

Mr Andrew Wright,  
Senior Partner, Energy Systems  
Office of Gas and Electricity Markets,  
9 Millbank  
London  
SW1P 3GE

Date – September 14<sup>th</sup> 2017

Dear Mr Wright,

**Ref:- Consultation on penalties for the distribution network operators under the Incentive on Connections Engagement**

By way of introduction Noveus is a small consulting practice that specialises in the utilities market with an aim to assist customers get connected to the gas, water and electricity networks across the United Kingdom. We work with our customers, who are both generators and load customers, from developers, contractors, end users and other consultants to achieve effective and timely connections and enhancements to improve their businesses. These businesses tend to be highly reliant on electricity in particular and in the electricity market believe we are in a good position to judge the services of the various statutory utility undertakers. Clearly, with the growing independent ownership of networks we also work with IDNOs.

The UK economy tends still to be busiest in the south east of England although we have been working with projects in each of the DNO licence areas, it is with UKPN that we have the broadest and most extensive engagement and hence feel best placed to comment on their performance. Should you wish to hear further on our experience with other DNOs (and IDNOs) please do let me know and I will be happy to oblige.

I have read through your letter dated 21st August in respect to the Consultation on penalties for the distribution network operators under the Incentive on Connections Engagement.

We have had a considerable amount of engagement with UK Power Networks across their three licenced areas for a number of years and a particularly busy period over the past twelve months and the concerns raised by stakeholders to yourselves are not recognisable in the dealings I have had with UKPN.

Clearly, you may find an occasional situation where a customer feels they have had less than perfect experience, but I find when this happens it is always best to talk to and or meet with UKPN to resolve an issue. It is difficult to comment on individual experiences you have highlighted but I would not judge an organisation poorly on the basis of a small number of issues without knowing the full background. I would suggest, based on our experience in dealing with UKPN as a stakeholder and customer of UKPN's I do not recognise these failings, the level of penalties in this respect would appear to be wholly disproportionate and unreasonable..

I have attended each of the Connections Customer forums in London over the past year and always found them very useful in terms of engagement, receiving feedback on progress against the agreed priorities and UKPN has always been receptive to extending their engagement to address areas which have cropped up. UKPN have continually sought customer views and have been receptive to dealing with issues to prioritise their business improvements. In particular, the workshops on Building Network Operators and Metering have been very useful.

The Customer Connections forums are always very well attended and from the spectrum of customers who attend clearly it seems to us that UKPN have put in a substantial effort to include a wide range of customers commercial, residential, developers and local authorities.

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In addition to the forums, I have also had a number of project specific workshops to help in developing the right solution for power supply to reach a desired outcome. These have been easy to arrange and UKPN have been very flexible in getting the right experts to attend the meetings to ensure a timely outcome and efficient use of time. I am aware through discussions at the fora that many other customers have also used this style of workshop.

Over the past year we have had more than 30 quotations (many have been accepted and are in progress) from UKPN and each one of them has been delivered in a timely fashion. The effort UKPN has put in to contact us to understand our customer needs and scope of work has been a huge improvement in service over the past twelve months. The quality of the connection offers has improved and consequently has helped greatly. Through the process UKPN has provided a single point of contact during the quotation stage and this has been followed through post-acceptance which is very helpful and provides continuity throughout the project lifecycle.

In terms of your question on UKPN providing support to the IDNOs with maintaining their networks for them, this seems counterintuitive as the purpose of independent networks is to offer competition and a different service to customers and hence improved choice. This would surely lead to the service being offered by the IDNO becoming very similar to the DNO and if the DNO is charging the IDNO for this service it will be profitable and hence potentially more than the IDNO should be able to do it for themselves. This would indicate that the customer is potentially paying more to the IDNO in DUOS than is necessary. Should the IDNO working in the main on newer more reliable assets not be charging less?

On another note, it is interesting to see that Ofgem have conducted a survey on the DNOs, because as customers we always want to see a level playing field, is it also your intention to carry out a similar approach with the IDNOs? It would appear to me as a customer of both DNOs and IDNOs, with the growth of the size of the IDNOs that they need to be under a similar level of scrutiny to ensure they continue to improve their service to customers. The IDNO has commercial advantage under the current regulation but their service would appear not to be checked, compared or tested.

I would be more than happy to discuss any of the above with you should you wish.

Yours sincerely,



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