

# Appendix 1 - Consultation Responses 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. If you have any questions on this document please contact:

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1.4. Responses should be sent, preferably by e-mail by 21 March 2014 to the address above.

1.5. 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.

1.6. Respondents who wish to have their responses kept confidential should clearly mark the document/s to that effect and include the reasons for confidentiality. Respondents are asked to put any confidential material in the appendices to their responses.

1.7. Next steps: Having considered the responses to this consultation, we intend to publish our decision in relation to ENWL'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 ENWL has undertaken and the actions that you consider it could reasonably undertake.

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

**Chapter Two**

Question	RMS(s)	Response
<b>One:</b> Are customers aware that competitive alternatives exist?	Metered Demand LV <input type="checkbox"/> DG LV <input checked="" type="checkbox"/> Unmetered (Other) <input type="checkbox"/>	From our perspective we believe that ENW have always been very proactive in making customers aware of competitive connection alternative arrangements. We note that it may be difficult to arrange for competition to thrive in some areas and particularly when considering connection alternative arrangements whereby O/H connections are required .
<b>Two:</b> Do customers have effective choice (ie are customers easily able to seek alternative quotations)?	Metered Demand LV <input type="checkbox"/> DG LV <input checked="" type="checkbox"/> Unmetered (Other) <input type="checkbox"/>	See above
<b>Three:</b> Does ENWL take appropriate measures to ensure that customers are aware of the competitive alternatives available to them?	Metered Demand LV <input type="checkbox"/> DG LV <input checked="" type="checkbox"/> Unmetered (Other) <input type="checkbox"/>	From our own perspective we have no concern in that ENW does ensure that customer have the option and facility to engage fully with regard to alternative arrangements for competitive connections. There remain concerns relating to some technical considerations but would confirm that ENW are fully engaged with customers and ICP’s through the DG Technical Workshops etc to resolve outstanding issues.
<b>Four:</b> Are quotations provided by ENWL clear and	Metered Demand LV <input type="checkbox"/>	We have never encountered problems with the quality and constancy of the quotations provided. Likewise we have not encountered any problems

Question	RMS(s)	Response
transparent? Do they enable customers to make informed decisions whether to accept or reject a quote?	DG LV <input type="checkbox"/> Unmetered (Other) <input checked="" type="checkbox"/>	when we have subsequently reverted to ENW with requests for assistance or further information.
<b>Five:</b> 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 type="checkbox"/> DG LV <input checked="" type="checkbox"/> Unmetered (Other) <input type="checkbox"/>	We believe that the service from ENW has always been to a high standard. We do occasionally encounter minor problems, but these tend to be relating to 'standards' rather than quotation issues. We note however that it may be difficult in some areas gaining a quotation from suitably accredited ICP's for, say, overhead line work.

### **Chapter Three**

Question	RMS(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 Demand LV <input type="checkbox"/> DG LV <input checked="" type="checkbox"/> Unmetered (Other) <input type="checkbox"/>	Whilst there is considered to be scope for competition to develop it should be noted that there may be little appetite for ICP's to consider work in any RMS where overhead line work is a major constituent of any actual connection. (Is this type of work too specialised and inconsistent?). One further consideration relating to the above is that potentially cheaper O/H connections may, by necessity, require a more expensive U/G connection if the work is to be undertaken / performed by an ICP.
<b>Two:</b> Consider the organisational structure of ENWL's business and its procedures and processes –  <b>(a)</b> how do they compare to those you encounter elsewhere in the gas and	Metered Demand LV <input type="checkbox"/> DG LV <input checked="" type="checkbox"/> Unmetered (Other) <input type="checkbox"/>	We have encountered few problems with ENW.

Question	RMS(S)	Response
<p>electricity markets or other industries? Do they reflect best practice?</p> <p><b>(b)</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><b>(c)</b> do they assist, obstruct or delay connections providers entering the RMSs?</p>		<p>'Time to connect' remains an issue throughout the industry and ENW has been better than most of the other DNO's in managing the overall process. This comment relates to both competitive and statutory connections</p> <p>No Comment</p>
<p><b>Three:</b> 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 type="checkbox"/></p> <p>DG LV <input checked="" type="checkbox"/></p> <p>Unmetered (Other) <input type="checkbox"/></p>	<p>There is not considered to be a discrepancy between competitive and statutory connections quotations such that this would be a barrier to competition.</p>

Question	RMS(S)	Response
<p><b>Four:</b> What factors are key influences on development of competition in the RMSs? In particular, if you are an existing/potential competitor</p> <p><b>(a)</b> what is the potential for you to enter new RMSs, or grow your share of an RMS you already operate in?</p> <p><b>(b)</b> are there are 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 type="checkbox"/></p> <p>DG LV <input checked="" type="checkbox"/></p> <p>Unmetered (Other) <input type="checkbox"/></p>	<p>N/A</p> <p>N/A</p> <p>N/A. Please note the comment regarding overhead line work.</p>

## **Chapter Four**

<b>Question</b>	<b>RMS(S)</b>	<b>Response</b>
<b>One:</b> 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?	Metered Demand LV <input type="checkbox"/> DG LV <input checked="" type="checkbox"/> Unmetered (Other) <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 Demand LV <input type="checkbox"/> DG LV <input checked="" type="checkbox"/> Unmetered (Other) <input type="checkbox"/>	

## **Chapter Seven**

<b>Question</b>	<b>RMS(S)</b>	<b>Response</b>
<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 ENWL's ability to earn a margin is removed?	Metered Demand LV <input type="checkbox"/> DG LV <input checked="" type="checkbox"/> Unmetered (Other) <input type="checkbox"/>	We must assume that the information provided was supplied against a common template ?
<b>Two:</b> Do you consider that there is scope for competitors to grow their	Metered Demand LV <input type="checkbox"/> LV <input checked="" type="checkbox"/>	See above

Question	RMS(S)	Response
market share (for example, if ENWL put up its prices or if its quality dropped), or are there factors constraining this?	DG LV <input type="checkbox"/> Unmetered (Other)	
<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 Demand LV <input type="checkbox"/> DG LV <input checked="" type="checkbox"/> Unmetered (Other) <input type="checkbox"/>	See above
<b>Four:</b> 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 type="checkbox"/> DG LV <input checked="" type="checkbox"/> Unmetered (Other) <input type="checkbox"/>	In general we believe that ENW has made excellent improvements in their business strategy towards customer consultation / customer's requirements and competitive connections. However we still have reservations (as with all of the DNO's) to situations whereby price regulation may be lifted but no competition exists or is likely to exist for the immediate future.
<b>Five:</b> 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 type="checkbox"/> DG LV <input checked="" type="checkbox"/> Unmetered (Other) <input type="checkbox"/>	See above. No further comment

