

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 WPD 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	DG HV and EHV RMS
WPD (South West) plc	<input checked="" type="checkbox"/>
WPD (South Wales) plc	<input checked="" type="checkbox"/>
WPD (East Midlands) plc	<input type="checkbox"/>
WPD (West Midlands) plc	<input checked="" type="checkbox"/>

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

Chapter Two

Question			Response
One: Are customers aware that competitive alternatives exist?	South West	<input checked="" type="checkbox"/>	As consultants representing a number of WPD's customers we can categorically confirm that these customers are fully aware that competitive alternatives exist.
	South Wales	<input checked="" type="checkbox"/>	
	East Midlands	<input type="checkbox"/>	
	West Midlands	<input checked="" type="checkbox"/>	
Two: Do customers have effective choice (ie are customers easily able to seek alternative quotations)?	South West	<input checked="" type="checkbox"/>	Yes, customers do have an effective choice although we would like to see more ICPs come into the market.
	South Wales	<input checked="" type="checkbox"/>	
	East Midlands	<input type="checkbox"/>	

Question	Response	
	West Midlands	<input checked="" type="checkbox"/>
Three: Does WPD take appropriate measures to ensure that customers are aware of the competitive alternatives available to them?	South West	<input checked="" type="checkbox"/>
	South Wales	<input checked="" type="checkbox"/>
	East Midlands	<input type="checkbox"/>
	West Midlands	<input checked="" type="checkbox"/>
Four: Are quotations provided by WPD clear and transparent? Do they enable customers to make informed decisions whether to accept or reject a quote?	South West	<input checked="" type="checkbox"/>
	South Wales	<input checked="" type="checkbox"/>
	East Midlands	<input type="checkbox"/>
	West Midlands	<input checked="" type="checkbox"/>
Five: Have customers benefitted from competition? Have they seen improvements in WPD's price or service quality or have they been able to source a superior service or better price from WPD's competitors?	South West	<input checked="" type="checkbox"/>
	South Wales	<input checked="" type="checkbox"/>
	East Midlands	<input type="checkbox"/>
	West Midlands	<input checked="" type="checkbox"/>

Chapter Three

Question	DSA(S)	Response
One: Does the level of competitive activity in the RMS show that there is the potential for further	South West	<input checked="" type="checkbox"/>
	South Wales	<input checked="" type="checkbox"/>

Question	DSA(S)	Response
competition to develop?	East Midlands <input type="checkbox"/> West Midlands <input checked="" type="checkbox"/>	
<p>Two: Consider the organisational structure of WPD'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 WPD? Or do they offer WPD 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 RMS?</p>	South West <input checked="" type="checkbox"/> South Wales <input checked="" type="checkbox"/> East Midlands <input type="checkbox"/> West Midlands <input checked="" type="checkbox"/>	<p>(a) The flat structure of WPD's business creates a very transparent organisation which helps it deliver high service quality and makes it very easy for customers to deal with. WPD's procedures and processes definitely reflect best practice.</p> <p>(b) WPD actively guides customers towards competitors (generally not specifically) where it believes that a competitor may improve on WPD's timescales. This is extremely useful and is much appreciated by customers.</p> <p>(c) We have no direct knowledge of this but have not heard anecdotally that WPD either obstructs or delays connection providers entering RMS.</p>

Question	DSA(S)	Response
Three: Are the non-contestable charges levied by WPD for statutory connections in the RMS consistent with those levied for competitive quotations? Are they easily comparable with competitive quotations?	South West	<input checked="" type="checkbox"/>
	South Wales	<input checked="" type="checkbox"/>
	East Midlands	<input type="checkbox"/>
	West Midlands	<input checked="" type="checkbox"/>
Four: What factors are key influences on development of competition in the RMSs? In particular, if you are an existing/potential competitor (a) what is the potential for you to enter new RMS, or grow your share in the RMS you already operate in? (b) are there any types of connection in the RMS, or geographic locations in WPD's DSAs, that by their nature, are not attractive to competition? Please explain your response.	South West	<input checked="" type="checkbox"/>
	South Wales	<input checked="" type="checkbox"/>
	East Midlands	<input type="checkbox"/>
	West Midlands	<input checked="" type="checkbox"/>
		<p>The non-contestable charges levied by WPD for statutory connections are in our experience consistent with those levied for competitive quotations and the two sets of charges are easily comparable. The differences in charges between a POC quote and the non-contestable elements of a full works quote are minor impediment to competition and it would be better if they were identical.</p> <p>The main factors that influence the development of competition in each RMS will always be price and on time delivery. Due to the relative small scale of competing connection providers they cannot source materials and apparatus at the same advantages prices as WPD. This of course does not apply only to WPD but to all DNOs. This disparity could be addressed by the ICPs being allowed to purchase materials at the same price as each host DNO.</p> <p>(a) N/A</p> <p>(b) N/A</p>

Chapter Four

Question	DSA(S)	Response
One: Do you agree with the methods used by WPD to analyse the level of	South West	<input checked="" type="checkbox"/>
	South Wales	<input checked="" type="checkbox"/>
		Yes.

competition in the RMS covered by its application? In particular, do you consider that WPD gives a clear indication of the current level of competitive activity?	East Midlands <input type="checkbox"/>	
	West Midlands <input checked="" type="checkbox"/>	
Two: Do you consider that competitive activity is at a level that in itself indicates that effective competition exists?	South West <input checked="" type="checkbox"/>	Yes.
	South Wales <input checked="" type="checkbox"/>	
	East Midlands <input type="checkbox"/>	
	West Midlands <input checked="" type="checkbox"/>	

Chapter Six

Question	DSA(S)	Response
One: 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 WPD's ability to earn a margin is removed?	South West <input checked="" type="checkbox"/> South Wales <input checked="" type="checkbox"/> East Midlands <input type="checkbox"/> West Midlands <input checked="" type="checkbox"/>	There is no doubt that customers do have an effective choice of connection provider. WPD's processes and procedures and indeed culture we feel are such that levels of choice, value and service will endure and continue to improve if the restriction on its ability to earn a margin is removed.
Two: Do you consider that there is scope for competitors to grow their market share (for example, if WPD put up its prices or if its quality dropped), or are there factors constraining this?	South West <input checked="" type="checkbox"/> South Wales <input checked="" type="checkbox"/> East Midlands <input type="checkbox"/> West Midlands <input checked="" type="checkbox"/>	Clearly, if WPD puts up its prices or if its quality dropped (especially delivery times) then some of its competitors would benefit. Customers however would not!

Question	DSA(S)	Response
Three: 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?	South West <input checked="" type="checkbox"/> South Wales <input checked="" type="checkbox"/> East Midlands <input type="checkbox"/> West Midlands <input checked="" type="checkbox"/>	There is definitely scope and probably a need across all DNO's DSAs for new participants to enter the market. We believe however that the appetite for doing so is decreasing with the passage of time and that many existing Independent Connection Providers will not survive beyond the present rush to connect DG. There is no reason why new entrants should not be able to provide similar services than existing participants, although the price of materials when competing with DNOs is always going to be a constraining factor.
Four: Given your overall view of WPD, do you consider that we can have confidence in them to operate appropriately in the event that price regulation is lifted?	South West <input checked="" type="checkbox"/> South Wales <input checked="" type="checkbox"/> East Midlands <input type="checkbox"/> West Midlands <input checked="" type="checkbox"/>	We believe that Ofgem can have 100% confidence in WPD in this matter. This is due not only to matters that can be measured but an inherent culture that has been developed within WPD over many years.
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?	South West <input checked="" type="checkbox"/> South Wales <input checked="" type="checkbox"/> East Midlands <input type="checkbox"/> West Midlands <input checked="" type="checkbox"/>	No, we believe that all factors have been addressed.