

WESTERN POWER 
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Serving the Midlands, South West and Wales

CiC Group meeting 20th March 2018

Simon Pett

Network Services Manager

East Midlands

Agenda

- Welcome & housekeeping
- Introductions
- High level updates since November CiC event at Gloucester
- Engineering Policy – Paul Jewell
- 11:30 - Coffee
- Connections Policy – Tim Hughes
- 12:45 – Lunch
- 2018/19 CiC element of ICE Plan – Simon Pett
- 13:45 – Review/close
- 14:00 - End

High level update of existing and new actions related to CiC activity

- 4.18.3.1 - Produce and publish new guidance information to assist ICPs in understanding the options WPD make available for them to carry out unmetered connection activities.
- Update - A guidance document including a flow chart on the steps to be taken to enable an ICP to carry out unmetered connection works has been published on the WPD website. It has also been emailed directly to ICP contacts and published on our internal intranet to enable colleagues to share the guidance with anyone contacting the business to enquire about this type of work.

High level CiC ICE updates

- 4.18.4 - Develop implement and communicate process for ICPs to be able to email self-service notifications as an alternative to WPD's CIRT online applications.
- Update - A process flow chart has been developed which has been emailed to ICPs.

- 4.18.6.1- Make further improvements to the visibility and transparency of the inspection and monitoring regime: Revise the monthly report issued to ICPs, to provide more clarity/detail relating to inspection levels they are on for each activity.
- Update – revised monthly reports are now being circulated to ICPs.

High level CiC ICE updates

- 4.6.2 - WPD to establish internal performance reporting design approval activities to monitor performance compared to the guaranteed standard op performance backstop.

High level CiC ICE updates

- Proposed presentation of Design Approval performance

Market Segment	Design Approved				Design Rejected			
	Min	Max	Avg	Total	Min	Max	Avg	Total
EHV Demand	0	20	12.75	4	2	12	7.25	4
EHV Generation	4	4	4.00	1	2	20	13.00	7
HV Demand	0	10	3.39	122	0	10	4.17	6
HV Generation	4	4	4.00	1				0
LV Demand	0	10	2.40	103	0	10	5.00	6
LV Generation				0				0

Engineering Policy

Paul Jewell

- Current processes allow for bespoke Design Approval or Generic Design Approval
- ICPs have asked for a middle ground position on EHV connections
- Partial Design Approval is a staged process of approval with the guaranteed standards process only commencing at the end when all designs have been submitted
- It allows ICPs to gain approvals for sections of their development as they progress
- We plan to issue the document after this meeting

- The four stages of the process for EHV are:
- High Level Electrical and Plant Approval
 - Allows ICPs to agree details and place orders for switchgear, isolators and major plant without a more detailed design
- Cable and Overhead Line Technical Design
 - Allows ICPs to agree details and place cable orders once physical routes are known
- Site Civil Works and Infrastructure
 - Allows ICP to physically start civil works ahead of full submission
- Full Detailed Design
 - The full submission for design approval and the trigger for formal design approval processes and timescales

Consistency of Engineering Policy

- We reviewed our policies as a result of the survey completed in 2017
- Some areas were highlighted where we made improvements
 - Lightning Protection
 - Battery and Charger Specifications
 - Multicore Cables
- We plan to close this action as a result of the changes made. We remain open to one-off feedback in the course of normal work and interactions with ICPs
- We are also looking at best practice and are hoping to replicate the example from another DNO provided by a stakeholder for a spreadsheet of materials with full supplier details

- We reviewed our ‘techinfo’ website as a result of the survey completed in 2017
- The areas we addressed were:
 - Registration – users asked if there could be a guest access function
 - Contact Details – users asked for a method of telling us if links were broken
 - Scanned Documents – users noted that some old pdfs were scans
- We also undertook a full review of the look and feel and functionality of the website
- The website is now integrated as a part of the full WPD website

- We have published documents setting out the telecoms infrastructure we expect for different sizes of generators and connections. These are all set as non-contestable as integral to the ongoing operation of our network
- We are working to provide technical and functional detail of Connection Constraint Panels and telecoms equipment to improve consistency
- We could make these panels and items of physical kit contestable, but customers who have discussed this with us have tended to leave us to provide the solution
- It is intrinsically linked to WPD processes and requires quite complex interaction with WPD to complete

Stakeholder feedback

Question 1 – have the responses addressed the queries raised?

Question 2 – are there further areas relating to Engineering Policy we need to consider?

Connections Policy

Tim Hughes

Update on:

On-line Presence

Assessment & Design Fees

Allocation & Reservation of Capacity

Update on On-line services

ICE undertaking

- We undertook a survey of ICPs to obtain feedback on their views regarding the WPD CIRT system
- We said we would use the CIRT survey feedback to develop a plan for further developments to on-line services
- We said we would discuss with stakeholders our plan for further developments

Enter Worksite Details

Please enter the worksite details pertaining to the enquiry, and click on the Create button to create the enquiry.

Customer Job Reference: RDF-006

Work Site Name: Lindrick Golf Club

Street Name: Lindrick Common

Postal Town: Worksop

Postcode: S81 8BH

25

Import Capacity (KVA):

Connection Voltage: LV

For Enquiry:

date No

No

New building to cover bays C

EX

Update on On-line services

Plan for immediate development

- CIRT will be retained but no further developments are proposed for the 'connections' process
- There are however, proposed changes planned for CIRT in relation to 'legal and consents' functionality for project tracking
- Our solicitors have made a commitment to provide customer access to their case management system by the end of June 2018.

Update on On-line services

Plan for future development

- WPD will develop the 'web portal' to facilitate future on-line applications

- Applications on our radar....
 - ✓ Further develop the connection application process
 - ✓ Raising of new connection enquiries
 - ✓ Enhanced visibility of new connection enquiries for ICPs & other customers
 - ✓ Acceptance & payment of quotations
 - ✓ Improve the Live jointing notification process - replace the interface between ICPs and WPD currently fulfilled by exchanging information entered on spreadsheets

Update on On-line services

Live jointing notification process proposals

- Develop portal on WPD website to provide the following functionality;
 - ✓ User login for ICP
 - ✓ Raise new enquiries & upload documents (location plans etc)
 - ✓ View enquiry history - interface to allow regular updates in both directions
 - ✓ Complete existing enquires & upload recording drawings
- We are surveying ICPs to obtain feedback on their thoughts for development:

<https://www.westernpower.co.uk/Live-jointing-notification-survey>

- We want to implement the Live Jointing notification process by the end of December 2018

Application of Assessment & Design Fees

The Electricity (Connection Offer Expenses) Regulations 2018

- New Regulations that will allow the DNO to recover costs reasonably incurred in preparing a Connection Offer even where the applicant does not accept their Connection Offer
- The Regulations were drawn up following much consultation at an industry level
- The Regulations are now law and will take effect on 6th April 2018 although DNOs may choose to defer implementation
- In some circumstances ICPs/IDNOs will experience a change in the way Connection Offer Expenses are applied, i.e. the Assessment & Design Fees

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 and 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
- Customers 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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Scheme Title: Option 2 - 800kVA HV Metered Connection

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

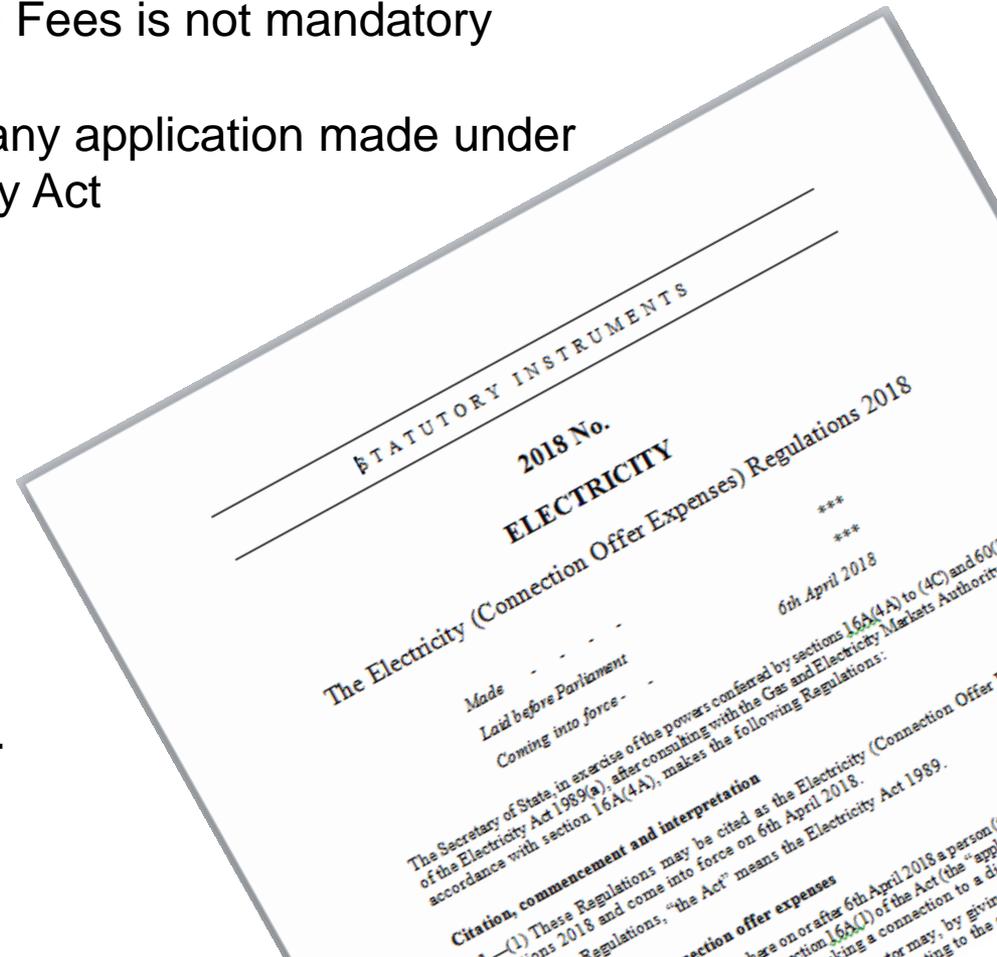
Summary	
Fees	£1,717.00
Non-contestable connection works	£1,678.23
Contestable connection works	£23,788.57
Sub Total	£27,183.80
Total Connection Charge excluding VAT	£27,183.80

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

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 Electricity 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)

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 speculative 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

Application of Assessment & Design Fees

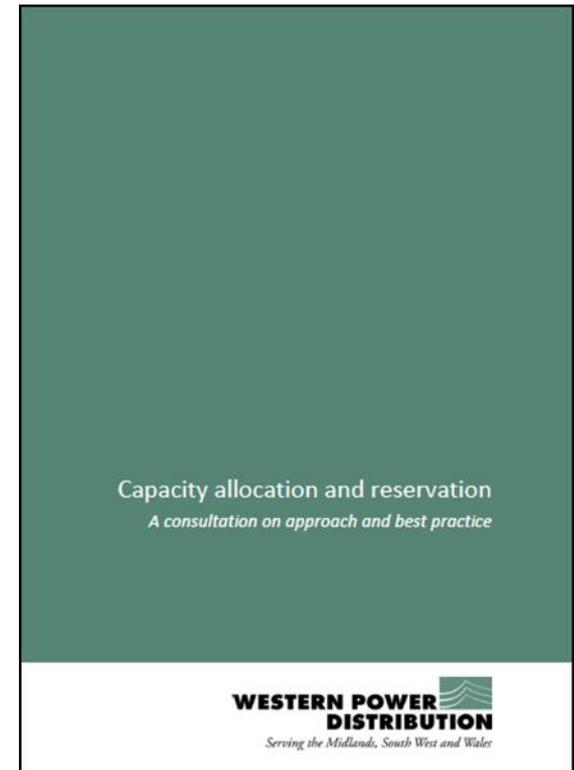
Implementation plan

- We plan to implement changes and charge applicants under the Regulations from 1 May 2018
- WPD will notify the applicant in writing shortly after receipt of the application
- A 10 working day 'cooling off' period will be allowed from the point of notification
- We will invoice for the A&D Fees at the same time as we release of the Connection Offer
- A Modification Proposal has been sent to the Authority requesting an amendment to our Charging Statement

Capacity allocation & reservation consultation

The consultation

- At the end of 2017 WPD Issued a consultation on the issues we are encountering along with some proposals on our minded to approach in how we allocate network capacity and allow customers to reserve it at three key stages of the connection process
 - Application
 - Acceptance of offer
 - Energisation and subsequent build out
- The consultation ran from 29th Dec 2017 to 19th February 2018



Capacity allocation & reservation consultation

The Principles

- **Principle 1** - Capacity should be allocated according to customers' defined and verified requirements assessed against a set of qualifying criteria
- **Principle 2** - Capacity should be allocated on a strict date order of firm requirements and in line with WPD interactivity procedures
- **Principle 3** - Capacity should be allocated according to the immediate requirements of end users and not on a speculative basis or for future undefined developments
- **Principle 4** - Capacity should be allocated with defined milestones for the obtaining of planning permissions, commencement of construction and completion of connection works

Capacity allocation & reservation consultation

Initial findings

- WPD have received over 20 responses from stakeholders representing:
 - ✓ Local Authorities
 - ✓ Local Enterprise Partnerships
 - ✓ ICPs / IDNOs
 - ✓ Developers (demand and DG)
 - ✓ Consultants

- The responses cover a range of views with support for the approach we have tabled as well as some with concerns of its impact on them

- LA / LEPs are broadly supportive and keen for us to be able to work closely with their development plans

- Some stakeholders have concerns around the impact on large long-term developments.

Capacity allocation & reservation consultation

Next steps

- WPD will complete its review of stakeholder responses to assess where there is consensus and where there are differing views
- Based on our initial assessment and the variety of views, we may decide to consult further where appropriate, before proceeding with any new policies or procedures
- We will update customers with a follow-up report on the initial consultation

Stakeholder feedback

Question 1 – have the responses and updates provided addressed the queries raised?

Question 2 – are there further areas relating to Connection Policy we need to consider?

2018/19 ICE Plan and CiC content

Simon Pett

ICE Priorities 2018/19

Assessing the priority areas for our 2018/19 ICE Workplan

- Following the feedback we have collated, we are refining 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, CiC Group and the Ofgem ICE consultation, we are continuing to see similar themes requiring our focus
- We are now using our stakeholder engagement to refine the priorities and develop the initiatives and actions for the start of 2018/19

ICE Priorities 2018/19

Priority areas identified 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 CiC Group's views on the ICE workplan priorities which WPD should be focussing on to ensure we are undertaking the appropriate improvements

ICE Priorities 2018/19

Priority areas for our 2018/19 ICE Workplan

Competition in Connections Initiatives

From the feedback stakeholders have provided so far, we are looking at a range of initiatives in the CiC priority area:

- Continuing to delivery the commitments made in our current ICE workplan including
 - Improving online services
 - Improving information available and guidance
 - Investigating extension of contestability in telecoms works for connections
 - Providing visibility of performance: ICP and WPD
 - Improvements to the design approval process including partial approval
- Extending contestability for HV self-connection to overhead line connections

We are seeking CiC Group's views on these potential ICE workplan initiatives to ensure we are undertaking the appropriate improvements

- Some activities will continue into the next plan:
- 3.16 - Consult with stakeholders on the provision of information with the offer to provide more clarity on how cost may vary on major connections schemes and appropriate method of publication/communication.
- 3.20 - Identify areas to improve presentation and clarity of WPD's connection offers using stakeholder feedback and DNO best practice.
- 4.18.1.3 – for WPD online services - Implement the planned improvements and communicate to stakeholders

- 4.18.6.3 - Develop an overall table of ICP monitoring regime performance that is anonymised but would enable each ICP to see where they stood in relation to the others. Publish on WPD website and extend table to include WPD number of inspections and pass/fail performance.
- 4.27 – Improve information available to facilitate new entrants and for existing ICPs on WPD’s CiC processes and procedures by establishing a new high level guidance and website area giving ICPs an introductory guide informing them of what to expect when operating in WPD’s area.

- 4.27 - Create and publish new high level guidance information and website area for ICPs. Include e.g. key contacts, processes signposted with where to find more information and what agreements are available.

Question – from a stakeholder perspective is there anything else we need to consider over and above what we have already committed to?

Summary

- Provided a high level update of ICE CiC actions
- Shared details from Engineering Policy
- Shared details from Connections Policy
- Summarised existing initiatives that roll into 2018/19 and invited further suggestions

Question 1 – is there a particular topic area the stakeholders would like to cover at the next meeting.

Question 2 – is there any item of best practice a stakeholder wants to share with the group

Next meeting is 24th July 2018