

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?	Vattenfall Wind Power Ltd
What is the nature of your company's business?	Wind farm development, construction and operation
Why do you need to make new connections to the electricity distribution network?	Wind farm grid connection

What past experience does your business have in getting new connections to the electricity distribution network?	We have four operating distribution-connected wind farms in England and Wales, one in construction in Scotland, six wind farms across GB contracted to connect to the distribution network, three wind farms in the application process and several others under development.
What areas of the country does your business have facilities in that have required new connections to the electricity distribution network?	We have offices in Penzance, London, Hexham, Cardiff and Edinburgh. I manage grid connections for the whole portfolio from Hexham, Northumberland.
What type of connections do you make to the distribution network?	33kV in Scotland and 33kV and 132kV in England and Wales

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?	Just me!
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>5 Customer service</div> <div>6 The time it takes to issue a connection quote</div>

	<div data-bbox="734 225 817 284"><input type="checkbox"/> 2</div> The time in which a connection can be made <div data-bbox="734 325 817 384"><input type="checkbox"/> 3</div> The certainty around the cost of connection and the timetable for delivery <div data-bbox="734 421 817 480"><input type="checkbox"/> 4</div> Ability to offer innovative connection solutions <div data-bbox="734 507 817 566"><input type="checkbox"/></div> Other _____(please specify)
<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>	<div data-bbox="734 608 817 667"><input type="checkbox"/> Y</div> A range of quotes – <u>please go to part 4</u> <div data-bbox="734 703 817 762"><input type="checkbox"/></div> 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
<p>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?</p>	<p>Cost, track record and delivery are the most important factors</p>
<p>Please rank these factors that you described in the previous question in order of importance to you, with 1</p>	<p>1. <u>Cost</u> 2. Track record 3. Delivery</p>

being the most important.	4. 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?	<p>Adoption process</p> <p>Timing of decision at offer acceptance – always too early for competitive tendering</p>
How has your view on who to award work to changed with experience?	Yes, due to experience (+ve/-ve) with ICPs/DNO
When would you only seek a quote from the local DNO?	Timing for seeking quote from a DNO would always be before project final investment decision and therefore not aligned with any competitive tendering process. This, in my view, is the critical flaw with the present arrangements and the reason why I believe there is current not a proper competitive framework in place.

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?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
What do you think are the benefits in using a company other than the local DNO to provide a connection?	Cost and control/flexibility over commitment profile and delivery.
What do you think are the risks/problems with using an independent connections provider?	Risk and resource associated with adoption process. Interface risk between contestable and non-contestable works.
What would need to change in order for you to use a different connections provider?	N/A

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?	Location is primarily dictated by wind and environmental issues although proximity of grid has an important secondary role.
How big a factor is the cost of connection in your decision on where to locate your business?	Significant but not usually primary, as noted above.

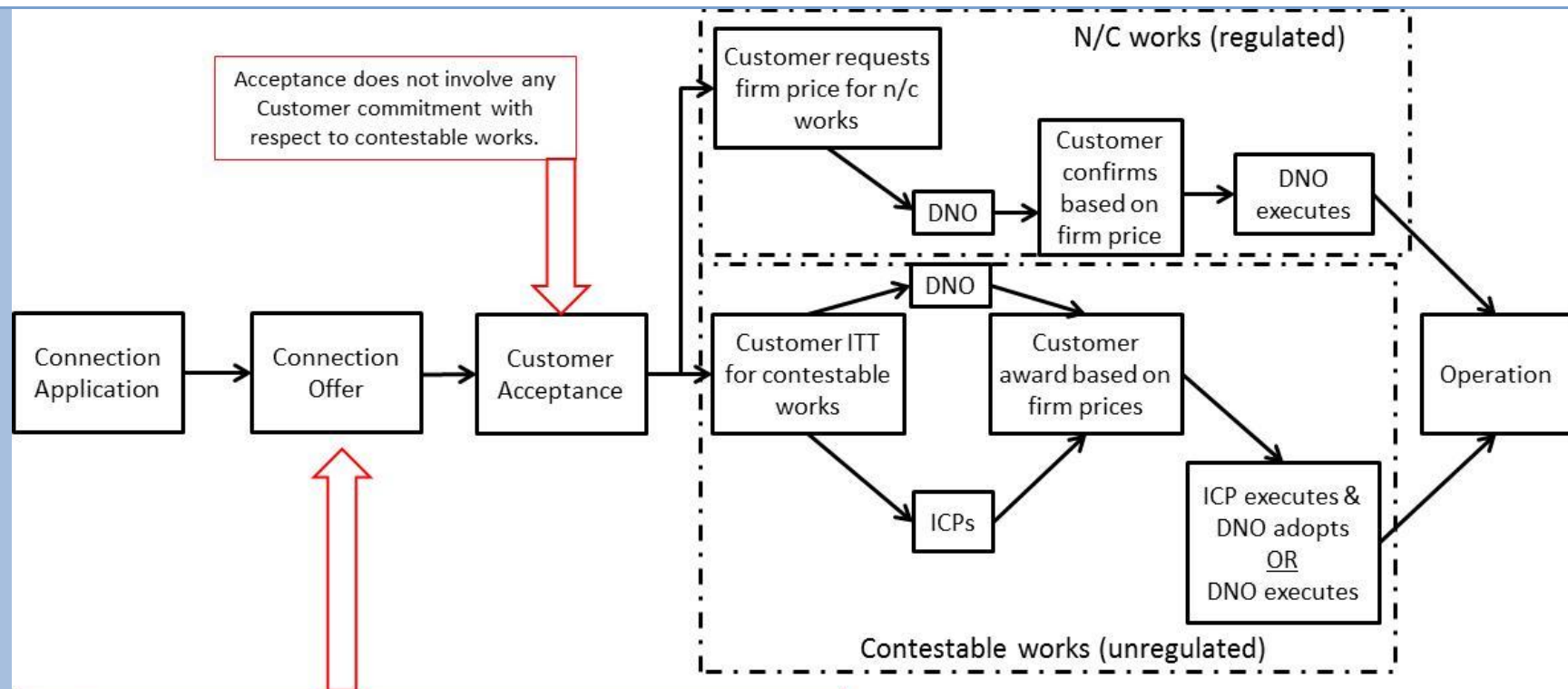
Part 7- Other comments

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.

The current arrangements for CinC do not facilitate true competition for the following reasons:

1. Decision about whether the select DNO or ICP is forced at time of accepting offer which is always well before competitive tendering for electrical works.
2. DNO quotations are indicative and subject to increase post-acceptance without sufficient transparency of cost pass-through.
3. DNO timescales are indicative and subject to delay without any financial penalty.
4. In the case of shared connections the shared distribution assets are non-contestable – these can be the dominant part of the connection works and are not subject to competition – especially relevant in mid-Wales and similar schemes.

In order to address the serious competitive flaws above I propose a radically alternative model for CinC, as follows:



Including:

1. Indicative price and detailed breakdown for non-contestable (n/c) works
2. Optional indicative price for adoption process.
3. Target date for completion of non-contestable works and PoC energisation.
4. Detailed scope of contestable works with indicative cost & high-level breakdown.
5. Indicative lead time to complete contestable works from date of award.