

Guidance for Customers – ‘Connection Offer Expenses’

Frequently Asked Questions

Overview

If a customer’s proposed connection requires work at 22kV and above (“Extra High Voltage”), we will charge for the time we take preparing the offer for connection in accordance with the Electricity (Connection Offer Expenses) Regulations 2018. The connection offer expenses are often referred to as assessment and design fees, or as we describe them here, the ‘A&D Fees’.

We understand customers may have questions relating to the implementation process; therefore we’ve produced this FAQ document to help you understand what the implications are when you submit an application.

Implementation of the Regulations

When will WPD implement the Regulations?

The Regulations will be effective from 1st May 2018. Certain applications received on or after this date will be subject to the Regulations.

Will WPD implement the Regulations for all applications for connection?

No, only for applications for new and augmented generation and connections that require an element of works at EHV. This includes any diversionary or upstream reinforcement works required on the distribution system. Applications for other connections that require only High Voltage or Low Voltage works are currently exempt although we will review the success or otherwise of our targeted approach which will inform our decision on the application of A&D Fees in the future.”

Do I need to pay the A&D Fees even if I don’t accept the Connection Offer?

Yes, if your scheme requires Extra High Voltage works as described above. This is a fundamental shift from the existing process that did not allow DNOs to charge the customer directly unless they accepted the Connection Offer.

Will I have to pay for a Budget Estimate or Feasibility Study?

Budget Estimates will continue to be free of charge, although we will keep this under review. Feasibility Studies will remain chargeable and fees charged in accordance with our Statement of Methodology and Charges for Connection to the Distribution System (“the Statement”).

What do the A&D Fees cover?

The A&D Fees cover our costs, reasonably incurred when undertaking an assessment of the impact of the proposed connection on the distribution system, designing the connection works and preparing the Connection Offer.

Will I be liable for any other fees?

Yes, if you accept the Connection Offer and want to progress the scheme we will ask you to make a further payment to secure your connection and cover our immediate costs. This charge will cover things such as, any survey associated with overhead lines, route marking prior to construction, negotiation with third parties and acquisition of consents.

Additional charges may be applied in relation to the effect of the proposed connection on the transmission system, owned by National Grid. These charges may include cancellation charges should you decide not to progress the scheme, or you reduce your capacity requirements. In these cases you will be required to post some form of security against the cancellation charge.

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Multiple Connection offers

I’m not sure what my capacity requirements are or what generation technology type I might use. If I make multiple applications for the same site will I be charged for each?

We will charge you for each Connection Offer that you request. However, there are alternatives to requesting a formal Connection Offer. You can request a Budget Estimate free of charge or a Feasibility Study (chargeable) if you want more detail. Information on our distribution system will help inform you on the viability of your proposed connection by visiting our Network Information page on our website.

Large generation connections with an export capacity of 5MW and above, we provide a ‘Study & Offer’ option to investigate the viability of a connection for up to three capacity scenarios. We will provide an estimate for each of your scenarios and will only charge you based on one application if you choose to proceed with one of the options.

My scheme is in an ANM Zone, if I receive both a conventional and an ‘Alternative’ Connection Offer will I be charged two sets of A&D Fees?

If your scheme falls within an ANM Zone, we will contact you to discuss your options. You can decide to receive a conventional Connection Offer or an Alternative Connection Offer in which case you will be charged only one set of A&D Fees. If you would like to receive both a conventional and an Alternative Connection Offer we will charge you a reduced A&D Fee for the ANM Connection Offer based upon the work involved preparing your offer.

If WPD receives multiple applications for the same premises will you charge multiple A&D Fees?

If we receive several applications for the same site, typically where a number of agents such as independent connection providers tender for the same project, we will make an assessment as to the level of A&D Fees to be applied. The first applicant will be required to pay the full A&D Fee. Subsequent applications will be assessed based on the applicant’s request. If the connection requirements differ in any significant way and a further investigation is required we will charge the full A&D Fee. If no further significant assessment is required, a reduced fee will be applied based on the costs reasonably incurred in preparing the Connection Offer.

If I request a Point of Connection Offer only and then request a Connection Offer for WPD to undertake all the works, will you charge further A&D Fees?

Yes, we will need to undertake a further assessment and design of the contestable elements, estimate the costs associated with the contestable elements and prepare a new Connection Offer, therefore a further A&D Fee will apply.

The Notification process

How will I know if I will be charged the A&D Fees under the Regulations?

We will contact you to confirm receipt of your application. Once we know works at EHV are required we will discuss this with you and follow it up by providing a written notice, normally via email. The notice will confirm that you will be required to pay the A&D Fee.

If we are unsure if your proposed connection will require works at EHV we will discuss this with you to alert you to the fact. As soon as we know if EHV works are required we will inform you and give you the opportunity to withdraw your application at no cost.

How much will the A&D Fees be?

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The amount we charge will vary according to the complexity of the scheme based upon your requested capacity and the type of assets required to enable the connection. They will also vary according to whether you require a connection offer for WPD to undertake all the works or for WPD to undertake only the non-contestable works and you employ an independent connection provider to undertake the rest.

The charges we apply can be found in Section 7 of our Statement of Methodology and Charges for Connection to the Distribution System and the current charges are replicated below. You can view our statement via the following link:

<https://www.westernpower.co.uk/Connections/New-Connections/Connections-Charging-Statements.aspx>

If I withdraw my application will I still be charged the A&D Fee?

It depends on when you notify us that you wish to withdraw your application. We will implement a 10 working day ‘cooling off’ period from the point that we first notify you that the A&D Fee will apply. If you inform us within that period, we will not charge you. If you inform us at any time after the 10 day cooling off period we may charge you according to how much time we have spent assessing the application.

Pre-Connection Offer amendment requests

If reinforcement works make my scheme unviable and I wish to utilise a lower capacity, will I need to re-apply and will you charge an additional A&D Fee?

It depends on the timing of your request but we will inform you once we identify reinforcement works are triggered and then discuss the options with you. If you decide a lower capacity still works we can provide a Connection Offer based on your revised requirements. Depending on the timing of your request and the amount of further assessment required we may charge you for any additional cost we reasonably incur.

Post-Connection Offer amendments

Will I be charged further A&D Fees if I change my scheme requirements?

Our guidance on allowable changes to applications and accepted offers for connection can be found on our website. In accordance with the Guidance document, if your change request is deemed unallowable and a new Connection Offer is required, you will need to re-apply and another A&D Fee will be applied.

If the change request is deemed allowable under the Guidance document we may still issue a new Connection Offer, or where it has already been accepted by you, issue a variation to the Connection Offer. In this instance we will charge for any additional costs we have reasonably incurred. We may invoice you separately for this.

If I am in an interactive queue and I am unsuccessful and wish to re-apply, will I be charged the full A&D Fee again?

Yes. If you are unsuccessful and you wish to re-apply we will need to undertake a further assessment to evaluate the extent of any reinforcement works required and prepare a new Connection Offer.

Payment

When must I pay the A&D Fees?

We will invoice you at the same time as we release the Connection Offer. You must pay the A&D Fee within 28 days of the date of the invoice.

Disputes

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What can I do if I think you have applied the A&D Fees incorrectly?

If you have any queries regarding the application of the charges please contact the WPD person responsible for issuing your Connection Offer in the first place. If, following discussion, you are not satisfied with our response we will refer the matter to the relevant Manager. If we still cannot resolve the matter you may escalate it further. Our complaints procedure is available to view on our website www.westernpower.co.uk

If you do not feel we have dealt with your complaint satisfactorily you may also refer the matter to the Authority for determination in accordance with section 23 of the Electricity Act 1989.

Further Information

Further information is available on our website:

Charging Statements:

<https://www.westernpower.co.uk/Connections/Useful-Information/Connections-Charging-Statements.aspx>

Supplementary Guidance document:

<https://www.westernpower.co.uk/Connections/Useful-Information/ECCR.aspx>

Statement of Works Guidance document:

<https://www.westernpower.co.uk/Connections/Request-network-location-plans/Statement-of-Works.aspx>

Study & Offer Guidance:

<https://www.westernpower.co.uk/Connections/Generation/Study-and-offer-quote.aspx>