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Our ref

Your ref

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18 February 2015

Dear James,

OFGEM REVIEW OF THE ELECTRICITY CONNECTIONS MARKET: CONSULTATION ON PROPOSED REMEDIES

Western Power Distribution (WPD) welcome the approach Ofgem have taken in setting out a remedy to ensure a level playing field that does not require fundamental structural reform or referral to the Competition Markets Authority at this stage.

As set out in previous responses, WPD has continued to further develop competition in connections through new processes and improvements to our services. We were pleased that our efforts have been recognised by stakeholders in their responses to you, however we understand that our stakeholders still want us to continue to develop further improvements.

We recognise the importance for customers in the connection market of DNOs harmonising best practice behaviour to facilitate a level playing field in the market. The introduction of the Code of Practice (CoP) and its associated licence condition is an effective method of achieving this objective.

The timescales which have been set to deliver both the licence condition and the CoP are challenging due to the number of parties involved and the differences between DNOs current service offerings. However whilst we recognise that DNOs have moved at differing speeds on improving and expanding CiC services, WPD do not intend to be held back by the lowest levels in the minimum requirements of the CoP. Where appropriate, we will continue to develop services beyond the requirements in the CoP and seek to incorporate those improvements into the CoP via the governance process. These will be guided by the feedback we receive from our connection stakeholders.

We are already working with the other DNOs through the ENA to develop the CoP, including the methods in which we will be engaging with stakeholders to consult on the draft CoPs.

The governance process will be important in ensuring that the CoP does not stand still and is allowed to develop with changes in requirements and innovations in service provision.

Structure and content of the proposed CoP licence condition

We agree that the structure and content of the CoP Licence Condition outlined in the consultation is appropriate and await the opportunity to input into the detailed drafting.

Minimum requirements proposed for inclusion in the CoP

We think that the minimum requirement set out in the consultation for inclusion in the CoP address the key areas in which stakeholders have looked for improvements and consistency. For WPD it is important that the CoP recognises that our structure does not have a separate connections business, as referred to in parts of the consultation. A degree of flexibility is needed in the CoP to ensure that it's drafting does not unduly create a need for structural change within WPD. We are frequently praised by our stakeholders for the positive effect our current geographic team structure has on connections service in providing local knowledge and responsibility for the customers' connection request. This does not preclude the need for consistency between the service offered to customers requesting WPD to provide complete connection services and with the requests for competitive connections services.

In our connections workplan we already have actions to address each of the proposed CoP minimum requirements. We will be amending and adding to this plan to ensure that any gaps are addressed and actions brought forward where necessary to meet the CoP and therefore licence requirement for September. As usual, we will not wait for this deadline to implement any we can do sooner.

We would be happy to discuss any of these issues further and we look forward to seeing the views of other stakeholders in their responses to this consultation.

For any queries or further information please contact Richard Allcock on 01332 827503 or email rallcock@westernpower.co.uk

Yours sincerely



ALISON SLEIGHTHOLM
Regulatory & Government Affairs Manager