

# Charging for multiple budget estimates

Consultation

January 2022

## Overview

**Western Power Distribution (WPD) is the distribution network operator (DNO) responsible for delivering electricity to eight million homes and businesses across the Midlands, South West and South Wales.**

**This consultation looks at our proposal to charge for some budget estimates at 22kV and above.**

We're committed to creating a smarter, more efficient energy system for customers and to helping the UK achieve net zero as early as possible, which includes making our connections service as efficient and accessible as we can. We understand that new connections are key to supporting growth and to enabling low carbon technologies like renewable generation.

## Background

In 2018 (following wider industry consultation), all DNOs introduced Connection Offer Expenses (also known as Assessment and Design or A&D fees). WPD currently charges for formal connection offers (where works are required at 22kV or above) and for feasibility studies. We limited the charge for connection offers to larger schemes needing works at 22kV or above, as this was and continues to be the area where we see the highest amount of speculative applications that ultimately do not proceed. In these cases, we were unable to recover the costs directly from the person who caused these costs to be incurred. In 2018, we also made a decision to continue to provide budget estimates free of charge at all voltage levels and to review the position in future.

Following a review, we believe that the current system of charging for connection offers is working well.

## Budget estimates

For budget estimates, we have decided to continue to provide most budget estimates free of charge but to make a charge for providing multiple budget estimates where works are required at 22kV or above. Customers will continue to receive a free budget estimate for up to two options for the same site but will be charged a small fee for each option over and above this. Further information on the charges and guidance on when these will apply are set out in the section "Criteria for Charging for Multiple Budget Estimates (22kV and above)" on page 3.

WPD already charges A&D fees to customers for certain assessments to ensure a fairer allocation of costs to those who benefit and to improve the overall efficiency of the connections process. For some time now, customers have been asking for budget estimates that include multiple different types or size of generation / demand at a site. This requires additional work and assessment which can be significant at times. The cost and additional resources needed to deliver this has increased and is at present recovered through our on-costs and paid for by all our customers and not directly by those asking for, or benefitting from, this service. In a similar way to the change in 2018, we now want to make this more balanced and ensure that only customers asking for the enhanced service pay for this; this will further improve efficiencies and ensure our staff resources are utilised in the most effective way, enabling us to deliver the best customer service we can.

We will continue to fully support our customers during the connections process by offering guidance and advice and by holding regular connection surgeries. We also have a range of free online tools, such as the interactive costing tool and capacity maps that customers can access to help them with the assessment stages and their own due diligence before making an application to WPD.

We will review our Connections Offer Expenses annually and make information about any future changes publicly available.

## Criteria for charging for multiple budget estimates (22kV and above)

Two options/budget estimates at a site will continue to be provided free of charge. This should mean that many customers are not affected by this change.

A charge of £300 will be applied for each extra option/budget estimate thereafter. We believe that £300 is a reasonable and justifiable charge but we'll ask your views as part of this consultation.

A restriction of six months will apply from issue of the budget estimate(s) for further free budget estimates to be issued at a site. We believe that six months is a reasonable time frame but we'll ask your views as part of this consultation.

Any fees will be billed shortly after the budget application is received.

## Definitions

An option is defined as either a different capacity or a different technology type.

A site will be defined as the closest network point or point of connection (POC) rather than a geographic point or address. We think that this is more representative of a site location but we'll ask your views as part of this consultation.

## Timeline

We are planning to introduce charging for multiple budget estimates (22kV and above) from 1st February 2022.

## Responding to this consultation

We want to hear your views on the proposals presented in this consultation. It is important that we get a broad range of stakeholders' opinions and we are keen to get your feedback so to assist with your response we have produced a questionnaire with the specific questions from the consultation detailed in Appendix A.

Responses should be returned by Monday 24<sup>th</sup> January 2022.

Direct online input:

<https://yourpowerfuture.westernpower.co.uk/budget-estimate-consultation>

Or emailed to:

[wpdconnections@westernpower.co.uk](mailto:wpdconnections@westernpower.co.uk)

Or by post to:

Connections Strategy Team  
Western Power Distribution  
Herald Way  
Pegasus Business Park  
Castle Donington  
DE74 2TU

## Appendix A: Consultation Response Template

Please provide your responses in the template set out below. A standalone editable version of this template is available on our website and upon request.

Please indicate the type of stakeholder you represent

1.Domestic customer (or representative)	<input type="checkbox"/>	7. Community energy scheme	<input type="checkbox"/>
2.Business customer (or representative)	<input type="checkbox"/>	8.Consultant	<input type="checkbox"/>
3.Local authority / council officer	<input type="checkbox"/>	9.Energy / utility company	<input type="checkbox"/>
4.Developer	<input type="checkbox"/>	10.Regulator / government	<input type="checkbox"/>
5.Connections representative	<input type="checkbox"/>	11.Academic / education institute	<input type="checkbox"/>
6.Distributed Generation developer	<input type="checkbox"/>	12.Meter Owner/Operator	<input type="checkbox"/>

Question	Response
<b>Question 1: Is the charge of £300 too high, too low or about right?</b>	
<b>Question 2: Is the six months restriction for further free of charge budget estimates too short, too long or about right?</b>	
<b>Question 3: Is it sensible to use a POC on the network as the location or should we use a geographic location (i.e. address)?</b>	
<b>Question 4: Any other comments or feedback on our proposals?</b>	

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