofgem set out a high level scope as to what areas should be covered off by DNOs in their CT submissions:

- Barriers to competition
- Actual and potential competition
- Price and transparency of pricing to customers
- Promoting awareness of competitive alternatives
- Competition in connections procedures and processes
- Efforts to open up non-contestable activities to competition

Although the above is not an exhaustive list, it gives us a clear direction of the topics which are expected to be covered by the submission and forms the structure of this Notice.

Barriers to competition

Since the October 2012 Competition Notice and for many years before, WPD have continued to work with customers and independent connection providers / network operators to improve procedures and processes to better facilitate competition in connections and so avoid any unintended barriers to competition, either real or perceived.

In this notice we have again provided an update to the table of potential barriers to entry to the connections market produced by the ECSG in early 2011. The list of issues in this table were a collection of the issues which had been flagged by and to the ECSG from independents regarding barriers to competition which might be addressed by

DNOs. WPD has continued to work with the industry to remove these barriers wherever possible and our updated view of these barriers in the WPD connections market is provided as a summary in Appendix 1A.

We have also provided an update of the list produced by the Competitive Networks Association on areas which could improve the framework for competition in the connections market presented to DNOs and Ofgem in July 2011 in appendix 1B.

In this section we will go into more detail on how WPD has addressed these barriers through the existing practices and new initiatives.

Availability of information

WPD Website

In our October 2012 Competition Test Notice we explained our plans for the WPD website and that it was being updated in two stages, the first in October 2012 and the second in early 2013. The revamp of the connection pages in the first update was detailed in the October 2012 notice. Since then the second update has been launched, this was in February 2013 (screenshots from the revamped website can be found in Appendix 2). WPD has also launched a mobile version of the WPD website on 12th June which is a version of the site that is easy to navigate for users accessing the site from mobile devices.

The February re-launch was a complete overhaul of the WPD website. The new website has been designed with the customer in mind, and included consultation with and feedback from our Customer Panel, who were very positive about the general improvements:

"It looks good, seems fairly easy to navigate and intuitive to find what you may need." – Panel member

"Connections enquirers have a good basic resource for enquirers. Overall it's a good site with a lot of information – corporate as well as operational – and it's presented well." – Panel member

The redesign has been carried out to improve the overall user-friendliness of the website and its appeal as a useful resource for all types of customer and stakeholder. The interface has been streamlined to improve navigation and reduce the number of 'clicks' to find what you are looking for – an example of this is the 'mega-nav', a navigation bar at the top of each page which gives an insight as to what information is available behind these pages by hovering over the section and reduces the number of clicks to reach the information required.

As part of this redesign, connections remains prominent on the homepage and all connections services are just one click away. A 'How can we help' box has been introduced and is included throughout the website for ease of navigation. This means that you are only ever one click away from the connections home page and therefore two

clicks from further competition in connections information and other features such as contacts and application forms.

The connections homepage has been designed to provide quick and easy access for new and returning customers to all aspects of connections services. Competition in connections prominently placed to help make sure that connection customers are aware of their options and that independents can quickly navigate to the CiC information they may require. The February update has continued the improvements made to the CiC pages from the initial stage with:

- Straightforward information and descriptions of competition in connections and its terminology
- Competition in connections access within two 'clicks' of the home page and directly from the connections page
- Improved documentation available for download including information leaflets, guidance, live jointing agreements and adoption agreements.
- Improved section on distributed generation with link from here to CiC pages.

The CiC pages have been improved to be easier to navigate and remain aimed at both explaining CIC to connection customers and providing relevant information to independents.

For Distributed Generation stakeholders, the generation information provided by a link from the connections homepage gives a wide range of useful information to assist both new and experienced customers interested in connecting distributed generation to the WPD network. There are useful guides on how to apply for customers wishing to connect various sizes of generation. The distributed generation map facility is also available on the website is described in the section below.

We have maintained the legal permission section of the connections pages on the website which give help and guidance on what may be required for connection schemes and also has a specific page for CiC. The "Independent Connection Providers" page under legal permission and consents provides specific guidance for independents with the process of obtaining landowner and other consents. This page has links to the guidance note with processes and timescales, the information leaflet (described below) and specimen sample documents to allow independents to discuss these with landowners when discussing cable routes etc.

Our October 2012 Competition test described the new CIRT online application and tracking system for CiC enquires (see section *Crown Internet Routing & Tracking*) and explained that we would be using this as a basis to provide a similar online application system for non-competitive enquires. This application system has now been developed and tested and will launch in November 2013. The online application system will allow customers to submit connection requests online and will include the ability to offer regular updates on progress of work via email and also allow the customer to make a 'call-back request' for any queries they have online. Customers are given the option of choosing to apply for competitive and non-competitive enquires ensuring that they are aware of their choice and not hampered from either route.

Following the improvements to the website launched in February 2012, we have seen an increased usage with 'hits' on the main connections page increasing from those on the old version (see table below).

	Nov '12 – Jan '13	Mar '13 – May '13	Jun '13 – Aug '13
No. of 'Hits' on connections home page	9,115	10,154	10,518

Note: February 2013 excluded due to changeover and figures from March '13 onwards exclude hits from WPD staff

Online Generation Capacity Map

To assist both our competitive and non-competitive connection customers who are seeking to connect distributed generation to the WPD network, WPD developed the Generation Capacity Map which is available on our website.

This capacity map gives an indication of the potential capacity for the connection of large generators to the 11kV (or 6.6kV) network in each region.

By using the information provided on the map, individuals can get an indicative capacity of generation that can be connected to the network at a substation or within 5 kilometres of a location.

The purpose of this information is to assist connecting parties when initially assessing sites for DG installations, to formulate plans prior to the submission of a budget or formal application for connection.

In our October 2012 Competition Notice we explained that this facility covered the East and West Midlands regions and that there were plans to make this available for the South West and South Wales. We made the facility available for the South West and South Wales at the beginning of October 2013.

In providing this information there is the potential for an increased rate of growth in competition in the DG market segments by facilitating independents making quicker assessments for their prior to having to apply to WPD.

EHV Constraint Maps

To provide further assistance to customers wishing to connect distributed generation to the WPD network we have published distributed generation EHV constraint maps for each of our four areas on the WPD website. The maps highlight circuits which are operating at or near their limits for connecting further distributed generation.

Using generation already connected and that which is on accepted connection offers but not yet connected, the maps indicate that there is a constraint in place and whether that is a thermal or voltage limitation. This information helps customers to understand that there will be significant reinforcement works required to connect their generation to these circuits and overcome their impact on these constrained networks. The maps were published on the WPD website in June 2013 and are updated at the same time as our Long Term Development Statements are updated / issued, the latest update being in September 2013 (and example of one of these maps can be found in appendix 3).

WPD Technical Information

In our October 2012 Competition Test Notice we explained following feedback from a number of independents, we were developing a website to allow independents to have login-access to all relevant WPD policy and specification documents which may be required for the design and construction of connection assets to be adopted by WPD.

The WPD Technical Policy Website (www.westernpowertechinfo.co.uk) was launched in December 2012 and is the source for independents and other organisations to have access to necessary WPD policy documents (Screenshots of this website can be found in Appendix 2).

The development of this website has improved the accessibility of this information helping to streamline the CiC process for independents already active in WPD regions but also to facilitate new entrants by having a single, easy to access source for this information.

The site is under continual development whereby new documents are added and updated as they become available for publication, or are identified as useful in the CiC process. Users are emailed whenever updates are made to the site with details of the changes. These update emails help to ensure that the independents are aware of the latest specifications and practices further facilitating the good working relationships with independents.

Leaflets

We provide guidance leaflets on our website and send them out to customers providing information on competition in connections and also for understanding legal permissions on connections schemes. Both of these are areas we believe the customer benefits from having additional guidance to help them to understand the connections process and the options available to them.

Our 'A guide to understanding legal permissions' leaflet explains the legal permissions that may be required to construct connections, what they are, why they are required and the sort of timescales involved (See appendix 4). The leaflet also explains to developers and connection providers the process where an ICP is designing and installing equipment for adoption by WPD under competition in connections. Legal permissions are an area of the connections process where service timeframes can fall out of the hands of WPD or the connection provider and in to those of third parties; this leaflet has been produced to help manage the expectations of customers and to help them understand why this may occur.

Under the CiC section of the WPD website specific guidance is available for ICPs and WPD staff to assist both parties with the process for obtaining landowners and other consents (such as planning permissions and environmental consents). The guidance and associated 'Information for Landowners' leaflet available on the website covers the situation where an ICP is designing and installing equipment under Competition in Connections, which will later be adopted by WPD. It summarises 'who does what' between WPD and the ICP, gives useful guidance on what WPD requires or looks for at certain stages of the process and summarises a process for obtaining and completing legal permissions with landowners, as well as other consents (see appendix 5). In addition to the above document, a specimen sample of WPD's land rights documents are available to download. These are specimen documents only and are intended facilitate the discussions between and enable ICPs and landowners to see the typical format and content of the separate land rights agreements required by WPD prior to WPD adopting any equipment to become part of its electricity distribution network.

Our 'Competition in Connections' leaflet provides customers with the information about the choices they have when seeking a new or modified electricity connection (see appendix 6). The leaflet explains the connections process from application to energisation and the different aspects of the process which are contestable and non-contestable. As well as being available on the website we also send this out with each connection offer to ensure customers are aware of CiC.

Contact Centre guidance

Our Contact Centre handles queries from all types of customers about all types of topics for a DNO. Included in these calls are customers wishing to obtain a connection. To ensure that customers are aware of their options when seeking a new connection we have provided our Contact Centre with some guidance to help them answer customer questions on Competition in Connections.

This guidance explains key questions customers may ask regarding competition in connections such as what is contestable and non-contestable works but also offers guidance to help manage customers' expectations and understand that not all connections will be attractive to independents.

This guidance has been briefed out to our call centres and made available to them on the WPD intranet for reference. The document is provided in appendix 7

Geographic Asset information

To assist ICPs and IDNOs in planning their connections schemes WPD makes our geographic asset information available in the following ways:

- *WPDWebMap Facility*

Our WPDWebMap site available via the WPD website allows users to log in to request and receive asset plans via email from our geographic information system. Users are able to select an area, or route from the online map and the relevant WPD plans are then requested and returned to the user via email, usually in a matter of minutes. This free service is useful for independents who do not require a high volume of asset information plans and allows quick and easy access to help streamline the CiC process.

- *EMU Asset Data*

For independents that require a large volume of plans and / or further asset information regarding the WPD network, WPD provides a service to sign up to receive licensed asset data from our EMU geographic information system with monthly updates.

This information is provided free of charge and can then be used (using the optional WPD viewing software if required, licensed at a cost) to view geographic asset information at HV and LV, substation and feeder information and LV schematics.

Contractual Arrangements and documentation

Network Access and Adoption Agreements

In the last two years WPD has developed new Agreements to facilitate the extension of contestability for Live LV jointing and HV jointing works by independents. In creating these Network Access and Adoption Agreements we have endeavoured to create new contractual arrangements which are far less unwieldy to administer for both the independents and for WPD.

As explained later on in the section on '*Efforts to open up non-contestable activities to competition*', the latest version of the Network Access and Adoption Agreement now also allows for independents to work under their own Distribution Safety Rules, further removing a perceived barrier to entry by no longer requiring authorisation by the DNO to work on the existing distribution system. We have had positive feedback from independents that these agreements are a big step forward in terms of enabling this activity.

We stated in our October 2012 Competition Test Notice that we were reviewing the existing contractual agreement and documentation for CiC following the positive feedback from the independents on our approach to the Agreements for Live LV jointing works and the HV Trial. We explained that we were looking to develop a new

overarching agreement which will remove some of the paperwork administration required on each scheme, further streamlining the CiC process. This development is underway and we will be presenting this to independents in a stakeholder workshop on 19th November 2013 to get their input and feedback.

We will use the feedback from the stakeholder engagement to develop the final version of the Agreement for implementation early next year.

Novation and Direct Agreements

In our experience for DG connection schemes, there are often more complex contractual arrangements involved than for other connections. The parties involved often request novation of connection offers and connection agreements as new companies take over the DG connection scheme along the process. We have also had experience of the financiers of these schemes wanting Direct Agreements or step-in rights for these connections to secure their investments.

It is because of these experiences that WPD has produced a number of standard template agreements for these scenarios. The templates have been produced to reduce timescales to put these arrangements in place, avoiding the need for legal advice on WPD's side and avoiding further costs for the customer unless they wish to negotiate alternative terms. This can help speed up the process and help the customer to meet their project deadlines where they have been required to make these arrangements at short notice by their financiers.

Service Timeframes

WPD's organisational structure determines that both CiC and non-competitive connections are dealt with by the same teams within their geographic regions and this helps to ensure that these enquiries are handled in the same timeframes for the equivalent elements of the work (see section '*Competition in connections procedures and processes*' for further details).

The standards of service which apply to competitive and non-competitive connections, under Standard Licence Condition (SLC) 15 and SLC 15a respectively, ensure a backstop minimum level of service timeframes for connections activity. WPD not only endeavours to carry out activities as soon as practicable rather than just meet the timescales set out in these standards there are also additional internal targets set against connection activities to ensure service levels are maintained.

As an internal standard, our teams are targeted with contacting customers within two days of receiving a competitive or non-competitive connection request, this ensures that a discussion takes place about the connection scheme very early on and helps to ensure that WPD understands what the customer needs rather than second-guessing. This standard helps to streamline the connection process and reduce unnecessary delays through misinterpretations of customer requirements.

Another area which is not covered by specific standards of service is the sourcing of legal permissions for connections schemes. In 2012 WPD developed internal targets and guidance related to legal permissions on connections schemes using feedback from an ICP Stakeholder who contacted us to discuss our processes (see section on '*Efforts to open up non-contestable activities to competition*'). This development ensures a consistency of process and service level across WPD.

With the extension of contestability to HV jointing and LV mains jointing works in WPD's area (see section on '*Efforts to open up non-contestable activities to competition*'), the HV and LV works which would have previously been carried out by WPD can now be carried out by accredited connection providers. In some cases connection providers may still request WPD to carry out these works, however because the works are now contestable they no longer fall under the standards of service in SLC15. WPD has agreed to Ofgem's request that the standards of service which

would have previously been applied, now be applied on voluntary basis to ensure that service levels are maintained where customers are unable to carry out the works themselves.

WPD are also applying voluntary standards to where there are new non-contestable activities linked to the new processes for the extension of contestability. In the HV jointing Trial we are applying the same standard of service for providing a shutdown to the ICP as for the guaranteed standard for WPD to carry out the jointing work – i.e. 20 working days.

Contestable and non-contestable charges

WPD does not discriminate between class of customer, however there is a necessary difference in costs between the cost for non-contestable connections activities on competitive and non-competitive quotes because of the additional activities of inspection costs, preparation of the adoption agreement and design approval.

Due to the way in which WPD is structured, both competitive and non-competitive connections schemes are managed by the same Network Service Team in each of our regional areas or Primary System Design teams for larger projects. It is because of this structure that the costs of delivering the non-contestable works on a competitive scheme are the same as for a non-competitive scheme. The only difference in costs therefore comes from the additional non-contestable services carried out by WPD on a competitive scheme compared to the non-competitive equivalent. Although the independent has the additional cost for design approval, our charges for this recognise that we generally have less assessment to do than for non-competitive schemes because we are only assessing the point of connection and not the entire scheme, these costs are therefore not largely different to the non-competitive scheme. The inspection costs can be the largest variance as these will relate to the size and complexity of the scheme, whether or not WPD is to adopt the network and the inspection level of the independent.

Developing relationships

WPD continue to work to maintain good working relationships with ICPs. The relationships between companies are developed through industry forums and stakeholder seminars held by WPD, we often also have bilateral meetings with independents to discuss issues and ideas for improvements and WPD is always open to these interactions as a way of building positive arrangements. As a demonstration of the value we place on the views of our CiC stakeholders we were keen to invite them to participate in of business plan workshops for the next Price Control RIIO-ED1 where they along with other stakeholders were able to have an input into our plans.

Or DG surgeries described in the section *‘Promoting awareness of competitive alternatives’* have also allowed us to engage with customers and the DG community, building and facilitating better working relationships.

As part of the extension of contestability in areas such as live LV jointing and HV jointing along with the implementation of the CIRT system WPD has held seminars inviting independents to discuss the new processes involved and gain feedback. These Seminars are key to the successful implementation of these new processes and are a way of developing stronger relationships.

WPDs structure, as explained in more detail later in this notice, by being organised into teams responsible for local geographic patches facilitate the development of relationships with independents working in those areas with most issues that arise being dealt with locally also.

If issues arise on a scheme locally or on a more general basis, the WPD policy section will communicate out any learning points, policy changes etc to avoid the issue being repeated in another area. Any changes of practice will normally be fed back to WPD teams via issue of a standard technique / guidance document, with training / briefings where necessary.

To ensure that training and best practice has been rolled out effectively and consistently, WPD employs management information reporting to monitor performance. For example, when the target of contacting the customer within two days was implemented we also implanted monitoring so that Team Managers were able to check that contacts were being made and a report was developed for the Network Service Managers to inform them if any targets had not been met. There is also a range of jeopardy reporting used to monitor targets which are used to ensure these targets are met and will flag up any issues with processes. WPD carries out internal and external audits on connections Guaranteed Standards of Performance (GSOP) which can flag up if there is any inconsistency in process and GSOP returns are prepared quarterly rather than annually to make sure any issues would be picked up more quickly if they developed.

Resolving disputes

WPD has a philosophy of working to a standard that customers are treated in a way that we ourselves would like to be treated. In this our approach is not to discriminate between classes of customers and therefore independents are treated the same as customers requesting non-competitive connection schemes. WPD is judged on the quality of its customer service, which is why our teams work to an ethos of getting things right first time, every time. Our aim is to reply to customers' enquiries swiftly, preferably providing a response on the day an enquiry is received.

Even though our aim is to deliver first class customer service, from time to time things do go wrong and a complaint is received from a customer. We are very keen that customers contact us so that we can sort things out as quickly as possible.

There are a number of ways a complaint can be made, including a freephone phone number, writing to us, emailing us or visiting us in person at any one of our offices. All the relevant information is held on our website.

There are 4 steps a customer can take when making a complaint;

- Step 1 – review by local Manager

This involves a phone call from the local manager responsible for the part of the electricity network the customer or the connection site is situated on. The aim is for this call to take place on the same day as receipt of the complaint.

- Step 2 – referral to a senior Manager

If the customer is not happy with the reply from stage 1, a customer can ask to speak to a senior manager. The customer will be contacted within 3 working days either by telephone or a personal visit. The senior manager will work with the customer to find a solution.

- Step 3 – Final Review by Complaints Manager

If the customer is still not happy, the complaint is reviewed by WPD's Regulation and Government Affairs Manager, Alison Sleightholm. She will call and send a letter setting out WPD's final position within 1 week. The aim will be to resolve the complaint within 8 weeks with an apology and an explanation of what went wrong.

- Step 4 – Energy Ombudsman

If still not happy the customer can go to the energy ombudsman for a final position.

The WPD website lays this complaints process out and also details other useful contact phone numbers and website addresses.

WPDs leading performance in the Ofgem Broader Measure (see customer service section) and specifically in the connections category demonstrates this ethos and also our performance when issues do arise.

Price and transparency of pricing to customers

In our October 2012 Competition Test Notice we explained that we would be implementing a detailed connection offer cost breakdown to be provided for our connection offers. This breakdown was implemented in November 2012 for all demand and DG connection schemes up to EHV and in March 2013 for EHV and above, demand and DG schemes, an example can be found in Appendix 8.

This detailed breakdown of charges provides a greater level of transparency for connections customers for all connections both competitive and non-competitive offers apart from smaller schemes falling under the Quotation Accuracy Scheme where an alternative is provided. The breakdown should facilitate an easier comparison when customers are considering whether to choose a competitive or non-competitive connection route. More detail on the background and development of this can be found in the following section

Connection Offer Breakdowns

The feedback we received via the ECSG, through individual customer requests on specific schemes and through the DG connections survey WPD commissioned (see section on *'Promoting awareness of competitive alternatives'*) was that customers were looking for more information included with their connection offer regarding the breakdown of costs on their scheme. Both competitive and non-competitive customers were looking for more transparency in connections costs with more detailed information and breakdown.

Taking this feedback on board, we developed a new Connection Offer breakdown for connection schemes that fall outside of the QAS market segments (i.e. Segments other than the Domestic LV work and One-off Industrial and commercial work Excluded Market Segments under CRC12). The breakdown has been developed to provide the customer with a structured and transparent split of the elements of work involved in order to obtain a clear understanding of the work involved. The breakdown is split into the following constituent parts:

Fees

Includes labour charges for design and assessment and, where appropriate, design approval and obtaining wayleaves and consents.

Works

These are broken down by voltage of works and work type, for example, substations, cable laying, cable jointing and service termination. For CiC schemes the number of inspections is included. Each of these categories contains an itemised list of activities against which are noted the quantity required and the non-contestable / contestable split.

Reinforcement

Where reinforcement of the distribution system is required we include a breakdown of the charges associated with the customer funded part. We also indicate the level of customer contribution required against each of the work categories. This provides the customer with a clear indication of what proportion of the costs we are asking them to contribute toward the reinforcement work.

Summary

The summary table provides a quick overall reference point for the main categories split by Fees, non-contestable and contestable work. Where other charges are appropriate they will also be listed, for example, charges for capitalised operation, repairs and maintenance or payments due under the Electricity (Connection Charges) Regulations - if a refund is due this is also itemised.

Promoting awareness of competitive alternatives

WPD continue to improve awareness of customers regarding CiC when seeking a new or modified connection making certain that any unintended barrier to entry is removed in that customer understands they have a choice.

As detailed elsewhere in this notice, WPD have made improvements to our website and the information available to customers and provided guidance to our Contact Centre to help customers with questions around CiC and raise awareness.

Distributed Generation Customer Survey

From our engagement with our DG stakeholders, it is clear that DG customers have a diverse set of requirements of their connections providers, some of which align with those of customers for load connections and some of which are distinct.

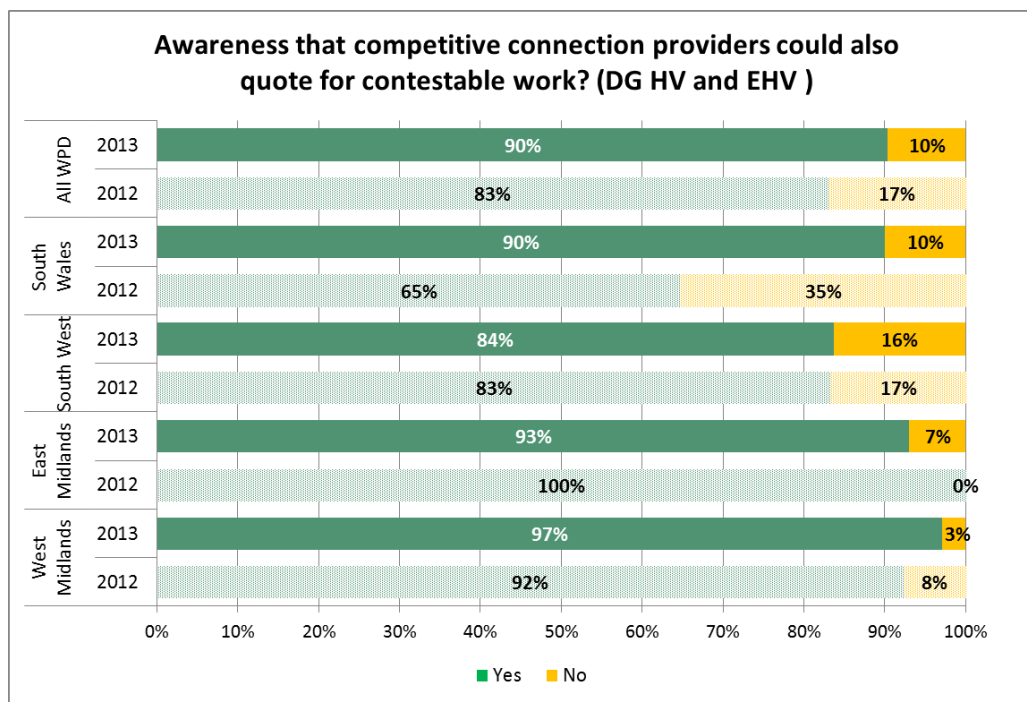
We explained in our October 2012 Competition Test Notice that in order to understand the expectations of customers in the DG market segments in more detail, WPD conducted a Customer Satisfaction Survey of customers requesting budget and formal quotations and of customers completing DG connections by both the competitive and non-competitive routes.

The purpose of the survey was to explore the customers' experiences of working with WPD, to further understand the expectations and priorities of customers in the DG market. We wanted to gather constructive feedback on areas in which WPD performs well and areas that could be improved. We also wanted to examine DG customers' awareness of Competition in Connections, and WPD's communication and performance as part of the process.

WPD were the first DNO to conduct annual research specifically with DG customers and after sharing our results, questions and methodology with other DNOs, many are now conducting similar research.

The survey was carried out in way that allowed comparison with the Ofgem Broader Measure survey and because of the success of the survey in providing us with important feedback and to ensure that we could measure the impact of our DG Improvement plan we have continued the annual survey in 2013.

The overall awareness of customers in the DG HV EHV market segment has increased from 2012 to 2013 to reach 90%, which gives an indication of the effectiveness of the measure WPD have been taking to improve awareness. The graph below compares the results of the WPD DG Customer satisfaction survey in 2012 and 2013:



Note: sample sizes 53 in 2012, 177 in 2013

Measures to Improve awareness

Using the results of the DG survey as a driver, WPD instigated a number of initiatives to improve customer awareness and the communication process about Competition in Connections.

The leaflet described in our October 2012 Notice is included in every quotation sent to a customer, providing written reference material for customers which clearly explains the process and the options available to them. The survey showed that written methods were particularly preferred by 20% of customers in 2013 and this along with the guidance provided in connection offers helps to meet this requirement.

Further guidance material and training has been given to the Contact Centres to ensure information on Competition in Connections is available to customers who make contact by phone (see appendix 7).

As described in this Notice, the WPD website has been improved to include much more information, more easily navigable for customers considering connecting generation to the network including their options for seeking competitive alternatives.

Connection Surgeries

In order to respond to the growing demand from customers for information around getting a connection for DG WPD hosted a series of connection surgeries at four of the renewable energy exchanges and at the six main WPD offices in South Wales. The expert-led sessions helped landowners, businesses, housing associations and schools

interested in investing in renewable or energy-efficiency technologies by taking advantage of the Government's Feed in Tariff and Green Deal schemes.

Discussions were held to help customers understand the connection process, timescales and costs, as well as the requirements for different sizes of generation. These surgeries are also an opportunity for question on CiC and provide a further method of communication to encourage awareness of the options available to customers. In 2012/13 WPD:

- Engaged over 250 stakeholders face-to-face
- Held 125 pre-arranged one-to-one appointments
- Hosted 6 round table discussions

Following the success of these events and the glowing feedback received from our customers, WPD policy is now to run these connection surgeries on a quarterly basis in all our local regions.

Competition in connections procedures and processes

WPD Structure

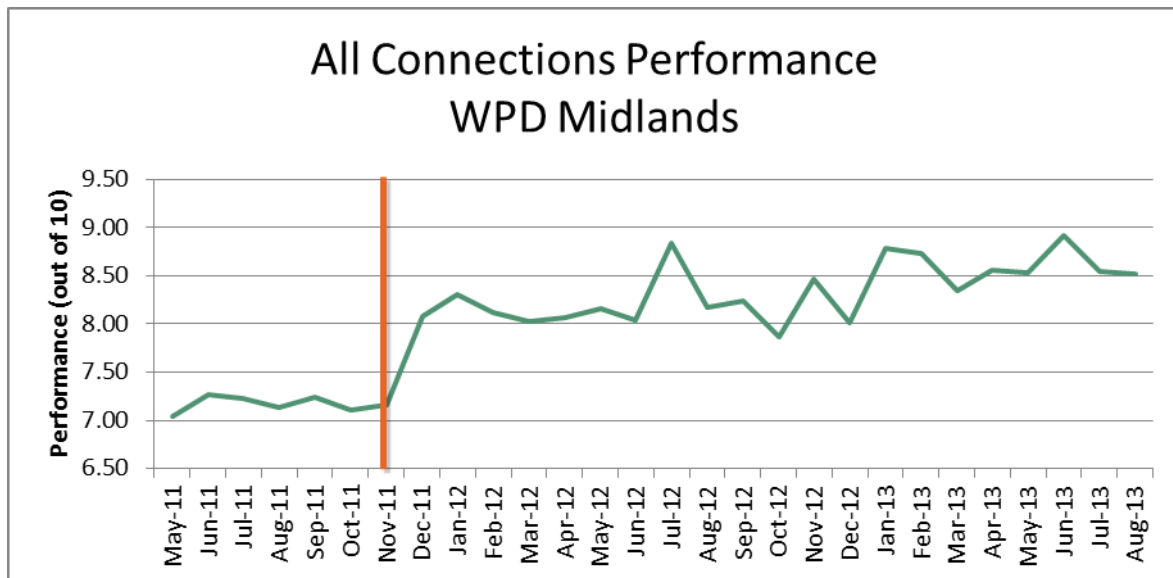
WPD operates a geographically organised team based approach where each team is responsible for the planning and delivery of network activities including connections. These Network Service teams handle all competitive and non-competitive connection enquiries up to 11kV.

It is this structure which ensures that all connections schemes are handled equally and give the customer / connection provider a local contact with knowledge of their network area from the outset of their application. The localised teams minimize the risk of variance between designs for multiple applications for the same scheme.

At and above 33kV, connections schemes are handled by specialist planning teams in the central offices of the four licence areas. The planners of these teams still have their own patch of the network which they are responsible for so the approach of local knowledge and single points of contact is maintained.

In our October 2012 Notice we explained that the implementation of the WPD structure into the two midlands regions at the end of November 2011 had resulted in a significant jump in customer satisfaction levels. We had positive feedback in conversations with independents in the Midlands area that the change from centralized delivery team structure to localised delivery has been an improvement to the service provided. The independents have commented on the benefit of having a consistent local contact with the team responsible for constructing the non-contestable works. This helps with the on-going development of productive relationships with independents between the people who are delivering the work at each company. This is especially the case where there may be a need to quickly resolve any issues which may crop up on a connection scheme and having good local relationships can be of great benefit to this.

This level of improvement since the rollout of the WPD structure at the end of November 2011, when compared to the previous structure has been maintained since the submission of the notice as shown in the graph below of Broader Measure customer survey results for all connections performance in the Midlands:



Online job tracking for CiC Schemes

The Connections Liaison Management System (CLMS) which had been implemented in 2009 in the Midlands was replaced by Crown Internet Routing & Tracking (CIRT) in November 2012. After receiving positive feedback in conversations with independents, the decision was taken to roll out a system with similar functionality to CLMS to all four WPD license areas. Feedback from Independents has been that the ability to submit applications and track work online, rather than emailing / posting and phoning WPD to ask for updates on a scheme's progress, provides a much more effective way of working. The independents were very keen that WPD kept this functionality and indeed expanded it to cover the South West and South Wales regions.

We feel that the development and implementation of CIRT, demonstrates our genuine commitment to improving our interaction, service levels and timescales for CiC schemes with our customers.

The sections below go into more detail on these systems, their development, function and usage.

Crown Internet Routing & Tracking (CIRT)

In response to strong feedback from independents in conversations we had with them, the decision was made to not only maintain the CLMS database as a tool for information exchange and work tracking in the short term for the Midlands, but also to develop this functionality to create a system which links with the WPD CROWN database's routing and tracking function. The system developed, CIRT enables the roll out of this functionality across the South West and South Wales distribution areas for independents to have a single system and process for the whole of WPD's licence areas.

Key features of CIRT:

- Online access for Independents to apply for and track CiC schemes from start to completion.
- online ability to upload and submit accompanying documents
- interacts with WPD's Crown Routing and Tracking database with activity statuses for each application updated daily
- 'Whereabouts' calendar based schedule for independents works and WPD inspections

- online submission of Design Approval, Final Works and Energisation requests

Development of CIRT

Developed in-house by WPD IR developers, WPD included ICPs in the development of CIRT to ensure that it met their requirements.

For the development and testing two ICPs were engaged to take part. Each ICP tested both the functionality and usability of the new system, providing feedback on both. This was important as WPD wanted to ensure that the end product was useful for the ICPs and would become their preferred method of interacting with WPD for CiC schemes.

Rollout

A seminar was held 11th October 2012 for interested ICPs / IDNOs to explain the new system and invite them to register as users. User guides have been produced and WPD will be providing contacts within our Records Team and IR team to assist with any troubleshooting that may be required.

Internally, CIRT was trained out to the required Teams within WPD with training sessions for 'super users' and user guides. We also made a CIRT test system available to the WPD teams so that they could see and be familiar with what their external customers would be using.

To enable independents to 'wind down' their use of CLMS there was a cutover period where old schemes could continue in CLMS if required. However to avoid the need for any of the independents who have been using CLMS to manage their work with WPD on two systems, we made a migration service available for 'live' schemes in CLMS to be migrated into the CIRT system to provide continuity.

Following the launch in November 2012, there are currently 25 companies signed up to use CIRT, with over 1300 enquiries raised to date.

Efforts to open up non-contestable activities to competition

WPD has taken a proactive approach, keeping pace with the industry on extending contestability and moving ahead in certain areas, whilst ensuring that the processes put in place to extend contestability are practical and workable so that independents take them up.

Throughout the development of processes to allow the extension of contestability we have engaged with independents and their stakeholder input has helped to develop efficient and flexible processes. The Business as Usual Processes we have implemented are practicable for the independents and allow an efficient service from our teams, making refinements where necessary and where identified by stakeholder feedback

HV Jointing Trial

In listening to and acting on our stakeholders desire to compete for business in this area WPD have developed a trial to enable independents to carry out this currently non-contestable activity of HV jointing on the existing WPD network. This activity is now open to competition in each of our regions for both demand and DG connections and we welcome participation by any independent that would like to participate in this market segment. The intention is to make a modification application to Ofgem to amend our Common Connection Charging Methodology (CCCM) to change HV jointing on existing mains to be a contestable activity once we believe we have evidence of a successful trial.

Trial under WPD Distribution Safety Rules (DSRs)

Applying the learning points and feedback from independents in the development of the live LV jointing regime (as detailed in our October 2012 Competition Notice), we have utilised the process and system developments created for this as the basis of what is now effectively a BAU process. This has ensured that the process we have in place is efficient and familiar to both independents and WPD staff. This approach allows an equivalent level of service as if the works were carried out as non-contestable by WPD.

Our initial trial involved the extension of contestability of the HV jointing works only under WPD's DSRs with a view to expanding this once the processes had been developed (see next section on Trial under ICP DSRs).

Rollout

An initial seminar was held for independents in August 2012 to rollout WPD's proposals for the trial and seek feedback from interested parties (see presentation attached in Appendix 9). The proposals for the trial are set out below:

- Update of the LV bilateral Network Access and Adoption Agreement to extend for HV jointing works
- Works to be carried out under WPD DSRs and Permit To Work Receive authorisation (PTWR)
- ICP jointers will need WPD training to facilitate PTWR
- WPD arrange shutdown and noticing
- Date for works agreed within 20 working day standard
- WPD SAP to carryout operational activities (switching, pressure test, phasing etc.)
- ICP jointer carryout spiking and jointing

The activity has been opened to all interested parties with the relevant training course for jointers made available at WPD training centres.

Contractual arrangements

Using the LV works Network Access and Adoption Agreement as a starting point WPD extended this agreement to accommodate the HV jointing works. Taking on the feedback from the industry, of the need to reduce the complexity of contractual requirements, this means that the independent only has to sign on to one agreement for WPD to carry out these works for live LV jointing and HV jointing to existing network.

A number of independents felt that the unlimited liability clause in the existing agreement created an unintended barrier to competition. As a result of this feedback we have taken this opportunity to amend the liabilities clause to introduce a cap that removes this unintended barrier.

The combined HV and live LV jointing Network Access and Adoption agreement remains a bilateral agreement, covering all four WPD licence areas and is a standard agreement to all ICPs / IDNOs.

The agreement was made available for signing up to the trial in September 2012.

Voluntary Standards

As part of Ofgem's decision in principle regarding extension of contestability, they requested that DNOs voluntarily apply guaranteed standards to elements of CiC activities carried out by the DNO which would not fall under SLC15. WPD has applied these voluntary standards and included them in the extension of contestability for LV works and as part of the process for the HV.

For the HV trial, the shutdown and switching required to enable the jointing works is provided within the 20 working days of the request from the ICP as aligned with the equivalent standard under SLC15 for the DNO to carry out all of the works.

Rollout of Trial

The trial commenced in September 2012 and training courses were made available and organised at WPD training centres to enable the independents who wanted to participate to gear up for their jointers to carry out the works. So far, two training courses have been held in October 2012, with 9 staff being trained from 4 different independents.

Participation

At the time of submission there are 4 independents signed up to the combined live LV and HV jointing Network Access and Adoption Agreement under WPD DSRs with 4 having transferred to the new version under ICP DSRs (see below).

Trial under ICP Distribution Safety Rules (DSRs)

We stated in our October 2012 Notice that during the stakeholder presentation we held on the 20th August 2012 we raised the issue of allowing independents operational access to WPD's HV network to allow them to carry out HV jointing activities. There was significant interest in this option and at a stakeholder presentation on the 15th November 2012 we rolled out this option to independents. Following this event we made the process and related agreement available to sign up to on 7th January 2013 (see Appendix 10).

This new process allows appropriately NERs accredited connection providers to carry out HV jointing (along with live LV jointing) under their own DSRs and authorisations. This removes the need for ICPs to require a WPD authorisation and subsequent annual field checks for their staff – a change which has streamlined the process for independents and decreased the costs for new entrants. The new agreement and process further extends the amount of non-contestable activity independents are able to carry out under the trial, by allowing them to also carry out switching on the WPD network. The policy document relating to this work and which is used by WPD and the independents can be found in Appendix 11.

Contractual arrangements

A new version of the bilateral Network Access and Adoption Agreement has been made available which facilitate the works under the ICPs' DSRs.

Rollout of Trial

Along with the stakeholder events mentioned above, we have had bilateral discussions with ICPs interested in the trial. Internally, we have carried out briefing sessions at all of WPDs main Network Services offices in all four of our regions. These sessions ensure that staff are aware of the processes and ethos behind the trial and further ensure consistency of approach to CIC across our teams.

Participation

There are 8 ICPs currently signed up to the latest Agreement, some of which are only carrying out LV works. We have had two ICPs approach us with schemes which they were considering to complete under the HV trial, however at this stage these have not been completed.

Customer Service

WPD connection activity benefits from our ethos applied to all of our activities which is to get it right first time, every time by treating our customers as we would wish to be treated ourselves. Both our customers of competitive and non-competitive connections activities want a high quality service which provides value for money and the feedback we are receiving via the broader measure survey is demonstrating that we are delivering on this (see section below). In our DG customer survey the overall satisfaction with DG HV EHV customers increased from 8.64 in 2012 to 8.82 in 2013, higher than the results in the broader measure survey.

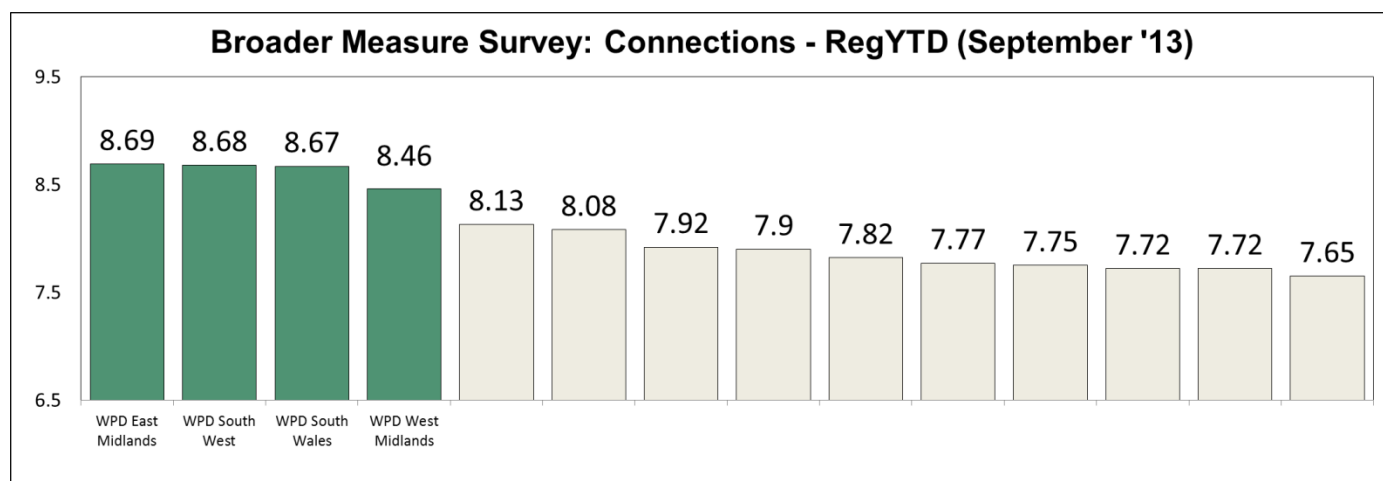
The high level of customer service provided by WPD is both important in ensuring that independents are not hindered from competing for connections and also influences the customer's decision on whether they choose to go down the competitive connections route or choose to obtain their connection service from WPD.

Our connections surgeries (see section *Measures to Improve Awareness*), attendance at many industry events and working groups to provide assistance and gain feedback from customers seeking DG connections has shown our commitment to providing an excellent service in this area.

We believe that the service we provide has facilitated the opening up of the market in the DG HV EHV market segment.

Broader Measure Customer Survey - Connections

Since the implementation of the WPD structure across the Midlands, WPD has remained as the top four DNO licence area for connection customer satisfaction in the Ofgem Broader Measure Survey. As of the results for September 2013 WPD remains ranked 1 -4 for this current regulatory year:



DG Customer and Connection Provider Feedback

In the lead up to the 31st March 2013 for the 2ROC deadline WPD saw an unprecedented volume of connections for large scale DG particularly in the South West. During March 141MW of mainly solar PV was connected to the 33kV network with 25 new substation sites built and commissioned. These connections were for both customers working directly with WPD and for ICPs.

We received positive feedback and written testimonials from customers thanking WPD and recognising the great lengths our staff went to in ensuring customers and ICPs were able to meet their tight deadlines.

Some of the assistance we provided to ensure that ICPs could meet their deadlines were:

- Providing WPD jointers to ICPs who found themselves without jointers able to carry out the contestable works
- Providing technical support to ICPs for the testing and wiring modifications for the ICP installation
- In some cases providing materials if the ICP had failed to order them on time
- Our design engineers who came in specially over the Easter weekend to provide last minute design approvals, earthing design and G59 testing
- When switchgear installed failed at a site and needed to be reinstalled, although we had all local staff fully committed to other projects, our regional major projects manager was able to put out a call across the company and secure an Engineer and two fitters from South Wales to work across the Easter weekend.

We believe this level of service and assistance demonstrates WPD's commitment to providing excellent service to customers and ICPs and facilitating competition in the market.

Actual and potential competition

In this section we present analysis of the connections market in WPDs four licence areas for the Relevant Market Segment: *Distributed Generation HV and EHV work*. Separate analysis is provided to show the levels of competition in each region and the historic trend leading up to their current status.

Measures of competition

In order to facilitate an assessment of the level of actual and potential competition in WPD's regions and the RMS, we have provided analysis over a variety of different measures so as to provide a holistic view of the market. The rationale behind the use of these measures is explained below.

Completed Connections

The number of connections which have been completed in a region and by which connecting party, is the traditional measure used historically in the industry for levels of competition in connections. This measure has been used for several years by Ofgem in the Connections Industry Review (CIR) and it is a concrete measure of the level of competition 'on the ground' since it measures the activity completed for end customers by the DNO, ICP or IDNO. The volumes of connections in this measure gives a view which can be thought of as an historic level of competition since many of these connections would have been contracted with the customer by the DNO, ICP or IDNO months or even years ahead of the connection being made.

In the RMS analysis below the connection data is based on the numbers of connections completed by WPD, adopted from ICPs and completed by IDNOs. The data used is from the 2011/12, 2012/13 Regulatory years and recent data from April to July 2013.

Where reporting numbers which had been categorised in the DPCR4 categories of connection voltage rather than the DPCR5 market segments, we have split the volumes in these DPCR4 categories by the proportions of the DPCR5 data

Quotations

Analysis of the number of quotations being provided by WPD for competitive POCs and non-competitive connection schemes gives a measure of the level of CiC activity and interest in carrying out competitive schemes in the WPD areas. Looking at the numbers of different parties requesting competitive quotations in the RMS demonstrates this interest and the number of parties actively seeking CiC work is a measure of how open competition is in the connections market of WPD's regions. This measure gives a more up-to-date measure of competitive activity compared to the number of connections completed since it demonstrates the level of competitive activity for new and prospective developments.

In the RMS analysis below the quotation data is based on the numbers of quotations provided to non-competitive connection requests, ICPs and IDNOs. The data used is from the 2011/12, 2012/13 Regulatory years and recent data from April to July 2013.

Acceptances

To give a view of the current levels of competition in the connections market in WPD, analysis of accepted schemes demonstrates both the level of competitive activity and also the level of market share currently being won and lost by WPD and independents. This measure is perhaps the most up-to-the-minute measure of the levels of competitive activity, giving the proportions of who it is the end-customers are contracting with for their connection.

In the analysis below the acceptance data is based on the numbers of quotations provided to non-competitive and competitive connection requests which were subsequently accepted. The data used is from the 2011/12, 2012/13 Regulatory years and recent data from April to July 2013.

Acceptances - value of non-contestable costs

The analysis of accepted connections schemes described above illustrates the picture of the market share of connection schemes in volume only. Within this RMS there are a wide range of types and sizes of connections schemes, therefore in order to add another dimension to the level of market share in accepted schemes we have included analysis of the value of the non-contestable works on these schemes.

Since we do not have sight of the value of the contestable works on the competitive connection scheme, as these are quoted for by the independents to their customers, the value of non-contestable work is the aspect of cost on each scheme we are able to analyse for competitive and non-competitive schemes. This value of non-contestable work, which is mainly the cost of the point of connection plus any required upstream reinforcement gives an indication of the size of the overall scheme. The larger schemes connecting at higher voltages require more expensive non-contestable works and may trigger more reinforcement costs.

In the analysis below the acceptance data is based on the numbers of quotations provided which were subsequently accepted and the total value of the non-contestable costs on these schemes. The data used is from the 2012/13 Regulatory year and recent data from April to July 2013.

Export Capacity

The DG HV and EHV market segment covers a broad range of scheme types and sizes; therefore to give an additional aspect of scale to the volumes of scheme being won and connections being made by independents, we have analysed the required export capacity on each scheme / connection.

Combining both the volume and export capacity analysis gives a fuller picture of the market in terms of total export capacity market size and the scale of schemes being won. We have been able to provide this analysis on accepted schemes and energised connections for the period April to July 2013.

Relevant Market Segment analysis

This section provides analysis of the market share of WPD and independents in each WPD region. The shares in each measure; quotations, accepted quotations and connections are also broken out to provide detail on the number of different independents active in the area. Analysis of the trend of change in market share is provided by the year-on-year data.

Distributed Generation HV & EHV Work (all WPD DSAs)

1.1. Segment overview

The Distributed Generation HV & EHV Work market segment relates to the provision of connections to premises where distributed generation is situated other than those where the work is exclusively at low voltage.

Typically schemes that fall into this market segment involve both demand and generation where the decision to categorise as distributed generation is dependent on whether demand or generation is the driver to carry out works.

The range of scheme falling into this RMS is quite large in terms of the sizes of connection – from the addition of photovoltaic panels to an existing property requiring some HV cable reinforcement to a large multi-megawatt wind farm requiring an EHV connection.

Over recent years there has been a significant increase in the level of activity in this RMS, particularly in the South West where the driver has been the government initiative in relation to solar generation. The majority of these have been large connections to the 33kV network. The volume and scale of these schemes can make them attractive to independents more so particularly in the South West and South Wales where they may not normally operate but are willing to enter the market for schemes of the right size and value.

1.2. Conclusions

The growth in this RMS, particularly in large schemes in both the South West and the East Midlands, has attracted a large number of new entrants who have not only requested quotations for competitive connection schemes, but an increasing number have also accepted these offers and progressed with the schemes growing the market share of competitors.

WPD has lost market share in this RMS in all regions and measures. This is set against an increasing market size, with the number of active ICPs increasing in all areas. We believe that this demonstrates that ICPs have been willing and able to enter this growing RMS.

The work that WPD has done to raise awareness of competition, improve processes and to increase knowledge of the market has helped to facilitate DG connections and competition in this RMS. The increases seen in awareness of competition evidenced in the DG customer survey (see section above) supports this, however the number of successful new and repeat entrants into each WPD region gives solid indication that the market is working for competition.

In the market segment analysis below we show that the independents have been attracted to the larger DG connections schemes through the average export capacities, a trend that we believe can continue and that there is potential for further growth in competition in the market.

The high levels of customer service provided for both competitive and non-competitive connections customers demonstrated by WPD's success in the broader measure surveys (see *Customer Service* section above), especially when we have pulled out the stops to help customers and ICPs meet tight deadlines (see *Customer Service* above) means that customers have a viable choice between competition without barriers or WPD for their connection services.

2. Market share

2.1. Analysis

The South West has seen a large growth in volume of activity in the DG HV EHV market. This growing market has attracted interest from a large number of independents who have been successful in acquiring market share in the region.

The high number of new entrants and independents competing for multiple schemes in what is a growing market demonstrates that the market is open. The DG customer survey (detailed in the section *Promoting Awareness of Competitive Alternatives*) has demonstrated that there is a high level of customer awareness of their choice.

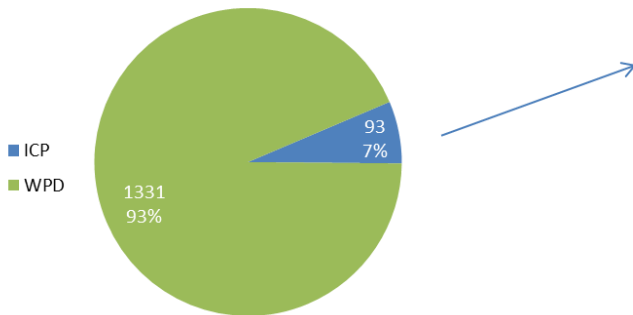
2.1.1. WPD South West

2.1.1.1. Quotations

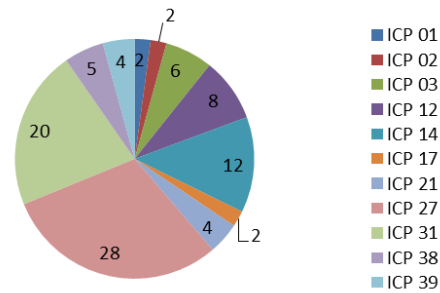
Throughout 2011/12, 2012/13 and up to July 2013 there has been a significant increasing trend in active competition evidenced by the number of individual competitors receiving competitive quotations from WPD. For the four months from April to July this year there were 32 different parties requesting quotations for ICP type works, compared to 11 and 21 in the preceding two years, demonstrating the level of interest and attractiveness in competing for work in this area.

This number of different parties requesting quotations in this more specialised RMS indicates that there is a lack of perceived barriers to entry by WPD's competitors. Many of the parties are repeatedly returning for quotations in each year which could show that they believe the market is open for them to compete. The trend of increasing numbers of quotations being requested for CiC schemes by increasing numbers of individual parties and that the share of the total quotations is growing is a demonstration that competition is developing in this region. This is also an indication that the awareness of competitive alternatives has grown with many customers considering numerous independents.

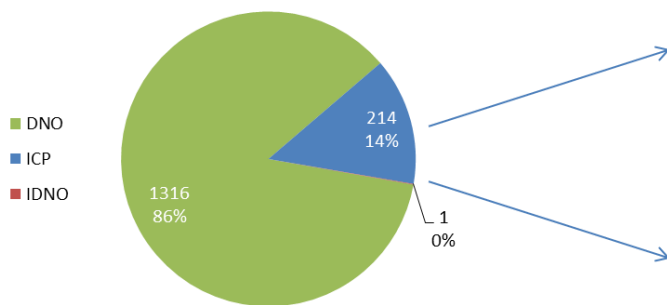
2011/12
South West DG HV EHV Quotations



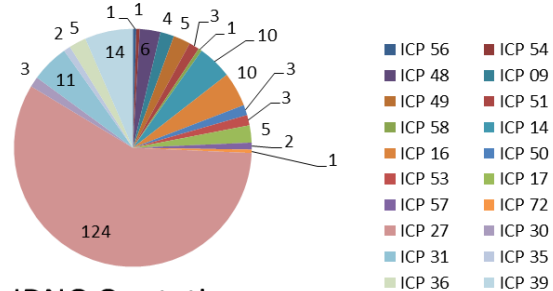
ICP Quotations



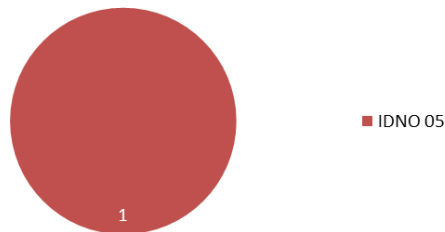
2012/13
South West DG HV EHV Quotations



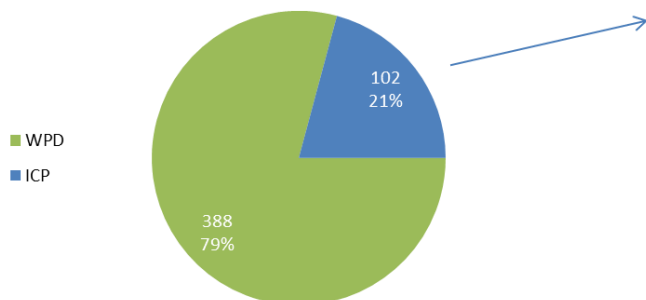
ICP Quotations



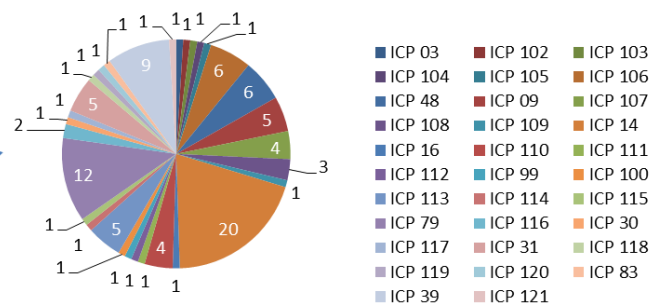
IDNO Quotations



April – July 2013
South West DG HVEHV Quotations



ICP Quotations



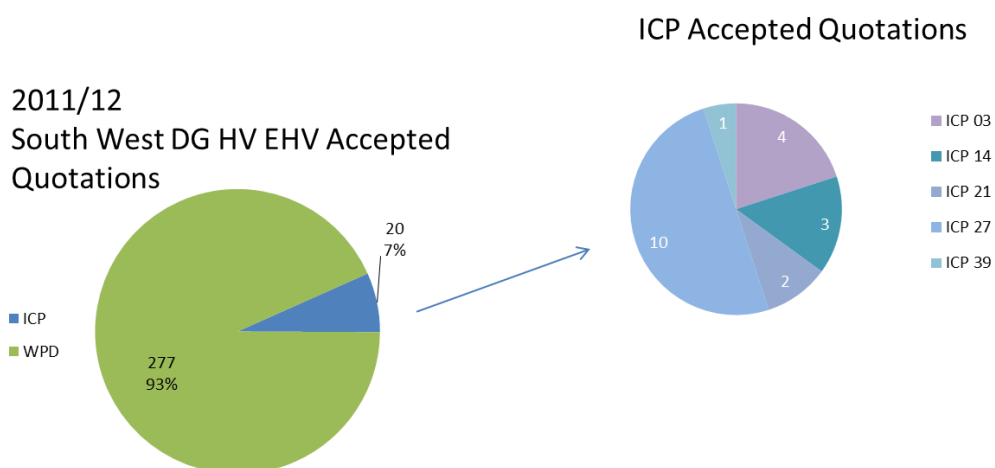
2.1.1.2. Acceptances

The number of competitors winning a share of a market is a strong indicator of the success of competition in that market. The percentage of accepted quotations also demonstrates the current level of successful competition for connection schemes in this RMS.

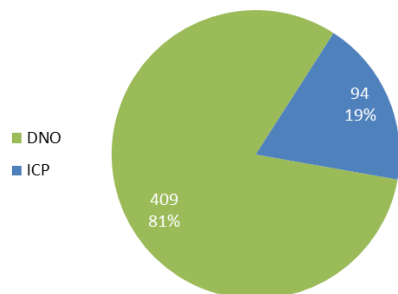
The analysis of acceptances of the quotations in each year detailed in the above section, demonstrates a trend of a growing market share for independents in what is a growing market segment. The volume of schemes progressing in this RMS has grown markedly between 2011/12 and 2012/13, with much of this down to very large schemes connecting at 33kV. The success of an increasing number of parties in 'winning' competitive schemes in this RMS, many of which winning multiple schemes in each year, is a demonstration that there is an open and competitive market with few barriers to entry.

For both the accepted schemes in 2012/13 and April to Jul 2013 the analysis of non-contestable costs indicates that the independents are winning schemes which are larger on average than the non-competitive schemes.

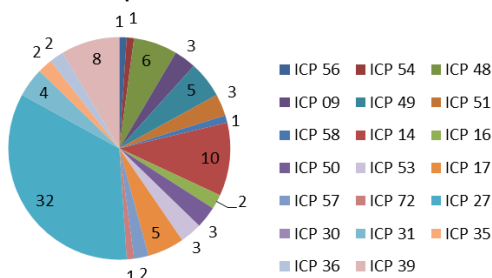
Analysis of the export capacity on schemes from April – July 2013 shows that independents are successfully competing for an almost equal share of the total market size (49%) with 19% of the total schemes. This is an illustration of the independents being attracted to and competing for the larger connection high value schemes.



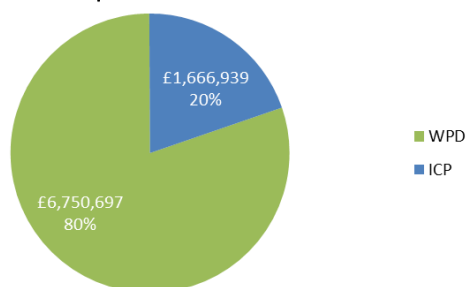
2012/13 South West DG HV EHV Accepted Quotations



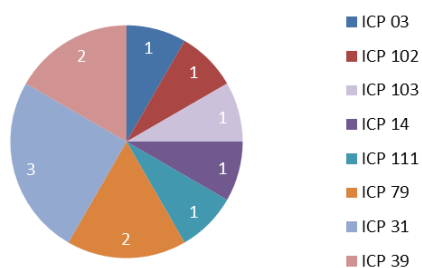
ICP Accepted Quotations



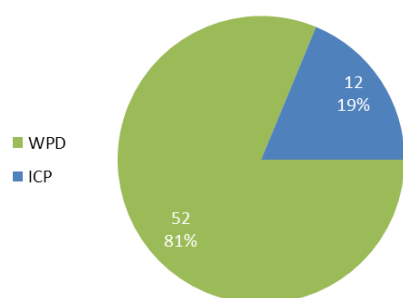
2012/13 South West DG HV EHV Non Contestable Costs on Accepted Quotations



ICP Accepted Quotations

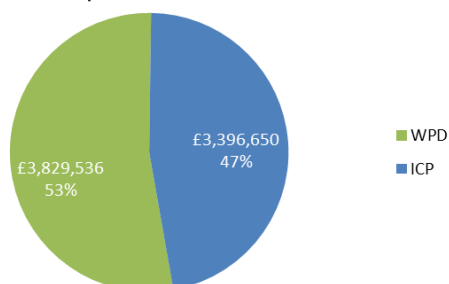


April – July 2013 South West DG HVEHV Accepted Quotations



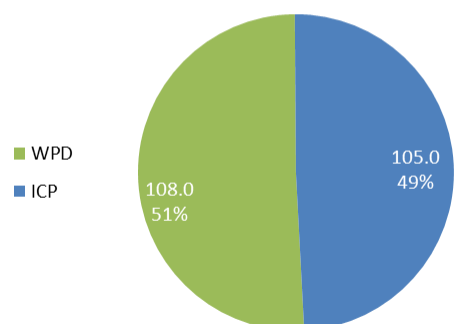
April – July 2013

South West DG HV EHV Non Contestable
Costs on Accepted Quotations



April – July 2013

South West DG HVEHV Export Capacity
(MVA) on Accepted Quotations



2.1.1.3. Connections

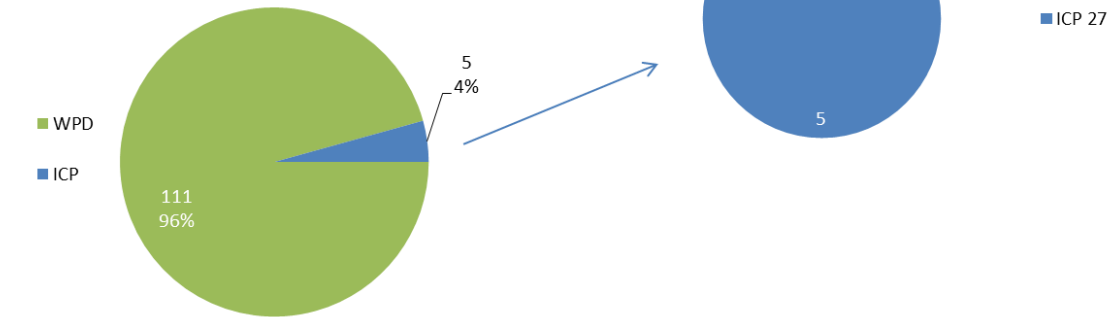
There has been a trend of increasing market share in the numbers of connections and the being undertaken by an ICP. There has also been a major increase in the number of different parties having carried out connections with 15 different parties in 2012/13 compared to 1 in 2011/12.

For April to Jul 2013 the trends are continuing although volumes appear low they tend to pick up significantly towards the end of the regulatory year.

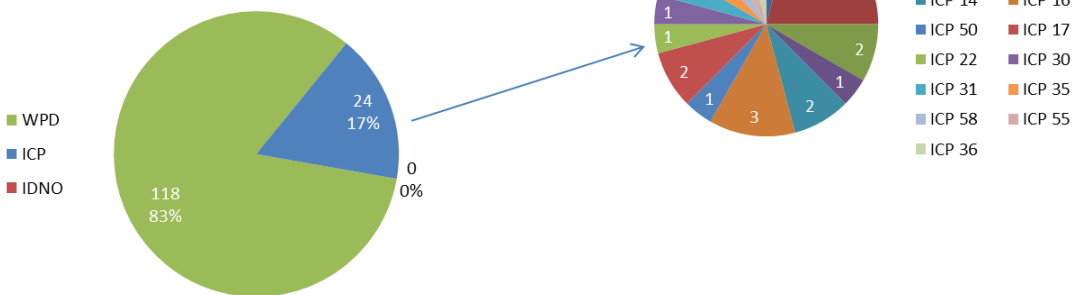
Analysis of the total export capacity connected in April to July 2013 continues the trend in the acceptances described above, whereby the schemes delivered by independents are larger export capacity sites. Of the 16 connections energised, 8 have been connected by ICPs with a 64% share of the total export capacity.

This analysis demonstrates that Independents can successfully compete for large high value schemes in this RMS and region. Completed connections are an indication of the level of competition in the past as these connections would be contracted and 'won' by the successful competitor in previous months and so this is an indication of the growth in competition in this region.

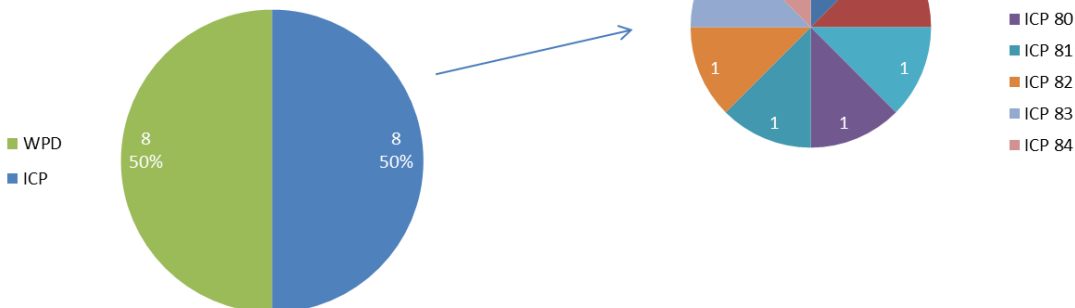
2011/12
South West DG HV EHV Connections



2012/13
South West DG HV EHV Connections

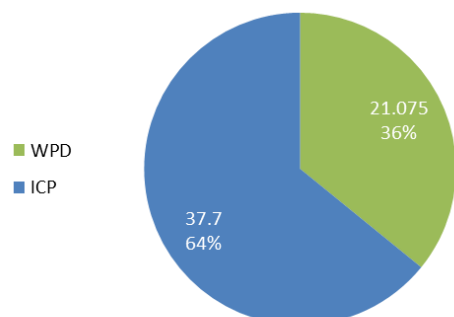


April – July 2013
South West DG HVEHV Connections



April – July 2013

South West DG HVEHV Export Capacity
(MVA) of Connections



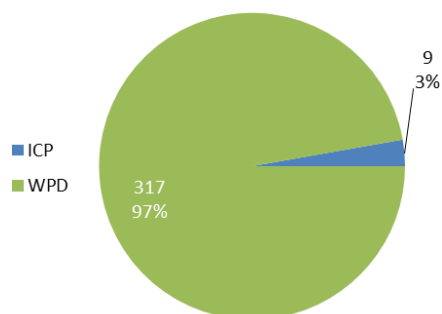
2.1.2. WPD South Wales

2.1.2.1. Quotations

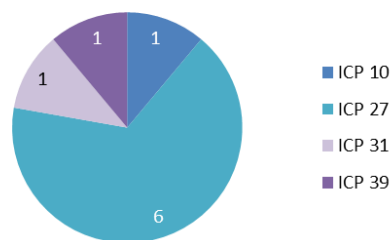
There has been an increasing trend developing through 2011/12, 2012/13 and up to July 2013 in active competition evidenced by the increasing number of individual competitors receiving competitive quotations from WPD. For the four months from April to July this year there were 20 different parties requesting quotations for ICP type works, compared to 4 and 10 in the preceding two years, demonstrating the level of interest and attractiveness in competing for work in this area.

The number of different parties requesting quotations in this more specialised RMS indicates that there is a lack of perceived barriers to entry by WPD's competitors. With parties repeatedly returning for quotations in each year this shows that they believe the market is open for them to compete. The trend of increasing numbers of quotations being requested for CiC schemes by increasing numbers of individual parties and that the share of the total quotations is growing is a demonstration that competition is developing what has previously been a region in which competition has developed slower than the other WPD regions. This is also an indication that the awareness of competitive alternatives has grown with customers dealing with many customers considering numerous independents.

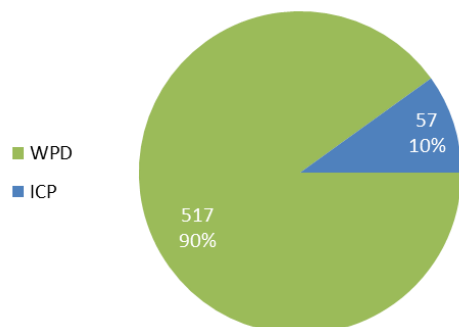
2011/12
South Wales DG HV EHV Quotations



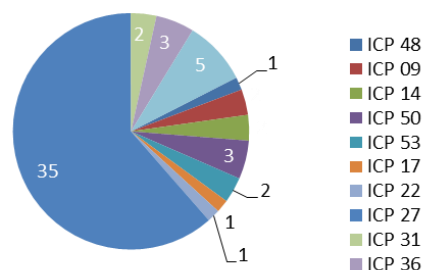
ICP Quotations



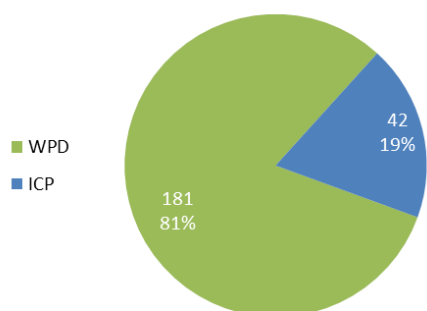
2012/13
South Wales DG HV EHV Quotations



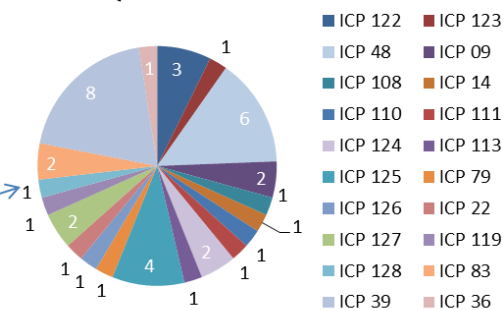
ICP Quotations



April – July 2013
South Wales DG HVEHV Quotations



ICP Quotations



2.1.2.2. Acceptances

The number of competitors winning a share of a market is a strong indicator of the success of competition in that market. The percentage of accepted quotations also demonstrates the current level of successful competition for connection schemes in this RMS.

Although South Wales has seen slower development of competition compared to the other WPD regions the analysis of acceptances of the quotations in each year shows a trend of growing competition in a growing market segment – a strong indication that competition is open and barriers have been removed. The volume of schemes progressing in this RMS has grown between 2011/12 and 2012/13, with much of this down to larger schemes. The success of an increasing number of parties in ‘winning’ competitive schemes in this RMS, with some winning schemes in each year, is a demonstration that there is an open and competitive market with few barriers to entry.

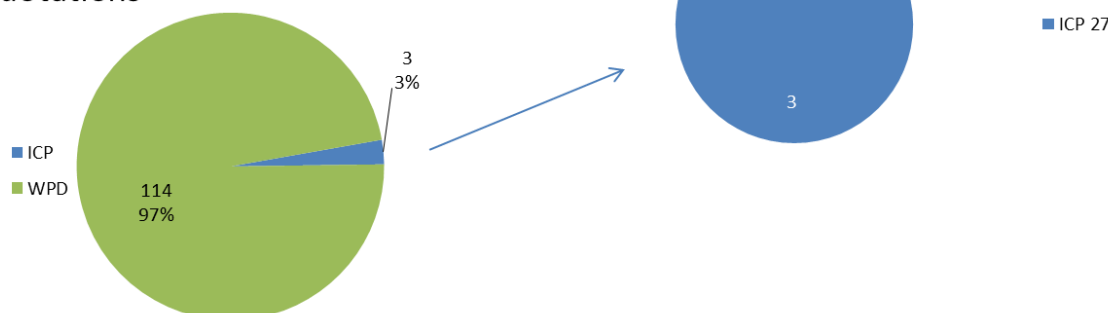
For both the accepted schemes in 2012/13 and April to Jul 2013 the analysis of non-contestable costs indicates that the independents are winning schemes which are larger on average than the non-competitive schemes.

Analysis of the export capacity on schemes from April – July 2013 shows that independents are successfully competing for a majority share of the total market size (60%) with 28% of the total schemes. This is an illustration of the independents being attracted to and successfully competing for the larger connection high value schemes.

ICP Accepted Quotations

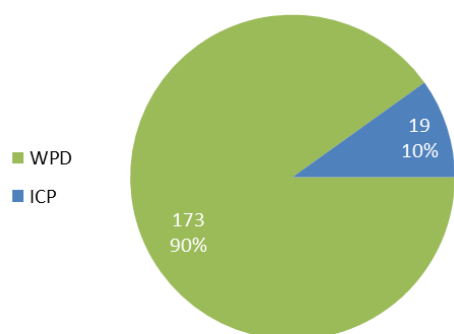
2011/12

South Wales DG HV EHV Accepted Quotations

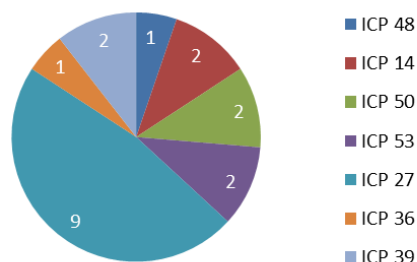


2012/13

South Wales DG HV EHV Accepted Quotations

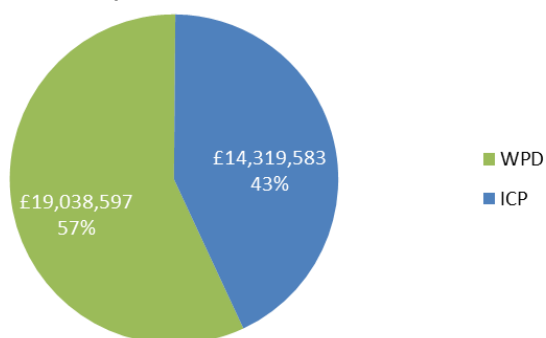


ICP Accepted Quotations

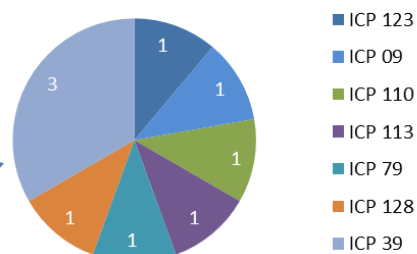


2012/13

South Wales DG HV EHV Non Contestable Costs on Accepted Quotations

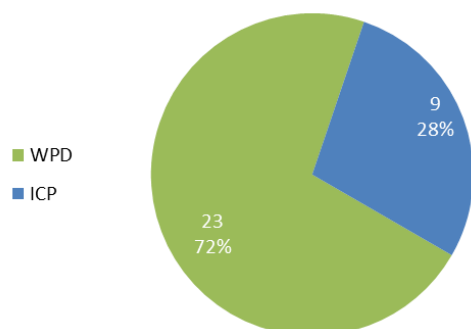


ICP Accepted Quotations



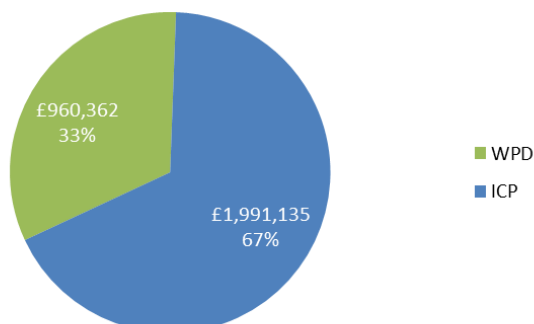
April – July 2013

South Wales DG HVEHV Accepted Quotations



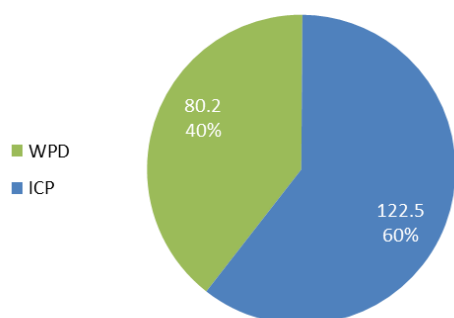
April – July 2013

South Wales DG HV EHV Non Contestable
Costs on Accepted Quotations



April – July 2013

South Wales DG HVEHV Export Capacity
(MVA) on Accepted Quotations



2.1.2.3. Connections

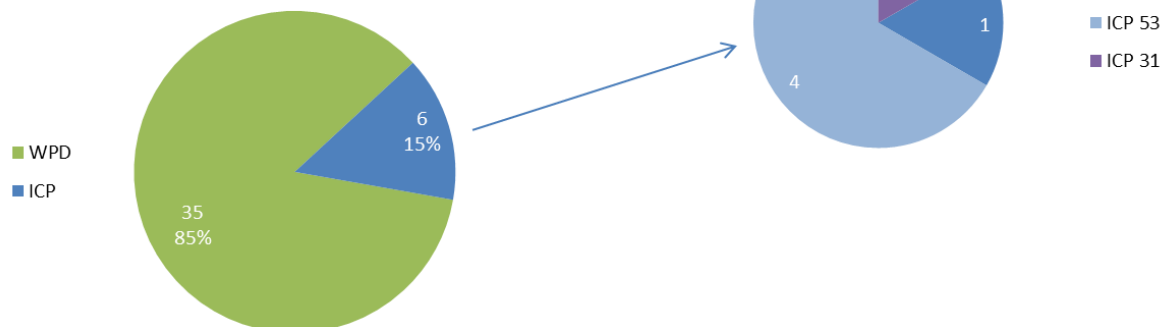
The volume of connection in South Wales in this RMS has been relatively low, however there has still been a trend of increasing numbers of connections and the market share being undertaken by an ICP along with a number of different parties having carried out connections.

Analysis of the total export capacity connected in April to July 2013 continues the trend in the acceptances described above, whereby the schemes delivered by independents are larger export capacity sites. Of the 3 connections energised, the one connection by an ICP was significantly larger than the 2 connected by WPD having a 99% share of the total export capacity.

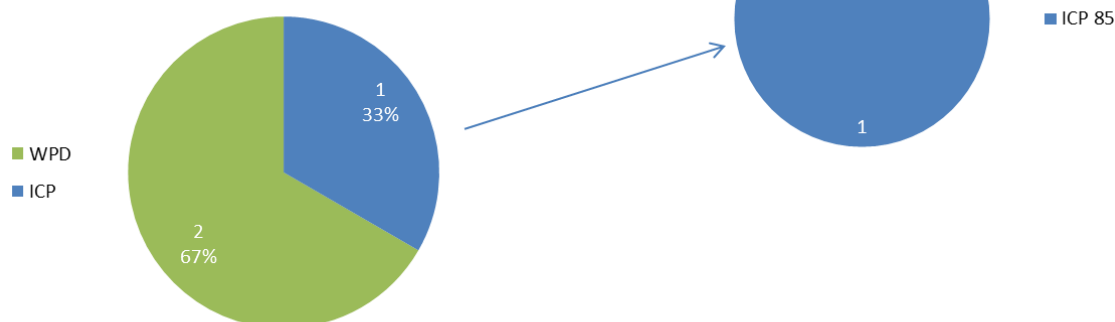
This analysis demonstrates that Independents can successfully compete for large high value schemes in this RMS and region. Completed connections are an indication of the level of competition in the past as these connections would be contracted and 'won' by the successful competitor in previous months and so this is an indication of the growth in competition in this region.

In the **2011/12** regulatory year there were **12** connections, all completed by WPD.

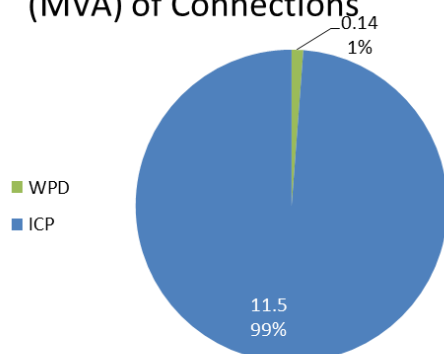
2012/13 South Wales DG HVEHV Connections



April – July 2013 South Wales DG HVEHV Connections



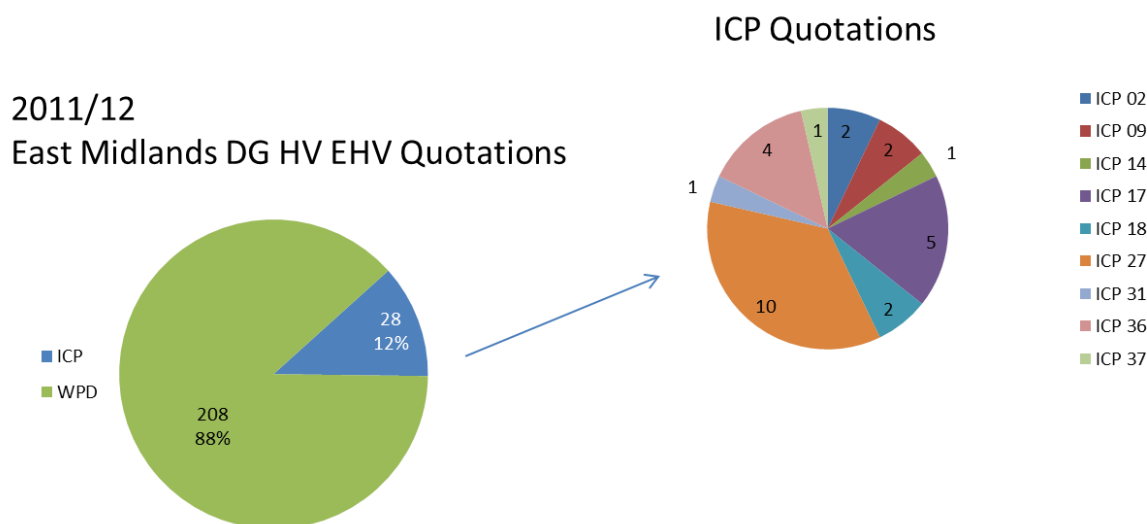
April – July 2013 South Wales DG HVEHV Export Capacity (MVA) of Connections



2.1.3.1. Quotations

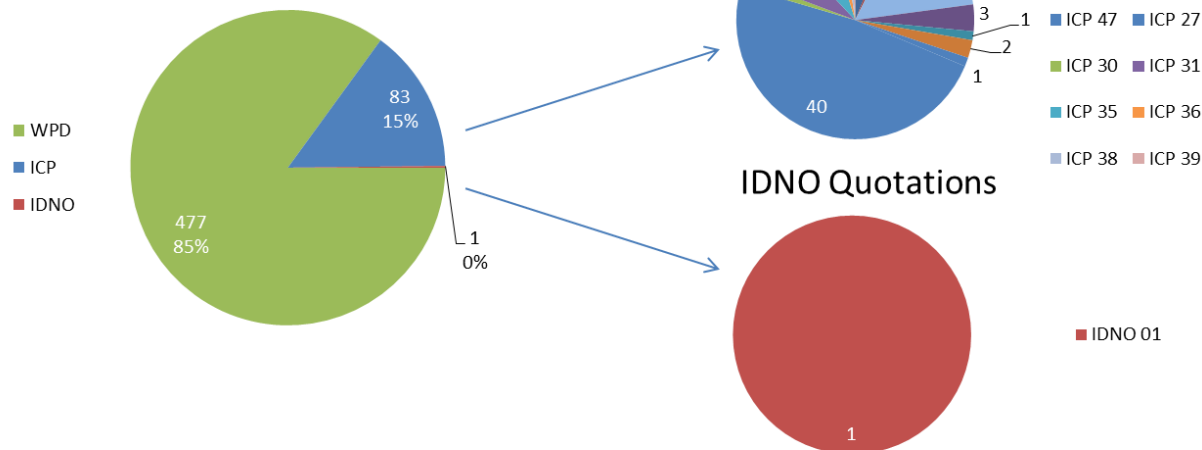
Throughout 2011/12, 2012/13 and up to July 2013 there has been a significant increasing trend in active competition evidenced by the number of individual competitors receiving competitive quotations from WPD. For the four month period from April to July this year there were 23 different parties requesting quotations for ICP type works, compared to 15 and 9 in the preceding two years, demonstrating the level of interest and attractiveness in competing for work in this area.

The numbers of different parties requesting quotations in this more specialised RMS indicates that there is a lack of perceived barriers to entry by WPD's competitors. Many of the parties are repeatedly returning for quotations in each year which could show that they believe the market is open for them to compete. The trend of increasing numbers of quotations being requested for CiC schemes by increasing numbers of individual parties and that the share of the total quotations is growing is a demonstration that competition is developing in this region. This is also an indication that the awareness of competitive alternatives has grown with customers dealing with many customers considering numerous independents.



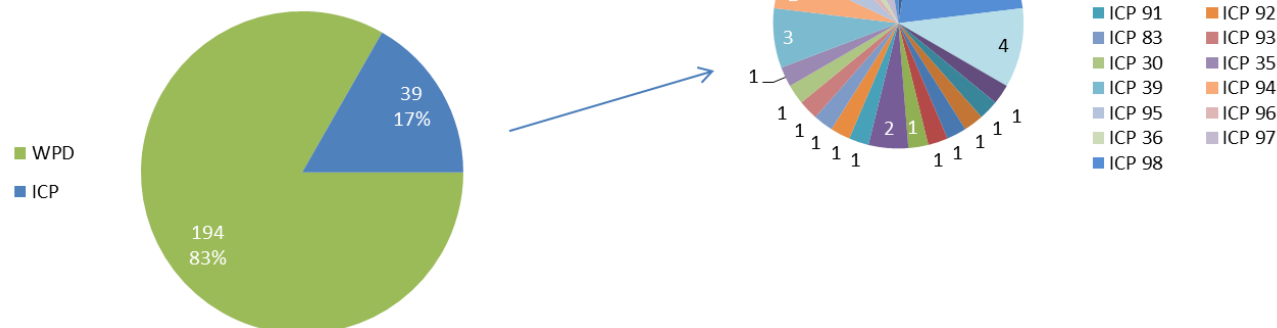
2012/13

East Midlands DG HV EHV Quotations



April – July 2013

East Midlands DG HVEHV Quotations



2.1.3.2. Acceptances

The number of competitors winning a share of a market is a strong indicator of the success of competition in that market. The percentage of accepted quotations also demonstrates the current level of successful competition for connection schemes in this RMS.

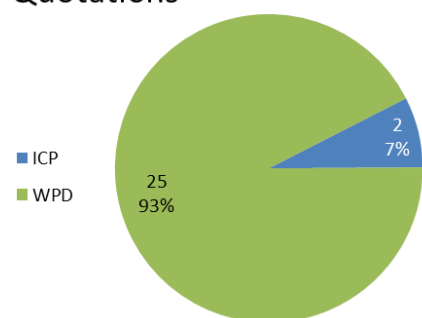
The analysis of acceptances of the quotations in each year detailed in the above section, demonstrates a trend of a growing market share for independents in what is a growing market segment. The volume of schemes progressing in this RMS has grown between 2011/12 and 2012/13, with much of this down to very large. The success of an increasing number of parties in 'winning' competitive schemes in this RMS, many of which winning multiple schemes in each year, is a demonstration that there is an open and competitive market with few barriers to entry.

For both the accepted schemes in 2012/13 and April to Jul 2013 the analysis of non-contestable costs indicates that the independents are winning schemes which are larger on average than the non-competitive schemes.

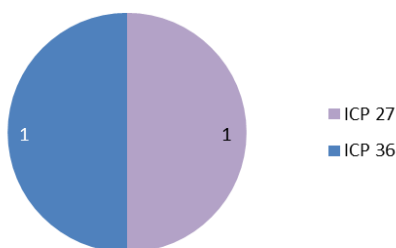
Analysis of the export capacity on schemes from April – July 2013 shows that independents are successfully competing for slight majority share of the total market size (52%) with 19% (5) of the total 27 schemes. This is an illustration of the independents being attracted to and competing for the larger connection high value schemes, the average capacity for ICP schemes being 14.7 MVA compared to 3.1 MVA for WPD schemes.

2011/12

East Midlands DG HV EHV Accepted Quotations

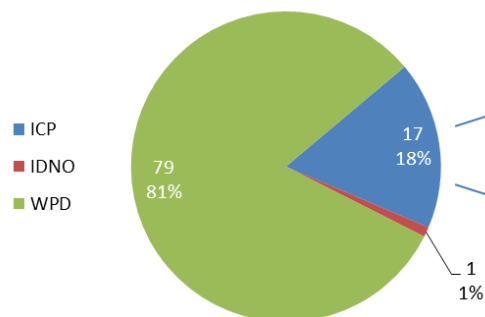


ICP Accepted Quotations

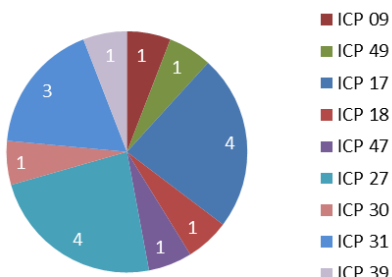


2012/13

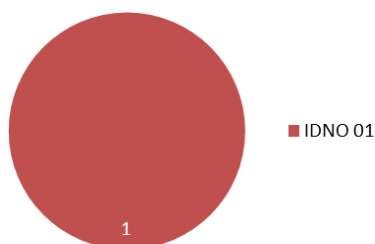
East Midlands DG HV EHV Accepted Quotations



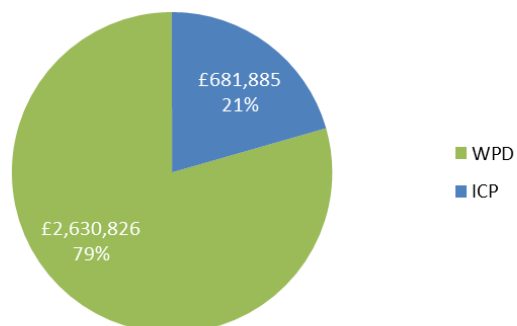
ICP Accepted Quotations



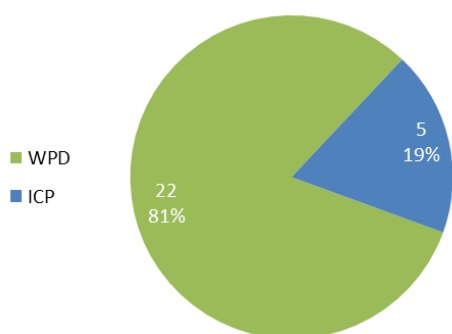
IDNO Quotations



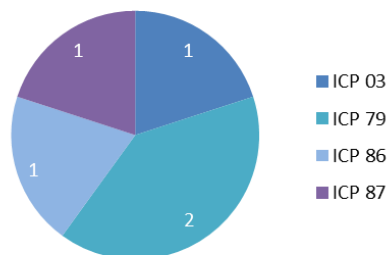
2012/13

East Midlands DG HV EHV Non Contestable
Costs on Accepted Quotations

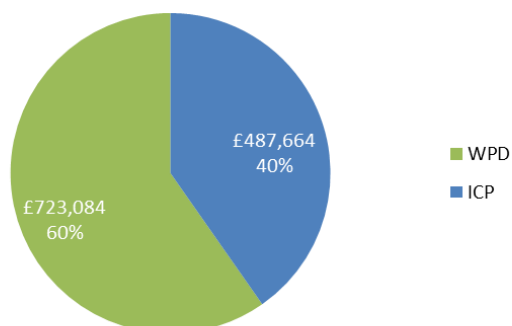
April – July 2013

East Midlands DG HVEHV Accepted
Quotations

ICP Accepted Quotations

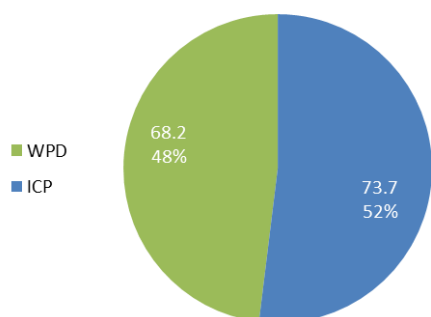


April – July 2013

East Midlands DG HV EHV Non Contestable
Costs on Accepted Quotations

April – July 2013

East Midlands DG HVEHV Export Capacity
(MVA) on Accepted Quotations



2.1.3.3. Connections

There has been a trend of increasing numbers of connections and the market share being undertaken by an ICP together with an increase in the number of different parties having carried out.

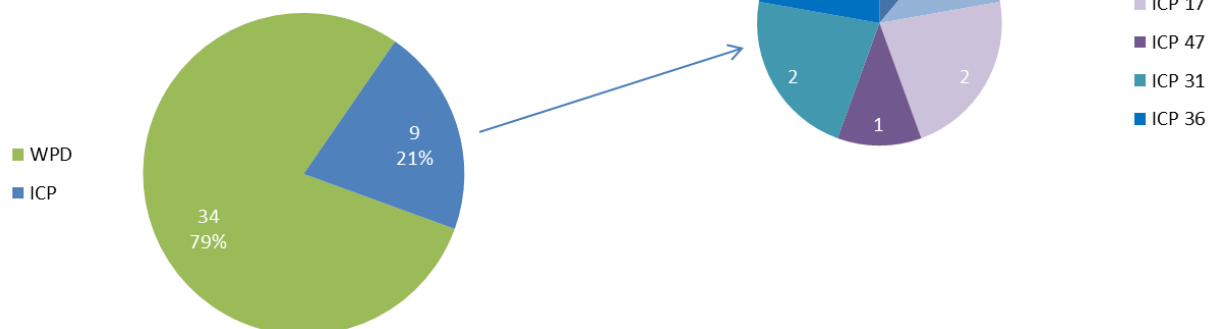
For April to Jul 2013 the trends are continuing although volumes appear low they tend to pick up significantly towards the end of the regulatory year.

Analysis of the total export capacity connected in April to July 2013 continues the trend in the acceptances described above, whereby the schemes delivered by independents are larger export capacity sites. Of the 8 connections energised, 5 have been connected by ICPs with a 94% share of the total export capacity. The average export capacity of ICP connections is 13.6 MVA compared to 1.5MVA for the 3 connections completed on no-competitive schemes.

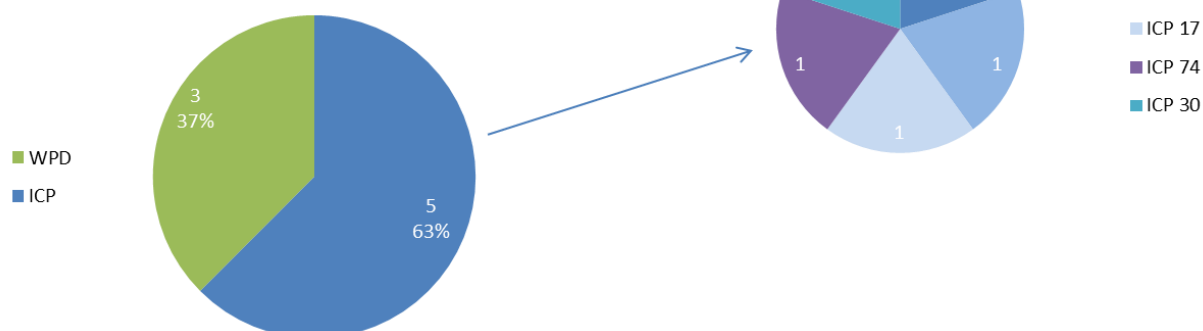
This analysis demonstrates that independents can successfully compete for large high value schemes in this RMS and region. Completed connections are an indication of the level of competition in the past as these connections would be contracted and 'won' by the successful competitor in previous months and so this is an indication of the growth in competition in this region.

In the **2011/12** regulatory year there were **17** connections, all completed by WPD.

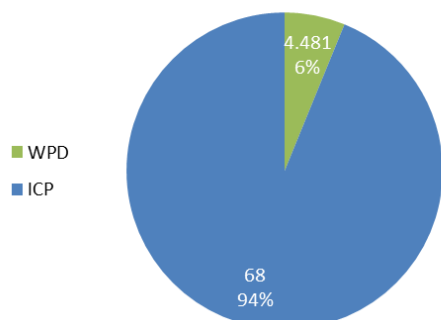
2012/13 East Midlands DG HVEHV Connections



April – July 2013 East Midlands DG HVEHV Connections



April – July 2013 East Midlands DG HVEHV Export Capacity (MVA) of Connections



2.1.4. WPD West Midlands

2.1.4.1. Quotations

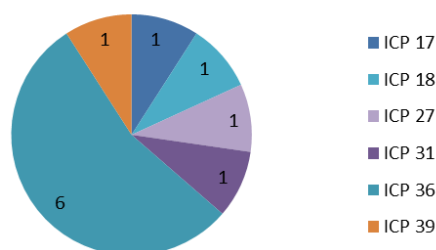
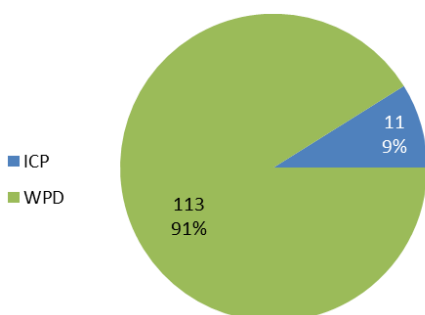
In the West Midlands there has been an increasing trend developing through 2011/12 and 2012/13 in active competition evidenced an increase in the number of individual competitors receiving competitive quotations from WPD and a growth in the share of the total offers made by WPD for competitive offers. For the four months from April to July this year there has been a slight dip in the share but the number of individual parties requesting a competitive connection offer has increased compared to the previous whole year. The increasing number of parties is a demonstration of the level of interest and attractiveness in competing for work in this area.

The number of different parties requesting quotations in this more specialised RMS indicates that there is a lack of perceived barriers to entry by WPD's competitors. With parties repeatedly returning for quotations in each year this shows that they believe the market is open for them to compete. This is also an indication that the awareness of competitive alternatives has grown with many customers considering numerous independents.

ICP Quotations

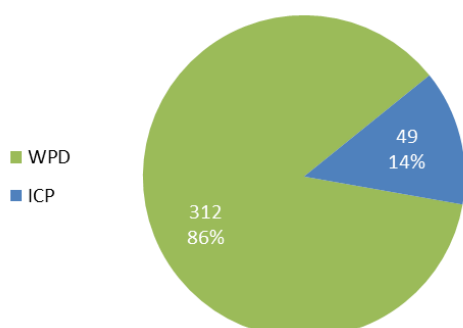
2011/12

West Midlands DG HV EHV Quotations

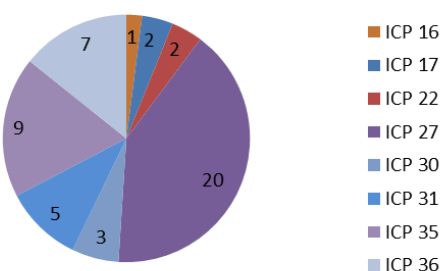


2012/13

West Midlands DG HV EHV Quotations

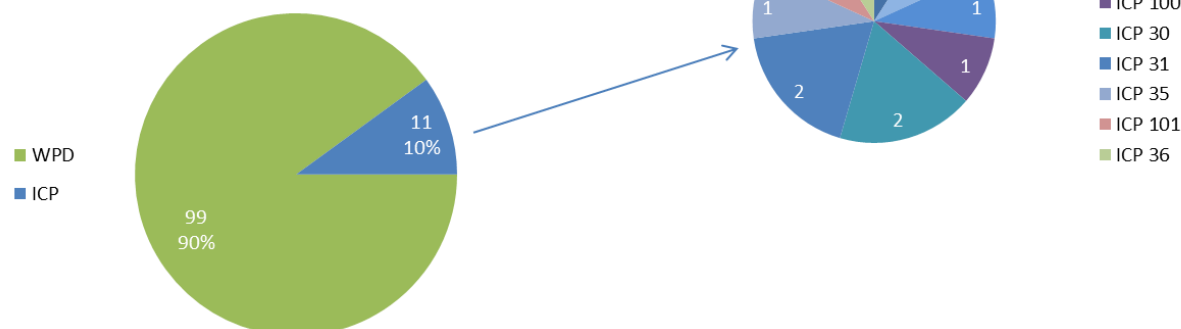


ICP Quotations



April – July 2013

West Midlands DG HVEHV Quotations



2.1.4.2. Acceptances

The level of competition in West Midlands for ICPs accepting connection offers has seen an increase from 2011/12 to 2012/13 however the development of competition has been slower than in other regions. The main reason for this could be that there are fewer schemes which are attractive to ICPs given the lower average export capacity on accepted schemes in April to July 2013 compared to the other WPD regions: 0.5MVA for ICPs and 0.8MVA for WPD.

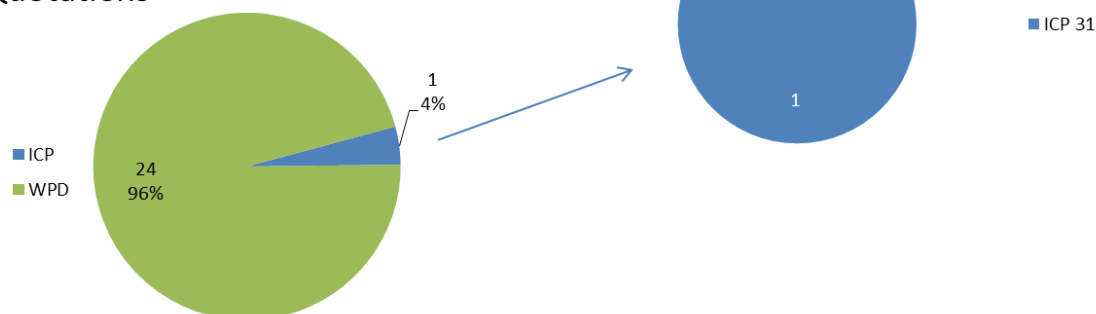
For the accepted schemes in 2012/13 the analysis of non-contestable costs indicates independents winning schemes which are larger on average than the non-competitive schemes.

However, the market share for independents in April to July 2013 in both volume and non-contestable costs has seen a dip compared to the rise in 2012/13, however the volumes are low (1 out of a total of 19 schemes). Although the development of competition in this RMS has been slower compared to the other WPD regions the number of different independents 'winning' competitive schemes is an indication that competition is open and barriers have been removed.

ICP Accepted Quotations

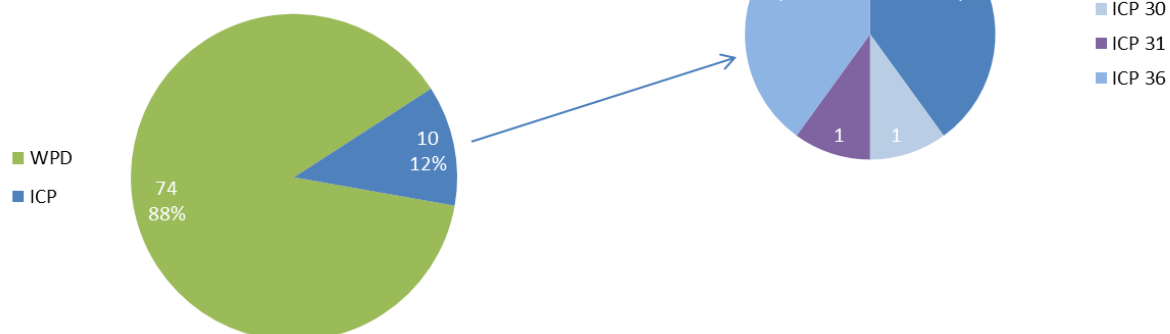
2011/12

West Midlands DG HV EHV Accepted Quotations



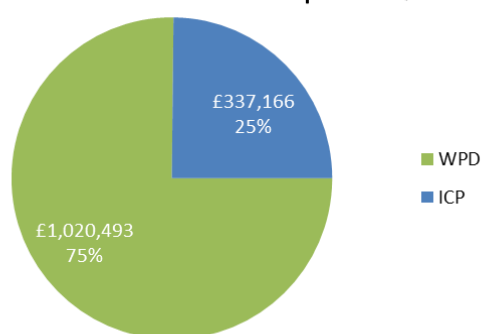
2012/13

West Midlands DG HV EHV Accepted Quotations

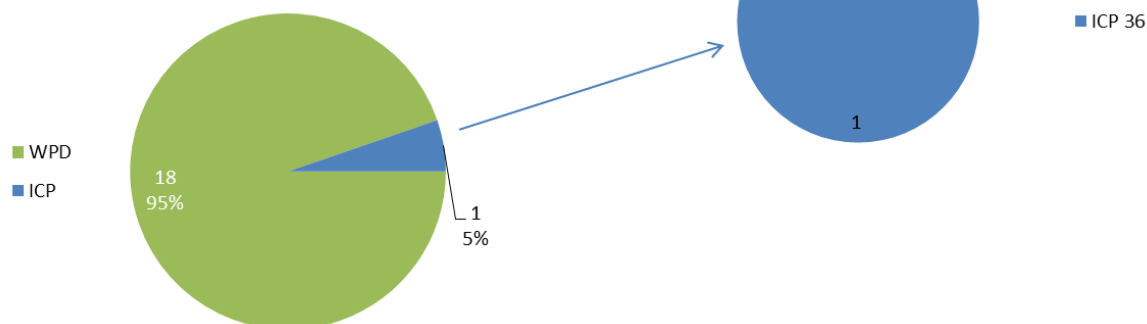


2012/13

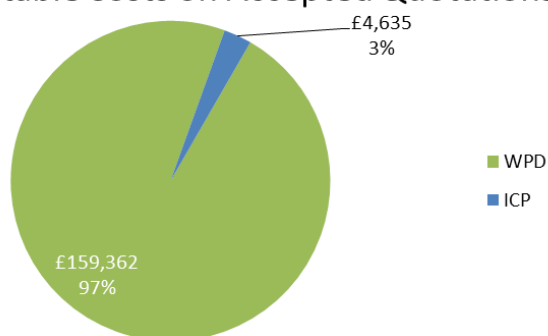
West Midlands DG HV EHV Non Contestable Costs on Accepted Quotations



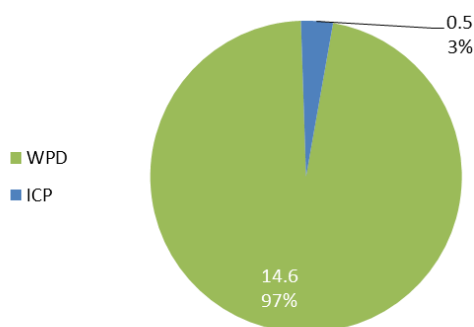
April – July 2013
West Midlands DG HVEHV Accepted
Quotations



April – July 2013
West Midlands DG HV EHV Non
Contestable Costs on Accepted Quotations



April – July 2013
West Midlands DG HVEHV Export Capacity
(MVA) on Accepted Quotations



2.1.4.3. Connections

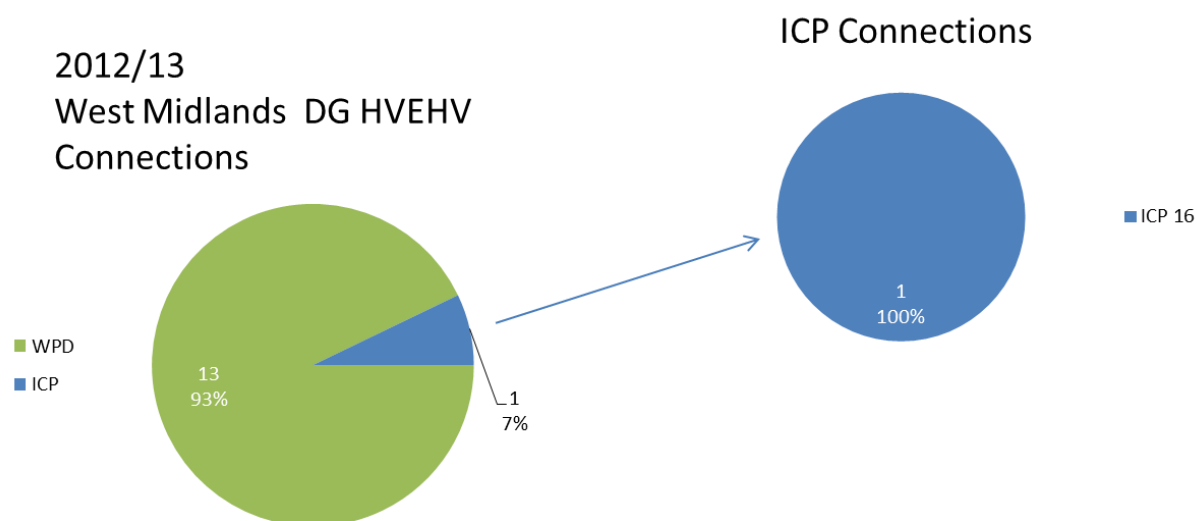
The volume of connections in West Midlands in this RMS has been relatively low and there has not been the growth in market size seen in the other areas. This means that there has not been the same level of increase in schemes which are attractive to independents; however there has still been a trend of increasing numbers of connections and

the market share being undertaken by an ICP along with a number of different parties having carried out connections.

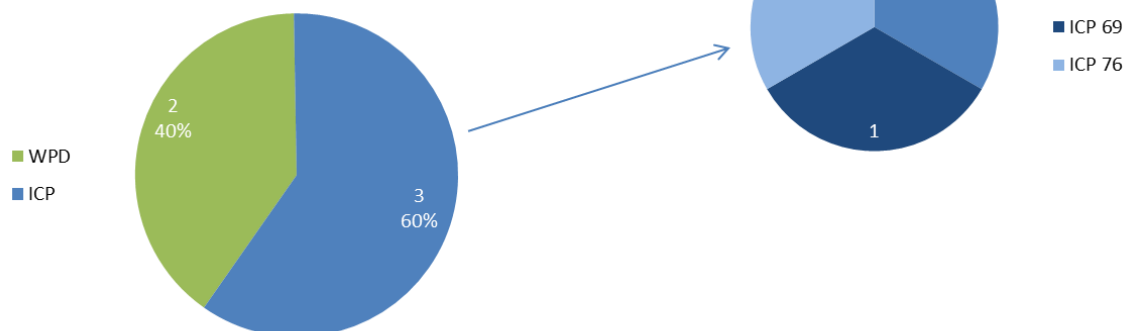
Analysis of the total export capacity connected in April to July 2013 continues the trend in the acceptances described in other regions, whereby the schemes delivered by independents are larger export capacity sites. Of the 5 connections energised, the 3 connections by ICPs were significantly larger than the 2 connected by WPD having a 66% share of the total export capacity.

This analysis demonstrates that Independents can successfully compete for large high value schemes in this RMS and region. Completed connections are an indication of the level of competition in the past as these connections would be contracted and 'won' by the successful competitor in previous months and so this is an indication of the growth in competition in this region.

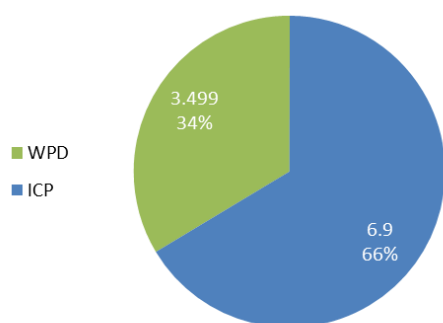
In the **2011/12** regulatory year there were **12** connections, all completed by WPD.



April – July 2013
West Midlands DG HVEHV
Connections



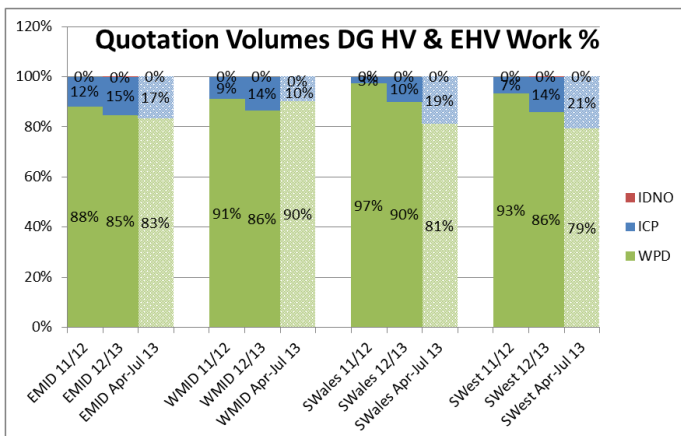
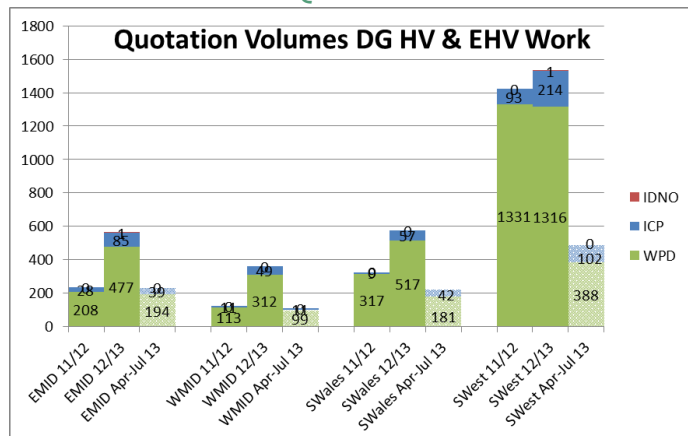
April – July 2013
West Midlands DG HVEHV Export Capacity
(MVA) of Connections



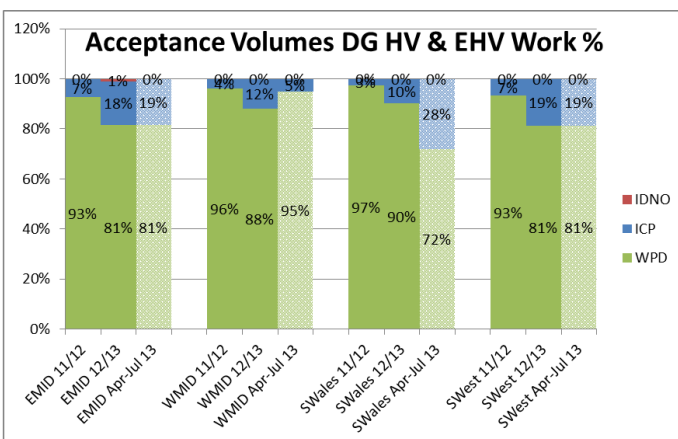
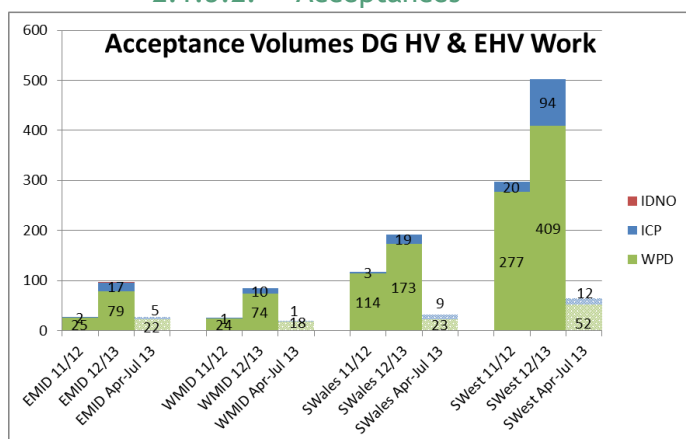
2.1.5. Overall year-on-year comparison

This section provides an additional summary showing the year-on-year comparison of data for each WPD region and for each of the quotation, acceptance and connection sections. It is intended to give a view of the trend in market size and share to go with the analysis above. Note that the April to Jul 2013 data ranges have been shaded to indicate that this is not a full year of data.

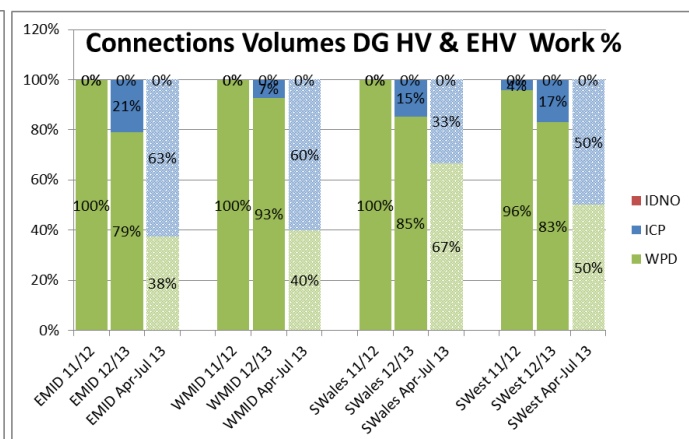
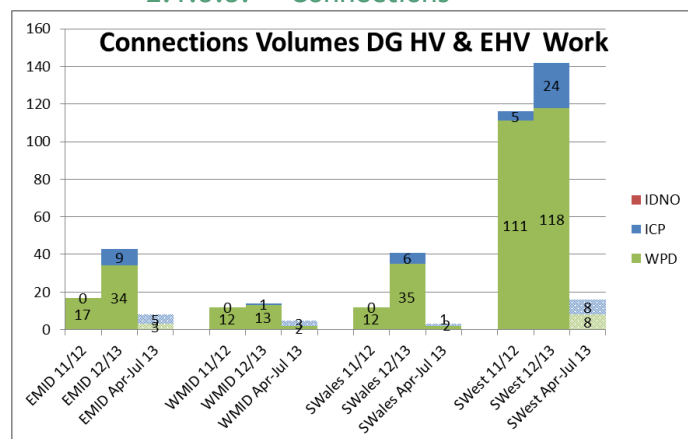
2.1.5.1. Quotations



2.1.5.2. Acceptances



2.1.5.3. Connections



Appendix 1A Potential Barriers to Entry

The table below is based on the table produced by the ECSG for their survey on barriers to competition in the connections market. The table includes an update on WPD's current position with respect to the list of potential barriers with additional updates added in orange text for this report.

Potential barrier	Ofgem comments	WPD Update
Availability of information	<p>Ease of access, speed of access, ensuring information is up to date (current).</p> <ul style="list-style-type: none"> Correct contact/process to follow to discuss a new job / submit a new application Substation general arrangement drawings Code of practice relating to substation design up to 33kV Cable installation practice up to 33kV Code of practice relating to HV network protection (up to 33kV) Code of practice re: LV network protection Design policy for HV networks up to 33kV Current network load information/feeder load analysis Design policy for industrial supplies Other information that it may be considered best practice to provide to ICPs 	<p>The WPD website has been revamped in October to provide much more information which is easier to access for customers on CiC and WPDs processes – The 2nd stage revamp has now been implemented with further improvements to the Connections pages.</p> <p>Along with the additional technical specification provided in the G81 appendices, we are also developing a website which will allow registered users to log in and access a suite of documents covering relevant design policy and practices and required drawings for substation arrangements etc. – the www.westernpowertechinfo.co.uk website was launched December 2012 providing access to relevant policy and specification documents to connection providers.</p> <p>We have also developed new leaflets explaining the CiC process and the legals process to customers which are sent out and available on the website.</p> <p>WPD make geographical asset information via the WEB map service on the WPD website which now covers the Midlands, South West and South Wales areas.</p> <p>WPD also provide ICPs / IDNOs with data from our EMU GIS system including geographic asset info and LV schematics.</p> <p>For DG market segments the Generation Capacity Map available on the WPD website, provides indicative generation connection capacity data to assist developers and connection providers formulate initial plans prior to submission of a formal connection request. It currently covers the Midlands areas with plans to extend this to the whole of WPD in future. The Generation Capacity Map now covers all four areas and EHV DG constraint maps have also been made available to provide further assistance at the planning stage.</p>
Adoption agreement security arrangements	<p>Sometimes viewed as overly onerous.</p> <p>Do numbers of faults in adopted assets necessitate the level of bond DNOs require?</p>	<p>WPD employs the criteria set out under Ofgem's November 2004 Decision Document which we believe is fair and reasonable.</p> <p>To date WPD has not requested a bond from an ICP</p> <p>WPD also took on board feedback from ICPs and IDNOs regarding the access and adoption agreement for LV jointing when updating it for HV works. The agreement for LV works included and unlimited liability clause on the connection provider, which some would find difficult to sign up to. The update of this agreement put a cap on this liability</p>
DNO inspection and	<p>Sometimes perceived as overly onerous.</p>	<p>WPD follow Ofgem's inspection regime which we believe generally works well. However, as the regime was originally only intended for underground fed, green field housing sites it may be time to review it</p>

monitoring practices	Is best practice set out in Ofgem's February 2005 'Competition in connections to electricity distribution systems - decision document part B' being followed?	to ensure it works for overhead connections, 33kV works and industrial/commercial works. WPD have been reviewing the inspection and monitoring regime throughout the live jointing works and will be during the HV trial and will be taking on board stakeholder feedback if any changes are made – WPD are planning to consult with stakeholders next year on inspections & monitoring.
Terms in connection agreements / types of connection agreements available	DNOs sometimes viewed as being inflexible in their terms. DNOs insisting on a particular type of connection agreement e.g. Bi-partite/Tri-partite can be viewed by ICPs as a barrier to competition.	We have had no specific complaints regarding the terms and conditions within the adoption agreement however as discussed above we have taken on board feedback regarding a liability clause in the network access and adoption agreement. WPD have developed the network access and adoption agreement for HV jointing and live LV jointing works as a bilateral agreement between WPD and the connection provider with no requirement for an arrangement with the end customer Our adoption agreement for metered connection schemes and embedded network POCs is currently a tripartite agreement. This is under review following the good feedback on the bilateral network access and adoption agreement. – WPD is developing a new bilateral adoption agreement which we will be consulting on at a presentation on 19 th November with our stakeholders. WPD normally require the tripartite agreement between the developer and connection provider, although we have when requested to, been flexible in agreeing to the ICP and IDNO being the parties to the agreement for embedded connection schemes.
Letters of authority	Inconsistency in what DNOs require from ICPs to show they are acting on behalf of a customer.	WPD policy suggests that LoA is required although in practice we do not believe this is being regularly sought. We would welcome guidance on when a LoA should be required. Our access and adoption agreement for HV and LV jointing works does not require a letter of authority from the end customer
Service timeframes (other)	Where non-contestable services are excluded from SLC 15 (where ICPs have asked for the DNO to complete one or more contestable service) are SLC 15 timeframes applied? DNOs are sometimes viewed as not providing services that fall outside of SLC 15 in reasonable timeframes. E.g. reinforcement works.	WPD has applied voluntary standards to works not covered by SLC15 on CiC schemes for the LV live jointing process and the HV jointing trial We have also set internal targets around contacting customers after receipt of an application and on stages of the legal process
Service timeframes (SLC 15)	Complaints are still received about services that are not delivered within the timeframes	WPD monitors performance under SLC15 and has to report on a quarterly basis to Ofgem. Any failure to comply with timescales will be recorded and a voluntary payment made. The SLC15 timescales are

	<p>set out in SLC 15.</p> <p>Do DNOs track performance by customer to ensure that some ICP customers i.e. particular ICPs do not consistently receive a worse quality of service than others.</p> <p>Concerns that DNOs require different levels of minimum information before an application are deemed complete. Further concerns that where an application is not complete ICPs are not made aware of this fact within 5 working days (SLC 15.5).</p> <p>Clear guidelines on what can be considered a complete application allow ICPs to submit complete applications first time avoiding delays to them receiving their non-contestable offer. Delays in informing ICPs that their applications are not complete will have an impact on their timelines for providing their customer with an offer.</p> <p>Are associated works (e.g. reinforcement) and final works completed on different timescales or all within the timescales for final works?</p>	<p>treated as a minimum service level by WPD and our people endeavour to provide the service as soon as practicable rather than on the final day of the standards.</p> <p>WPD treats all customers in a non-discriminatory manner therefore we see no requirement to assess performance between ICP's. Minimum information requirements are set out under RIGS. We have reporting processes in place to prompt Engineers to contact customers within 2 working days if minimum information is not provided.</p> <p>WPD has been involved in the development of the standard application form available on the ENA website which can be used instead of the WPD form to apply for connection schemes</p>
<p>Developing ongoing relationships</p>	<p>DNOs are often seen to be poor at 'soft skills'. E.g. communication, cooperativeness, relationships with ICPs etc</p> <p>How do DNOs ensure that they avoid issues resolved in one job repeating in the next?</p> <p>ICP relationship managers – providing not just a point of contact but a contact that is aware of all of the stages of the</p>	<p>WPD utilises a geographic team arrangement. Any issues or queries that arise at local team level are communicated to the policy section. Where changes of practice, etc are initiated these are fed back to teams, generally via issue of standard technique.</p> <p>The geographic team arrangement means that the ICP can easily liaise with the Team Manager responsible for constructing the connection.</p> <p>WPD employs a philosophy of contacting the ICP at an early design stage to discuss options and scenarios that are available for a particular POC request.</p> <p>In the development of the live LV jointing work process in the proof of concept trial, WPD maintained a single point of contact to manage the relationship with the participating ICPs throughout the PoC and beyond to take on board and provide feedback in regular meetings</p>

	<p>project and that can manage the project to proactively avoid issues arising.</p> <p>Communication with ICPs to fully understand why the ICP is requesting the services they are rather than second guessing the reasons behind requesting a particular design/POC. Dialogue with ICPs so that they have more visibility and understanding of alternative options and DNOs reasons for rejecting ICP suggestions. Dialogue so that ICPs can fully understand what the limitations of a particular POC might be.</p>	<p>For both the LV live jointing and HV jointing extension of contestability and also the launch of CIRT, we have held seminars with ICP and IDNO stakeholders to inform and gain feedback.</p>
Scope of unmetered contestable works	<p>The assets that ICPs can work on vary from DNO to DNO.</p> <p>What assets are ICPs able to work on when providing unmetered services in your DSA?</p> <p>Are there any particular activities ICPs can not undertake / assets ICPs are not allowed to work on in your DSA?</p> <p>What is being done to address this issue?</p>	<p>Accredited ICPs are able to joint to live low voltage underground and overhead mains and service cables on the WPD network.</p> <p>New Connections, Transfers and Disconnections are all in scope.</p> <p>ICPs are unable to work on fault repair activity.</p>
Legals process	<p>DNOs are slow to progress and complete legal documents which can delay connections. Process does not start until after design approval.</p> <p>ICPs unable to offer clients firm timescales for connection as may be delayed by legals.</p> <p>Inconsistency in whether works can be energised without legals being in place.</p> <p>Are there solutions to this problem?</p>	<p>WPD have agreed to jointly develop a process with an IDNO to facilitate IDNOs taking the lead on obtaining legals. This process is now in place and has been communicated out to IDNOs. – 3 IDNOs have signed up and the other 2 are in the process of doing so</p> <p>WPD has produced a guidance document to explain our processes to connection providers and provide example version of the legal documents we require.</p> <p>In addition, certain elements of land rights negotiations are contestable and the ICP is at liberty to pursue consents from third party landowners, etc.</p>
Difference in non-contestable	<p>Customers unable to transfer non-contestable costs detailed in a S16 application to a competitive</p>	<p>There will inevitably be a discrepancy between the non-contestable costs as the competitive quote will contain additional costs for inspection, preparation of the Adoption Agreement, etc. There will</p>

charges between S16 and competitive quotations	<p>quote.</p> <p>Higher non-contestable charges incurred by ICPs (compared to S16 customers) to cover the processing of their application.</p>	<p>also be a charge for design approval although this may not be a significant factor as there will be a corresponding reduction in assessment and design costs.</p> <p>WPD is currently considering the viability of combining S16 and competitive quotations to provide a complete one-stop service.</p> <p>WPD does not discriminate between class of customer therefore (other than those costs detailed above) the charge for processing the application will be the same.</p> <p>WPD is implementing a new breakdown of charges for connections offers which will provide much greater detail and transparency on what costs have been included in competitive and non-competitive schemes. – this has now been implemented</p>
Design approval	<p>IDNOs consider that timelines for design approval should be shorter for IDNOs than ICPs since the design is only up to the boundary.</p>	<p>Whilst it is true that certain IDNO schemes may require limited design approval there will be occasions when the IDNO is carrying out significant contestable work between the POC and the POS which is to be adopted by the DNO.</p> <p>We believe the existing timescales for delivering approval are sufficiently tight so as not to unduly delay scheme progress and we would endeavour to provide approval as soon as is reasonably practicable anyway. On this basis adding additional levels of performance standards will only add to the DNO's administrative burden and increase opportunity for confusion or dispute.</p>
Dispute resolution	<p>In our February 2007 CiC proposals document we supported a two-step dispute resolution process for business customers. Is your process two-step?</p> <p>We expect DNOs to communicate the disputes process to business customers, either through their websites and/or by providing details when issuing information, such as quotations to these customers.</p> <p>DNOs should ensure that they are able to manage communications with customers in a way that establishes a reliable, but not overly bureaucratic audit trail.</p>	<p>Further to Ofgem's requirement we now include ICPs and larger business customers within our complaints handling procedure (although they would not be covered by the Ombudsman Scheme).</p> <p>Our aim is to resolve complaints as quickly as possible between the customer and local manager.</p> <p>We note that the MCCG has reviewed our procedure and found it to be good with no issues.</p>

Appendix 1B CNA Improvements for Competition in Connections

The table below is based on the list produced by the Competitive Networks Association on areas which could improve the framework for competition in the connections market. The table includes an update on WPD's current position with respect to the list as presented to DNOs and Ofgem in July 2011 and has further updates in white for this Report.

Areas identified by CNA to improve framework for competition in Connections	WPD Update
<p>1. Connections quotation process that promotes choice to customers:</p> <ul style="list-style-type: none"> • Separate identification of non-contestable and contestable elements of work. • Customer (ICP/IDNO) ability to accept both elements of quotation or to accept the non-contestable element only (with the ICP/IDNO carrying out contestable works). 	<p>WPD provide split between contestable and non-contestable works in the formal offer letter and the new breakdown of charges provides further transparency.</p> <p>The customer cannot currently accept only the non-contestable work which is identified on a non-competitive connection request. However the WPD structure, with geographically based teams, means that the non-competitive and competitive requests are usually handled by the same Planner and therefore a subsequent request for the alternative offer can be efficiently turned round. WPD is currently considering the viability of combining S16 and competitive quotations to provide a complete one-stop service.</p>
2. Accredited ICPs/IDNOs to be able to have sufficient information able identify their own points of connections on the DNO system (if they choose to do so).	<p>For unmetered supplies, the availability of our EMU data facilitates this.</p> <p>WPD are working with an ICP on the POC self-provision to establish these requirements for larger connections.</p>
3. ICPs and IDNOs to be able to contest the design and construction of DNO network reinforcement work.	This is not currently available to ICPs although WPD are working with the ECSG sub-group on developing the extension of contestability for reinforcement works.
4. Accredited ICPs and IDNOs able to self-certify/validate designs for contestable work.	This is not currently available in WPD but will be considered.
5. DNOs make available design policy documents, codes of practice, method statements and material specifications to accredited IDNOs/ICPs	<p>Relevant documents are available upon request from the Planner dealing with the CiC application</p> <p>WPD are developing a new policy and</p>

<ul style="list-style-type: none"> • To enable the right design first time. • To facilitate compliance with standards and COPs. • To create transparency and remove ambiguity. 	<p>specification website for independents to login to access this information and this will be available soon. – the www.westernpowertechinfo.co.uk website was launched December 2012 providing connection providers access to relevant policy and specification documents.</p>
<p>6. Simple, transparent, documented land rights processes that are followed by their staff and ensure that progress of competition in connections is not unduly delayed.</p>	<p>These processes are in place with guidance including reasonable timescales which was developed with input from an ICP. This information and guidance is also available on the WPD website.</p>
<p>7. Arrangements that enable accredited ICPs/ IDNOs to undertake LV and HV jointing on contestable works. To include:</p> <ul style="list-style-type: none"> • a regime that also allows ICPs/IDNOs to operate on DNO networks and/or, • an arrangement where DNOs could offer ICPs/IDNOs contract SAP services to enable ICPs complete HV closing joints. 	<p>Processes and contractual arrangements are in place for both live LV jointing and HV jointing works to be undertaken by independents. – the HV trial has been extended further to allow ICPs to work under their own Distribution Safety Rules and to carry out some operational works.</p>
<p>8. Clearly defined process and timeline for delivery of methodology that facilitates accredited ICPs/IDNOs to carry out switching on DNO networks and issue safety documentation.</p>	<p>WPD are finalising the policies and procedures to facilitate accredited independents to carry out this work and will be rolling this out at the seminar planned on 15th November 2012 – the HV trial is in place and has been extended further to allow ICPs to work under their own Distribution Safety Rules and to carry out some operational works including switching on WPD's network.</p>
<p>9. Linked to 8 above. Evidence of work with other Licensees and the ENA to develop a national suite of operational documents identifying DNO specific requirements:</p> <ul style="list-style-type: none"> • To enable Competent Persons to operate across different Distribution Service areas without the requirement for a new Authorisation for each DSA. 	<p>WPD would be happy to share our learning from the developments we have made to enable independents to work on the LV and HV network.</p>
<p>10. Fair and Equitable Adoption Agreements that share liabilities between ICPs or IDNOs and the DNO</p>	<p>We have had no specific complaints regarding the terms and conditions within the adoption agreement however we have taken on board feedback regarding a liability clause in the network access and adoption agreement for HV and live LV jointing and placed a cap on the liabilities.</p> <p>WPD have developed the network access and adoption agreement for HV jointing and live LV jointing works as a bilateral agreement between WPD and the connection provider with no requirement for an arrangement with the end customer</p>

	<p>Our adoption agreement for metered connection schemes and embedded network POCs is currently a tripartite agreement. This is under review following the good feedback on the bilateral network access and adoption agreement. – WPD is developing a new bilateral adoption agreement which we will be consulting on at a presentation on 19th November with our stakeholders.</p> <p>WPD normally require the tripartite agreement between the developer and connection provider, although we have when requested to, been flexible in agreeing to the ICP and IDNO being the parties to the agreement for embedded connection schemes.</p>
11. DNOs must demonstrate non-contestable charges are transparent and cost-reflective.	<p>Our new breakdown of charges provides further transparency to customers with the split of contestability and more detailed categories of charges. – This has now been implemented.</p>
12. Simplified payment methods including the use of electronic correspondence throughout the connection and adoption process.	<p>WPD offer a BACS payment facility and the new CIRT system (as well as CLMS before it) allows the electronic transfer of documentation for CiC schemes.</p> <p>The process for live jointing works is fully electronic with application, consent and jointing record submission all being exchanged electronically.</p>

Appendix 2: WPD Main Website & Technical Information Website

WPD Homepage:

New Connections
in two prominent
positions on the
front page for ease
of accessibility.

The screenshot shows the WPD homepage with the following layout and annotations:

- Header:** Western Power Distribution logo with tagline "Serving the Midlands, South West and Wales". Navigation menu: Home, Power cuts, Connections, About us, Social responsibility, Contact us. Search bar.
- Hero Section:** "First time, every time" banner with a child's face and "Serving our customers" text.
- Can we help? (Yellow box):**
 - > Power cut? Get up-to-date service information and advice for your area. *You can cut off power today, 24x7, 365 days a year.*
 - > **Want to make a new connection?** Ask us about a new connection or changes to an existing one. (Circled in green)
 - > Do you want to contact us? Call us for non-emergency enquiries.
 - > Use of System charges. Understand our Use of System charges.
 - > Where's our equipment? Find out where our cables and equipment are.
 - > Are you a stakeholder? Have your say about our future.
- Ready to make a connection? (Green box):**
 - Apply to get connected to our network, modify your current connection or get a budget estimate or feasibility study.
 - > Read more (Circled in green)
- Emergency information:**
 - East Midlands: 0800 056 8090
 - West Midlands: 0800 328 1111
 - South Wales: 0800 052 0400
 - South West: 0800 365 900
 - Calling from a mobile?
 - Further contact details
- Do we serve your area?:** Map of the service area and text: "Check if you are covered by our network encompassing 7.7 million customers over a 55,300 square kilometre distribution area. > Read more"
- What's happening in your area?:** Map of the UK with a yellow dot in the Midlands. Text: "Sometimes power cuts do happen, but when they do, we're ready to restore your electricity as soon as possible. Find out if we are working on an issue in your area at the moment. > Read more"
- Use of System charges:** Image of a meter. Text: "Explore our charges for metering, system usage, connections and other customer related information. > Read more"
- Priority services:** Image of an elderly man. Text: "We have special arrangements in place for vulnerable customers who depend on electricity and for whom power cuts may be particularly worrying. > Read more"
- Thinking about a new career?:** Image of a man. Text: "Join Western Power Distribution as a professional, an apprentice or via our graduate and adult training schemes. > Read more"
- News:**
 - Running the extra mile: Western Power Distribution colleagues raise money for Mencap.
 - Teens warned of electricity dangers: School initiative to educated teenagers on the dangers of electricity.
 - > See all
- Footer:**
 - Western Power Distribution companies:
 - Surf Telecoms, Contracting Services, Training
 - Helicopter Unit, Smart Metering, WPD Utilities
 - Home: Power cuts, Connections
 - Contact us: Use of System charges, About us
 - Careers: Accessibility, Equipment locations
 - Complaints: Site map
 - © 2013 WESTERN POWER DISTRIBUTION. Cymraeg | Terms and Conditions | Privacy policy | Accessibility

New Connection page:

The screenshot shows the Western Power Distribution website's 'Connections' page. The page layout includes a header with the company logo, tagline 'First time, every time', and navigation links. The main content area is titled 'Connections' and features a large image of a worker on a utility pole. Below this, there are several sections: 'Competition in connections', 'Service alterations', 'HOW CAN WE HELP?', 'New connections', 'Domestic connections', 'Information for electrical installers', 'Business connections', 'Application forms', 'Generation', 'Useful information', and 'Contact the Connections team'. A green arrow points from the 'Competition in connections' section to the text 'Competition in Connections clearly visible'. Another green arrow points from the 'Application forms' section to the text 'Application forms easy to access from main page'.

WESTERN POWER DISTRIBUTION
Serving the Midlands, South West and Wales

First time, every time

Home Power cuts **Connections** About us Social responsibility Contact us

Connections

One of our key roles is to provide new connections and modify existing ones to our network. What type of connection do you want to make?

[Domestic connection](#)
[Business connection](#)
[Generation connection](#)

Apply to make a connection now or explore all our connection information below.

Competition in connections

Did you know that you can get competitive quotes from an Independent Connections Provider (ICP) for your electricity connection? Read more about 'Competition in Connections'.

[Find out more](#)

Service alterations

If you need to move your existing electricity supply, let us help you do it safely and efficiently.

[Find out more](#)

HOW CAN WE HELP?

- > Is your power out?
- > Looking to get connected?
- > Do you want to contact us?
- > Use of System charges
- > Where's our equipment?
- > Are you a stakeholder?

New connections

Make a new connection with us! We have all the information you need to make it happen.

[Find out more](#)

Domestic connections

Get your home or housing development connected to our network by following our step-by-step guide and enjoy first class customer service.

[Find out more](#)

Information for electrical installers

Let us help you by de-energising or re-energising your customers' homes or by providing Protective Multiple Earthing...

[Find out more](#)

Business connections

Help your business grow by connecting to our reliable network with an excellent customer service record.

[Find out more](#)

Application forms

Domestic

- > A single domestic connection
- > A connection for up to 4 dwellings
- > A connection for 5 or more dwellings

Business

- > One or more connections for business premises

Generation

- > Single installation
- > Decommissioning confirmation
- > Multiple SSEG units (G83/2 Stage 2)
- > G59/2

Generation

Get your renewable energy or microgeneration connected safely and securely to our network.

[Find out more](#)

Useful information

Find out more information on connection charges, our quotation accuracy scheme, timescales and smart metering.

[Find out more](#)

Contact the Connections team

Here is a list of contact details for the Connections team in your area.

[Find out more](#)

Western Power Distribution companies

Surf Telecoms Contracting Services Training	Helicopter Unit Smart Metering WPD Utilities	Home Power cuts Connections	Contact us Use of System charges About us	Careers Accessibility Equipment locations	Complaints Site map
---	--	---	---	---	--

Generation Pages:



First time, every time

Search

[Home](#) [Power cuts](#) [Connections](#) [About us](#) [Social responsibility](#) [Contact us](#)

Connections

- > New connections
- > Competition in connections
- > Domestic
- > Business
- > **Generation**
 - > Installation
 - > Payments for generated energy
 - > Generation capacity map
 - > Generator application / commissioning forms
- > Service alterations
- > Information for electrical installers
- > Useful information
- > Contact us

Generation



We are committed to protecting the environment and we recognise the role that renewable energy generation can have in helping individuals and organisations to combat climate change and prepare for a low carbon future.

We are also committed to providing a safe and reliable electricity supply to you and your neighbours, and therefore need to ensure that any new energy generation on the network will not affect our ability to fulfil our obligations.

Please contact us if you are considering installing any type of generator, for example wind turbines, solar (photo-voltaic) panels, hydro generators, gas powered generators or diesel generators. If you are completing an application, please provide us with as much information as possible such as the proposed location and the technical specifications for the generators so that we can meet your requirements as soon as possible.


If you're installing microgeneration or small-scale generation, [please read our guide](#), which also includes information on the Feed in Tariffs scheme.

HOW CAN WE HELP?

- > Is your power out?
- > Looking to get connected?
- > Do you want to contact us?
- > Use of System charges
- > Where's our equipment?
- > Are you a stakeholder?

Further information

- > New connections
- > Service alterations
- > Useful information
- > A guide to connecting microgeneration
- > Guaranteed standards



**WESTERN POWER
DISTRIBUTION**
Serving the Midlands, South West and Wales

First time, every time

[Home](#) [Power cuts](#) [Connections](#) [About us](#) [Social responsibility](#) [Contact us](#)

Connections

- > New connections
- > Competition in connections
- > Domestic
- > Business
- > Generation
- > **Installation**
 - > G83 Single premises connection procedure
 - > G83 Multiple premises connection procedure
 - > G59 Connection procedure
- > Payments for generated energy
- > Generation capacity map
- > Generator application / commissioning forms
- > Service alterations
- > Information for electrical installers
- > Useful information
- > Contact us

Installation

You will need to contact us if you propose to install or operate generating equipment as this could affect our network or require alterations to your electricity connection.

The procedure for connecting generation varies with the size of the equipment, but in general the larger the generator the more complex the connection procedure.

Please [click here](#) for more information about the different connection procedures for generation. Alternatively click on each of the connection procedure links.

Please [click here](#) to see the generation map for our Midlands area which gives you an indication of the potential capacity for large generation connections on our network.

The Electricity Networks Association (ENA) publish a number of guides to help you understand how to install and commission generation equipment. They use the term Small Scale Embedded Generation (SSEG) to describe generation that is rated at 16A (3.68kW) per phase or less. Please [click here](#) for help on deciding which guide is applicable to you. Once you have made a decision you can click on the three links below to obtain the ENA guides:

- [G83 Single premises guide](#)
- [G83 Multiple premises guide](#)
- [G59 Guide](#)

In response to customer feedback we have published an improvement workplan. [Click here](#) to see the document. If you would like to comment on this workplan please contact nrichardson@westernpower.co.uk

HOW CAN WE HELP?

- > Is your power out?
- > Looking to get connected?
- > Do you want to contact us?
- > Use of System charges
- > Where's our equipment?
- > Are you a stakeholder?

Further information

- > New connections
- > Service alterations
- > Useful information
- > A guide to connecting microgeneration
- > Guaranteed standards

Connections

- > New connections
- > Competition in connections
- > Domestic
- > Business
- > Generation
 - > Installation
 - > G83 Single premises connection procedure
 - > G83 Multiple premises connection procedure
 - > **G59 Connection procedure**
 - > Generator Ratings
 - > Changing or decommissioning generation
- > Payments for generated energy
- > Generation capacity map
- > Generator application / commissioning forms
- > Service alterations
- > Information for electrical installers
- > Useful information
- > Contact us

G59 Connection procedure

Does my installation apply?

This connection procedure applies to generation installations that are either rated above 16A (3.68kW) per phase or that do not meet the requirements of the current version of an Energy Networks Association (ENA) document called Engineering Recommendation G83.

Where this connection procedure applies, the generation and the installation must comply with ENA Engineering Recommendation G59/2-1 and all the details must be agreed with us before the generation is installed and commissioned.

What should I do?

You should apply using one of the two G59/2-1 application forms listed below. The first application form may be used where the aggregate capacity of the generation at the premises is less than **75A per phase** and the generators have been type tested to G59/2-1. For generation rated above **75A per phase** or generation that is not type tested the second application form shall be used instead.

- **G59/2-1 Simplified Application Form** (for type tested generation rated up to **75A per phase**)
- **G59/2-1 Standard Application Form** (for non-type tested generation or generation rated above **75A per phase**). Please also complete the attached **checklist**.

If you would like us to consider more than one option then please explain this in a covering letter.

Once we have received your application we will check to see if your proposed generation can be connected to our existing network without additional work. If we do need to strengthen our network or if you need a new electricity connection we will give you an estimate for carrying this out. If you would like information on our connection charges please [click here](#).

Once we have agreed all the details with you and we have carried out any necessary work on our network, you may go ahead and commission your generation.

Commissioning Requirements

If the aggregate rating of the generation at the premises is no higher than **75A per phase** and all the generators have been type tested G59/2-1 we do not normally need to witness generator commissioning tests. In such cases the installer shall complete the G59/2-1 Commissioning Confirmation Form and return it to us within 28 days.

- **G59/2-1 Commissioning Confirmation Form**

If the aggregate rating of the generation at the premises is above **75A per phase** or if one or more of the generators has not been type tested to G59/2-1 then we will need to witness some of the generator commissioning tests. We make a charge for witnessing these tests however, where we have already charged you for providing a new electricity connection or for reinforcing our network, this charge is normally included. Where there is no connection charge, or where we have to make several visits to witness the commissioning tests, additional charges will apply. For further information please [click here](#).

For a copy of the ENA guide on connecting generation under the G59 Connection procedure [click here](#).

HOW CAN WE HELP?

- > Is your power out?
- > Looking to get connected?
- > Do you want to contact us?
- > Use of System charges
- > Where's our equipment?
- > Are you a stakeholder?

Further information

- > New connections
- > Service alterations
- > Useful information
- > A guide to connecting microgeneration
- > Guaranteed standards

WPD Technical Information Website:

WESTERN POWER DISTRIBUTION
Serving the Midlands, South West and Wales

Home Overhead Construction Underground Cable Construction Substation Construction Civil Works Design Standards Inspection and Commissioning IDNO Connection Arrangements

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WPD Technical Information

This website provides detailed technical specifications and information to Independent Connection Providers and Independent Distribution Network Operators who work within the Western Power Distribution area. Access to the website is restricted to authorised companies..

- Unmetered
- Streetlighting
- Low Voltage
- 11,000 Volt
- 33,000 Volt
- 66,000 Volt
- 132,000 Volt

Range of information is split into categories of type and by voltage of works to make navigation easy

Accessibility | Site map | Terms and Conditions

WESTERN POWER DISTRIBUTION

Serving the Midlands, South West and Wales



Home	Overhead Construction	Underground Cable Construction	Substation Construction	Civil Works	Design Standards	Inspection and Commissioning	IDNO Connection Arrangements
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- Unmetered
- Streetlighting
- Low Voltage
 - 11,000 Volt
 - 33,000 Volt
 - 66,000 Volt
 - 132,000 Volt

Suite of relevant documents available in each category

Design Standards - Low Voltage

CA1AB 1	Procedures for Making Low Voltage Mains Three Core Wavecon Connection/Disconnection Joints	12/12/2012 17:41:08
CA1D/4	Procedures for Making Low Voltage Mains Cable Straight Joints	21/12/2012 12:16:56
CA1E 3	Procedures for Making Low Voltage Mains Cable Branch Joints	12/12/2012 17:42:35
CA1F 3	Procedures for Making Low Voltage Mains Cable Stop Ends	12/12/2012 17:43:14
CA1G 4	Procedures for Making Low Voltage Mains Cable Terminations	12/12/2012 17:43:51
CA1H 4	Procedures for Making Low Voltage Mains Cable Prysmian Link Disconnecting Boxes	12/12/2012 17:46:55
CA1I 4	Procedures for Making Low Voltage Mains Cable Service Branch Joints	12/12/2012 17:47:36
CA1U 2	Jointing of Paper Insulated Concentric and Triple Concentric Mains Cable	12/12/2012 17:48:38
CA1Y 1	Procedures for Making Low Voltage Mains Cable Loop Joints	12/12/2012 17:49:12
MI14D	Earth Loop Impedance Testing of Services	13/12/2012 10:02:10
NC2D/2	Specification of Connection Assets	26/03/2013 18:22:46
SD5A/1	Design of Low Voltage Domestic Connections	21/12/2012 12:29:01
SD5C	Low Voltage Connections to Multiple Occupancy Buildings	27/06/2013 10:38:13
SD5D/2	Arrangements for LV Cut-Outs	27/06/2013 10:32:01
SD5E/2	Arrangements for LV Cut-Outs	27/06/2013 10:32:01

List of further Appendices

- Appendix 3. East-Midlands DG Constraint Map*
- Appendix 4. Information for landowners and customers: A guide to understanding legal permissions and consents to place equipment on land*
- Appendix 5. Guidance Note: Process for Completion of Landowner Permissions and Other Useful Information on Consents Required for ICP Schemes*
- Appendix 6. Competition in Connection leaflet*
- Appendix 7. Call Handler information for Competition in Connections*
- Appendix 8. Example Offer Letter with Breakdown*
- Appendix 9. WPD CiC Extension of Contestability HV Roll Out seminar Aug 2012*
- Appendix 10. Construction Adoption and Access Agreement HV and LV ICP DSR*
- Appendix 11. Standard Technique NC2L Relating to Independent Connection Provider (ICP) High and Low Voltage Connections under ICP DSRs*