

## **Annex 1 – Open letter consultation on the Incentive of Connections Engagement**

- 1.1. We would like to hear the views of interested parties in relation to any of the issues set out in our open consultation letter.
- 1.2. We would especially welcome responses to the specific questions in our consultation, which are replicated below.
- 1.3. If you have any questions on this document please contact:  
  
James Veaney  
Head of Connections and Constraint Management  
Ofgem, 9 Millbank, London, SW1P 3GE  
020 7901 1861  
[Connections@Ofgem.gov.uk](mailto:Connections@Ofgem.gov.uk)
- 1.4. **Responses should be sent, preferably by e-mail by 27 July 2017 to the address above.**
- 1.5. Unless marked confidential, all responses will be published by placing them in Ofgem's library and on its website [www.ofgem.gov.uk](http://www.ofgem.gov.uk). Respondents may request that their response is kept confidential. Ofgem shall respect this request, subject to any obligations to disclose information, for example, under the Freedom of Information Act 2000 or the Environmental Information Regulations 2004.
- 1.6. Respondents who wish to have their responses kept confidential should clearly mark the document/s to that effect and include the reasons for confidentiality. Respondents are asked to put any confidential material in the appendices to their responses.
- 1.7. Next steps: We will consider the responses to this consultation and these will be used alongside other evidence for our assessment of the ICE plans.
- 1.8. Each of the questions asked by this consultation is set out in the template below.
- 1.9. Please ensure that you **indicate the DNO group or specific licence area** to which your experiences relate.
- 1.10. Please ensure that you indicate clearly the type of connection you generally require.
- 1.11. When considering your responses to these questions, please consider your experiences, the actions that the DNO has undertaken or committed to undertake, and the actions that you consider it could reasonably undertake.

## Response template – Incentive on Connections Engagement June 2017

Question	Response																																		
<b>About you and your work</b>																																			
1. What is the name of your company?	Premier Energy Services Ltd																																		
2. Which DNO's ICE submission is your response related to (see Annex 2 for DNO map)?  Please indicate clearly in your response to the questions below whether your comments refer to the DNO's plans as a whole, or to one of the DNO's licence areas.  If you wish to provide a response to the ICE submission of more than one DNO, please use a separate template for each DNO.	UK Power Networks  All answers provide relate to all 3 UKPN Licence Areas.  During the 2016/17 Regulatory Year we have made 271 connection applications to UK Power Networks covering all Metered Demand Connections categories. We also have an interest in the CiC services offered by UK Power Networks and the effective and efficient working of the competitive connections market.																																		
3. What type of connection do you generally require? And for each type of connection, how many connection applications, including total MVA (Mega Volt Ampere) of connections have you made in the past year?  Please note that we will assess storage within the relevant metered generation market segment.	<table border="1"> <thead> <tr> <th colspan="2">Type of connection</th><th>Total number of connections</th><th>Total MVA of connections</th></tr> </thead> <tbody> <tr> <td rowspan="4"><b>Metered Demand Connections</b></td><td>Low Voltage (LV) Work</td><td>See 2.</td><td></td></tr> <tr> <td>High Voltage (HV) Work</td><td>See 2.</td><td></td></tr> <tr> <td>HV and Extra High Voltage (EHV) Work</td><td>See 2.</td><td></td></tr> <tr> <td>EHV work and above</td><td>See 2.</td><td></td></tr> <tr> <td rowspan="2"><b>Metered Distributed Generation (DG)</b></td><td>LV work</td><td></td><td></td></tr> <tr> <td>HV and EHV work</td><td></td><td></td></tr> <tr> <td rowspan="3"><b>Unmetered Connections</b></td><td>Local Authority (LA) work</td><td></td><td></td></tr> <tr> <td>Private finance initiatives (PFI) Work</td><td></td><td></td></tr> <tr> <td>Other work</td><td></td><td></td></tr> </tbody> </table>	Type of connection		Total number of connections	Total MVA of connections	<b>Metered Demand Connections</b>	Low Voltage (LV) Work	See 2.		High Voltage (HV) Work	See 2.		HV and Extra High Voltage (EHV) Work	See 2.		EHV work and above	See 2.		<b>Metered Distributed Generation (DG)</b>	LV work			HV and EHV work			<b>Unmetered Connections</b>	Local Authority (LA) work			Private finance initiatives (PFI) Work			Other work		
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Consultation questions	
Section 1: Looking Back report 2016-17	
We want your views on how well the DNOs have performed over the last year	
1. Are you satisfied that the DNO had a comprehensive and robust strategy for engaging with connections stakeholders? Do you consider that the DNO implemented its strategy? If not, are you satisfied that the DNO has provided a reasonable and well-justified explanation?	<p>Yes.</p> <p>UK Power Networks have a comprehensive and effective engagement strategy. We have regular meetings with UK Power Networks to discuss issues of interest, the opportunity to attend regular Forums and Workshops and access to their Senior Team should day to day issues require escalation.</p>
2. Are you satisfied that the DNO had a comprehensive work plan of activities (with associated delivery dates) to meet the requirements of its connections stakeholders? Do you consider that the DNO delivered its work plan? If not, are you satisfied that the DNO has provided a reasonable and well-justified explanation?	<p>Overall Yes, we believe that UK Power Networks have a comprehensive plan that addresses the issues that are important to Metered Connection customers. However, we do have areas of concern;</p> <p>1.16 – An important area for our customers, but our experience appears at odds with the claim that this is complete. On complex schemes we still suffer from multiple DNO contacts being involved. Having questioned this our understanding is that this ICE initiative has only been subject to limited trial, the scale and scope of this trial is not evident and neither is the learning from it. This is not immediately apparent from their statement on Page 20 of the plan and neither has the initiative been taken forward to the 17/18 plan.</p> <p>2/3/4.16 – All of these initiatives state post implementation that customer satisfaction should be &gt;85%. Whilst evidence is offered for 3.16 on page 21 no such evidence is offered for 2.16 and 4.16 and we are therefore unable to verify completion.</p> <p>We have been concerned about the way UKPN tie in Diversions with New Connections and then use the 65 day backdrop on diversion quotes as an excuse not to progress with Section 16 quotes. There is inconsistency where on some projects they are separated and on other combined. It seems to be whatever the designer feels like in order to meet the GSoP standards.</p>
3. Do you consider that the DNO's work plan provided relevant outputs (e.g. key	In the majority of cases yes but not in all instances. For example, the Lead Time improvement 'in 5 of 9 segments' is difficult to corroborate from their

performance indicators, targets etc.)? Are you satisfied that the DNO has delivered these outputs? If not, do you view the reasons provided to be reasonable and well justified?	own published information. This is important as we still incur longer than anticipated delays on applications particularly when they relate to diversionary works, so our experience appears at odds with the claim.
4. Do you agree that the DNO's strategy, activities and outputs have taken into account ongoing feedback from a broad and inclusive range of connections stakeholders? If not, has the DNO provided reasonable justification?	<p>Yes, with the exceptions mentioned in our response to 2 &amp; 3 above in the main we are satisfied with the work and activities UKPN have undertaken under this year's ICE programme.</p> <p>We do think that there are issues with the new type of connections stakeholders. The newer technologies, solar, pv and now more importantly battery storage that will be having a detrimental effect on the capacity of the network to provide connections to our clients e.g housebuilders. UKPN have recently published a guide on Electric Vehicle charging and the diversity factors did not seem to go as far as we thought they would and this could result in more capacity issues being rased in connection quotes.</p> <p>There seems to be a disconnect between business as usual i.e housebuilding, to enable the country to meet the demands of a growing population and new technologies. I am not sure all these connection stakeholders should be treated the same as they have different objectives. Happy to discuss further. See 3 above.</p>
<b>The following two questions refer to the specific areas we discuss in our letter – meeting the needs of all types of connections customers, and connecting when the networks are constrained.</b>	
5. Do you consider that the DNO's activities and outputs over the past year were adequate in meeting the needs of all types of connection customers, including the particular needs of newer types of connection customers?	We consider the initiatives to be broad and inclusive of all connection customer types.
6. Do you consider that the DNO's activities and outputs over the past year were adequate in meeting the needs of customers looking to connect when the networks are constrained?	We have not experienced particular issues, when connecting to constrained networks, that have not been resolved so far so would consider customers' needs to be met.

## Section 2: Looking Forward plans 2017-18

### We want your views on what the DNOs aim to achieve in the coming year

7. Are you satisfied that the DNO has a comprehensive and robust strategy for engaging with connection stakeholders and facilitating joint discussions where appropriate?	<p>Yes.</p> <p>UK Power Networks have a comprehensive and effective engagement strategy, see our response to 1.</p>
8. Do you agree that the DNO has a comprehensive work plan of activities (with associated delivery dates) that will meet the requirements of its connection stakeholders? If not, has the DNO provided reasonable and well-justified reasons? What other activities should the DNOs do?	<p>Yes. In particular we are pleased to see initiatives included that we have directly advocated around Disconnections and access to DWG Drawings.</p>
9. Do you consider that the DNO has set relevant outputs that it will deliver during the regulatory year (e.g. key performance indicators, targets, etc.)?	<p>A few initiatives lack tangible measures, for example 'issuing a document', 'publishing a process' and appear to be missing some form of 'meets the customer needs' validation.</p> <p>We would like to see more KPI's around Disconnections and Diversions. At the moment Disconnections and Diversions are taking a back seat to Connections. Diversions are defaulting to a longer lead time than GSoP connection standards and is causing problems with obtaining quotes. Likewise Disconnections are subject to broad measures but we understand that only disconnections provided through UKPN disconnection department are being measured. This is limited to simple disconnections and anything larger is being passed back through the projects team and these are not measured at all. This is distorting the figures being used by UKPN and Ofgem in measuring performance. Both disconnections and diversions are still a core area of dissatisfaction.</p>
10. Would you agree that the DNO's proposed strategy, activities and outputs have been informed and endorsed by a broad and inclusive range of connection stakeholders? If they have not been endorsed, has the	<p>Yes.</p>

DNO provided robust evidence that it has pursued this?	
<b>The following two questions refer to the specific areas we discuss in our letter – meeting the needs of all types of connections customers, and connecting when the networks are constrained.</b>	
11. Do you consider that the DNO's planned activities and outputs will be sufficient to meet the needs of all types of connection customers, including the particular needs of newer types of connection customers? What other activities should the DNO undertake in this area?	When delivered, we expect the 2017/18 ICE initiatives stated to improve the connections services and timescales offered by UK Power Networks.
12. Do you consider that the DNO's planned activities and outputs will be sufficient to meet the needs of customers looking to connect when the networks are constrained? What other activities should the DNO undertake in this area?	We think there are big issues coming especially where battery storage / EV are concerned. We think new technologies should be separated from business as usual and any additional costs associated with providing the additional capacity in the network to accommodate this technology should be kept separate and the true cost reflected back to that industry.

## Annex 2 - Map showing DNO licensee areas<sup>1</sup>

### Electricity Distribution



<sup>1</sup> Image from Electricity Networks Association (ENA) – note the ICE only applies to distribution networks operating in GB