

Received by Email

Dear Sir/Madam,

I have received an email today from Northern Power Grid asking for feedback to yourselves relating to network connections. I have been asked to send the survey to you by the 31<sup>st</sup> of July which I may not be able to meet.

As a company we deal with connections of our own generating plant as well as connections of our customer's generating plant.

We have an intimate understanding of the issues involved in making connections and the difficulties encountered.

The DNO's we tend to deal with are Northern Power Grid and Western Power Distribution.

I can say that the process is appalling in both time and cost terms. The issue is not in my opinion the play between contestable and non-contestable work, the issue starts well prior to that point.

Where the issue sits is in the initial specification set out by the DNO. This is where their money is made. I will give you two actual examples;

1. For an HV existing connection, the DNO decided that NVD protection was required which is fair enough. What is not fair is that the DNO claimed that the existing circuit breaker was not compatible with the new NVD protection relay. This results in a cost of £70k for the replacement of the circuit breaker and installation of a multifunction protection relay. The reality is that the circuit breaker can be upgraded to be compatible with the NVD protection relay for a sum of £45 ! the protection relay costs less than £5k.
2. For an existing LV connection which had been isolated, cost to re-energise £1,600 as a new cable from the building to the overhead. Upon payment, now new cable was installed from the overhead, 10m of new cable was tacked onto the existing old cable within an open trench.

Many times the DNO are quoting for work that the customer has no idea what it is or if it is needed, nor does the customer know if the technical proposal from the DNO is the most cost effective solution to delivering a safe and compliant connection.

Once the DNO has decided what they want, whether the DNO delivers all of it or some of the install goes out to an independent is largely irrelevant.

What is needed is a technical department within ofgem or the institute where a customer can challenge the technical characteristics of the DNO proposal. The customer could then pay for what would effectively be an arbitration service.

In my opinion the DNO's are replacing their network at the expense of customers requiring connection. Where equipment is required to be upgraded, currently there is no allowance made for the residual value of the existing equipment. A good example would be a circuit breaker. A DNO decides that in order to provide a connection an existing circuit breaker needs to be upgraded. At this point for example, a 40 year old circuit breaker that the DNO would have been due to upgrade anyway kindly gets replaced with a shiny new one at full cost to the customer.

I feel that if a circuit breaker needs upgrading such as the scenario I set out above, the residual value of the existing circuit breaker should be calculated and that is what the customer should pay, for example, a circuit breaker has a life of say 50 years and costs £50k, the depreciation is £1k per year. At the point where the DNO requires the upgrade, say the circuit breaker is 40 years old, therefor the residual value in the circuit breaker is £10k and that is what the DNO would be losing and what the customer should pay. If the customer pays more the customer has simply subsidised the replacement of the circuit breaker for which the cost is rightfully the responsibility of the DNO.

Without the customer being able to understand and challenge the specification that the DNO sets out they will be vulnerable to being abused.

Yours sincerely

G4 Group