



Serving the Midlands, South West and Wales

Connection Customer Steering Group

13th February 2018

Connection Customer Steering Group

Welcome

- Housekeeping
 - No planned fire alarm test

Agenda

Chief Executive's update

- Robert Symons

Coffee

Incentive on Connections Engagement update: customer service initiatives

- Mark Shaw

Incentive on Connections Engagement priorities for 2018/19

- Alison Sleightholm

Lunch

Assessment & design fees

- Tim Hughes

WPD connections webpage changes

- Tim Hughes

Summary, feedback and next steps

WESTERN POWER **DISTRIBUTION**

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CCSG Update

Robert Symons

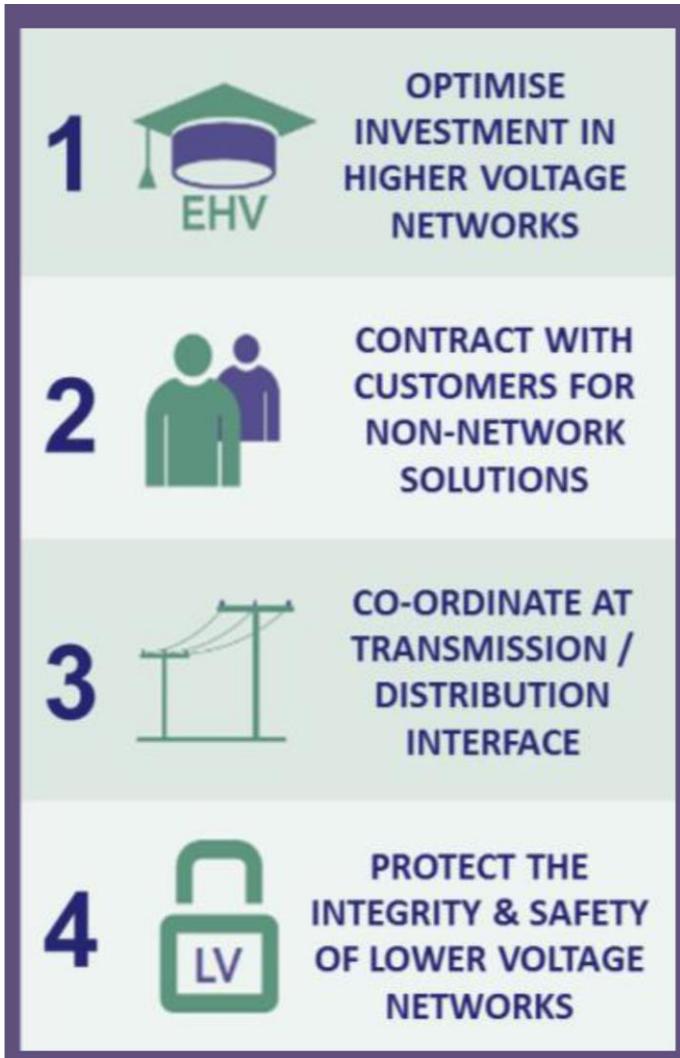
Chief Executive

13th February 2018

Topics for discussion

- DSO transition update
 - Consultation update
 - Plan for 2018
- ICE update

DSO - a four point plan



Our DSO Strategy focuses on delivering in 4 key areas:

- Making networks smarter to facilitate the change to a more active system
- Empowering customers to help us operate the most cost effective network
- Co-ordinating with the NGET to meet the needs of the whole system
- Continuing to keep the lights on and deliver high availability, high quality supply

DSO consultation process

DSO Launch Event



On the 14th September we will be hosting an event at The IET Birmingham: Austin Court to invite feedback on our proposed actions to become a full DSO and to consult our stakeholders upon the strategic decisions we think will provide the most benefit to our customers as we move to a smarter system.

Date: 14th September 10am

Venue: IET Birmingham: Austin Court

RSVP: wpdnetworkstrategy@westernpower.co.uk



Stakeholder Input

WPD will review its DSO Strategy in line with the feedback from our stakeholders. You can provide your feedback in the [Stakeholder Consultation Questions here](#).

Flexibility in the energy system will come from a variety of sources. What balance of flexibility should be delivered by networks, customers or third party actors?

Throughout the summer of 2017, we received feedback on our DSO Transition Strategy from a wide range of stakeholders including customer groups, industry and local enterprise partnerships; ensuring that our vision is aligned with the needs and priorities of our customers and partners

Consultation feedback



AS DISTRIBUTION NETWORKS BECOME MORE VISIBLE, COMMUNICATION TO ALL CUSTOMER GROUPS WILL BE KEY.



FLEXIBILITY MARKETS NEED TO BE SIMPLE TO UNDERSTAND AND PARTICIPATE IN.



VULNERABLE CUSTOMERS MUST NOT BE LEFT BEHIND.



WPD SHOULD PROVIDE MORE DETAIL TO CUSTOMERS ON WHERE THEY CAN PARTICIPATE, HOW THEY CAN PARTICIPATE AND WHAT BENEFITS PARTICIPATION MAY BRING.



CROSS SECTOR WORKING IS VITAL. GOVERNMENT, LOCAL LEADERS, REGULATORS AND THE ENERGY MARKETS MUST WORK TOGETHER.



SMART INTERVENTIONS SHOULD BE APPLIED ACROSS THE WHOLE NETWORK AND AT ALL VOLTAGES.



WPD SHOULD PRESENT ITS VISION OF A LONGER TERM FUTURE.



A DSO SHOULD NOT PARTICIPATE IN COMMERCIAL AGGREGATION.



A DSO WILL NOT NEED TO INVEST IN STORAGE AS THE MARKET WILL PROVIDE THIS WHEN REQUIRED.

Our stakeholders told us that our DSO Transition Strategy laid a valuable foundation for the future of energy across all of our licence areas

We have considered all feedback and updated our plans accordingly

Key messages from stakeholders

- Overall support for transition plan and recognition that there is a lot to do
- Little consensus on market models
- Long term planning beyond price review periods (2050) to align with Government plans crucial
- Co-ordinated approach across sector and between transmission /distribution vital
- Clear views on priorities and areas that we can tackle now versus areas that we leave to the market e.g. storage, aggregation
- Developing flexible markets that are simple to understand and participate in is the main priority
- Stakeholders want to see WPD move from strategy to action

Action Plan for 2018

- Our updated strategy was published at the end of December
- Many of the building blocks required for DSO are already being rolled out including IT systems, transducers, alternative connection agreements and ANM
- In addition to continuing work in these areas, in 2018 we will focus on
 - ENA Open Networks project
 - Working with NGET
 - Long term strategic network study (2030)
 - Short term strategic network study (1-3 years)

ENA open networks project

WPD lead the ENA's Open Networks project

- Through this initiative networks are laying the commercial, technological and operational groundwork for delivering the smart grids of the future
- Four main work streams:
 - Workstream 1: Distribution/Transmission interface
 - Workstream 2: Customer journey
 - Workstream 3: DNO to DSO
 - Workstream 4: Network charging
- First year end report published at the end of December

ENA open networks project key areas of focus for 2018

Workstream 1: Distribution/Transmission interface

- Develop whole system investment and DER (Distributed Energy Resources) service procurement models and processes

Workstream 2: Customer journey

- Establishing good practice in the connections process, identifying levels of constraint and offering flexibility, particularly the information customers will need to participate in new markets and the interfaces

Workstream 3: DNO to DSO

- The creation of markets for flexibility and consultation on different market models. Identifying common elements that can be implemented immediately

Workstream 4: Network charging

- Support Ofgem's efforts to overhaul the charging arrangements

Working with NGET

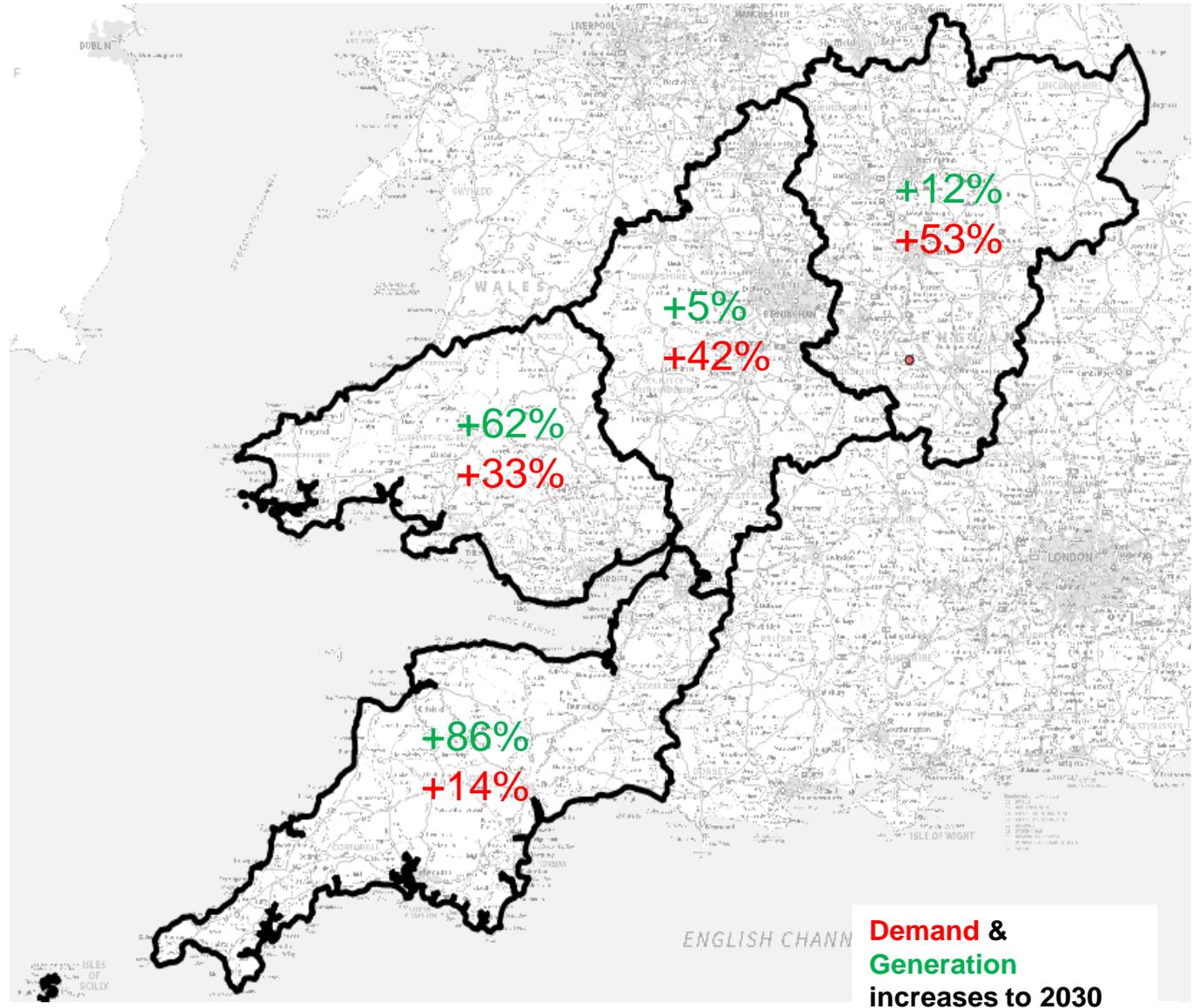
- Making Statement of Works faster and easier “Appendix G process”
 - WPD has been instrumental in trailing this new process and the first DNO to have an Appendix G in place
 - The introduction of the Appendix G has reduced the time customers have to wait for the outcome of the process from around four months to six weeks
 - Supported by information published on the WPD website showing capacity and other technical information at all 50 grid supply points

Working with NGET

- National Grid and WPD Regional Development Programme
 - Sharing of existing data and network models on a more granular basis for scenarios out to 2030
 - Whole system roadmap of DG, LCT and demand growth scenarios in the South West
 - Recommends least regret works to be completed
 - Reduces time to connect for distribution customers due to active T-D co-ordination ahead of customer requirements
 - Establishes the CBA for distribution customers providing flexibility and associated benefits to solve transmission issues
 - Produces a regional strategy to enable identified outputs
 - Programme to complete in the South West in March 2018

Long term strategic network studies - low carbon impact to 2030

Our growth scenarios out to 2030 show that both demand and generation are expected to grow significantly in all regions.

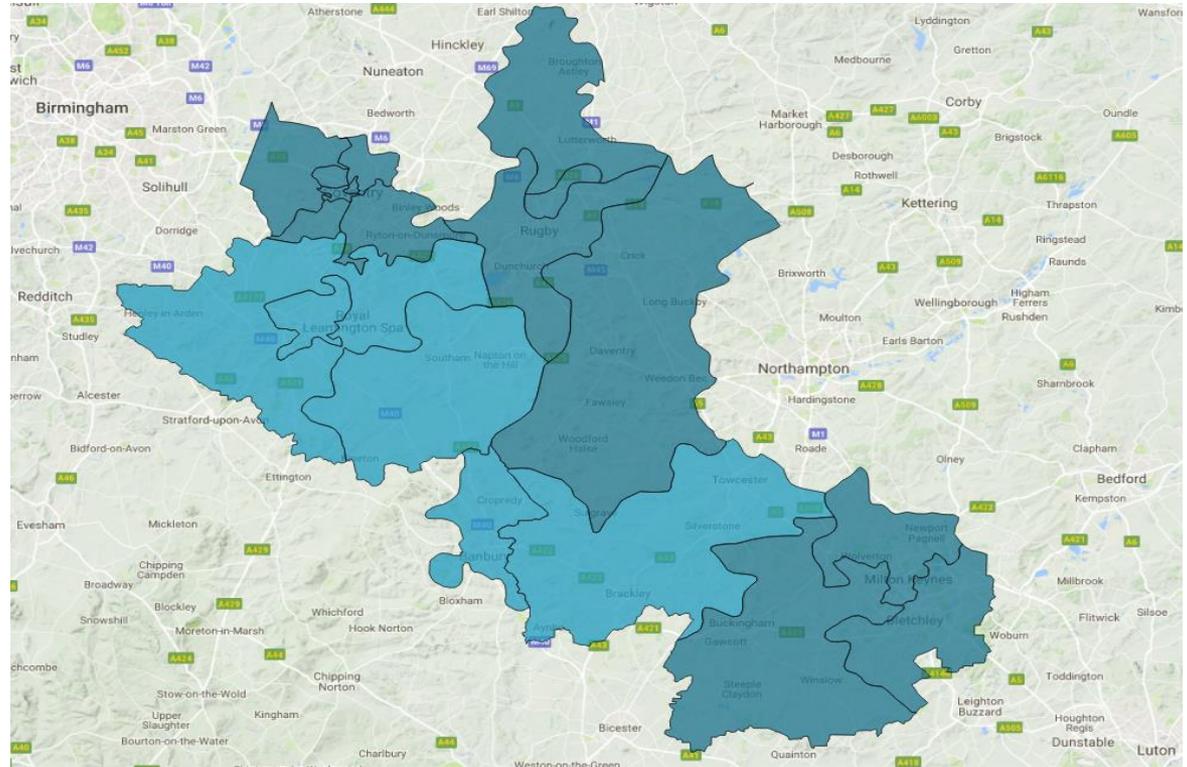


Long term strategic network studies

- We have forecast potential changes in demand and DG for the WPD network using 4 economic scenarios
- The purpose of these is to;
 - Understand the thermal, voltage and fault level limits of the network
 - Provide information to potential connectees on the likely issues when considering connections
 - Identify and form case for any low/no regret investments that can be made
- First round has focused on identifying issues and potential reinforcement solutions – second round to look at the extent that flexibility could provide economic solutions

Flexibility – project entire

- In WPD's East Midlands licence area
- Along the M1-M40 corridor
- 14 Constraint Management Zones
- Marketed as Flexible Power



What is flexible power ?

- Part of Project Entire
- NIA funded Innovation project
- Developing flexible (DSR) services
 - Testing compatibility with complex marketplace
 - Effectiveness in dealing with different types of constraints
 - Creating new systems capability to operate DSR Programme
 - Procuring capacity within the CMZs (Constraint Management Zones)

What is being trialled ?

- 3 new DSR services
- Each intended to deal with a different type of CMZ
 - Secure
 - Dynamic
 - Restore
- Local flexibility resources
- Pre and post fault constraint resources

Identifying future flexibility

- Data about the network and load flows is essential
- Identifying where services both are required and are likely to be required in future essential to help develop provision
- Potential future requirements being identified via two routes:
 - Regional Development Programme with NGET – identifying whole system requirements for investment/flexibility in South West against a ‘gone green’ type scenario
 - Strategic Studies – first round has focused on identifying issues and potential reinforcement solutions – second round to look at the extent that flexibility could provide economic solutions
- Using flexible power and CMZ roll out as the delivery route

Summary - next steps

- In 2018 we will:
 - Continue to lead and take an active role in the ENA Open Networks project
 - Work with NGET to produce and publish a full regional development plan for the South West
 - Expand second round of long term strategic network studies to identify the extent that flexibility could provide economic solutions
 - Evaluate flexible services as an alternative to conventional reinforcement
 - Deliver flexible alternatives in place of conventional reinforcement
- Keep stakeholders fully informed
- Adapt as we go dependant on the pace of change

ICE UPDATE

ICE - Ofgem Consultation recap

- In August Ofgem published an ICE penalty consultation considering a penalty for every DNO based on their 2016/17 performance
- Two potential issues were identified for WPD:
 - Commitment to improve the HV self-connect process for ICPs – One stakeholder reported that it did not consider that WPD has provided reasonable justification as to why this commitment was not achieved on time
 - Engagement with local councils over their regional development plans, two councils indicated that they have had difficulty engaging with WPD over the development of plans for their regions

ICE - Ofgem Consultation recap

No. of market sectors possibly violated:

WPD South Wales	1
WPD South West	1
WPD East Midlands	2
WPD West Midlands	2
Northern Powergrid North East	2
Northern Powergrid Yorkshire	2
Electricity North West	2
Scottish Power Distribution	3
SSE Hydro	4
UK Power Networks - SPN	4
UK Power Networks - EPN	4
Scottish Power Manweb	5
SSE Southern	5
UK Power Networks - LPN	5

% of maximum penalty at risk by DNO group:

	Maximum penalty under ICE (£m)	Potential Penalty	% of maximum penalty
NPg	4.32	1.08	25.0%
WPD	7.06	2.09	29.6%
SP	4.48	2.58	57.6%
SSE	4.74	2.90	61.2%
ENWL	0.62	0.62	100.0%
UKPN	4.62	4.62	100.0%
Total	25.84	13.89	53.8%

Our response – ICE Penalty

Our evidence to Ofgem:

- Confirmation from stakeholder that we did not fail our 2016/17 commitment to implement HV self connect
- Meetings with two local councils to understand what prompted them to write to Ofgem, along with evidence of the extent of our engagement with Local Authorities and Local Enterprise Partnerships

Improving things further:

- Sent a letter to all local councils to ensure that they know how to engage with us
- Set up a new webpage for LA / LEPs
- Complete review of 45 responses to ICE consultation to ensure that all improvement actions are captured in WPD's ICE workplan
- Updated our workplan and re-submitted to Ofgem

Outcomes – ICE Penalty

- Ofgem: *“Having considered the position in the round, we have decided not to apply any penalties this year. This decision is based on input provided by connections stakeholders who, for the most part, have reported that they are satisfied with DNOs’ engagement and service, and on further details provided by the DNOs in response to specific incidents.”*
- Stakeholders are generally satisfied with the engagement and services they get from the DNOs
- Stakeholders consider that their needs are largely being met
- Ofgem still see that there is room for improvement and expect to see ongoing evidence of DNOs better engaging and meeting the requirements of their stakeholders
- WPD met with Ofgem to discuss learning points from 2017 and approach in 2018

QUESTIONS ?

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CCSG – ICE Plan Improvements

Mark Shaw & Richard Allcock

13th February 2018

Items to be Covered

- Senior Manager Point of Contact
- Access to a WPD Expert
- Post Quotation Acceptance
- Application Forms
- Quotation Letters
- Self Service Connection Process by E-Mail
- ICP Inspection Level Report
- Capacity Allocation & Reservation Consultation

Senior Manager Point of Contact

- Our Senior Manager Point of Contact Initiative:
 - Currently we have 75 major customers/stakeholders who have taken up this option and the feedback is that this service has proven to be beneficial to our customers.

Access to a WPD Expert

- Raise the query through either the local WPD contact or via the Senior Manager Point of Contact if required.
- The WPD representative will then have the responsibility for ensuring that the most appropriate WPD “Expert” calls the customer back.
- Clearly at this stage the customer will then be given the direct contact details of the “Expert” in order to resolve follow-up issues relating to that query.

Post Quotation Acceptance

- WPD has reviewed what happens after a customer accepts a quotation for a new connection and implemented a change.
- The WPD member of staff who is responsible for making that connection makes contact with the customer, introduces themselves, provides contact details and explains the on-going process to get the connection energised. This process has been briefed out to all of our relevant staff through Q4 2017.
- We are also developing guidance to clearly tell our customers what to expect following the acceptance of our quotation.

Application Forms

- Following discussions with some of the CCSG panel members, we have consolidated and revised our new connection application forms as below:
- New Connection/Augmentation of domestic connections up to 4 properties or a single commercial premises less than 69kVA
- New Connection/Augmentation of over 5 domestic connections or a single commercial premise over 70kVA or multiple commercial premises

Application for a New / Augmented Connection

For up to 4 domestic connections or a single small commercial connection up to 69kVA

On receipt of your application and all relevant information, we will provide you with a quotation for the works which will include costs for:



Installation of the electrical equipment: We will provide the connection from our existing network up to your meter position.



Excavation: You have the option to dig on your own land if you wish. We will carry out any excavations on the public highway.



Traffic Management Local Authority and set up fees if we need to dig in the public highway.



Meter Cabinet We can supply this. Your builder will need to install it before we carry out the connection works.

Other services you may need to budget for:



Meter Installation: Fee from your energy supplier to provide and fit a new meter.



Electrician: You will need to arrange for a suitably qualified electrician to carry out any internal wiring.



On Site Excavation: If you have chosen to carry this out yourself.



Builder: To install your meter cabinet.

Typical costs and timescales

Each application is individually assessed and costs are determined in line with our Connection Charging Methodology Statements. The table below provides an indication of the typical cost and timescales for connection:

Connection Type	When will I receive my quotation?	Typical cost	Typical time to get a connection from payment
1 standard domestic connection	Within 5 days	£1,600	4 weeks
Up to 4 standard domestic connections	Within 15 days	£4,000	5 weeks
Typical small business connection (up to 69kVA)	Within 15 days	£3,400 + VAT	5 weeks

For further information regarding the potential cost of your connection please consult our basic pricing tool at www.westernpower.co.uk/Connections/Basic-pricing-tool.aspx



Any questions?
Call our Contact Centre on:
0800 096 3080
(8am to 6pm Monday to Friday)

Did you know?

You can get a quotation from an Independent Connection Provider (ICP) or Independent Distribution Network Operator (IDNO) for your electricity connection. We can provide you with a complete connection service but you may also ask an ICP or IDNO to undertake some of the works (known as the 'contestable works').

Find out more:
www.westernpower.co.uk/Connections/Competition-in-Connections

(If you have any questions regarding how to complete this Application Form please contact us for assistance.)

Section A – Your Details

1. Customer address details

This is a correspondence address, enter the site address in section 2

Title:	First Name:	Last Name:
<input type="text"/>	<input type="text"/>	<input type="text"/>
Company (if applicable):	Company Registered Number (if applicable):	
<input type="text"/>	<input type="text"/>	
House/flat number:	Building name:	Street:
<input type="text"/>	<input type="text"/>	<input type="text"/>
Town:	City:	Postcode:
<input type="text"/>	<input type="text"/>	<input type="text"/>
Daytime Telephone:	Mobile:	Email:
<input type="text"/>	<input type="text"/>	<input type="text"/>

2. Site address details

The location of the new connection(s)

Site name/plot numbers:

House/flat number:	Building name:	Street:
<input type="text"/>	<input type="text"/>	<input type="text"/>
Town:	City:	Postcode:
<input type="text"/>	<input type="text"/>	<input type="text"/>

To help us locate your site please include the address of any adjacent properties:

3. Representative details

With your consent we can liaise with a contractor, supplier or agent acting on your behalf. If you want to nominate a representative please complete the details below

Title:	First Name:	Last Name:
<input type="text"/>	<input type="text"/>	<input type="text"/>
Company (if applicable):	Company Registered Number (if applicable):	
<input type="text"/>	<input type="text"/>	
House/flat number:	Building name:	Street:
<input type="text"/>	<input type="text"/>	<input type="text"/>
Town:	City:	Postcode:
<input type="text"/>	<input type="text"/>	<input type="text"/>
Daytime Telephone:	Mobile:	Email:
<input type="text"/>	<input type="text"/>	<input type="text"/>

Section B – Type of Connection Offer required

Do you require an indicative Budget Estimate or a firm Connection Offer?

- Connection Offer:** A Connection Offer is a quotation which will set out detailed terms and conditions and once accepted will be binding on both parties.
- Budget Estimate:** A Budget Estimate is non-binding for indicative purposes only. This is useful at the early stages of a project, if you have not got final plans in place or a firm date in mind for the works.

When would you like us to provide the connection(s)?
Once you accept the Connection Offer we will contact you to agree dates which take account of team availability and Local Authority streetworks requirements:

DD/MM/YY

Quotation Letters

- We have reviewed and revised our Quotation Letters
 - We've reduced the amount of pages without losing the key information
 - We've reformatted it to make it easier to read
 - We've restyled it to make it look more professional

Offer Letter



Herald Way
Pegasus Business Park
CASTLE DONINGTON
DE74 2TU

WPD Telephone No
01332 276628
19/01/2018

WPD Reference: 2928181
WPD Scheme No: 1103352/1

Dear Ian Clayton,

Request for Electricity Connection Works at: [Redacted] Street Burton
Upon Trent, [Redacted]

I am pleased to provide a quotation for works at the above address. Our charge for the connection work is shown below.

Connection Charge	Contestable works	£1,657.89
	Non-Contestable works	£120.00
	ECCR payment*	£2,200.00
	VAT at 0 %	£.00
	Total	£3,977.89

Non-Contestable works are those works that only WPD can undertake. It is possible for you to get someone else to quote for the contestable part of the works. For further information please visit our website: <https://westernpower.co.uk/Connectors/Contestable-Non-Contestable.aspx>

*See 'Electricity (Connection Charge) Regulations' section overleaf

Your supply will have the following electrical characteristics

Voltage	230V
Phase	Single Phase
Agreed Capacity	15 KVA
Earthing	PME

Where WPD provide an earth, the earth loop impedance will not exceed 0.8Ω (0.35Ω for PME). The Maximum prospective short circuit current is 16kA (25kA for multi phase). The supply frequency will be 50 Hertz.

Western Power Distribution (South West) plc Registered in England and Wales No. 2306994
Registered Office: Avonbank, Feeder Road, Bristol BS2 0TS



Self Service New Connections Process

- ICP New Connections' Self Service Process as an alternative to CIRT
- WPD have trialled an e-mail based new connections process with GTC and PowerOn and this has proved successful.
- This process is available to other IDNOs and ICPs. WPD are contacting CIRT users to explain this alternative process.

ICP Inspection Level Report

- Based on feedback from some ICPs, WPD has reviewed and changed the format of the ICP Self Inspection Report.
- We've made the information on it more useful
- We've made it more concise and also easier to read.
- The first of these revised reports was issued in January.

Inspection Results for ANY ICP Ltd - December 2017

This document contains the inspection levels for [REDACTED] across all activities.

Report run at 23 JAN, 2018

KEY

Level 1	Highest Inspection Level
Level 2	Second highest Inspection Level
Level 3	Lowest Inspection Level
SIL 1	Highest Self Inspection Level
SIL 2	Lowest Self Inspection Level

Inspection results for the month

Inspections

Total Inspections	9
Total Inspections Passed	9
Total Inspections Failed	0

EHV Mains UG

ACTIVITY	LEVEL
33kV Underground cables	Level 1
Pilot Cable [inspect with cable]	Level 1

EHV Substation Civils

ACTIVITY	LEVEL
Switch Room / Control Room Substructure	Level 1

EHV Substation Plant

ACTIVITY	LEVEL
110V Battery System	Level 1
33kV Switchgear (Indoor) - Installation	Level 1
Earthing System - Installation	Level 1

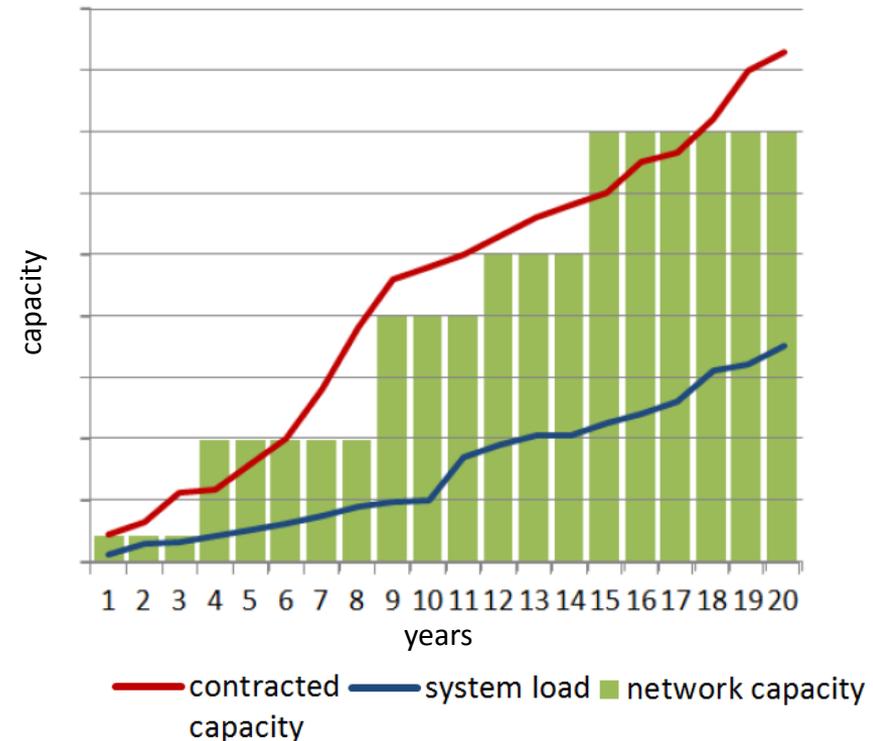
Capacity allocation and reservation

Background

- WPD have seen a large increase in the volume and size of applications for large demand domestic and commercial developments
- The 'style' of application has changed from having firm or certain requirements and timescales for a defined phase, to be for multiple undefined phases and / or end user capacity requirements
- These development often have long and/or uncertain development build-out timescales
- The network is becoming 'full' and capacity is being increasingly constrained on large sections of the network
- New developments are increasingly seeing their connection offers include significant reinforcement costs and in some cases delays while this work takes place

Potential consequences of current situation

- Large amounts of capacity reserved on a first-come-first-served basis without firm requirements and with very long lead times
- New connection offers designed based on connected and **contracted capacity** (on accepted offers)
 - Network becomes ‘full’ with contracted capacity but actual network demands are much lower
 - New customers may face delays and need to make contributions towards significant reinforcement costs due to existing capacity taken up by long term speculative sites
- If contracted reserved capacity does not materialise, reinforcement and sole use assets may be constructed which were not required



Example scenario

Dev A. secures 22MVA over 22 years taking up remaining capacity in local circuit and BSP

Dev. A

Dev B. secures 10MVA over 10 years triggering reinforcement of local circuit and BSP

Dev. B

Dev C. secures 24MVA over 24 years triggering further reinforcement of local circuit and BSP plus new sole use circuit to site

Dev. C

Dev D. requires 2MVA over 2 years on, now needs to contribute towards reinforcement of local circuit and BSP already triggered

Dev. D

BSP

Outline planning permission, no detailed load requirements or meter positions etc.

Detailed planning permission, detailed load requirements and meter positions etc.

Is there a more pragmatic and fairer approach to allocate and reserve capacity?

Our considerations

- What information should the applicant provide in order to validate specific capacity requirements?
- How should WPD use that information to determine the level of response?
- Is there a reasonable time upon which capacity should be able to be reserved?
- Should there be different criteria applied to existing network capacity (with no contribution from the connectee) and new constructed capacity (contributed to by connectee)?

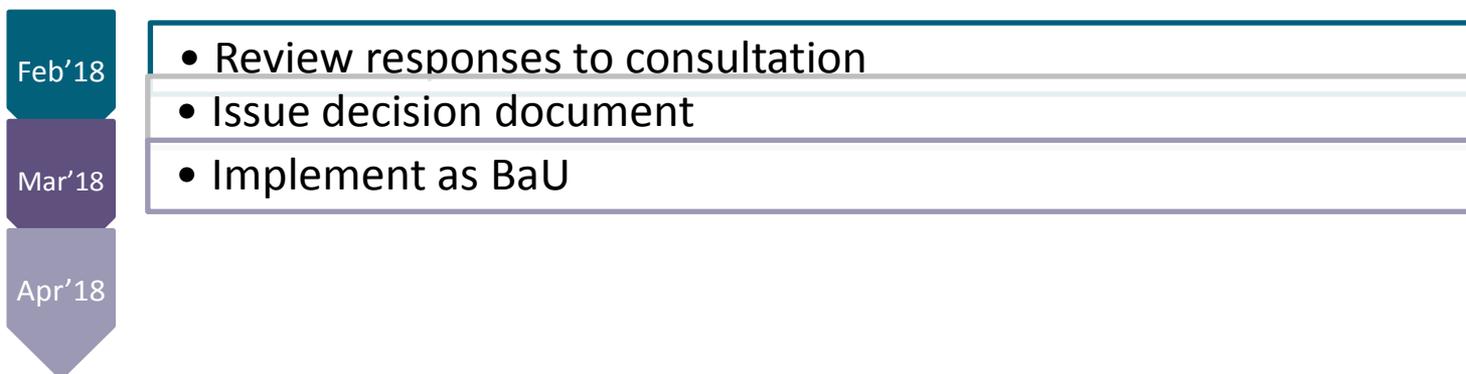
Your views and experience

Your views

- We want to understand your views on what may be the fairest approach to the allocation and reservation of capacity
- What are the factors affecting how you apply for connections and capacity which determine the approach you take?
- Over what time scales do you think it is reasonable to secure capacity ahead of its actual usage?
- We want to know how you think we should treat the allocation of capacity at key stages;
 - Application
 - Acceptance
 - Energisation

Next steps

- WPD will issue a consultation on our proposed approach to capacity allocation to new connection requests and the reservation of capacity
- We will be seeking views on what is the fairest approach for all customers using real life scenarios
- We will use the consultation responses to refine the approach and help to select the best way forward
- Our aim is to issue revised policy and guidance to ensure all stakeholders are aware of the criteria, requirements and approach to take when applying for new connections



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Coffee

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ICE Update: priorities for 2018/19

Alison Sleightholm

Regulatory & Government Affairs Manager

13th February 2018

ICE Priorities 2018/19

Assessing the priority areas for our 2018/19 ICE Workplan

- Following October's CCSG, we are continuing to identify and refine the priority areas our Stakeholders want us to address in our next ICE Workplan
- From stakeholder feedback we have so far, including our CiC Workshop and the Ofgem ICE consultation, we are continuing to see similar themes requiring our focus
- We will be using our stakeholder engagement to refine the priorities and develop the initiatives and actions for the start of 2018/19

We are seeking CCSG member's views on the ICE workplan priorities which WPD should be focussing on to ensure we are undertaking the appropriate improvements

Recap of Priority areas for our 2017/18 ICE Workplan

- ▶ **Availability of information:** further improve information on outages & constraints, the SoW process, communicating work programmes, improve constraint & capacity information including demand and storage capacity.
- ▶ **Customer service:** continue to improve consistency in service and application of policy across WPD teams including SoW, design approval, pre-connection information and post-acceptance communication.
- ▶ **Competition in connections:** refine processes to make improvements to Competition in Connection Code of Practice activities including HV self-connection, design approval and other self-service activities.
- ▶ **Transition to DSO:** develop policies, processes and technology facilitating move to DSO. Engage with stakeholders on the development of the DSO role.

These headline priorities remain key themes in the feedback we have received from stakeholders so far.

Delivery of the current ICE workplan actions addressing these areas may change stakeholders priorities.

WPD Annual stakeholder workshops 2018

Key areas of stakeholder feedback

- WPD held our annual stakeholder workshops over the past two weeks, with six events across our region. Presentations and table discussions were held on WPD's Current RIIO-ED1 Performance; Looking ahead to RIIO-ED2 ; Customer Engagement; Transitioning to DSO
- Afternoon surgeries held on topics including Connections: ICE Priorities for 2018/19. this gave us an opportunity to share our current thinking and get stakeholder feedback on what priorities WPD should focus on in our next ICE workplan. The feedback received was that our draft priorities were the right ones and stakeholders focused on the following areas:
 - ▶ **Transition to DSO:** this was consistently a high priority with requests for:
 - Action plan with deliverables (will include in ICE)
 - Signposting flexibility
 - Case studies and trials
 - Keeping stakeholders updated
 - ▶ **Network capacity (esp. Demand):** many stakeholders keen for us to focus on:
 - Availability of capacity
 - Cost of connections and reinforcement
 - Infrastructure and investment ahead of need

ICE Priorities 2018/19

Priority areas for our 2018/19 ICE Workplan

- ▶ **Availability of information:** further improve information on outages & constraints increasing detail and scope, improve constraint & capacity information adding additional layers to existing services, provide assistance with understanding available information.
- ▶ **Customer service:** continue to improve consistency in service and application of policy across WPD teams. Improve speed and accuracy of response to connection requests
- ▶ **Capacity allocation and reservation:** engage stakeholders and review impacts of new policies and procedures for capacity allocation and reservation. Continue to engage on strategic network investment and forecasting.
- ▶ **Competition in Connections:** continue to engage CiC stakeholders in ongoing development of service improvements WPD have committed to deliver
- ▶ **Transition to DSO:** Continue to engage with stakeholders with information tailored to their knowledge and interest. Develop information signposting where flexibility services are required in the short and long term. Continue to work with other network and system operators to coordinate approach.

We are seeking CCSG member's views on the ICE workplan priorities which WPD should be focussing on to ensure we are undertaking the appropriate improvements

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Lunch



**Electricity (Connection Offer Expenses)
Regulations 2018
(Application of Assessment & Design Fees)**

13th February 2018

Tim Hughes – Connection Policy Manager

Application of Assessment & Design Fees

What are Assessment & Design Fees (A&D Fees)?

- Costs incurred by the DNO in identifying the most appropriate point on the existing Distribution System for connection of the Extension Assets, the design of the Extension Assets, any required Reinforcement and in preparing the Connection Offer
- DNOs set out their A&D Fees under Section 7 of their Statement of Methodology and Charges for Connection
- The A&D Fees differ according to connection type and additional Fees may be applied

Category	Minimum Charge £	Additional Charge per hour £
Demand		
Single LV Service Demand Connection ^A	120	N/A
2 to 4 services single phase LV, no extension to LV network ^B	181	N/A
1-4 Premises, single phase LV, extension to the LV network ^C required	241	N/A
1 three phase LV service with whole current metering to a single Premises ^D	120	N/A
Other LV connection(s) with a total load up to 100kVA LV	30	
Other LV connection(s) with a total load greater than 100kVA and up to 250kVA LV not by the above		
Connection greater than 250kVA LV not by the above		
Connection greater than 1MVA at LV		

Application of Assessment & Design Fees

How are the A&D Fees applied?

- The correct A&D Fees are applied according to the scheme type
- Most DNOs will provide a Cost Breakdown that shows the level of A&D Fees applied

- Customer's are required, as a minimum, to pay the A&D Fees on acceptance of the Connection Offer

Customer Connection Offer Breakdown

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Page 1 of 2

Scheme Title: Option 2 - 800kVA HV Metered Connection

Enquiry Ref: 2960265 Scheme: 1121619 Version: 1 Date of Estimate: 02/02/2018 Designer: Martin Yates

Summary	
Fees	£1,717.00
Non-contestable connection works	£1,678.23
Contestable connection works	£23,788.57
Sub Total	£27,183.80
Total Connection Charge excluding VAT	£27,183.80

Fees		Fees Cost
Assessment and Design	Connection greater than 250kVA and up to 1MVA at HV	£858.00
Land Rights	Wayleave(s)/easement(s) from third party owner(s)	£859.00
Fees Sub-Total		£1,717.00

Application of Assessment & Design Fees

What has necessitated the introduction of these Regulations?

- In August 2008, a customer challenged the DNOs ability to charge upfront for A&D Fees
- Ofgem issued an open letter setting out their views and inviting responses to a consultation on the subject
- Ofgem's view was that the practice of upfront charging for A&D Fees as a pre-condition of providing a Connection Offer was not consistent with the Electricity Act and the A&D fees could only be recovered once costs had been incurred and the Connection Offer was accepted

"As a consequence DNOs that currently levy upfront A&D charges as a pre-condition of providing a connection offer will be required to amend their charging methodologies to remove upfront charging for A&D work."

- Ofgem's statement effectively prevented the direct recovery of costs incurred where the Connection Offer was not accepted

Application of Assessment & Design Fees

The consequences of Ofgem's decision

- The inability for DNOs to charge upfront has unintended consequences primarily through the advent of increased generation connections
- The introduction of generous Government incentives to connect renewable energy types incentivised developers to rush to make applications and secure network capacity before it became scarce
- The inability to charge an upfront A&D Fee did nothing to deter the developer from submitting high volumes of multiple, repeat and speculative connection requests knowing that if the scheme did not progress there would be no financial penalty.
- As a consequence DNO resources were compromised, response times suffered impacting on timescales for the preparation of Connection Offers for 'serious' applications and capacity was 'tied up' until the applicant responded to the Connection Offer

Application of Assessment & Design Fees

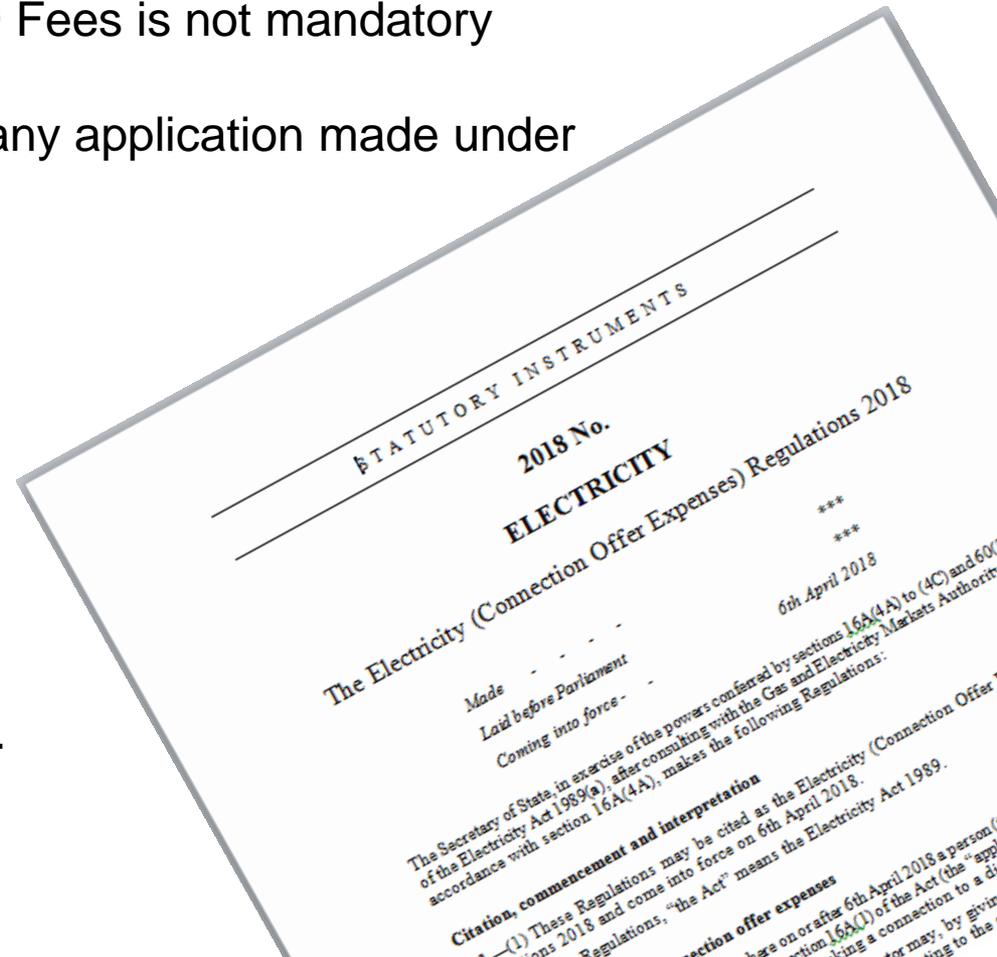
The move to develop the Regulations.....

- The decision prompted DNOs to seek legal advice and moves were put in motion to reverse the position
- The Electricity Act was subsequently amended to introduce provisions allowing DNOs to charge upfront for connection offers only in circumstances set out in Regulations prescribed by the Secretary of State
- To introduce the Regulations Ofgem initiated a joint consultation with The Department for Energy and Climate Change (DECC)
- A proposed version of the Regulations was tabled as early as 2009
- It has taken us 9 years and a lot of work to get to where we are today

Application of Assessment & Design Fees

Synopsis of the Regulations.....

- BEIS decided that a 'light touch' approach was preferable to allow DNOs flexibility in application of the Regulations
- The requirement to apply A&D Fees is not mandatory
- The Regulations will apply to any application made under section 16A(1) of the Act
- The Regulations allow DNOs to recover costs, reasonably incurred whilst undertaking an assessment of the impact of the proposed connection on the network, designing the connection works and preparing the connection offer.



Application of Assessment & Design Fees

Informing the applicant

- Before a DNO can obtain payment of the A&D Fee it must notify the applicant in writing before incurring those expenses
- The notice must:
 - (a) specify the amount to be paid by the applicant;
 - (b) give sufficient information to enable the applicant to understand how the amount has been determined;
 - (c) specify when payment must be made and how payment may be made; and
 - (d) include a statement of the effect of section 23 of the Act (disputes)
- WPD will address this by notifying the applicant via email shortly after receipt of the application

Application of Assessment & Design Fees

WPDs intended approach

- At this stage we will apply the Regulations only to demand and generation connections requiring EHV (22kV+) works
- The rationale for this is that this is the area we have experienced the highest levels of frivolous applications, particularly in generation. Investigation has shown that these schemes are where we incur most costs and the abortive rate is over 80%
- We will keep this under review and keep the option to extend the process to other market segments open
- We will invoice for the A&D Fees at the same time as we release of the Connection Offer

Application of Assessment & Design Fees

Requirement to review

- There is a requirement under the Regulations for the Secretary of State to carry out a review of the regulatory provision and to publish a report setting out the conclusions of the review
- WPD will monitor the effect of implementing the Regulations
- We must consider the potential for increases in non-payment and the consequential additional burden on debt-chasing
- We will closely monitor the impact on levels of applications received to see if there is a reduction in frivolous applications

Applications & Offers for ES Schemes

Implementation plan

- The Regulations will be laid before Parliament at the end of February and are due to take effect on 6th April 2018 although DNOs may choose to defer implementation
- BEIS will also publish a Government response to the consultation on A&D Fees setting out the key issues raised during consultation with stakeholders
- WPD will not implement any changes until policy is concluded, all systems are in place and we consider that customers have received sufficient notice of the change
 - ✓ Conclude policy
 - ✓ Update website
 - ✓ Issue guidance documents
 - ✓ Amend Charging Statement

Stakeholder views?



WPD Connections Pages Website Development

13th February 2018

Tim Hughes – Connection Policy Manager

Website development of Connections pages

WPDs ICE action

With regard to Connections web pages WPD has committed to:

“improve the information available on the WPD website and make it easier to navigate and locate”

The specific actions and timelines are as follows:

1.21	Provide stakeholders with access to the web pages in development for them to review and provide feedback.	Q4 2017
1.22	Review stakeholder feedback and implement any changes as required.	Q1 2018
1.23	Publish updated connections web pages and communicate to stakeholders	Q1 2018
1.24	Review reaction to revised web pages by implementing a 'pop-up' survey on the website	Q1 2018

Website development of Connections pages

In consultation with our stakeholder groups we have identified the following areas we'd like to improve...

Website development of Connections pages



Many options can mean slower decision making

Website development of Connections pages

Connections

New connections

- > Getting connected
- > Getting disconnected
- > Payment terms
- > Budget estimates, feasibility studies and offers
- > Apply
- > Changes to your installation
- > Capacity allocation and reservation
- > Connections for Electric Vehicle charge points
- > Connection appointments
- > Supplies to multi-occupancy buildings
- > Connection agreements
- > Connections documentation
- > Connections charging statements
- > Legal permissions and consents
- > Request network location plans

Basic pricing tool

Competition in connections

Interactive Costing Tool

Generation

Service alterations

Information for electrical installers

Useful information

Incentive for Connections Engagement

Electricity Connection Charges Regulation

New connections



We aim to make connecting to our network as straightforward as possible. Whether you choose us to complete your entire connection works or choose a competitive connection provider to do some of the work, our locally based teams will be on hand to provide the solution to your connection requirements with first class [customer service](#).

Connections activities

New connection – we can provide you or your connection provider with a point of connection to our existing network and an electricity supply for new premises, development or street furniture installation.

Increases in Supply – where you have an existing supply and need to increase the capacity to meet your new requirements (e.g. a new business) you can request this modification using the same process as a new supply.

Connection of generation – where either a new connection or change to an existing connection is required to connect your generation and securely to our network.

What is available in this section?

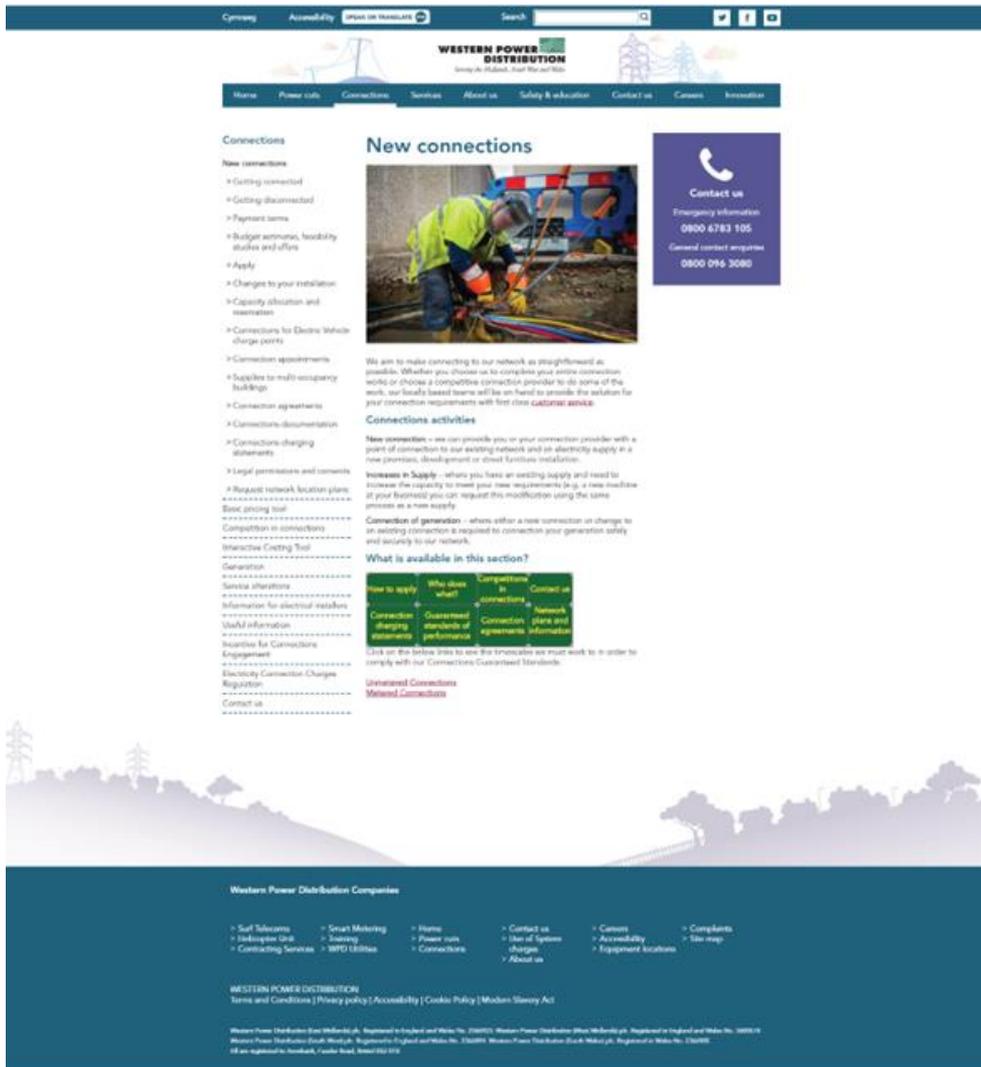
How to apply	Who does what?	Competitions in connections	Contact us
Connection charging statements	Guaranteed standards of performance	Connection agreements	Network plans and information

Click on the below links to see the timescales we must work to in comply with our Connections Guaranteed Standards:

[Unmetered Connections](#)

Unclear navigation

Website development of Connections pages



Cluttered content

Website development of Connections pages

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Connection Charges



We aim to make connecting to our network as straightforward as possible. Whether you choose us to complete your entire connection works or choose a competitive connection provider to do some of the work, our locally based teams will be on hand to provide the solution for your connection requirements with first class [customer service](#).

Connections activities

New connection – we can provide you or your connection provider with a point of connection to our existing network and an electricity supply in a new premises, development or street furniture installation.

Increases in Supply – where you have an existing supply and need to increase the capacity to meet your new requirements (e.g. a new machine at your business) you can request this modification using the same process as a new supply.

Connection of generation – where either a new connection or change to an existing connection is required to connection your generation safely and securely to our network.

What is available in this section?

How to apply	Who does what?	Competitions in connections	Contact us
Connection charging statements	Guaranteed standards of performance	Connection agreements	Network plans and information

Click on the below links to see the timescales we must work to in order to comply with our Connections Guaranteed Standards:

[Unmetered Connections](#)

[Metered Connections](#)

Scattered and inconsistent links

Website development of Connections pages

Our approach

How have we addressed the issues identified?

“Effective usability is about someone using your product without finding the process frustrating or annoying.”

Website development of Connections pages

- **Don't make me think**
- **Internet users don't read, they scan**
- **Make it obvious**
- **Get to the point.....**

Website development of Connections pages

Existing options...

...Proposed options

The existing website layout features a grid of ten service categories, each with an icon, a title, a brief description, and a 'Find out more' button:

- New connections:** Make a new connection with us. Whether you are looking to connect a small domestic dwelling or a whole domestic housing estate, a small business or a large commercial development we have all the information you need.
- Apply online:** Apply to make a connection now or explore all our connection information below.
- Connection portal:** Access details of your connection offer/budget estimate, accept and pay for your connections work.
- Competition in connections:** Did you know that you can get competitive quotes from an Independent Connections Provider (ICP) for your electricity connection?
- Generation:** Get your renewable energy or microgeneration connected safely and securely to our network.
- Service alterations:** If you need to move your existing electricity supply, let us help you do it safely and efficiently.
- Information for electrical installers:** Let us help you by de-energising or re-energising your customers' homes or by providing Protective Multiple Earthing.
- Useful information:** Find out more information on connection charges, our quotation accuracy scheme, timescales and smart metering.
- Contact the connections team:** Here is a list of contact details for the Connections team in your area.



The proposed website layout is more modern and focused, featuring a header 'WHAT ARE YOU LOOKING FOR?' and two main content blocks:

- CONNECTION SERVICES:** A green block with a background image of a power substation. It includes a 'Find out more' button.
- INFORMATION:** A purple block with a background image of a power pylon. It includes a 'Find out more' button.

At the bottom, there is a navigation bar with three main sections:

- APPLY FOR A CONNECTION:** A prominent button.
- WHAT YOU'LL NEED...:** A list of requirements: 3 minutes, Site plans, Other items.
- START YOUR APPLICATION:** A button.

Fast Decisions.

- **Users should know what to do immediately.**
- **A guided route to content.**
- **Sometimes this methodology will require an extra click?**

Website development of Connections pages

Clarity is important to support a customer's ability to make quick decisions

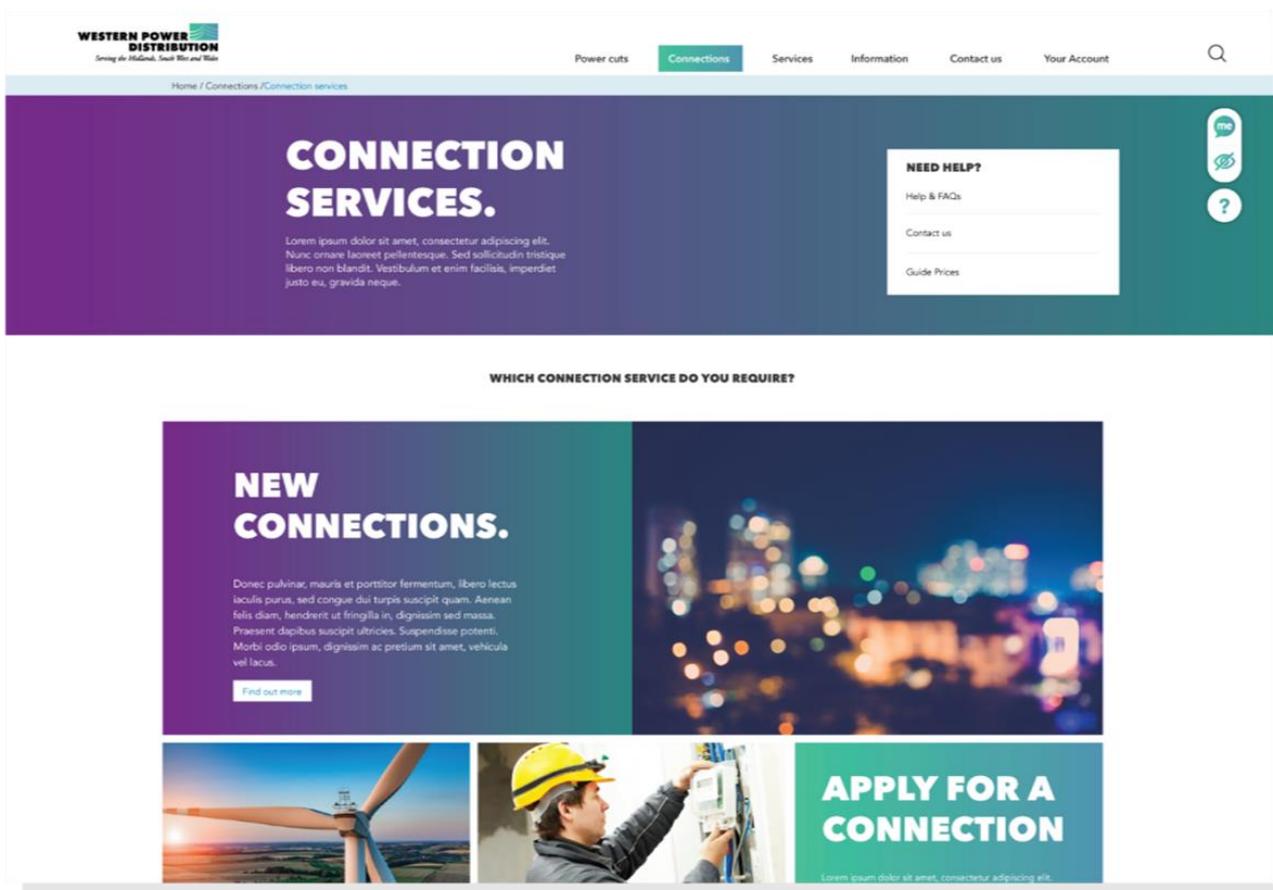


To deliver this the visual design should be bold

Website development of Connections pages

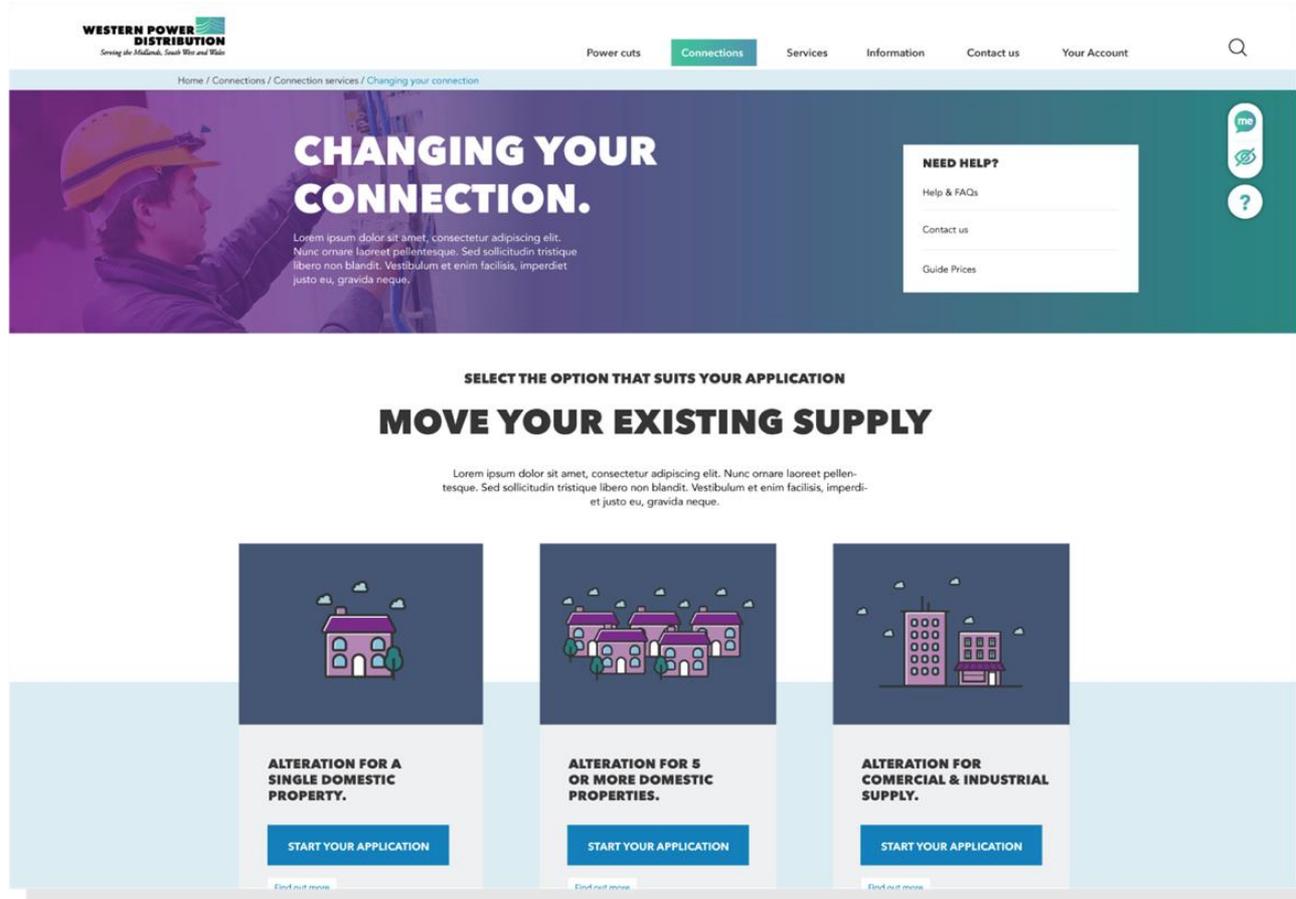
A bold presentation is eye catching.

Bold fonts are easy to read and aid the user's ability to scan the content.



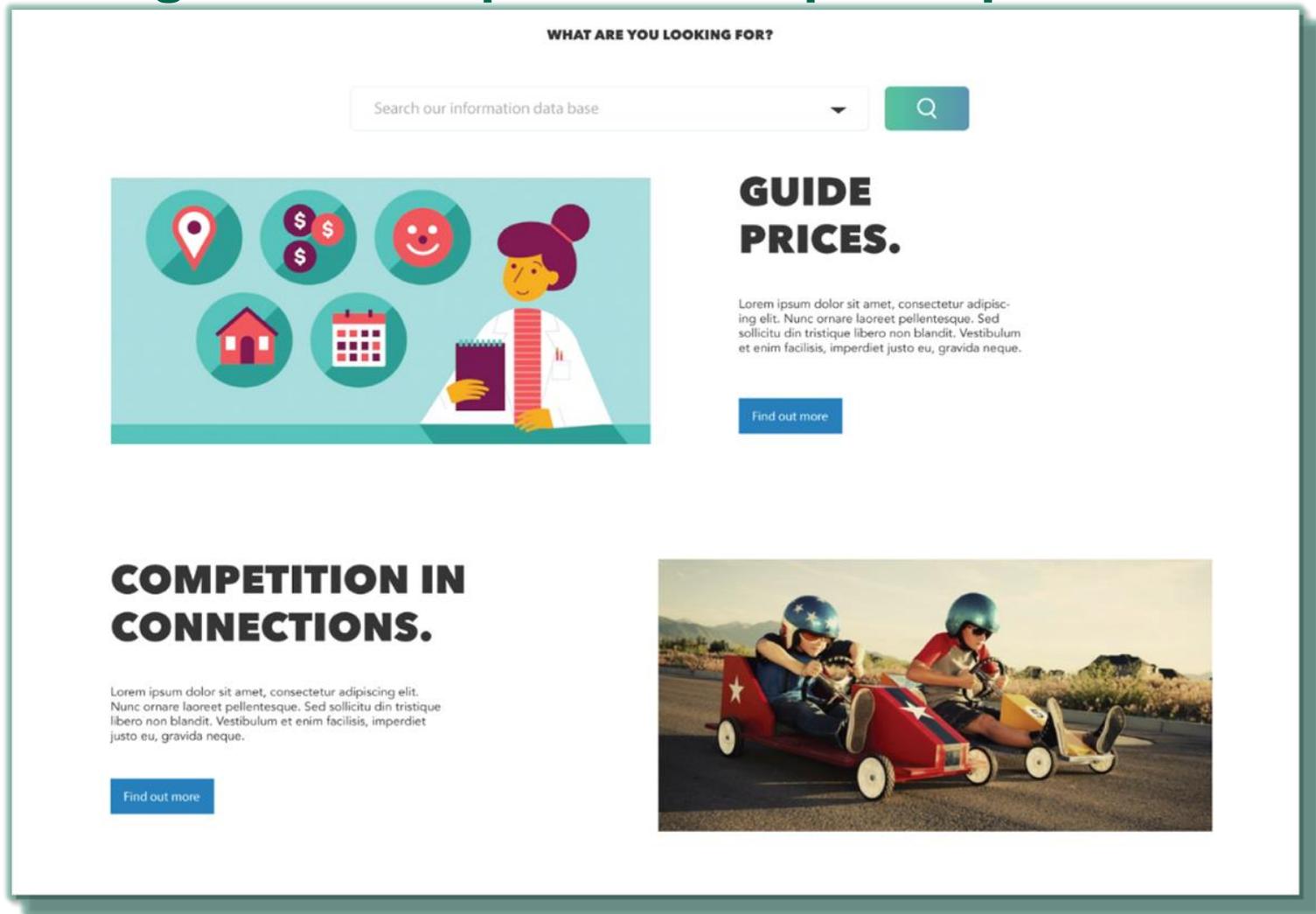
Website development of Connections pages

A contemporary design should help engage the user and make the website feel relevant and current.



Website development of Connections pages

Regard white space with equal importance.



Website development of Connections pages

Next steps...

- We want your further feedback on the progress to date...

...Your feedback will help to shape the direction that we take

- Are we moving in the right direction?
- We are committed to the process and will have revised Connections web pages by the end of March but.....

.....we want your approval to develop the web pages further over the next ICE Workplan period

- Your feedback could help shape the development of the whole website

WESTERN POWER **DISTRIBUTION**

Serving the Midlands, South West and Wales

WPD CCSG **Wrap up – Summary and Next Steps**

Alison Sleightholm & Richard Allcock

Summary

- Issues and feedback captured from today

Next Steps

- ICE Update submitted and published end of October
- Dates for 2018 Workshops:

	Potential CCSG breakout sessions:
26 th Jun 2018	• DUoS charges - guidance
16 th Oct 2018	