

# I want to connect to the transmission system



£3m per year  
0.5% totex

Engagement	<b>Stakeholder priority and context</b>	We connect, modify or disconnect new and existing sources of gas supply and demand as customers' requirements change.		
	<b>Topics</b>	<b>Connections</b>	<b>Customer &amp; stakeholder satisfaction</b>	<b>Incremental capacity</b>
	<b>Obligations</b>	Under section 10.2(a) of the Gas Act 1986 we are obliged to connect customers to our network. Condition 4B of our Gas Transportation Licence obliges us to determine and comply with a connection charging methodology that facilitates competition in the supply of gas. In accordance with the Uniform Network Code (UNC) we must respond to connection requests within designated timescales		We make available baseline entry and exit capacity in accordance with our licence. We apply the PARCA process, including publication of relevant industry notices.
	<b>Stakeholders</b>	Our key stakeholders for this topic are the customers, including Gas Distribution Networks, Shippers and directly-connected customers such as gas storage sites and gas-fueled power stations. Ofgem is another important stakeholder. Other stakeholders include third parties like rail companies asking us to divert our assets to facilitate development of their networks.		
	<b>Approach</b>	Business as usual customer relationships through multiple channels including: one-to-one meetings, "Customer Journey" discussions, Gas Operational Forum, and UNC Modification Panel. Customer satisfaction and Net Promoter Score surveys supported by business and executive level meetings. Tailored workshop events e.g. through project CLoCC.		
	<b>What we've heard</b>	Stakeholders want it to be quicker and cheaper to connect and for us to be more transparent in our processes, they welcome the changes we are already implementing. Stakeholders want our connection service to enable decarbonisation, decentralisation and future energy systems transition	Customers value that we are listening more intently to their needs Our levels of engagement are improving as evidenced by increasing customer and stakeholder satisfaction scores We need to keep listening and making improvements.	The RIIO-2 framework needs to allow for differing levels of work on the network to be both determined and undertaken during the RIIO-2 price control period
	<b>Key trade-offs &amp; how engagement influenced our plan</b>	There is consensus that more smaller unconventional parties will be seeking connection to the transmission system From our acceptability testing exercise: 76% of consumers support our plans and related costs. 16% support the proposed actions but not the related costs.		

Outputs	<b>Measure</b>	<b>Type:</b> Licence Obligation <b>Target:</b> Meet UNC timescales for connection offers	<b>Type:</b> Customer Satisfaction ODI <b>Target:</b> CSAT score 7.8/10 <b>Incentive:</b> proposed cap and collar 0.5% revenues	<b>Type:</b> Incremental Capacity Reopener <b>Target:</b> meet UNC, PARCA process etc	
	<b>Comparison to RIIO-1 outputs</b>	We have met UNC timescales for all connection offers during RIIO-1 (with the exception of one with the agreement of the customer)	Customer Satisfaction increased from 7.2 at the start to RIIO-1 to 7.8 currently. Stakeholder satisfaction increased from 7.8 at the start of RIIO-1 to 8.0 currently	So far in RIIO-1 all customer requests for additional capacity have been met by substitution of unused capacity from elsewhere.	
	<b>How we will deliver</b>	<b>Efficiency</b>	We will embed the improvements arising from project Customer Low Cost Connections (CLoCC) Standard design connections to the network for less than £1m in less than 12 months, application fees reduced, quicker route through PARCA for green light locations and acceptance of higher oxygen content gas from bio-methane producers	Deployment of modern digital systems (connections portal and Customer Relationship Management (CRM) system) cuts down paperwork, reduces administration and saves time	Optimise existing assets by substituting capacity where possible rather than by building incremental capacity We propose that the process for regulatory approval of capacity substitution is simplified for improved efficiency
		<b>Innovation</b>	Take learning from 'self-connect' trial for customers who prefer to deliver local connection works.	Continue to improve and develop our engagement, in particular evolving our approach to meet the needs of new types of connected customers (e.g. 'green gas' customers).	Network reinforcement will be subject to competitive procurement events
		<b>Whole system</b>	Local connection work and third-party diversion work is customer funded via cost pass-through		We support Ofgem's proposal to assess changes on a case-by-case basis and the incremental capacity reopener Costs will only be incurred subject to customer commitment and the rules for PARCA
		<b>Competition</b>	Make it easier for new entrants e.g. "green gas" and CNG refuelling to connect to our network		
		<b>Uncertainty</b>			
<b>De-carbonisation</b>					

Totex	<b>Cost at RIIO-1 (annual forecast)</b>	£1.2m p.a.	£1.3m p.a.	£1.4m p.a.
	<b>Work needed</b>	Manage the commercial processes that cover the application, negotiation and agreement of offers and contracts. Be proactive in marketing of connections, actively looking for new low carbon connection customers and continue to support the liquidity of the energy market by providing an efficient process for connection and capacity applications and making process and policy improvements	Deliver systems and people capability for an effortless end-to-end customer experience Improve customers digital experience through their "journey": Web based connections customer portal providing self-service capability and transparency of application status	RIIO-2 work required is inherently uncertain as it depends upon future customer requirements A customer PARCA application at Milford Haven has reached phase 2 triggering indicative network reinforcement in south Wales. The resultant work could straddle RIIO-1,2 and 3 period. We are currently undertaking desktop studies and cost benefit analysis to narrow down strategic options and costs
	<b>Cost at RIIO-2 (annual)</b>	£1.1m p.a.	£1.4m p.a.	£0m p.a.
	<b>Approach to uncertainty</b>	Local connection work and third party diversion work is customer funded on a cost pass-through basis Uncertainty mechanism for costs which can not reasonably be recovered from parties requesting the diversion		Incremental Capacity Reopener. We support Ofgem's proposal to assess changes on a case-by-case basis
	<b>Consumer benefit</b>	Our efficient connections and capacity processes facilitate liquidity in the competitive wholesale energy markets. Our processes support decarbonisation of the whole energy system. We make it viable for new types of gas customers to connect to our network. Embedding project CLoCC could provide a <b>Consumer Value Proposition (CVP)</b> with an order of magnitude of £33m (note this is not a fully quantified CVP)		Where possible we provide capacity without building new assets. This keeps costs down and avoids uncertainty about the enduring value of new assets in decades to come.