

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 which we have set out in our consultation and are replicated below.
- 1.3. If you have any questions on this document please contact:

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Ofgem, 9 Millbank, London, SW1P 3GE
020 7901 1861
Connections@Ofgem.gov.uk

- 1.4. **Responses should be sent, preferably by e-mail by 17 August 2016 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. 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 or specific licence area** to which your experiences relate.
- 1.10. 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 July 2016

Question	Response												
About you and your work													
1. What is the name of your company?	P N Daly 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.	Scottish Power Southern Area												
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?	<table border="1"> <thead> <tr> <th>Type of connection</th> <th>Total number of connections</th> <th>Total MVA of connections</th> </tr> </thead> <tbody> <tr> <td>Metered Demand Connections</td> <td>Low Voltage (LV) Work High Voltage (HV) Work HV and Extra High Voltage (EHV) Work EHV work and above</td> <td>254 21 160 46</td> </tr> <tr> <td>Metered Distributed Generation (DG)</td> <td>LV work HV and EHV work</td> <td></td> </tr> <tr> <td>Unmetered Connections</td> <td>Local Authority (LA) work Private finance initiatives (PFI) Work Other work</td> <td>10 50</td> </tr> </tbody> </table>	Type of connection	Total number of connections	Total MVA of connections	Metered Demand Connections	Low Voltage (LV) Work High Voltage (HV) Work HV and Extra High Voltage (EHV) Work EHV work and above	254 21 160 46	Metered Distributed Generation (DG)	LV work HV and EHV work		Unmetered Connections	Local Authority (LA) work Private finance initiatives (PFI) Work Other work	10 50
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Consultation questions													

Section 1: Looking Back report 2015-16

We want your views on how well the DNOs have performed over the last year

<p>1. Are you satisfied that the licensee had a comprehensive and robust strategy for engaging with connections stakeholders? Do you consider that the licensee implemented its strategy? If not, are you satisfied that the licensee has provided reasonable and well justified reasons?</p>	<p>Yes there was clear strategy for engagement. Yes the strategy was implemented. Last question is not applicable.</p>
<p>2. Are you satisfied that the licensee had a comprehensive work plan of activities (with associated delivery dates) to meet the requirements of its connections stakeholders? Do you consider that the licensee delivered its work plan? If not, are you satisfied that the licensee has provided reasonable and well justified reasons?</p>	<p>As with most DNO.s objectives to improve CIC were taken principally from the ENA CIC COP and do not relate to those areas of improvement which ICP.s would like to see. Within SP looking back work plan: New Geographical business model-done to keep up with WPD and because Regulator and ICP.s agree this has produced significant improvements in WPD CIC performance. Status- complete. Beneficial-Yes performance improved but not to WPD level yet. Facilitating a competitive market. The ENA and MCCG have by the introduction of their CIC COP focussed the concentration of DNO.s on subjects in this area which provide little or no benefit to ICP.s or the end customer. Most items which SP have focussed on, min facilitating a competitive market, are ex ENA CIC COP and are not a result of stakeholder engagement ie. self determination POC, approval of contestable design, complete authorisation courses to work on network and self inspection regimes. These are changes to processes which ICP.s do not want, the proposed changes (as they are proposed) serve to increase risk and timescale to ICP and provide no benefit to then end customer. Other items in this area which SP have introduced have questionable benefit. For instance the use of Uprocure, why? The use by SP of this company is of no benefit to the ICP or the end customer as they add 5% to the cost of a job and provide not benefit to anybody while lengthening the supply chain (we</p>

are querying this with SP).

The only SP change in this area which is a result of engagement is, I believe, as yet incomplete which is the use by SP of framework adoption agreements for the adoption of assets constructed by ICP.s. (as is the case with NG, GTC, ESP, NGN and SGN)

Improving the land rights process. Getting easement agreements in SP south area means that you have to engage Scottish Power Wayleaves (despite it allegedly being a contestable activity) and Estates to engage with SP Legal otherwise Landrights will not be agreed. The changes referred to in the case study three of their 'Looking back review document we have yet to see in SP south. Status – incomplete. Beneficial – not yet as no change experienced yet in South.

Information provision UMV system makes Scottish Power class leader in respect of providing useable and accessible information.

Facilitating community connections. SP have been as good as all other DNO.s at holding CIC workshops. Like ENWL however they have, in their enthusiasm, gone one step further and held workshops with operational designers and have (without making reference to the designers employer) advised said designers that operating models can now change eg. self determination and self approval. It is not for SP and ENWL (and all DNO.s) to determine that these activities be undertaken by ICP.s staff, that is a matter for the management of each individual ICP. I do not know any ICP organisation that wishes to take on these activities, carrying them out increases risk and saves neither money or time. Status – Ongoing, Benefit – No significant benefits to date although these may come, but not until we have like for access to information with Condition 16 operations on the same terms.

Pro-actively managing network constraints. Carrying out more 33kV work in SP than any other DNO area. The DNO teams from SP assisting in the delivery of these projects have been exemplary in joining the delivery team and ensuring that the end customer gets his connection. Recently connected Windfarm at Frodsham was connected largely thanks to SP and ins spite of a number of setbacks which would have stopped many projects dead in their

	<p>tracks.</p> <p>The forward plan is:</p> <ul style="list-style-type: none"> Delivering a more local approach Facilitating competition in the market place Improving land rights process Helping DC customers connect to network Improving info to customers Improving communication with customers <p>All of the above are laudable aims but in order to comment we would have to see more detailed proposals</p>
3. Do you consider that the licensee's work plan provided relevant outputs (eg key performance indicators, targets etc.)? Are you satisfied that the licensee has delivered these outputs? If not, do you view the reasons provided to be reasonable and well justified?	<p>Our comments above note that many of the 'improvements' are not customer driven (ICP or End Customer)</p> <p>In terms of measuring progress no reporting has been seen representing targets and measures.</p> <p>In respect of whether the DNO has achieved its goals regardless of where the target came from we have commented in the previous section.</p> <p>In respect of those items which SP have not achieved we have not been provided with the reasons that they have not been achieved and therefore cannot comment.</p>
4. Do you agree that the licensee'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>As previously described the ENA CIC COP has focussed DNO attention away from what stakeholders actually want (level playing field with Licence Condition 16 businesses) and instead cause them to follow an Agenda which is the result of consultation between the ENA and GTC.</p> <p>The preceding is a result of the failure of Ofgem to manage this process, which it had done actively and well from 2005 to 2015. Instead Ofgem has taken a laissez faire approach expecting DNO.s to engage with ICP.s and Customers which is an error of judgement as it allows undue influence to be given to what can be done and not what needs to be done. This mistake needs to be corrected by Ofgem</p>

Section 2: Looking Forward plans 2016-17

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

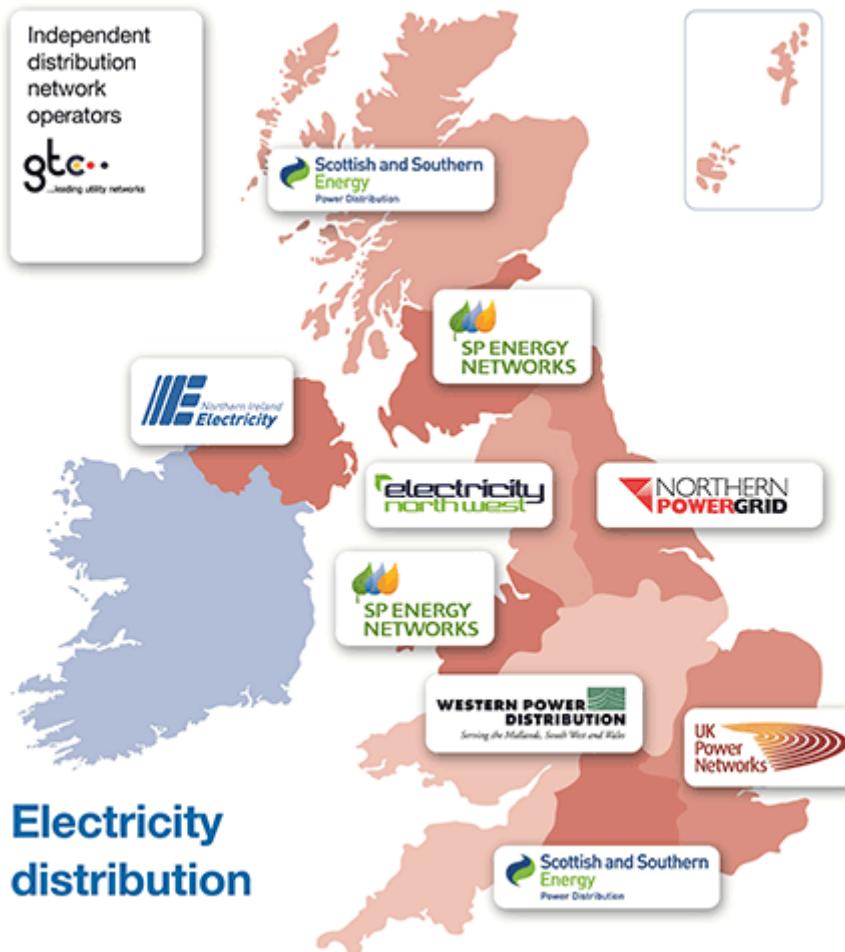
<p>5. Are you satisfied that the licensee has a comprehensive and robust strategy for engaging with connection stakeholders and facilitating joint discussions where appropriate?</p>	SP have a strategy and the plan for engagement which will facilitate joint discussions.
<p>6. Do you agree that the licensee has a comprehensive work plan of activities (with associated delivery dates) that will meet the requirements of its connection stakeholders? If not, has the licensee provided reasonable and well-justified reasons? What other activities should the DNOs do?</p>	A work plan is evident but the delivery dates are not clear
<p>7. Do you consider that the licensee has set relevant outputs that it will deliver during the regulatory year (eg key performance indicators, targets, etc.)?</p>	These are not clear
<p>8. Would you agree that the licensee'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 licensee provided robust evidence that it has pursued this?</p>	No, see response to question 4

We also want your views on how DNO plans will address issues for new connections in constrained areas

<p>9. Where flexible connection offers are available, do you consider that the DNO's work plan for 2016-17 sufficiently addresses concerns about the uncertainty of curtailment levels? For example, do their plans ensure that stakeholders have access to the data they require for an investment decision?</p>	Yes
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10. Where consortium connections are available, do you consider that the DNO's work plan for 2016-17 reflect requirements for clear and detailed information about where, how and under what conditions such projects can proceed?	No the work plan does not currently provide sufficient detail in this regard
11. Where consortium connections are available, do you consider that the DNO's work plan for 2016-17 reflect requirements for clear and detailed information about where, how and under what conditions such projects can proceed?	Answer as for 10
12. Do you consider that the DNO's work plans include appropriate engagement to ensure that network investment plans are well communicated to stakeholders, including when new capacity will become available?	Yes
13. Do you consider that the DNOs' plans include appropriate activities to improve, where necessary, the provision of information on constrained areas of the network to provide better data about where connections may be viable?	Yes
14. Are there particular additional activities or outputs which you consider should be included in the work plan of activities to better facilitate grid connections?	Telecoms and SCADA connections interfaces and G81 lists for ancillary telecoms equipment. The use of Vodafone by SP is the biggest threat to the viability f any connection at 33kV and above. Vodafone are contracted to SP, will only speak to and deal with SP and yet this is deemed by SP to be a 'contestable' activity. This is a poor and long running joke, like Vodafone.

Annex 2 - Map showing DNO licensee areas¹



¹ Image from Electricity Networks Association (ENA)