



Making a positive difference
for energy consumers

All connection stakeholders

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Date: 15 July 2014

Dear stakeholders,

Open letter consultation on how the DNOs have engaged with Distributed Generation customers in 2013-14

Last year all DNOs published a Distributed Generation (DG) Workplan that set out the actions they planned to undertake in 2013-14 to improve services for DG customers. The DNOs have now reported back on their progress. We now want to hear your views on how the companies performed against the commitments that they made.

The closing date for responses is 26 August 2014. Responses should be sent to connections@ofgem.gov.uk. We will use responses to this open letter to inform our assessment of Distributed Network Operators' (DNO) submissions.

Background

Connecting customers to the electricity network is a critical activity that delivers benefits both to individual customers and to society more broadly.

We know that the requirements of large, commercial connection customers are sometimes very different to the needs of smaller, domestic connections. As part of RIIO-ED1¹ we are therefore introducing a specific incentive for large connection customers, the Incentive on Connections Engagement (ICE).

The ICE aims to drive DNOs to understand and meet the needs of major connections customers (larger metered demand, unmetered, distributed generation).

ICE trial

Before the ICE goes 'live' for the start of RIIO-ED1, we are trialling the proposed arrangements in relation to DG customers only. In future years, the incentive will also capture unmetered and larger demand customers.

As part of the ICE, licensees must submit two reports; one at the start of the regulatory year outlining their commitments to improve services and another at the end of the year reporting back against the commitments made.

On 30 June we received the licensee's ICE submissions looking back on how they performed in 2013-14. These submissions describe how they have performed against the strategies for engagement, work plans of activities and key performance outputs that they set themselves at the start of 2013-14.² We want to hear your views on how they have performed.

¹ The next electricity distribution price control, RIIO-ED1, will be the first to reflect the new RIIO model and will run from 1 April 2015 until 31 March 2023.

² These are summarised in the DNOs' Looking Back ICE submissions.

(At the end of April 2014, we received the licensee's Part One ("Looking Forward") ICE submissions. The Looking Forward submissions outline the DNOs commitments for 2014-15. We sought views on the submissions and received responses from a range of DG stakeholders. The submissions, the open letter and the responses to our open letter are saved on our website.³ We will seek your views on how they have performed against these plans next year.)

ICE submission publications

The six DNO groups published their 2013-14 ICE submissions at the links below -

- Electricity North West: [LINK](#)
- Northern Powergrid: [LINK](#)
- Scottish Power Energy Networks: [LINK](#)
- Scottish and Southern Power Distribution: [LINK](#)
- UK Power Networks: [LINK](#)
- Western Power Distribution: [LINK](#)

Specific areas where we seek views

Whilst we welcome comments on any aspect of the DNOs' submissions, we specifically want to hear your views on the following questions-

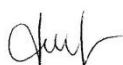
- Has the DNO implemented their strategy for engaging with connection stakeholders, in line with their DG Workplan? If not, are the reasons provided are reasonable and well justified?
- Has the DNO completed the DG workplan of activities in the agreed timescales? If not, are the reasons provided are reasonable and well justified?
- Has the DNO delivered the outputs stated in its DG workplan? If not, are the reasons provided reasonable and well justified?
- Has the DNO's DG Workplan taken into account ongoing feedback from a broad and inclusive range of connection stakeholders? If not, are the reasons provided reasonable and well justified?

Next steps

We will use the responses to inform our assessment of the submissions.

Please submit any written comments to connections@ofgem.gov.uk by 26 August 2014. Unless clearly marked as confidential, we will publish responses on our website.

Yours sincerely



James Veaney
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³ <https://www.ofgem.gov.uk/publications-and-updates/open-letter-consultation-incentive-connections-engagement-trial-part-one-submissions>