

# Milestones and Queue Management

2021



# Contents

Introduction .....	1
What are Milestones? .....	2
Milestone Definitions .....	3
<i>Demand (below threshold)</i> .....	3
<i>Demand (above threshold)</i> .....	3
<i>Generation (HV &amp; EHV)</i> .....	4
What happens if a milestone is missed? .....	6
What if a delay is out of the customer's control? .....	7
Process for missed Milestones .....	8
<i>Missed Milestones – Demand</i> .....	8
<i>Missed Milestones – Generation</i> .....	9
Cumulative Delay Examples .....	10

# Introduction

When customers apply to WPD for a connection, whether demand or generation, they are given a Connection Offer for the required capacity. There is a finite amount of capacity on any given area of network. Once that capacity is fully utilised network reinforcement may be required to create additional capacity. This reinforcement has both cost and time implications for new connecting customers.

In assessing any new connection request WPD need to take into account existing connected sites and customers that have accepted connection offers but have not yet connected (“Accepted Offers”). If there is limited capacity currently available, Accepted Offers can have an impact on the cost and design of any subsequent offers issued. This in essence forms the “connections queue”.

Many of these Accepted Offers progress their connection to energisation in line with their contractual milestones. However where an Accepted Offer is not progressing this can adversely impact upon other Connection Offers that are ready to progress but await completion of reinforcement works. This is not the most efficient way to allocate network capacity. Connections queue management is therefore achieved by ensuring accepted connections progress in line with their contractual milestones.

The utilisation of milestones is intended to enable WPD to release otherwise committed capacity in order to facilitate working towards our Licence obligation to permit the development, maintenance, and operation of an efficient, co-ordinated, and economical system for the distribution of electricity.

This guide sets out WPD’s approach to Queue Management and is intended to be read in conjunction with our guidance on [Allocation and Reservation of Capacity](#) and the 2020 [ENA Queue Management Guide](#).

# What are Milestones?

[Defined milestones](#) are included in our connection offers to measure the progress of a customer's connection towards its agreed completion date. They help in our management of network capacity by ensuring slow moving and stalled connections that are failing their contractual obligations do not sterilise available network capacity for other customers.

Each milestone:

- represents key stages in the delivery of projects that connect to WPD's network;
- applies to export (or generator) connections, to import (or demand) connections or a combination of the two;
- is intended to be transparent and realistic, with an expectation that customers will have undertaken relevant project development before accepting a connection offer; and
- is defined by the required timescales.

Once a customer accepts a connection offer they are responsible for providing suitable evidence to demonstrate that they have met the relevant milestones within the agreed timescales. Failure to provide this evidence will risk the [missed milestone process](#) being triggered and, if satisfactory evidence isn't supplied, may result in termination of the connection offer.

# Milestone Definitions

The composition of the milestones attributable to predominantly Demand and predominantly Generation connection offers will vary slightly to account for the specific characteristics of each connection type.

In Demand schemes not all milestones are attributable to smaller schemes with shorter progression timescales. Demand schemes meeting a threshold will be subject to an increased number of milestones. The additional measures will apply to schemes meeting all of the following criteria:

- ✓ Capacity requirements greater than 300kVA; and
- ✓ Connecting more than 50 domestic and/or 2 commercial premises; and
- ✓ Requiring works at HV or above (schemes requiring only LV works are excluded)

## *Demand (below threshold)*

**Commencement of Works** – works directly in relation to the provision of electrical infrastructure shall commence within six months from the date of the Letter of Acceptance or from the date planning permission has been granted (whichever is the later)

**Connection Works Completed** – with a target date commensurate with the build out programme

## *Demand (above threshold)*

**Confirmation of Appointment** – this must be provided within one month from the date of the Letter of Acceptance

**Obtain Planning Consent/Provide Outstanding Detail** – the customer shall evidence that planning consent has been granted within six months from the date of the Letter of Acceptance and provide all outstanding detail relating to the development phase

**Commencement of Works** – works directly in relation to the provision of electrical infrastructure shall commence within six months from the date of the Letter of Acceptance or from the date planning permission has been granted (whichever is the later)

**Project Progression** – a checkpoint within 12 months of the works commencing and every 12 months thereafter whereby the customer shall evidence that the development is making progress in line with their build out programme

**Connection Works Completed** – with a target date commensurate with the build out programme

Generation schemes in the WPD network area have a high prevalence of connections queues. This is particularly true for larger capacity schemes due to the high prevalence of connection offer requests for these connection types. As such any HV and/or EHV generation Offers include milestones, in line with the [ENA Queue Management Guide](#), which are detailed below.

## **Generation (HV & EHV)**

**Initiated Planning Permission (Submit Planning)** – confirmation of a valid planning submission must be provided within two months from the date of the Letter of Acceptance<sup>1</sup>.

**Secured Planning Permission** – the customer shall evidence that planning consent has been granted within 12 months from connection offer acceptance date for projects which don't require an EIA or 24 months from connection offer acceptance date for projects which require an EIA.

**Land Rights (Obtain Land Rights)** – the customer shall provide paperwork to demonstrate that it has land rights to develop the site within 2 months from the connection offer acceptance date.

**Contestable Design Works Submission<sup>2</sup>** – the customer shall provide submit the full Contestable Works Design by the date agreed. This date will be prior to the submission of the Detailed Program of Works (Construction Plan).

**Detailed Program of Works (Construction Plan Submission)** – the customer must agree the Construction Plan (and/or ICP Programme of Works), which demonstrates how they will achieve the agreed connection date, within 6 Months of planning permission being granted.

**Project Commitment** – the customer, if required for their project, submit evidence that the project has the necessary commitment/backing to proceed midway between Provision and Agreement of Construction Plan and Commence Works. This can be evidenced either by;

- Binding contract for main plant equipment; or
- Staged payment made to the network company; or
- Board paper Evidencing Final Investment Decision (FID); or
- Subsidy award.

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<sup>1</sup> For projects that require an Environmental Impact Assessment (EIA) written confirmation from relevant third party undertaking the EIA work must be provided within two months from the date of the Letter of Acceptance.

<sup>2</sup> This milestone will only apply where a customer has gone down the contestable route for connection and is required to submit a contestable design.



**Commence Works** – customer shall commence works within 6 months following the granting of planning permission and will be asked to demonstrate how progress has been made in line with the agreed program of works.

**Complete Works** – the customer shall complete works in line with the dates within the agreed program of works.

## What happens if a milestone is missed?

The Milestones form the basis of queue management. If a customer is unable to evidence the reason for a missed milestone and/or exceeded milestone tolerance<sup>3</sup>, and the steps they are taking to meet it, to our reasonable satisfaction, the Connection Offer may be terminated resulting in removal from the connections queue.

This approach ensures, in line with industry guidelines, that capacity is fairly allocated and that early applicants cannot, post acceptance, delay connections in such a way that adversely affects other customers wishing to connect to the network.

If, as a result of missing their milestones, a customer has their connection offer terminated they will need to make a new connection application if connection is still required, the customer will need to submit a new application. Upon acceptance of the new Connection Offer, the connection queue position will be based upon the new application date, i.e. once terminated a customer will not retain their original queue position. As a consequence, additional costs may apply if reinforcement work is subsequently required to provide the requested network capacity.

A connection customer may be able to move up a queue because another project has had its offer agreement terminated, for example it may be the case that this connection would cease to be dependent on reinforcement work as a result. In this case this customer's offer agreement would be varied to reflect this.

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<sup>3</sup> For generation schemes of HV or above the ENA Queue Management Guide milestones are applied along with their respective tolerances



# What if a delay is out of the customer's control?

We accept that sometimes a development can be delayed due to reasons outside of a customer's control. Therefore, should a milestone be missed, we will provide the customer with fair opportunity to evidence that progression is being made towards continuing the development.

Details of this process can be found in "[Process for missed milestones](#)" below.

## Examples of delays for which we may agree an extension of the milestones:

- Force Majeure: This is defined as an event or circumstance which is beyond the reasonable control of the customer and which results in or causes the failure of that customer to perform any of its obligations under the Agreement<sup>4</sup>;
- Planning appeals and third party challenges: Where a planning decision by the determining authority is challenged through a formal appeal process by the customer.
- Any delay which is caused by or is as a result of actions by WPD, e.g. the customer is awaiting a required input from WPD.

## For an extension to timescales to be considered, the customer must comply with the following conditions:

- they discuss the specifics of the delay with WPD at the earliest opportunity; and
- they provide reasonable evidence to justify the specific delay

For the avoidance of doubt, a failure to comply with either of these conditions will be considered as a milestone failure and termination of the connection offer may follow.

If a customer can provide evidence of progression to our reasonable satisfaction we will amend the milestone target dates for the outstanding milestones within the Connection Offer. Please be aware that delays could have an impact on the connection charge.

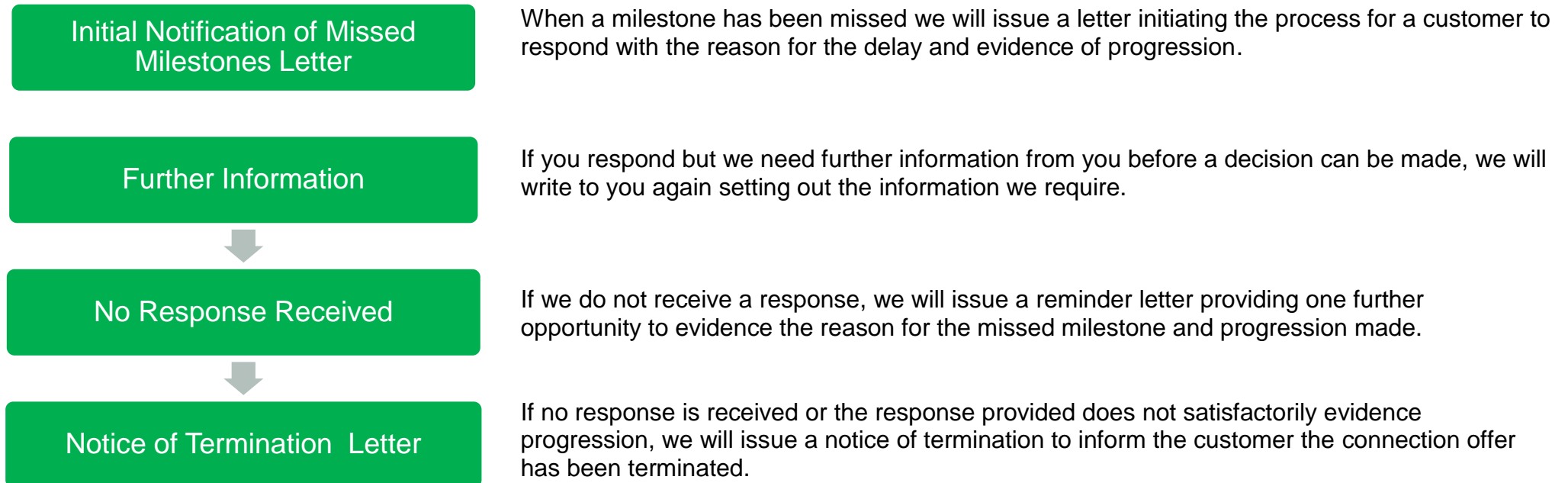
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<sup>4</sup> Definitions are in the National Terms of Connection (<http://www.connectionterms.org.uk>)

# Process for missed Milestones

## *Missed Milestones – Demand*

Demand Offer Milestones form an integral part of the customer's Connection Offer and customers are expected to monitor their progress to ensure they are adhering to their contractual obligations. When a Demand Offer milestone is missed WPD will initiate a dialogue as detailed below;



If we receive satisfactory evidence at any stage throughout the missed milestones process, we will issue a variation to the Connection Offer, containing the details of any agreed revision to the milestones, connection charge and other associated

## Missed Milestones – Generation

For HV & EHV generation schemes a higher number of milestones are applicable and the principle of tolerance applied in parallel.

Tolerance is designed allow large scale generation scheme Customers to manage reasonable delays that are within their control that are often common on these type of connections. It also provides an opportunity for Customers to highlight any issues out with their control, provide reasonable evidence and discuss this with WPD.

For the earlier milestones the concept of ‘Cumulative Delay’ is applied. Any delays to each of these milestones (noted in the tables below) are summed and compared to the relevant total tolerance.

For the later milestones after a Construction Plan / Programme of Works has been agreed, the delay against the specific milestone is compared to the relevant tolerance period. Cumulative Delay is not applied to these later milestones.

### Cumulative Delay Tolerances – Earlier Milestones

**Applicable to the following Milestones;**

- Submit Planning
- Secured Planning Consent
- Obtain Land Rights
- Construction Plan Submission

Voltage Level	Tolerance	Outcome
HV	65 Working days (approx.' 3 months)	If total delay on these Milestones is over 65 working days cumulative delay the Offer is at risk of termination
EHV & 132kV	130 Working days (approx.' 6 months)	If total delay on these Milestones is over 130 working days cumulative delay the Offer is at risk of termination

*Singular Delay Tolerances – Later Milestones*

<p><b>Applicable to the following Milestones;</b></p> <ul style="list-style-type: none"> <li>- Contestable Design Works Submission</li> <li>- Project Commitment</li> <li>- Commence Work</li> <li>- Complete Work</li> </ul>		
<b>Voltage Level</b>	<b>Tolerance</b>	<b>Outcome</b>
HV	65 Working days (approx.' 3 months)	Each milestone can have a total of 65 working days delay. If the delay to any of these Milestones is over 65 working days the Offer is at risk of termination <i>(Cumulative delay does not apply to these milestones)</i>
EHV & 132kV	130 Working days (approx.' 6 months)	Cumulative delay does not apply. Each milestone can have a total of 130 working days delay. If the delay to any of these Milestones is over 130 working days the Offer is at risk of termination <i>(Cumulative delay does not apply milestones)</i>

Generation Offer Milestones form an integral part of the customer's Connection Offer and customers are expected to monitor their progress to ensure they are adhering to their contractual obligations. When a Generation Offer milestone is missed for the earlier Milestones cumulative delay will start to be accrued. For the later Milestones cumulative delay does not apply.

Whether cumulative delay is applicable or not there is a tolerance applicable which varies dependant on the voltage level, as illustrated in the above tables. When this tolerance is exceeded WPD will initiate a dialogue as detailed below (following page);

Initial Notification of  
Tolerance Exceeded

When the milestone tolerance has been exceeded we will issue a letter initiating the process for a customer to respond with the reason for the delay and evidence of progression.

Further Information

If you respond but we need further information from you before a decision can be made, we will write to you again setting out the information we require.

No Response Received

If we do not receive a response we will issue a reminder letter providing one further opportunity to evidence the reason for the delay and progression made.

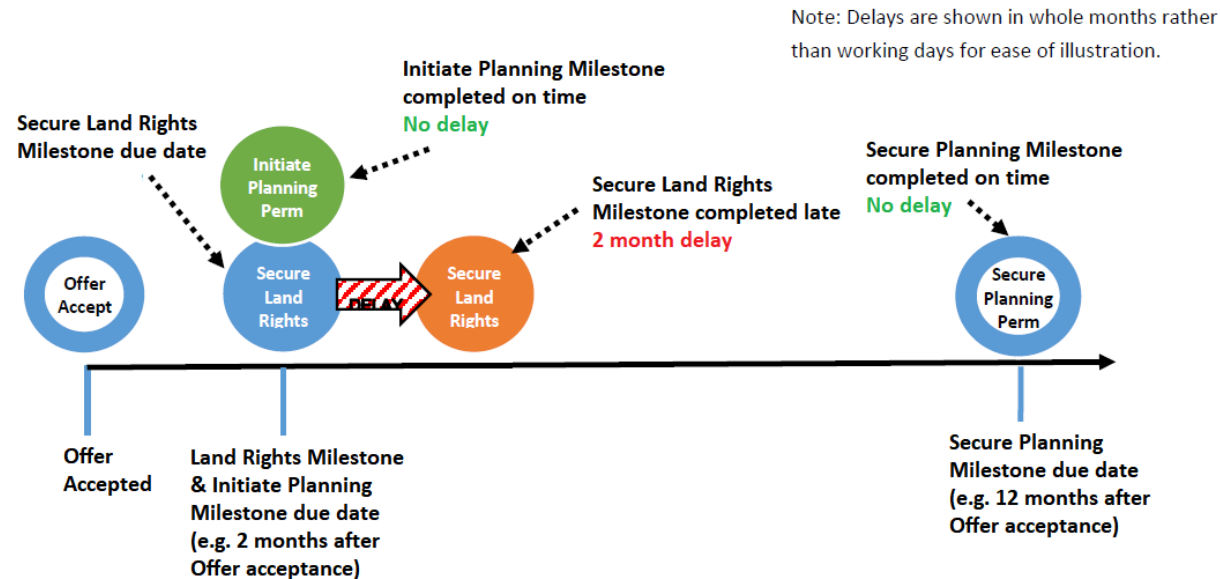
Notice of Termination Letter

If no response is received or the response provided does not satisfactorily evidence progression, we will issue a notice of termination to inform the customer the connection offer has been terminated.

If we receive satisfactory evidence at any stage throughout the missed milestones process, we will issue a variation to the Connection Offer, containing the details of any agreed revision to the milestones, connection charge and other associated changes necessary as a consequence of the delay. Failure to accept the variation will result in termination of the Connection Offer.

# Cumulative Delay Examples

## Cumulative Delay – Example 1



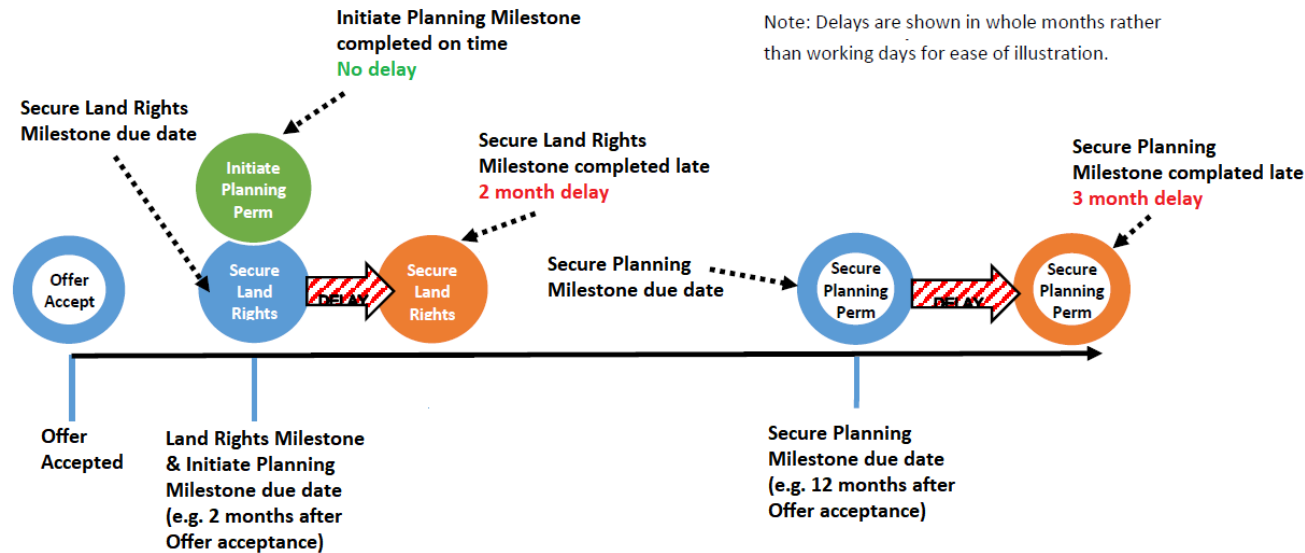
In this example the 'Initiate Planning Permission' milestone has been completed on time and shown as 'green' in the diagram. However there is a two month delay in 'Securing Land Rights'; the actual date this milestone is completed is shown as 'amber'. At the point that the 'Securing Land Rights' milestone is met, there is a Cumulative Delay of two months.

### Calculating the Cumulative Delay;

Initiate Planning Permission milestone has been completed on time = 0 months delay;  
 Secure Land Rights milestone has been completed late = 2 month delay;  
 No other delays;  
 Total cumulative delay is 2 months (60 days)

From the [tolerances in tables](#) above the threshold for HV is 65 days and EHV 130 days. Therefore the Offer is not yet at risk of termination.

*Cumulative Delay – Example 2*



Example 2 builds on Example 1 in that there is an additional delay and the ‘Securing Planning Permission’ milestone is not met until three months after the agreed milestone date. The actual date this milestone is completed is shown as ‘amber’.

**Calculating the Cumulative Delay;**

- Initiate Planning Permission milestone has been completed on time = 0 months delay;
- Secure Land Rights milestone (M3) has been completed late = 2 month delay;
- Secure Planning Permission milestone has been completed late = 3 month delay;
- Total cumulative delay is 5 months (150 days)

From the [tolerances in tables above](#) the threshold for HV is 65 days and EHV 130 days. With a total cumulative delay of 150 days if this was a HV Connection Offer it would be at risk of termination. Similarly if this was a EHV Connection Offer it would be at risk of termination as it exceeds to tolerance of both HV and EHV.

### Further information

If you have any queries regarding the implementation of this policy please submit your question to:

[wpdconnections@westernpower.co.uk](mailto:wpdconnections@westernpower.co.uk)

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