



## Appendix 1 - Consultation Response and Questions

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1.1. Ofgem would like to hear the views of interested parties in relation to any of the issues set out in this document.

1.2. We would especially welcome responses to the specific questions which we have set out at the beginning of each chapter heading and which are replicated below.

1.3. Responses should be received by 7 November 2013 and should be sent to:

James Veaney  
Smarter Grids and Governance Distribution Policy  
020 7901 1861  
[james.veaney@ofgem.gov.uk](mailto:james.veaney@ofgem.gov.uk)

1.4. Unless marked confidential, all responses will be published by placing them in Ofgem’s library and on its website [www.ofgem.gov.uk](http://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.

1.5. Respondents who wish to have their responses remain confidential should clearly mark the document/s to that effect and include the reasons for confidentiality. It would be helpful if responses could be submitted both electronically and in writing. Respondents are asked to put any confidential material in the appendices to their responses.

1.6. Next steps: Having considered the responses to this consultation, we intend to publish our decision in relation to SPEN’s Competition Notice in December 2013.

Each of the questions asked by this consultation is set out in the template below. Note that an editable version of this response template is available on our website as an associated document to this consultation. If you do not wish to use our response template, please ensure that you indicate the RMS and DSA to which your experiences relate.

When considering your responses to these questions, please consider your experiences, the actions that SPEN has undertaken and the actions that you consider it could reasonably undertake.

Please check the RMS and DSAs that are relevant to you in the table below.

RMS	SP Distribution Ltd (SPD)	SP Manweb plc (SPM)
1. Metered low voltage work (LV)	<input type="checkbox"/>	<input type="checkbox"/>
2. Metered high voltage work (HV)	<input type="checkbox"/>	<input type="checkbox"/>
3. Metered HV and Extra High Voltage (EHV) work	<input type="checkbox"/>	<input type="checkbox"/>
4. Metered EHV and above work	<input type="checkbox"/>	<input type="checkbox"/>
5 Distributed Generation (DG) Low Voltage (LV) work	<input type="checkbox"/>	<input type="checkbox"/>
6 Distributed Generation (DG) HV and EHV voltage work	<input type="checkbox"/>	<input type="checkbox"/>
7. Unmetered local authority (LA) work	<input type="checkbox"/>	<input type="checkbox"/>
8. Unmetered PFI work	<input type="checkbox"/>	<input type="checkbox"/>
9. Unmetered Other	<input type="checkbox"/>	<input type="checkbox"/>

When answering the questions below, please check the RMS(s) and DSA(s) that are relevant to your response.

**Chapter Two**

Question	RMS(s)	DSA(s)	Response
One: Are customers aware that competitive alternatives exist?	Metered LV	<input checked="" type="checkbox"/> SPD	Require use IDND AS well AS DND for procurements
	Metered HV	<input checked="" type="checkbox"/> SPM	
	Metered HV/EHV	<input checked="" type="checkbox"/>	
	Metered EHV & above	<input type="checkbox"/>	

Competition In connections – Consultation on SPEN's Competition Notice

Question	RMS(s)	DSA(s)	Response
	DG LV <input type="checkbox"/>		
	DG HV/EHV <input type="checkbox"/>		
	Unmetered (LA) <input type="checkbox"/>		
	Unmetered PFI <input type="checkbox"/>		
	Unmetered (Other) <input type="checkbox"/>		
<b>Two:</b> Do customers have effective choice (ie are customers easily able to seek alternative quotations)?	Metered LV <input checked="" type="checkbox"/> SPD <input type="checkbox"/> Metered HV <input checked="" type="checkbox"/> SPM <input checked="" type="checkbox"/> Metered HV/EHV <input checked="" type="checkbox"/> Metered EHV & above <input type="checkbox"/> DG LV <input type="checkbox"/> DG HV/EHV <input type="checkbox"/> Unmetered (LA) <input type="checkbox"/> Unmetered PFI <input type="checkbox"/> Unmetered (Other) <input type="checkbox"/>		OUR CUSTOMERS ARE AWARE THAT COMPETITION IN CONNECTIONS EXISTS & OTHER COMPANIES ARE USED AS WELL AS SPN
<b>Three:</b> Does SPEN take appropriate measures to ensure that customers are aware of the competitive alternatives available to them?	Metered LV <input checked="" type="checkbox"/> SPD <input type="checkbox"/> Metered HV <input checked="" type="checkbox"/> SPM <input checked="" type="checkbox"/> Metered HV/EHV <input checked="" type="checkbox"/> Metered EHV & <input checked="" type="checkbox"/>		SPEN HAVE INCLUDED US THAT ALTERNATIVE QUOTES CAN BE OBTAINED

Competition in connections – Consultation on SPEN's Competition Notice

Question	RMS(s)	DSA(s)	Response
	above DG LV <input type="checkbox"/>		
	DG HV/EHV <input type="checkbox"/>		
	Unmetered (LA) <input type="checkbox"/>		
	Unmetered PFI <input type="checkbox"/>		
	Unmetered (Other) <input type="checkbox"/>		
<b>Four:</b> Are quotations provided by SPEN clear and transparent? Do they enable customers to make informed decisions whether to accept or reject a quote?	Metered LV <input checked="" type="checkbox"/>	SPD <input type="checkbox"/>	<i>YES - VERY CLEAR.</i>
	Metered HV <input checked="" type="checkbox"/>	SPM <input checked="" type="checkbox"/>	
	Metered HV/EHV <input checked="" type="checkbox"/>		
	Metered EHV & above <input type="checkbox"/>		
	DG LV <input type="checkbox"/>		
	DG HV/EHV <input type="checkbox"/>		
	Unmetered (LA) <input type="checkbox"/>		
	Unmetered PFI <input type="checkbox"/>		
<b>Five:</b> Have customers benefitted from competition? Have they seen improvements in SPEN's price or service quality or have they been able to source a	Metered LV <input checked="" type="checkbox"/>	SPD <input type="checkbox"/>	<i>YES.</i>
	Metered HV <input checked="" type="checkbox"/>	SPM <input checked="" type="checkbox"/>	
	Metered HV/EHV <input checked="" type="checkbox"/>		

Competition In connections – Consultation on SPEN's Competition Notice

Question	RMS(S)	DSA(S)	Response
superior service or better price from SPEN's competitors?	Metered EHV & above <input type="checkbox"/>		
	DG LV <input type="checkbox"/>		
	DG HV/EHV <input type="checkbox"/>		
	Unmetered (LA) <input type="checkbox"/>		
	Unmetered PFI <input type="checkbox"/>		
	Unmetered (Other) <input type="checkbox"/>		

**Chapter Three**

Question	RMS(S)	DSA(S)	Response
<b>One:</b> Does the level of competitive activity in the RMSs show that there is the potential for further competition to develop?	Metered LV <input type="checkbox"/>	SPD <input type="checkbox"/>	n/a.
	Metered HV <input type="checkbox"/>	SPM <input type="checkbox"/>	
	Metered HV/EHV <input type="checkbox"/>		
	Metered EHV & above <input type="checkbox"/>		
	DG LV <input type="checkbox"/>		
	DG HV/EHV <input type="checkbox"/>		
	Unmetered (LA) <input type="checkbox"/>		
	Unmetered PFI <input type="checkbox"/>		
<b>Two:</b> Consider the	Metered LV <input type="checkbox"/>	SPD <input type="checkbox"/>	

Competition in connections – Consultation on SPEN's Competition Notice

Question	RMS(S)	DSA(S)	Response
<p>organisational structure of SPEN's business and its procedures and processes –</p> <p>(a) how do they compare to those you encounter elsewhere in the gas and electricity markets or other industries? Do they reflect best practice?</p> <p>(b) do they enable competitors to compete with the timescales for connection (from quote to energisation) offered by SPEN? Or do they offer SPEN any inherent advantage over its competitors or prevent existing competitors from competing with them effectively?</p> <p>(c) do they assist, obstruct or delay connections providers entering the RMSs?</p>	<p>Metered HV <input type="checkbox"/></p> <p>Metered HV/EHV <input type="checkbox"/></p> <p>Metered EHV &amp; above <input type="checkbox"/></p> <p>DG LV <input type="checkbox"/></p> <p>DG HV/EHV <input type="checkbox"/></p> <p>Unmetered (LA) <input type="checkbox"/></p> <p>Unmetered PFI <input type="checkbox"/></p> <p>Unmetered (Other) <input type="checkbox"/></p>	<p>SPM <input type="checkbox"/></p>	



Competition In connections – Consultation on SPEN's Competition Notice

Question	RMS(S)	DSA(S)	Response
<b>Three:</b> Are the non-contestable charges levied by SPEN for statutory connections in the RMSs consistent with those levied for competitive quotations? Are they easily comparable with competitive quotations?	Metered LV	<input checked="" type="checkbox"/> SPD	YES
	Metered HV	<input checked="" type="checkbox"/> SPM	
	Metered HV/EHV	<input type="checkbox"/>	
	Metered EHV & above	<input checked="" type="checkbox"/>	
	DG LV	<input type="checkbox"/>	
	DG HV/EHV	<input type="checkbox"/>	
	Unmetered (LA)	<input type="checkbox"/>	
	Unmetered PFI	<input type="checkbox"/>	
<b>Four:</b> What factors are key influences on development of competition in the RMSs? In particular, if you are an existing/potential competitor  <b>(a)</b> what is the potential for you to enter new RMSs, or grow your share of an RMS you already operate in?  <b>(b)</b> are there any types of connection in any of the RMSs, or geographic locations in SPEN's DSAs, that by their nature, are	Metered LV	<input type="checkbox"/> SPD	N/A
	Metered HV	<input type="checkbox"/> SPM	
	Metered HV/EHV	<input type="checkbox"/>	
	Metered EHV & above	<input type="checkbox"/>	
	DG LV	<input type="checkbox"/>	
	DG HV/EHV	<input type="checkbox"/>	
	Unmetered (LA)	<input type="checkbox"/>	
	Unmetered PFI	<input type="checkbox"/>	
Unmetered	<input type="checkbox"/>		

Competition in connections – Consultation on SPEN's Competition Notice

Question	RMS(S)	DSA(S)	Response
not attractive to competition? Please explain your response.	(Other)		

**Chapter Four**

Question	RMS(S)	DSA(S)	Response
<b>One:</b> Do you agree with the methods used by SPEN to analyse the level of competition in each of the RMSs covered by its application? In particular, do you consider that SPEN gives a clear indication of the current level of competitive activity?	Metered LV	<input checked="" type="checkbox"/> SPD	YES
	Metered HV	<input checked="" type="checkbox"/> SPM	
	Metered HV/EHV	<input checked="" type="checkbox"/>	
	Metered EHV & above	<input type="checkbox"/>	
	DG LV	<input type="checkbox"/>	
	DG HV/EHV	<input type="checkbox"/>	
	Unmetered (LA)	<input type="checkbox"/>	
	Unmetered PFI	<input type="checkbox"/>	
<b>Two:</b> Do you consider that competitive activity is at a level that in itself indicates that effective competition exists?	Metered LV	<input checked="" type="checkbox"/> SPD	YES
	Metered HV	<input checked="" type="checkbox"/> SPM	
	Metered HV/EHV	<input checked="" type="checkbox"/>	



Competition in connections – Consultation on SPEN's Competition Notice

	Metered EHV & above	<input type="checkbox"/>		
	DG LV	<input type="checkbox"/>		
	DG HV/EHV	<input type="checkbox"/>		
	Unmetered (LA)	<input type="checkbox"/>		
	Unmetered PFI	<input type="checkbox"/>		
	Unmetered (Other)	<input type="checkbox"/>		

**Chapter Six**

Question	RMS(S)	DSA(S)	Response
<b>One:</b> Do you consider customers have an effective choice of connections provider? In particular, do you feel that levels of choice, value and service will be protected and will improve if the restriction on SPEN's ability to earn a margin is removed?	Metered LV	<input checked="" type="checkbox"/> SPD	• YES • YES.
	Metered HV	<input checked="" type="checkbox"/> SPM	
	Metered HV/EHV	<input checked="" type="checkbox"/>	
	Metered EHV & above	<input checked="" type="checkbox"/>	
	DG LV	<input type="checkbox"/>	
	DG HV/EHV	<input type="checkbox"/>	
	Unmetered (LA)	<input type="checkbox"/>	
	Unmetered PFI	<input type="checkbox"/>	
<b>Two:</b> Do you consider that there is scope for	Metered LV	<input checked="" type="checkbox"/> SPD	
		<input type="checkbox"/>	

Competition in connections – Consultation on SPEN's Competition Notice

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competitors to grow their market share (for example, if SPEN put up its prices or if its quality dropped), or are there factors constraining this?	Metered HV	<input checked="" type="checkbox"/> SPM	NO - COMPETITORS CAN WIN THEIR MARKET SHARES.
	Metered HV/EHV	<input checked="" type="checkbox"/>	
	Metered EHV & above	<input checked="" type="checkbox"/>	
	DG LV	<input type="checkbox"/>	
	DG HV/EHV	<input type="checkbox"/>	
	Unmetered (LA)	<input type="checkbox"/>	
	Unmetered PFI	<input type="checkbox"/>	
<b>Three:</b> Do you consider that there is scope/appetite for new participants to enter the market? Do you consider that new entrants would be able to provide similar or better services than existing participants or are there factors constraining this?	Metered LV	<input checked="" type="checkbox"/> SPD	YES - UNKNOWN UNTIL LOCAL TIME THAT THIS HAPPENS.
	Metered HV	<input checked="" type="checkbox"/> SPM	
	Metered HV/EHV	<input checked="" type="checkbox"/>	
	Metered EHV & above	<input type="checkbox"/>	
	DG LV	<input type="checkbox"/>	
	DG HV/EHV	<input type="checkbox"/>	
	Unmetered (LA)	<input type="checkbox"/>	
	Unmetered PFI	<input type="checkbox"/>	
<b>Four:</b> Given your overall	Metered LV	<input checked="" type="checkbox"/> SPD	
		<input type="checkbox"/>	

Competition in connections – Consultation on SPEN's Competition Notice

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<p>view of SPEN, do you consider that we can have confidence in them to operate appropriately in the event that price regulation is lifted?</p>	<p>Metered HV <input checked="" type="checkbox"/></p> <p>Metered HV/EHV <input checked="" type="checkbox"/></p> <p>Metered EHV &amp; above DG LV <input type="checkbox"/></p> <p>DG HV/EHV <input type="checkbox"/></p> <p>Unmetered (LA) <input type="checkbox"/></p> <p>Unmetered PFI <input type="checkbox"/></p> <p>Unmetered (Other) <input type="checkbox"/></p>	<p>SPM <input checked="" type="checkbox"/></p>	<p>Yes</p>
<p>Five: Do you consider that there are factors not addressed in this consultation that should be taken into consideration in determining whether price regulation should be lifted?</p>	<p>Metered LV <input checked="" type="checkbox"/></p> <p>Metered HV <input checked="" type="checkbox"/></p> <p>Metered HV/EHV <input checked="" type="checkbox"/></p> <p>Metered EHV &amp; above DG LV <input type="checkbox"/></p> <p>DG HV/EHV <input type="checkbox"/></p> <p>Unmetered (LA) <input type="checkbox"/></p> <p>Unmetered PFI <input type="checkbox"/></p> <p>Unmetered (Other) <input type="checkbox"/></p>	<p>SPD <input type="checkbox"/></p> <p>SPM <input checked="" type="checkbox"/></p>	<p>No.</p>