



March 20th 2014

James Veaney
Head of Distribution Policy Ofgem,
9 Millbank,
London,
SW1P 3GE

By email

Dear James,

I am writing on behalf of the Metered Connection Customer Group (MCCG) to set out our group's approach to the Electricity North West (ENW) competition notice consultation published by Ofgem dated 7th February 2014.

MCCG has worked with Ofgem and the Distributors for some considerable time and represents the interest of customers and ICPs in developing Competition in Connections. We are not representative of any Company or individual and present a collective view.

Having considered the details of the ENW competition notice and your subsequent consultation we confirm the MCCG is willing to support ENW's submission in the metered demand market segments for low voltage work. We have not offered a view on the metered DG with LV works or unmetered market segment as our members tend not to work in these market segments. Our detailed response is set out in the response proforma below appended to this letter.

For many years ENW have outperformed the other DNOs in terms of their approach to Competition in Connections. They have listened to much of the feedback offered by MCCG members over the years and worked to improve the services they offer. We would urge ENW to press on with this work without any further undue delay to help ensure that MCCG members can benefit from the same level of access to the information and services as ENW's own in house connections business. Such a development would also bring about the added benefit of addressing the concerns raised by ENW and other DNOs to both DECC and OFGEM that they waste lots of time and resources providing quotations for works that never go ahead. If ICP's, IDNOs and other accredited customer representatives could access this data, then the market would resolve this problem which would be a far better outcome for all customers rather than re-introducing Assessment and Design fees to cover the costs of inefficient connections requests processes.

Whilst ENW's auditing regime is seen as the market leading process for the electricity industry MCCG members question the need for detailed auditing where work is

undertaken by a suitably accredited agents acting as ICPs, but we see across the UK that no auditing or checks are required or undertaken when the same agent acts as a subcontractor to the DNO. Such auditing arrangements impose undue costs on competitors and time delays for customers.

MCCG members believe that ENW's complete change in attitude and approach towards competition in connections was a result of the direct action taken by Ofgem against what was then Uniteld Utilities back in 2002. Since then, ENW went from one of the worst obstructers to competition in connections to market leaders in support of competition. They have shown that if there is a real desire and incentive to change then it can and does happen.

Should you have any queries please don't hesitate to contact me

Yours sincerely,



Neil Fitzsimons

Chair Metered Connections Customer Group
Tel 07825 379387
neilfitzsimons@poweronconnections.co.uk

APPENDIX : Table of the RMS’s that are relevant to MCCG members.

Chapter Two

Question	RMS(s)	Response
One: Are customers aware that competitive alternatives exist?	Metered Demand LV <input checked="" type="checkbox"/> DG LV <input type="checkbox"/> Unmetered (Other) <input type="checkbox"/>	Yes
Two: Do customers have effective choice (ie are customers easily able to seek alternative quotations)?	Metered Demand LV <input checked="" type="checkbox"/> DG LV <input type="checkbox"/> Unmetered (Other) <input type="checkbox"/>	Yes
Three: Does ENWL take appropriate measures to ensure that customers are aware of the competitive alternatives available to them?	Metered Demand LV <input checked="" type="checkbox"/> DG LV <input type="checkbox"/> Unmetered (Other) <input type="checkbox"/>	ENWL provide information in various ways to customers to ensure that they are aware of competition.
Four: Are quotations provided by ENWL clear and transparent? Do they enable	Metered Demand LV <input checked="" type="checkbox"/> DG LV <input type="checkbox"/>	The quotations that MCCG members receive are clear and transparent. If there are any areas that require clarity this is provided by ENWL’s team.

Competition in connections – Consultation on ENWL’s Competition Notice

Question	RMS(s)	Response
customers to make informed decisions whether to accept or reject a quote?	DG LV <input type="checkbox"/> Unmetered (Other)	
Five: Have customers benefitted from competition? Have they seen improvements in ENWL’s price or service quality or have they been able to source a superior service or better price from ENWL’s competitors?	Metered Demand LV <input checked="" type="checkbox"/> DG LV <input type="checkbox"/> Unmetered (Other) <input type="checkbox"/>	Yes

Chapter Three

Question	RMS(S)	Response
One: Does the level of competitive activity in the RMSs show that there is the potential for further competition to develop?	Metered Demand LV <input checked="" type="checkbox"/> DG LV <input type="checkbox"/> Unmetered (Other) <input type="checkbox"/>	Whilst there are a number of competitors in the RSM MCCG members believe that there is potential for further competition to develop.
Two: Consider the organisational structure of ENWL’s business and its	Metered Demand LV <input checked="" type="checkbox"/> <input type="checkbox"/>	

Competition in connections – Consultation on ENWL’s Competition Notice

Question	RMS(S)	Response
<p>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 ENWL? Or do they offer ENWL 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</p>	<p>DG LV</p> <p style="text-align: right;"><input type="checkbox"/></p> <p>Unmetered (Other)</p>	<p>ENWL have always been the leader in best practice across the electricity market. Whilst there are still a few areas to address MCCG memvers see them as the role model for the other DNOs. There are still areas to address to bring the electricity market up to the same level as gas. In particular the self-assessment of points of connection and unfetered access to the network to programme work to suit our customers are still areas we wish to develop. We know that ENWL will be keen to assist on this and we need to deliver these in as short a time as possible.</p> <p>We believe that we can deliver a connection to a customer in a timescale that is close to that of ENWL. The issues mentioned above are the keys to ensuring that we can compete in the correct timescale and be judged under our own performance. These issues may require IT infrastructure improvements that we would encourage all DNOs to put in place in the least time possible.</p> <p>ENWL have always been the most helpful in completing connections in the shortest timescale that the processes will allow.</p>

Competition in connections – Consultation on ENWL’s Competition Notice

Question	RMS(S)	Response
RMSs?		
<p>Three: Are the non-contestable charges levied by ENWL for statutory connections in the RMSs consistent with those levied for competitive quotations? Are they easily comparable with competitive quotations?</p>	<p>Metered Demand LV <input checked="" type="checkbox"/></p> <p>DG LV <input type="checkbox"/></p> <p>Unmetered (Other) <input type="checkbox"/></p>	<p>MCCG members believe that the charges levied by ENWL are comparable.</p>
<p>Four: What factors are key influences on development of competition in the RMSs? In particular, if you are an existing/potential competitor</p> <p>(a) what is the potential for you to enter new RMSs, or grow your share of an RMS you already operate in?</p> <p>(b) are there any types of connection in any of the RMSs, or geographic locations in ENWL’s DSA, that by their nature, are not attractive to competition? Please explain your response.</p>	<p>Metered Demand LV <input checked="" type="checkbox"/></p> <p>DG LV <input type="checkbox"/></p> <p>Unmetered (Other) <input type="checkbox"/></p>	<p>MCCG members believe they could increase their share of the market in the RSM. The main constraint is the use of the LV link box and the requirement for ICPs to go down the section 50 route for NRSWA works as opposed to using the ENW’s statutory powers. This is a financial barrier for smaller projects. This is an area that MCCG members will continue to talk to ENWL about to see if we can come up with an arrangement that will make this redundant.</p> <p>We do not see any connection activity in the ENWL’s RSM that is not attractive.</p>

Chapter Four

Question	RMS(S)	Response
<p>One: Do you agree with the methods used by ENWL to analyse the level of competition in each of the RMSs covered by its application? In particular, do you consider that ENWL gives a clear indication of the current level of competitive activity?</p>	<p>Metered Demand LV <input checked="" type="checkbox"/></p> <p>DG LV <input type="checkbox"/></p> <p>Unmetered (Other) <input type="checkbox"/></p>	<p>MCCG members understand the methodology used by ENWL</p>
<p>Two: Do you consider that competitive activity is at a level that in itself indicates that effective competition exists?</p>	<p>Metered Demand LV <input checked="" type="checkbox"/></p> <p>DG LV <input type="checkbox"/></p> <p>Unmetered (Other) <input type="checkbox"/></p>	<p>Yes, although as mentioned earlier we believe there is always room for further improvement</p>

Chapter Seven

Question	RMS(S)	Response
<p>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 ENWL’s ability to earn a margin is removed?</p>	<p>Metered Demand LV <input checked="" type="checkbox"/></p> <p>DG LV <input type="checkbox"/></p> <p>Unmetered (Other) <input type="checkbox"/></p>	<p>MCCG members believe that customers will be protected by competition in this RSM.</p>
<p>Two: Do you consider that there is scope for competitors to grow their market share (for example, if ENWL put up its prices or if its quality dropped), or are there factors constraining this?</p>	<p>Metered Demand LV <input checked="" type="checkbox"/></p> <p>DG LV <input type="checkbox"/></p> <p>Unmetered (Other) <input type="checkbox"/></p>	<p>Yes</p>
<p>Three: Do you consider that there is scope/appetite for new participants to enter the market? Do you</p>	<p>Metered Demand LV <input checked="" type="checkbox"/></p> <p>DG LV <input type="checkbox"/></p>	<p>MCCG members believe that ENWL’s RSM is one of the most competitive in the electricity market.</p>

Competition in connections – Consultation on ENWL’s Competition Notice

Question	RMS(S)	Response
consider that new entrants would be able to provide similar or better services than existing participants or are there factors constraining this?	Unmetered (Other) <input type="checkbox"/>	
Four: Given your overall view of ENWL, do you consider that we can have confidence in them to operate appropriately in the event that price regulation is lifted?	Metered Demand LV <input checked="" type="checkbox"/> DG LV <input type="checkbox"/> Unmetered (Other) <input type="checkbox"/>	MCCG members believe that ENWL would operate appropriately.
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?	Metered Demand LV <input checked="" type="checkbox"/> DG LV <input type="checkbox"/> Unmetered (Other) <input type="checkbox"/>	No