

The Questionnaire – For customers

Hello. Thank you for taking the time to complete our questionnaire.

We hope all the questions are clear, but if you have any difficulties please email connections@ofgem.gov.uk.

Once you have completed the questionnaire please send it back to us to the email address above. You need to return the completed questionnaire to us by 31 July 2014.

After we have read your answers we might want to have a chat with you to understand a bit more. We'll try and do this in August.

Part 1 - About you

Question	Your response
What is your name?	
What is your position?	
What are your contact details?	

Part 2 - About your business

Question	Your response
What is your company's name?	Noveus Limited
What is the nature of your company's business?	Advisory Consultant to Customers in the Energy Market
Why do you need to make new connections to the electricity distribution network?	Client's require both increases in power or new connections

What past experience does your business have in getting new connections to the electricity distribution network?	We have been working in the energy market for approximately eight years.
What areas of the country does your business have facilities in that have required new connections to the electricity distribution network?	We are based in East Anglia and London. New Connections and enhancements are all over the UK for our clients.
What type of connections do you make to the distribution network?	LV, 11,000V, 33,000. Including customer owned network, IDNO networks and adopted networks.

Part 3 - About how you get a new electricity connections to the local grid.

Question	Your response
Does your business manage the process of getting a connection using your own staff, or do you use a consultant to guide you through the process?	We manage connections for our clients
What issues are important for you when getting a connection? Please rank in order of importance, with 1 being the most important and 7 the least important.	<div>1 The cost of connection</div> <div>6 Customer service</div> <div>4 The time it takes to issue a connection quote</div>

	<input type="checkbox"/> 3 The time in which a connection can be made <input type="checkbox"/> 2 The certainty around the cost of connection and the timetable for delivery <input type="checkbox"/> 5 Ability to offer innovative connection solutions <input type="checkbox"/> 1 Other <u>Linked with Cost the detailed breakdown to make the quote more easily understood.</u>
<p>In the past have you had quotes for connection(s) from a range of companies, or solely from the local DNO?</p> <p>Please tick one box.</p>	<input type="checkbox"/> Y A range of quotes – <u>please go to part 4</u> <input type="checkbox"/> Just a quote from the local DNO – <u>please go to part 5</u>

Part 4 – About how you choose between a range of quotes.

Question	Your response
You've indicated that you normally receive a range of quotes for connection, both from your local DNO and other independent connection providers. When deciding which quote to accept, what factors do you consider?	The price, delivery programme, flexibility on payment terms, cash flow management, certainty, contract terms and conditions, one stop shop. Each project varies dependant on the business drivers.
Please rank these factors that you described in the previous question in	1. Price 2. Certainty on programme

order of importance to you, with 1 being the most important.	3. Cash Flow 4. Contract Conditions 5. Etc.
Please give an indication of who you have tended to award work to.	<p>Please tick one box only.</p> <p><input type="checkbox"/> Always the DNO</p> <p><input type="checkbox"/> Mainly the DNO</p> <p><input type="checkbox"/> About half and half between the DNO and others</p> <p><input checked="" type="checkbox"/> Mainly an ICP or IDNO</p> <p><input type="checkbox"/> Always an ICP or IDNO</p>
What do you think are the risks/problems with using an independent connections provider?	They do not have the buying power of the DNO on major equipment, they are too busy, not local and have limited resources, hide behind the DNO legal processes
How has your view on who to award work to changed with experience?	It really depends on the nature of the connection,
When would you only seek a quote from the local DNO?	Very small projects where the cost saving is not worth the administration, or where the cost to connect is small and the network construction is small. Or where a project is particularly complicated, or the contestable works are small compared to the non-contestable.

Part 5 – About why you chose to use the local DNO

Before engaging with this process, were you aware that you could use a company other than the local DNO to complete your connection?

☐

Yes

☐

No

What do you think are the benefits in using a company other than the local DNO to provide a connection?

What do you think are the risks/problems with using an independent connections provider?

What would need to change in order for you to use a different connections provider?

Part 6 - About how the cost of connections informs the location of new business development

How much opportunity is there for you to freely choose the location of new business developments?

Reasonably, for generators this is part of the service. Business connections this is not possible.

How big a factor is the cost of connection in your decision on where to locate your business?

For generator connections a huge cost impact, many projects do not happen because of the lack of capacity. We find our clients will not expand their business due to the cost of connections and running costs.

Part 7- Other comments

The questions we've asked are designed for you to give us important information for our review. We'd also welcome any other comments about the market for new electricity connections, or problems you've experienced.

There is huge difference between the granularity of price breakdown and pricing methodology by the DNOs. Some provide a good structured breakdown others just "lumps" of money. On occasion we have found DNO prices from their standard pricing methodology is not realistic and subsequently the price is ratcheted up. This is because the DNO always price on the basis to charge actual out-turn costs, this pushes the Customer to make a judgement on how good the price is.

It is also true that in some cases the DNO cannot price competitively to win the work. ICPs will price upto the DNO price and this is likely to keep prices high rather than a true market position.

The only measure of quality that seems to drive the connection process is, "was the quote out on time?". This does not reflect the quality of the response, the detail or does it meet what the Customer asks for. All DNOs measure themselves by the date of response; very rarely does a quotation get issued early.

There is no transparency on the non-contestable costs for a connection. The DNOs reinforcement costs often swamp the actual connection. There is no competition on these aspects and hence the Customer is faced with just paying up.