

2015-2023

Western Power Distribution

RIIO-ED1 Business Plan Commitments Report

Year Two - 2016/17

31 October 2017

Connections

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6 Connections

- 6.1** Where a customer requires a new electricity supply WPD is responsible for providing a connection. There are three main categories of customer: demand (customers who use electricity); generation (customers who generate electricity and may wish to export it to the network); and unmetered connections (customers with equipment that does not have its own meter such as street lighting).
- 6.2** Within these three categories there are varying customer ‘types’ with different needs and expectations ranging from minor connection customers looking for a single service connection to major connection customers managing multiple/complex connections.
- 6.3** The objective of the connections outputs is to provide an excellent service for customers connecting to the network whilst facilitating competition in the connections market. The connections outputs are in five themes.
- Provide a faster and more efficient connections service.
 - Improve communications with customers.
 - Enhance engagement with major customers.
 - Deliver guaranteed standards of performance.
 - Facilitate a competitive connections market.

Regulatory framework

- 6.4** Ofgem has a package of incentive mechanisms to promote improvements in the connections service and these incentives influence WPD’s approach to connections. The incentives are as follows.
- The Broad Measure of Customer Satisfaction (BMCS) is an incentive mechanism that provides rewards or penalties for customer service. Part of the mechanism measures customer satisfaction via a survey and is aimed at minor connection customers.
 - The Time To Connect incentive focusses on the time taken to provide minor connection customers with a quotation and once the offer is accepted the time taken to complete the necessary works.
 - The Incentive on Connection Engagement (ICE) penalises DNOs that do not engage adequately with major connection customers.
 - Guaranteed Standards of Performance (GSOPs) are a legal obligation where customers are eligible for specified payments where a DNO fails to deliver specific levels of performance.
- 6.5** Ofgem is also keen on promoting competition in connections in order to provide customers with a choice of providers to undertake the physical connections work. Since the start of RIIO-ED1, regulatory policy for connections has continued to evolve with the development of a code of practice for competition in connections. The requirements of the code of practice have influenced delivery against the outputs proposed in the WPD RIIO-ED1 Business Plan.
- 6.6** Furthermore, the growth in low carbon technology, high volumes of distributed generation and installation of electricity storage has led to greater constraints on the network requiring more flexible approaches to managing capacity. Both Ofgem and the government department of Business, Energy and Industrial Strategy (BEIS) have recognised a greater need for flexibility and rules and requirements will continue to evolve during RIIO-ED1.

Overview of connections outputs

Provide a faster and more efficient connections service

34	Improve the overall time taken to deliver a connection by 20%.*	We achieved Ofgem's targets for 'time to quote' and 'time to connect' for LVSSA (single domestic connections) and LVSSB customers (two to four domestic connections and single small commercial connection projects).
35	Provide excellent customer service so that customers continue to rank us as the top-performing DNO group in customer satisfaction surveys.**	We are the top-performing DNO for the Connections Customer Survey in Ofgem's Broad Measure of Customer Satisfaction, scoring an average of 8.73 out of 10 across our four licence areas.
36	Carry out surveys with distributed generation customers to find out if they are satisfied with our service and identify where we could improve.	We achieved a score of 8.74 out of 10 for distributed generation customer satisfaction surveys. We have specified a range of improvements within our work plan for the Incentive on Connections Engagement (ICE).

Improve communication with customers

37	Develop and improve the way we process online connection applications and make it easier for customers to track the progress of their application online.	We have made amendments to our online connections information in line with stakeholder requirements. These have been published in our ICE work plan.
38	Make sure that the information we provide in documents and online is effective.	We achieved a satisfaction score of 8.73 out of 10 from customers using our online application service.

Enhance engagement with major customers

39	Host 'surgeries' every three months to help connection customers to understand our processes.	22 customers attended surgeries across our four licence areas and we supported a further six customers through phone calls or individual meetings.
40	Work with major customers to identify where our processes can be improved and quickly put in place any changes.	We engaged with over 4,700 stakeholders through events and over 2,000 through customer satisfaction surveys. The actions in our ICE work plan are based on suggestions we received from these events and surveys.

Guaranteed Standards of Performance (GSOPs)

41	Aim to achieve no failures of the connection GSOPs.**	There were no failures against the connection Guaranteed Standards of Performance during 2016/17.
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Further developing a competitive market

42	Improve customer awareness of other connection providers and regularly check that customers understand the options available to them.	We carry out a yearly survey to measure customer awareness of other providers. The 2016/17 survey showed that 82% of customers who had a new connection were aware of other providers. This was an increase from 2015/16, when this figure was 77%.
43	Work with other connection providers to extend the type of work they can carry out, including high voltage and reinforcement work.	Trials are underway to extend the work that our competitors can carry out to include HV work. We are using feedback from stakeholders to improve our processes.

* Targets are for the full eight year RIIO-ED1 period, not for a discrete year

** Target to be achieved each year of RIIO-ED1

Provide a faster and more efficient connections service

Output (34) Improve the overall time taken to deliver a connection by 20%.



- 6.7** In the RIIO-ED1 business plan, WPD committed to providing a faster and more efficient connections service, improving the overall time to connect by 20%.
- 6.8** As connection processes have improved, it has become clearer that some customers do not necessarily require a faster service; they require an appropriate and timely service. This means that they may require the facility to reserve a space in a queue for a future connection or have the facility to request connections to individual plots on a large-scale development. Whilst WPD will remain focused on improving the time to provide a quote, we will also provide connection services in line with customer requirements.
- 6.9** The speed of overall connection is important for minor connection customers (single domestic connections referred to as LVSSA and 2-4 domestic connections or a small commercial connection not requiring reinforcement work known as LVSSB). Ofgem's Time to Connect incentive recognises this requirement and sets specific performance targets.

2016/17 performance for the Time to Connect incentive

- 6.10** The following table shows WPD's performance against the Ofgem Time to Quote and Time to Connect targets for LVSSA and LVSSB market segments in 2016/17. All targets have been beaten.

	Time to Quote (average number of days)		Time to Connect (average number of days)	
	LVSSA	LVSSB	LVSSA	LVSSB
West Midlands	4.52	6.08	37.18	47.50
East Midlands	3.48	4.73	34.40	45.78
South Wales	4.30	5.78	33.76	42.55
South West	5.16	5.86	36.53	43.39
Ofgem target	8.21	11.73	42.08	52.70

2016/17 performance for other market segments

- 6.11** For all other market segments, WPD specific targets have been set with the aim of achieving 20% improvement on benchmark performance (derived from an average of 2013/14 and 2014/15). The WPD RIIO-ED1 Business Plan specified that 2014/15 would be used as the benchmark year, but following the submission of business plans to Ofgem, discussions with the government led to a commitment to advance the improvements, making some prior to the start of the ED1 period. The benchmark period has been changed to incorporate performance ahead of improvements being implemented.

Time to Quote performance for non-incentivised market segments (working days)					
Market segment	LV	HV	DGLV	DGHV	EHV
Benchmark (2 year average 13/14 14/15)	8.5	11.2	11.4	36.7	37.2
End of ED1 target (20% improvement)	6.8	8.9	9.2	29.4	29.7
2016/17 target	8.1	10.6	10.9	34.9	35.3
2016/17 performance	7.7	9.2	12.4	28.2	47.0

Time to Connect performance for non-incentivised market segments (working days)					
Market segment	LV	HV	DGLV	DGHV	EHV
Benchmark (2 year average 13/14 14/15)	105.2	132.6	53.5	169.9	299.6
End of ED1 Target (20% improvement)	84.1	106.1	42.8	135.9	239.7
2016/17 target	99.9	126.0	50.8	161.4	284.6
2016/17 performance*	90.4	107.9	79.6	158.1	133.6

*Actual performance is determined using an approach consistent with the regulatory reporting rules for time to connect which uses the later of the date of acceptance or date of payment. For larger connections, some customers elect to accept a quote to reserve network capacity, but pay some time later. This can lead to shorter time to connect measures especially for EHV connections.

6.12 There are a number of factors that can influence the time to provide a quote and time to deliver connection works, including fluctuations in the volumes of requests received, the complexity of the work required to provide the connection and managing external factors such as legal permissions and consents required for certain connections.

6.13 WPD has committed to regular reviews of connection processes to ensure that timescales are as short as possible and that feedback from customers is incorporated.

6.14 Delivery of connections has been made more efficient by improving the information available to customers before an application is made, improving the systems used to make an application and developing clear processes for each stage.

6.15 Targets for 2016/17 have been beaten in the LV, HV and DGHV categories for time to quote and beaten for the LV, HV, DGHV and EHV categories for time to connect.

Output (35) Provide excellent customer service so that customers continue to rank us as the top-performing DNO group in customer satisfaction surveys.



Output (36) Carry out surveys with distributed generation customers to find out if they are satisfied with our service and identify where we could improve.



6.16 During RIIO-ED1, WPD has committed to delivering excellent customer service so that WPD continues to be ranked as the top performing DNO group.

6.17 WPD recognises that customer satisfaction is very important to the success of the business. This applies to the whole connections process, from initial application processing through to final work on site. During the process customers interact with different WPD staff and all interactions should be of an equally excellent standard.

6.18 Since publishing the Business Plan there has been a significant increase in the level of activity in the connection of generation. This has led to network capacity being fully utilised on parts of the network, which means that the requirements of some customers cannot be accommodated. Clear communication and transparent processes therefore have an even greater level of importance to maintain customer satisfaction in this environment.

6.19 To understand how customers view WPD's service, we use the following surveys to measure the satisfaction of connections customers.

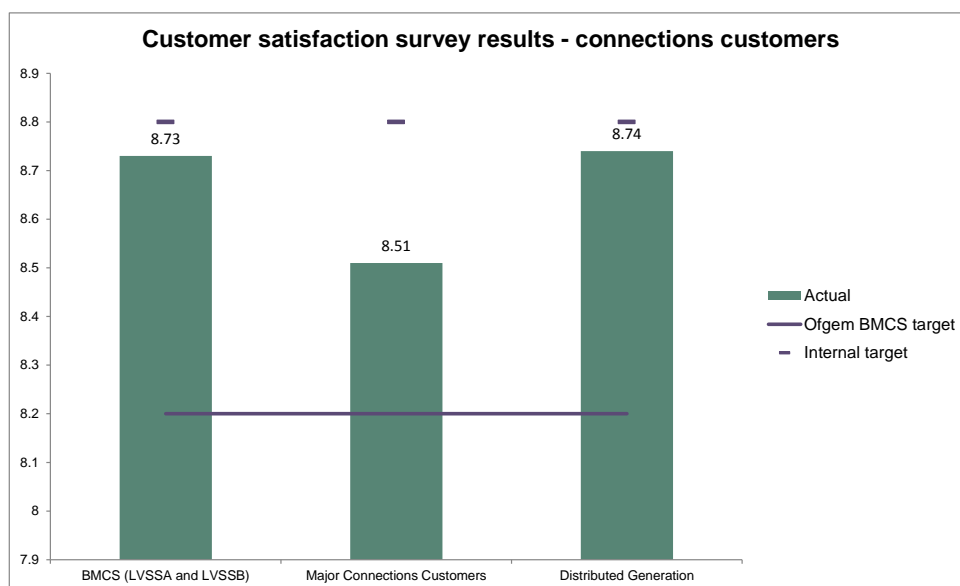
- The customer satisfaction survey score obtained as part of Ofgem's Broad Measure of Customer Satisfaction (BMCS). This assesses customer satisfaction specifically for minor connection customers (LVSSA and LVSSB).
- A WPD implemented survey for major demand customers (any customer not classified as LVSSA or LVSSB). This survey is undertaken on a monthly basis.
- A WPD implemented survey for distributed generation (DG) customers. This survey is undertaken annually and was introduced following feedback from stakeholders. The latest survey was conducted in 2016/17 for projects completed in 2015/16.

6.20 The two WPD surveys replicate the survey approach taken for BMCS.

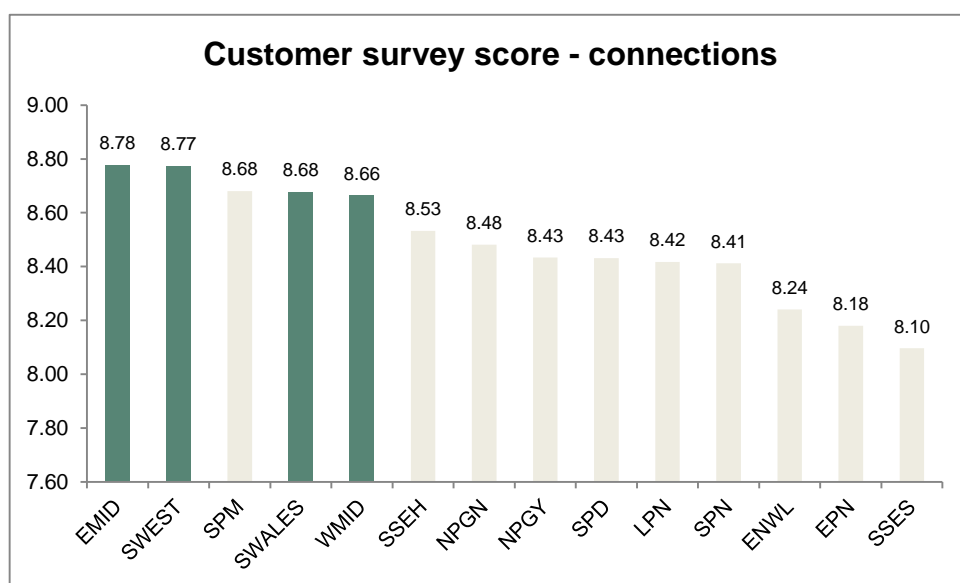
2016/17 performance in customer satisfaction surveys

6.21 Ofgem specifies a target of 8.2 out of 10 for the customer satisfaction score part of BMCS and DNOs gain rewards or penalties relative to this target. In order to drive the business to provide service ahead of expectations, WPD has set a stretching internal target of 8.8.

6.22 WPD's 2016/17 performance for all of the customer groups is shown in the following chart. Whilst performance exceeds Ofgem's target, work is ongoing to achieve the aspirational target of 8.8 in each area. We will continue to seek feedback from stakeholders in each customer group in order to improve our processes and identify best practice.



6.23 The BMCS customer survey score for LVSSA and LVSSB connections provides a method of comparing DNO performance. The chart below shows the results for 2016/17 and customers have rated the four WPD licence areas within the top five places.



6.24 WPD's performance is achieved through a strong culture of customer service embedded throughout the organisation, supported by a variety of management performance indicators which ensure customer service is treated as a priority.

Improve communication with connections customers

Output (37) Develop and improve the way we process online connection applications and make it easier for customers to track the progress of their application online.



6.25 Some connection customers prefer to carry out transactions and track progress online. To facilitate this, WPD committed to enhancing online connections processing and progress tracking. WPD had two existing online systems: a Connection Portal and the CIRT system.

The Connection Portal

6.26 The Connection Portal provides an online application tool for small projects and service alterations.

6.27 The Connection Portal was launched in 2014/15 and allows customers to make an application, accept an offer, make a payment and request automatic email updates of key stages within the connection process.

6.28 In January 2016, a survey was implemented for customers using the online application form to gauge how easy the form is to complete and the quality of the information provided during the application process. Customers are asked to provide a score out of 10. For the period January 2016 to March 2016 customers rated the service at 8.6. For the 2016/17 regulatory year the customer satisfaction score increased to 8.73 out of 10.

CIRT

6.29 The CIRT system was specifically designed for interactions with alternative connection providers such as ICPs and IDNOs for online submission of connection applications and progress tracking. The system has also been made available to DG developers.

6.30 In 2016/17, 1,971 (27.7%) of enquiries from Independent Connection Providers (ICPs) and Independent Distribution Network Operators (IDNOs) were raised via CIRT, an increase from 2015/16 when the figure was 23.7%.

6.31 During 2016/17 we evaluated the feasibility of providing updates for customers on the progress of legals and consents via the CIRT system, keeping them informed in relation to the part of the process that relies on other parties. Development of the system will take place in 2018 to allow case data to be accessed online.

Output (38) Make sure that the information we provide in documents and online is effective.



6.32 WPD has committed to ensuring that customers requiring a connection receive clear information on their options, the process for connection and what they need to do. Information is provided to customers online via our website, through our contact centre staff or by direct contact with local planners.

Online information

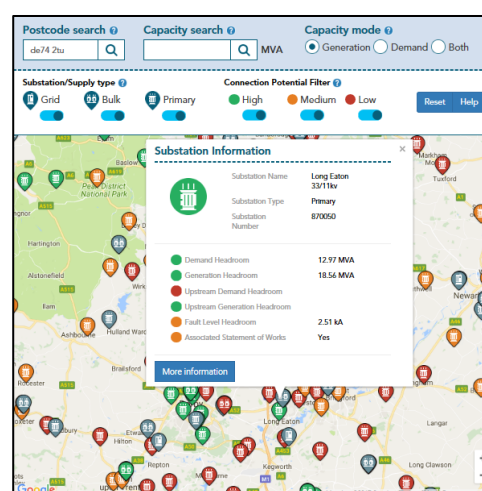
6.33 The WPD website provides a valuable source of information for customers requiring a connection. In order to ensure the effectiveness of the information provided we undertake regular stakeholder engagement and review the information available.

6.34 All connection related improvements to the website are detailed within WPD's ICE workplan and can be viewed on our dedicated ICE internet page.

www.westernpower.co.uk/Connections/ICE.aspx

6.35 During 2016/17 we took the following actions in line with stakeholder requirements.

- We introduced Data Portal 2 - an online application providing access to WPD mapping systems and the ability to download data. ICPs can now access WPD's map records and network diagrams. The portal is a key tool in allowing ICPs to self-determine a point of connection to the network. Stakeholder feedback has been central to the development of the system, which was introduced in August 2016 and has 414 active registered users to date.
- A common theme in customer survey responses has been that customers appreciate information on indicative prices at an early stage. As a result we have created a basic pricing table which provides minimum price, average price and average timescales for the provision of connections. The table is available on our website and will be further developed in 2017/18.
- We have introduced an index facility on the WPD technical website in line with user feedback. The index assists with the location of technical documents and policies.
- Contact Centre staff have been provided with updated prompts on where to refer customers for further information – including the provision of specific website links.
- We introduced a dedicated page on our website providing quarterly updates on our connections performance, competition in connections and actions arising from the ICE workplan. The page went live in February 2017 and received 173 hits by the end of March 2017.
- In March 2017 we introduced a new Network Capacity Map onto the website. Our stakeholders identified that improving the availability and quality of information regarding capacity and constraints on the network was a high priority. We were asked to consider the information provided by other DNOs. We commissioned a study to fully understand stakeholder requirements and used the feedback provided to develop the functionality of the map. The map provides an up to date view of the status of major substations on the network in terms of capacity – categorising headroom with a red/amber/green status. The map was launched in March 2017 and was viewed 370



times within the month. We will continue to monitor usage of the map and feedback from users.

- When customer applications are first received we send an initial contact letter, we have updated these letters to include information signposting customers to our connections webpages.
- The cost impact of an outage on distributed generation customers can be significant and stakeholders told us that it is important for them to be able to forecast to owners and investors when there will be outages. We are therefore in the process of developing a website portal which will provide registered users with information on planned outages for their connection, historic outage and constraint information and post outage reports.

Other information sources

6.36 We provide information for customers in a variety of ways and have looked to broaden customer awareness by increasing use of social media and other methods. As an example, in February 2017 we released online video guides on innovative connection arrangements and had 10,000 views in the first month, partly as a result of promotion on Facebook.

6.37 The video guides were commissioned to provide Community Energy groups and other interested stakeholders with a simple straightforward introduction to innovative alternative connection arrangements. These short animated videos used non-technical language and provide an entry point for interested stakeholders. The videos can be accessed at the following link.



www.westernpower.co.uk/Connections/Generation/Community-Energy-Schemes/Community-Energy/Guides-and-Information.aspx

6.38 In September 2016, we used an interactive webinar to communicate the outcomes of a strategic investment study undertaken in our South West licence area. This approach allowed us to reach customers who might not otherwise have been able to attend physical engagement events where this topic was explored.

6.39 The webinar provided an explanation of our long term predictions of likely growth in distributed generation and technologies such as electric vehicles and heat pumps. It also outlined potential approaches to reinforcement of the network to accommodate this projected growth.

6.40 A further study is complete for South Wales and studies are underway for the East Midlands and West Midlands. We will continue to promote the outcomes of these studies to our broad customer base in a range of ways. A recording of the South West webinar can be found at the following link.

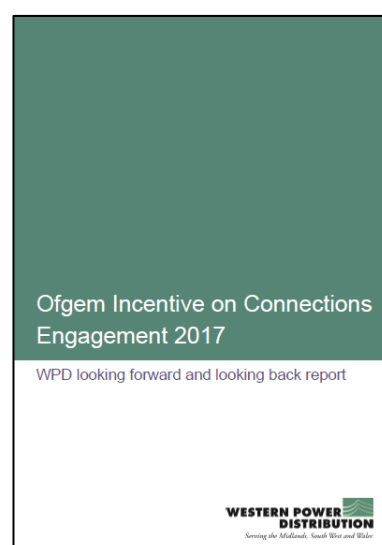
www.westernpower.co.uk/About-us/Our-Business/Our-network/Strategic-network-investment.aspx%20

Improve our engagement with major customers

Output (40) Work with major customers to identify where our processes can be improved and quickly put in place any changes.



- 6.41** Major connection customers (large site developers, multiple site developers and distributed generation customers) have a wide range of requirements for their connections, and the connection arrangements can be complex.
- 6.42** In RIIO-ED1, Ofgem has introduced a penalty-only incentive to encourage DNOs to improve interaction with major connection customers. The Incentive on Connection Engagement (ICE) requires DNOs to engage with major customers, develop improvement plans and implement changes.
- 6.43** The ICE penalties only apply to market segments that Ofgem has deemed as being non-competitive; however it is important to WPD that we engage with all connection stakeholders and WPD's ICE improvement plans are therefore focused on all market segments.
- 6.44** The incentive mechanism requires DNOs to submit ICE reports to Ofgem detailing forward looking plans and reporting on previous proposals. These 'looking forward and looking back' reports are used by Ofgem, along with feedback from stakeholders, to determine whether penalties should be applied.
- 6.45** The development of WPD's ICE plans means that some of the engagement approaches described within our RIIO-ED1 business plan have evolved significantly and been incorporated into a more detailed engagement structure.
- 6.46** WPD's ICE submission for 2016/17 provides further detail on WPD's connections engagement and this can be found at the link below.



www.westernpower.co.uk/Connections/ICE.aspx

- 6.47** In summary, WPD's mechanisms for connections engagement include the following.

- Customer Connections Steering Group
- Dedicated sessions at stakeholder workshops
- Distributed generation (DG) workshops
- Community energy workshops
- Connection surgeries

- 6.48** In 2016/17 we also introduced a Competition in Connections seminar and a new forum for DG owner/operators.

Customer Connections Steering Group

- 6.49** During 2016/17, we continued to work with our Customer Connection Steering Group (CCSG). The CCSG was formed in 2013 and meets on three occasions per annum, hosted by our Chief Executive.
- 6.50** The CCSG is made up of a range of stakeholders representing a cross section of connection customers in order to provide a balanced view of connection issues. The CCSG provides feedback on proposed initiatives and a strategic steer.

6.51 In 2016 a review of the format of the panel led to specific new topics being identified for debate during 2016/17, these included the following.

- Queue and capacity management – customers can face a barrier to gaining a connection as a result of other customers accepting a connection offer to reserve the capacity but not progressing with the connection.
- Legals and consents – the processes required for obtaining legal permissions and consents for a new connection.
- Statement of Works – the process for determining whether any restrictions apply from National Grid Electricity Transmission where a large scale distributed generator wishes to connect to the WPD distribution network.
- DG Owner Operator Forum – a new group established as a result of stakeholder feedback.

6.52 The CCSG can directly influence ICE initiatives. A suggestion for us to undertake a review of the Competition in Connections design approval process led to a seminar being arranged in October 2016 focused on raising awareness of our processes for allowing ICPs to self-determine the point of connection to the network. The ICPs in attendance provided useful feedback, outlining areas where they felt WPD could provide further clarity and enhance processes. Further actions in relation to this issue have been included in the 2017/18 workplan. This is a clear example of how suggestions from the CCSG lead to action by WPD.

Stakeholder workshops

6.53 In January 2017 WPD held six generic stakeholder workshops, across a variety of locations, attended by 270 stakeholders. These workshops are available for all stakeholders to attend, but they also have specific elective sessions dedicated to connections activity.

6.54 This year, we provided stakeholders with an update on our ICE plan and asked for views on our proposed 2017/18 initiatives - such as a drive to improve consistency of service and to refine processes associated with Competition in Connections.

6.55 As a result of our discussions with stakeholders a range of actions were agreed, including the following.

- A review of our approach to the use of easements and wayleaves for connections to ensure consistency across the four WPD licence areas.
- A strategic investment workshop in the East Midlands to provide a greater focus on demand customers.
- An assessment of the network requirements of using a device that allows up to three properties with solar PV to share generation.

Distributed generation workshops

6.56 WPD initiated dedicated workshops for distributed generation stakeholders in 2014. The third annual workshop was held in November 2016, attended by 58 stakeholders from a range of backgrounds. The workshop is an opportunity for WPD to share progress, performance and new initiatives with DG stakeholders and for the stakeholders to provide feedback.

6.57 During the workshops we asked attendees to identify their most important priorities for DG connections; stakeholders identified the top two issues as queue and capacity management and the provision of information on constraints. Feedback from attendees has been used to shape our 2017/18 ICE workplan.

Community Energy workshops

- 6.58** In 2014/15 WPD initiated Community Energy Workshops. These workshops provide an engagement opportunity specifically for community energy projects. Projects generally focus on the opportunity for communities to share the costs of larger scale generation plants or for groups of households/businesses to install microgeneration with the benefit of bulk buying.
- 6.59** During 2016/17 we hosted nine community energy related events across our licence areas, attended by 603 stakeholders. Events focus on providing information and guidance on policy and government engagement, including, for example, the focus on network flexibility and transitioning from DNO to Distribution System Operator.
- 6.60** Workshops have demonstrated that community energy stakeholders have rapidly developed an understanding of the connections process and are now looking to explore the potential for alternative connections, energy storage and the associated potential for involvement in smart networks and demand side response.
- 6.61** Our ICE initiatives have reflected this shift in knowledge and as a result we have expanded our Community Energy connections guide to include topics such as alternative connections. In collaboration with other DNOs we have developed new best practice guides which introduce the topic of energy storage and are designed to encourage communities to engage with change and innovation in the energy sector.

Distributed generation owner operator forum

- 6.62** Distributed generation stakeholders identified that they wanted us to provide more information on planned system outages and constraints affecting their connections. Outage costs can be significant to the DG sector and stakeholders told us that it is important for them to be able to forecast to owners/investors when there will be outages.
- 6.63** We introduced a customer forum for DG owners/operators during 2016/17 and held three meetings during the regulatory year. The forum attendees provided feedback on policy, procedures and a 'work-in-progress' version of new website functionality. The feedback identified some refinements and suggested possible further developments/expansion of functionality.
- 6.64** Further outputs included the establishment of a new role to provide a single point of contact for DG outages, the provision of email notifications for planned outages for registered users and improved communication around individual planned outages where impact could be reduced for the customer. Further information on the forum can be found on our website at:

www.westernpower.co.uk/Connections/Generation/Distribution-Generation-owner-operator-forum.aspx

Senior manager contact for major customers

- 6.65** Stakeholder feedback has indicated that major customers would benefit from a single point of contact where they deal with a large number of schemes. As a result a senior manager point of contact was offered to all major customers.
- 6.66** The role of the senior manager contact is to liaise with the customer to understand the range and scope of works they propose to undertake with WPD and act as a senior escalation point of contact to resolve issues. This role does not replace the day to day operational interaction required to deliver connections, which remains with the relevant local team.
- 6.67** The role was introduced in May 2016 and when we approached relevant customers to offer an introductory meeting, 40% accepted. Where customers have engaged with this process the senior manager has acted to resolve issues that cannot be addressed by the local team or to assist with consistency of operation across the WPD licence areas.

Output (39) Host 'surgeries' every three months to help connection customers to understand our processes.



- 6.68 Local 'surgeries' for connections customers continue to be promoted with at least four sessions taking place in a year. These are advertised in a range of relevant publications such as Utility Week, Construction News and Farmers Weekly.
- 6.69 Customers interested in attending an event contact a central team who pass on the enquiry to the relevant local depot to assess the customer's requirements before inviting them to a local surgery. Where possible, simple queries are resolved over the phone and, if requested, a meeting with a local planner will be arranged ahead of a surgery.
- 6.70 During 2016, 22 customers attended surgeries, with a further six customers supported via call backs or ad hoc meetings.

Electricity Network Connection Surgeries

FOR WPD CUSTOMERS AND INDEPENDENT CONNECTION PROVIDERS

Western Power Distribution (WPD) is the electricity distribution network operator (DNO) for the Midlands, the South West and South Wales. We operate the regional electricity network and provide new connections to homes, businesses and generation sites at voltages from 230 volts to 132,000 volts. Ahead of applying to us for a new connection and particularly for Generation Connections, our customers and Independent Connection Providers (ICPs) often have questions and want to understand more about the process, timescales, technical matters, consents/legal requirements and possible constraints of making a connection to the network in a particular area.

The surgeries will run on the dates listed below and enable interested parties (like landowners, ICPs, developers and community groups) to make a 45 minute appointment with an engineer to discuss their requirements and the connection process, ahead of making an actual application for a connection to the network.

Connection surgery dates

Our connection surgeries will be held at various WPD offices and will be as close as possible to where most participants live.

31st March 2016	8th September 2016
16th June 2016	8th December 2016


If you are unable to attend one of our Connection Surgeries, on the dates listed above, we can accommodate an individual consultation with one of our engineers.

For details of our operational area please visit our website www.westernpower.co.uk

Midlands:	0800 121 4909
South West & Wales:	0800 028 6229

wpdconnectsurgeries@westernpower.co.uk

Please mention that your enquiry is for connection surgeries when you call.



**WESTERN POWER
DISTRIBUTION**

Serving the Midlands, South West and Wales

Guaranteed Standards of Performance

Output (41) Aim to achieve no failures of the connection GSOPs.



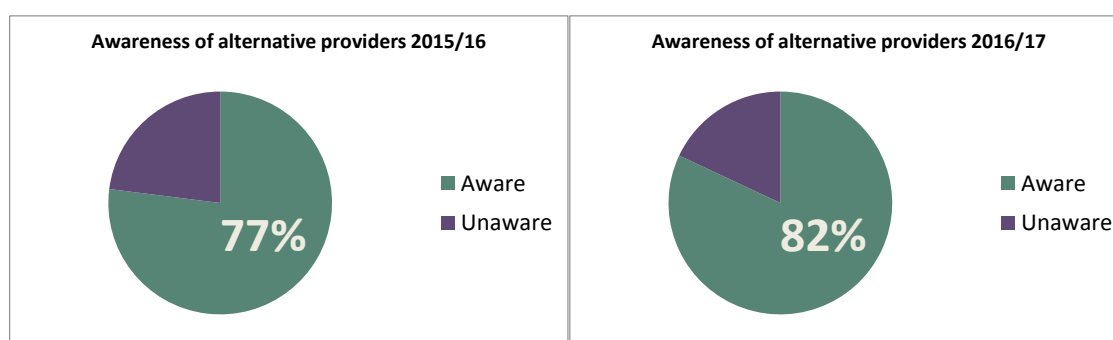
- 6.71** Every year WPD provides around 70,000 budget estimates and quotations, 30,000 connections and 10,000 street furniture service fault repairs for local authorities.
- 6.72** The Connection Guaranteed Standards of Performance detail minimum levels of service and set out the level of payments to customers where these standards are not met. There are thirty connection guaranteed standards of performance covering all aspects of connection provision.
- 6.73** Each failure against a standard results in a payment to the customer, with the majority of connection standards having a per day cumulative penalty.
- 6.74** WPD voluntarily doubles the value of payments for any failures against guaranteed standards.
- 6.75** During RIIO-ED1, WPD committed to a tough challenge, targeting zero failures against all of the connection guaranteed standards. In 2015/16 there were five failures but in 2016/17 there have been no failures and we have met all of our connection service standards during the regulatory year.
- 6.76** We are proud of this achievement and will continue to work to maintain this high standard throughout the RIIO-ED1 period.

Further developing a competitive market

Output (42) Improve customer awareness of other connection providers and regularly check that customers understand the options available to them.



- 6.77** Prior to the introduction of competition for the provision of connections, customers could only request a connection from the incumbent DNO. It is now possible for third parties to carry out connections work, 'in competition' with the incumbent DNO.
- 6.78** During DPCR5, Ofgem implemented measures to facilitate competition in the provision of connections. One of these was the creation of a 'competition test' assessment process whereby DNOs could apply to have price regulation lifted if they were able to demonstrate that competition was sufficiently effective.
- 6.79** Since the industry only achieved competition status in a third of cases, Ofgem carried out a review of the market in 2014. This led to Ofgem concluding that the industry required a code of practice to facilitate competition.
- 6.80** The code of practice covers the end-to-end processes, practices and requirements that a DNO will use where an ICP seeks to undertake contestable works. The code therefore influences some of the actions required by DNOs to facilitate competition.
- 6.81** Over time, the scope of contestable connections work which can be undertaken by third party providers has gradually been extended. During RIIO-ED1 WPD has committed to both improving customer awareness of third party providers and to extending the types of work that can be undertaken by these providers.
- 6.82** To ensure that connection customers are aware that alternative providers exist, we provide clear links to competition in connection information on the main connections page of the WPD website and our connection process flowcharts include the option of using third party connection providers.
- 6.83** We also include information about the availability of alternative connection providers in connection packs sent to customers. During 2016/17 we reviewed the leaflet sent to customers and amended the layout to ensure that key information stands out as well as improving the explanation provided in relation to the differences between ICPs and IDNOs.
- 6.84** An annual survey was initiated in 2015/16 to gauge customer awareness of alternative providers. The survey asks large connection and distributed generation customers who have obtained a connection from WPD whether they were aware that they could have asked a third party to provide the connection.
- 6.85** The results of the survey show that awareness is high and has increased in 2016/17 as shown below.



Raising awareness of the Code of Practice

- 6.86** WPD actively participated in national working groups to develop the Competition in Connections (CIC) Code of Practice and has implemented new internal policies and procedures to ensure compliance. Information and guidance is also published on our website.
- 6.87** During 2016/17 we used feedback from ICP/IDNO stakeholders to improve our CIC self-service processes. Stakeholders indicated that they required additional clarity on processes and asked WPD to look at making improvements to the speed and efficiency of the processes.
- 6.88** In October 2016 we held a CIC seminar to raise awareness of our processes for allowing ICPs to undertake self-determination of the point of connection to the network and approval of the design. We provided a detailed overview of the processes and gathered feedback which has influenced the work to be undertaken as part of the ICE 2017/18 workplan.

Output (43) Work with other connection providers to extend the type of work they can carry out, including high voltage and reinforcement work.



- 6.89** WPD actively assists competition by developing processes and systems to allow third parties to extend the scope of what they can do.
- 6.90** During 2013 HV jointing trials were initiated, allowing third party jointers to carry out physical connection work on site, this was followed by the introduction of processes to allow third parties to carry out their own switching, testing and commissioning.
- 6.91** The scope of work that can be undertaken by competitors has gradually increased since the implementation of the CIC Code of Practice in 2015. However stakeholder feedback suggested that we had fallen behind some other DNOs in relation to the HV self-connect process as a result of our requirements for staff authorisations and the safety rules to be applied.
- 6.92** To resolve these concerns we collaborated with stakeholders and reviewed our processes. We agreed to trial a new option for safety authorisation. This further option involved an agreement that switching could be undertaken under WPD's safety rules whilst the associated jointing work could be undertaken under the ICP's safety rules. This hybrid option should provide a greater level of flexibility for ICPs.
- 6.93** The outcome of this trial will be shared with the wider CIC community before we progress to implementing a business as usual process as part of the 2017/18 ICE workplan.
- 6.94** Once trials are complete, the arrangements will be incorporated into Connections Charging Statements.
- 6.95** For 2016/17 the volumes of third party connections (referred to as HV Points of Connection (POC) have remained at similar levels to 2015/16, as detailed below.

HV POC connections completed				
	2015/16		2016/17	
	Volumes	%	Volumes	%
HV POC connected by ICP	10	4.46%	15	6.58%
HV POC for ICP connected by WPD	214	95.54%	213	93.42%
Total connected HV POCs	224		228	

- 6.96** Within the RIIO-ED1 business plan, WPD committed to facilitating the extension of contestable work to allow third parties to undertake network reinforcement. Network reinforcement is required where there is limited capacity on the existing network to accommodate the load of new connections. It may result in upstream assets being increased in size or additional circuits being provided.

6.97 To date there has been no take up of this option by third party providers; we are reviewing the existing trial application criteria with the aim of broadening the range of potentially interested parties.

Impact of the CIC Code of Practice on contestable work

6.98 The introduction of the Competition in Connections Code of Practice led to the implementation of processes for two other elements of contestability. As a result of the Code of Practice, WPD introduced a process to trial self-assessment of the point of connection by ICPs (for the majority of straightforward connections).

6.99 In addition a process was introduced for accredited ICPs to self-approve their own designs.

6.100 These processes were implemented in September 2015 and take up was initially slow. However we have seen an increase in numbers during 2016/17 as detailed below.

Self-determined points of connection (all voltages)				
	2015/16		2016/17	
	Volumes	%	Volumes	%
Self-Determined POC by ICP	8	0.13%	172	3.04%
WPD Determined POC	6,242	99.87%	5,485	96.96%
Total POC's	6,250		5,657	

Self-approved designs (all voltages)				
	2015/16		2016/17	
	Volumes	%	Volumes	%
ICP Self-Approved Design	2	0.60%	203	26.13%
WPD Design Approval	329	99.40%	574	73.87%
Total Design Approvals	331		777	

6.101 We have committed to identifying improvement to these 'self' processes as part of our ICE workplan and would anticipate that further liaison with ICPs may result in an increase in volumes.