# Consultation Response and Questions

* 1. We would like to hear the views of interested parties in relation to any of the issues set out in this document.
  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.
  3. Responses should be received by 20 March 2014 and should be sent to:

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* 1. Unless marked confidential, all responses will be published by placing them in our library and on its website [www.ofgem.gov.uk](http://www.ofgem.gov.uk/). Respondents may request that their response is kept confidential. We 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.
  2. 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.
  3. Next steps: Having considered the responses to this consultation, we intend to publish our decision in relation to UKPN’s Competition Notice in April 2014.

*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 UKPN has undertaken and the actions that you consider it could reasonably undertake.*

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

|  |  |
| --- | --- |
| **DSA** |  |
| Eastern Power Networks plc |  |
| London Power Networks plc |  |
| South Eastern Power Networks plc |  |

**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:** Do you, as a customer or competitor, view these proposed alternatives as distinct segments within the connections market? Are they an appropriate way of segmenting the market for the assessment of effective competition? | Metered HVHV  Unmetered (LA)  Unmetered (Other) |  | EPN  LPN  SPN |  |  |
| **Two**: Do you consider that UKPN’s definitions of its proposed alternative segments are clear and unambiguous? | Metered HVHV  Unmetered (LA)  Unmetered (Other) |  | EPN  LPN  SPN |  |  |
| **Three**: Please provide details of any connection activity which would be difficult to categorise under the proposed alternative segments. | Metered HVHV  Unmetered (LA)  Unmetered (Other) |  | EPN  LPN  SPN |  |  |
| **Four**: Are there other factors that we should take into account in deciding whether to accept or reject UKPN’s proposed definitions of the alternative market segments? | Metered HVHV  Unmetered (LA)  Unmetered (Other) |  | EPN  LPN  SPN |  |  |

**Chapter Three**

| **Question** | **RMS(s)** | | **DSA(s)** | | **Response** |
| --- | --- | --- | --- | --- | --- |
| **One:** Are customers aware that competitive alternatives exist? | Metered HVHV  Unmetered (LA)  Unmetered (Other) |  | EPN  LPN  SPN |  |  |
| **Two:** Do customers have effective choice, ie are they easily able to seek quotations from competitive alternatives? | Metered HVHV  Unmetered (LA)  Unmetered (Other) |  | EPN  LPN  SPN |  |  |
| **Three:** Does UKPN take appropriate measures to ensure that customers are aware of competitive alternatives? | Metered HVHV  Unmetered (LA)  Unmetered (Other) |  | EPN  LPN  SPN |  |  |
| **Four:** Are quotations provided by UKPN clear and transparent? Do they enable customers to make informed decisions whether to accept or reject a quote? | Metered HVHV  Unmetered (LA)  Unmetered (Other) |  | EPN  LPN  SPN |  |  |
| **Five:** Have customers benefitted from competition? Have they seen improvements in UKPN’s price or service quality or have they been able to source a superior service or better price from UKPN’s competitors? | Metered HVHV  Unmetered (LA)  Unmetered (Other) |  | EPN  LPN  SPN |  |  |

**Chapter Four**

| **Question** | **RMS(S)** |  | **DSA(S)** | | **Response** |
| --- | --- | --- | --- | --- | --- |
| **One:** Does the level of competitive activity in the market segments show that there is the potential for further competition to develop? | Metered HVHV  Unmetered (LA)  Unmetered (Other) |  | EPN  LPN  SPN |  |  |
| **Two:** Consider the organisational structure of UKPN’s business and its procedures and processes –   1. how do they compare to those you encounter elsewhere in the gas and electricity markets or other industries? Do they reflect best practice? 2. do they enable competitors to compete with the timescales for connection (from quote to energisation) offered by UKPN? Or do they offer UKPN any inherent advantage over its competitors or prevent existing competitors from competing with them effectively? 3. do they assist, obstruct or delay connections providers entering the market segment? | Metered HVHV  Unmetered (LA)  Unmetered (Other) |  | EPN  LPN  SPN |  |  |
| **Three:** Are the non-contestable charges levied by UKPN for statutory connections in the RMSs consistent with those levied for competitive quotations? Are they easily comparable with competitive quotations? Do the differences in charges between a POC quote and the non-contestable elements of a full works quote act as a barrier to competition? | Metered HVHV  Unmetered (LA)  Unmetered (Other) |  | EPN  LPN  SPN |  |  |
| **Four:** What factors are key influences on development of competition in the market segments? In particular, if you are an existing/potential competitor:   1. what is the potential for competitors to enter the market segments, or grow their share of the market segments if they already operate in? 2. are there are any types of connection in the market segments, or geographic locations in UKPN’s DSAs, that by their nature, are not attractive to competition? Please explain why in your response. | Metered HVHV  Unmetered (LA)  Unmetered (Other) |  | EPN  LPN  SPN |  |  |

**Chapter Five**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Question** | **RMS(S)** |  | **DSA(S)** |  | **Response** |
| **One:** Do you agree with the methods used by UKPN to assess the level of competition in the market segments covered by its application? In particular, do you consider that the data provided gives a clear indication of the current level of competitive activity in each segment? | Metered HVHV  Unmetered (LA)  Unmetered (Other) |  | EPN  LPN  SPN |  |  |
| **Two:** Do you consider that competitive activity is at a level that in itself indicates that effective competition exists? In each market segment, do you consider that the coverage of existing competitive activity extends across segment? | Metered HVHV  Unmetered (LA)  Unmetered (Other) |  | EPN  LPN  SPN |  |  |

**Chapter Seven**

| **Question** | | **RMS(S)** | |  | | **DSA(S)** | | **Response** |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **One:** Do you, as a customer or competitor, view these proposed alternatives as distinct segments within the connections market? Are they an appropriate way of segmenting the market for the assessment of effective competition? | | Metered HVHV  Unmetered (LA)  Unmetered (Other) | |  | | EPN  LPN  SPN |  |  |
| **Two:** 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 UKPN’s ability to earn a margin is removed? | Metered HVHV  Unmetered (LA)  Unmetered (Other) | |  | | EPN  LPN  SPN | |  |  |
| **Three:** Do you consider that there is scope for competitors to grow their market share, (for example if UKPN put up its prices or if its quality dropped) or are there factors constraining this? | Metered HVHV  Unmetered (LA)  Unmetered (Other) | |  | | EPN  LPN  SPN | |  |  |
| **Four:** Do you consider that there is scope and/or 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 HVHV  Unmetered (LA)  Unmetered (Other) | |  | | EPN  LPN  SPN | |  |  |
| **Five:** Given your overall view of UKPN, do you consider that we can have confidence in them to operate appropriately in the event that price regulation is lifted? | Metered HVHV  Unmetered (LA)  Unmetered (Other) | |  | | EPN  LPN  SPN | |  |  |
| **Six:** 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? | Metered HVHV  Unmetered (LA)  Unmetered (Other) | |  | | EPN  LPN  SPN | |  |  |