



Capacity Allocation and Reservation

A guidance document for developers and local authorities



westernpower.co.uk

Introducing our revised policy for managing applications
to connect housing and commercial developments

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Introduction

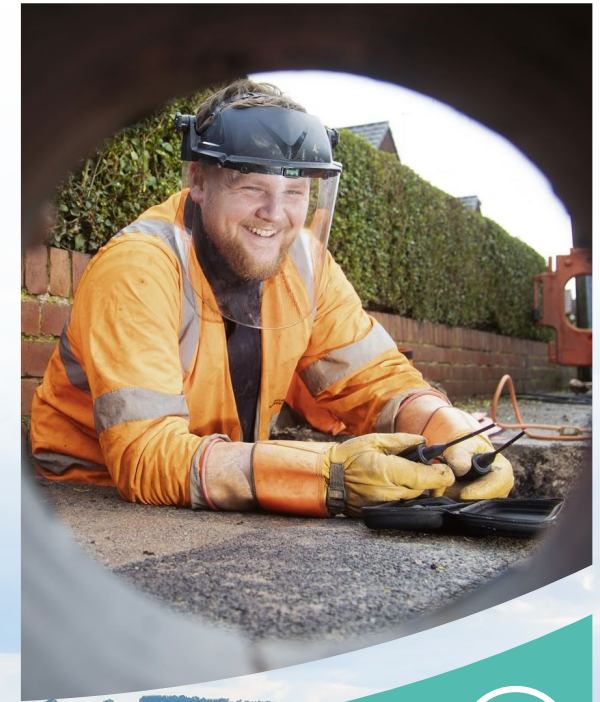
We understand that large housing and commercial developments will build out over a number of years and customers who hold an offer for connection with us (the ‘Connection Offer’) require surety that the network capacity allocated to them at the outset will be available to them in the future when it is needed.

Network capacity however, is not an infinite resource. When existing network capacity is fully allocated to the first customer this may mean that any subsequent customer will have to contribute toward the cost of network reinforcement and wait for it to be completed, thus delaying their connection.

We have consulted with our stakeholders on the methods by which network capacity may be secured. One of our guiding principles under the consultation was to ensure that customers

who were ready to proceed with their scheme were not blocked by those before them who had contracted for network capacity but were clearly not progressing. Having completed the consultation process and considered the views of all our stakeholders, we are now ready to implement the new processes.

This guidance document seeks to highlight the changes in our processes and sets out the new proposals.



“...capacity should not be taken up by those who do not have clear plans in place and cannot deliver growth within a reasonable timescale.”

Consultation Respondent



Influence of the policy

Our policy extends to larger schemes that typically take longer to build out therefore we have set a threshold for eligibility.

The policy is applicable to schemes:



Requiring High Voltage (HV) works or greater



To facilitate a minimum of 50 domestic connections or 2 industrial/commercial connections



Having a diversified maximum demand greater than 300kVA

Schemes with lower connection volumes, capacity or requiring only Low Voltage (LV) works are outside the scope of this policy and our existing terms and conditions continue to apply.





Connection offer options

When you submit your application, you may elect to receive one of the following types of quotation:



A Budget Estimate

We will provide a Budget Estimate free of charge. A Budget Estimate is non-binding and for indicative purposes only.

This is useful at the early stages of a project to obtain an estimate of the costs involved in providing connections to your development. It is important to note that detailed studies are not carried out. If you require a more detailed estimate you may request a feasibility study. This service is chargeable.

More information can be found on our website www.westernpower.co.uk/types-of-connection-offer



A Connection Offer

A Connection Offer is a quotation which will set out detailed terms and conditions for connection. Once accepted it will be binding on both parties.

A Connection Offer will be issued for applications which are able to substantiate the need for the requested connections and associated capacity through adherence to a revised set of milestones. Capacity will be allocated to the development once the agreement has been formed. The capacity will continue to be allocated until such time as the connections are completed, the capacity is altered through a variation, or the Connection Offer is terminated.



An Infrastructure only Connection Offer

If you want us to install electricity mains and substations to the development but are not yet ready to request connections to individual premises we can provide you with a Connection Offer for this too.

It will similarly allocate capacity until such time as the connections are completed.



Please note that there are hybrid versions of these Connection Offers that are further explained later in this guidance document.



Making an application for connection

The best way to apply for a connection is to visit our website and apply on-line at:

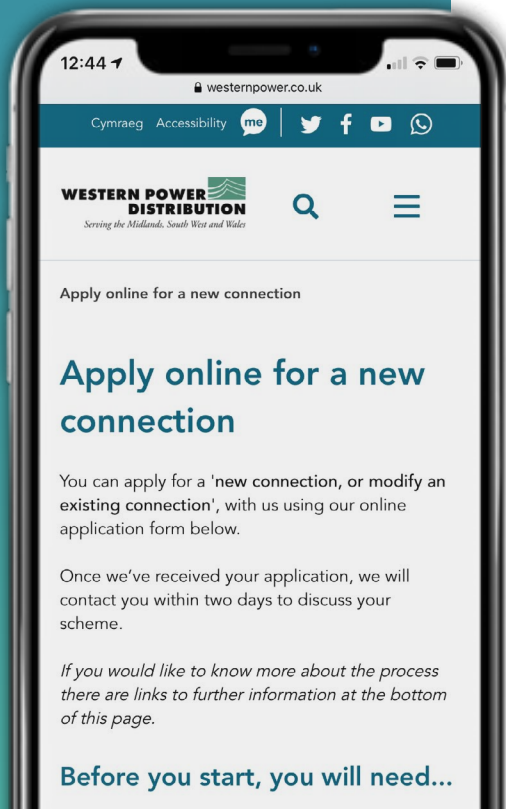


[www.westernpower.co.uk/
apply-online-for-a-new-connection](http://www.westernpower.co.uk/apply-online-for-a-new-connection)

Alternatively, you can download an application form that you can complete and email or post back to us.

Using either of these alternative methods will ensure that we have all the correct information in order to assess the scheme details and prepare a Connection Offer for you.

If you don't have all of the details available at the time of application we may still be able to provide a Connection Offer but be aware that it may be subject to change should you provide further information at a later date that affects the characteristics of the connection.



Minimum information

In order to obtain a Connection Offer you must provide us with a minimum level of information to allow us to assess your connection requirements, undertake a study and prepare a design.

As a minimum we need to know:



The type of development it is – for example domestic, commercial, industrial or a mixture of types



The approximate number of properties by type – we understand that planning designs can change, especially at the outset but we need to know the likely numbers



The overall capacity in kVA required for the development – to help us assess its impact on the network



The size and extent of the development – by the submission of a boundary plan with indicative points of supply. This will help us to identify the exact point of connection to the existing network and assess what infrastructure needs to be in place in order to provide sufficient capacity to the development



The date initial connection to our network is required – this will help us to plan the build and manage any expectations, particularly if there are any third party consents or network reinforcement required

If you have more detailed information please provide it at the application stage as it will help us to provide a more accurate Connection Offer that is less likely to change in future.



Acceptance of the Connection Offer

You will have 90 days to accept the Connection Offer (Note: this time may reduce where your Connection Offer becomes interactive with other Connection Offers in the connections queue).

During this time you will be able to assess all the information provided, including the works required, the current costs and timescales involved, and all other relevant terms and conditions.

If you sign the acceptance form and send it to us we will then counter-sign it, at which point we form a binding contract with you and the capacity is allocated to the development for a prescribed period in accordance with the terms of the Connection Offer.

This should give you the necessary assurance that the capacity will be available when you need it.



Confirmation of appointment

If you are not the landowner or occupier, we will require a letter confirming your appointment to undertake the site development, following your acceptance of the Connection Offer (the 'Confirmation of Appointment letter').

The confirmation will need to include a plan that clearly identifies the extent of the development area that you have been appointed to provide the works for, the number of connections and capacity they have asked you to secure at this stage.

To ensure we do not unduly hinder the process, we will not require the Confirmation of Appointment until post acceptance of the Connection Offer but it must be provided within one month of the date of counter-signature of the acceptance form. We will provide a template letter with our Connection Offer that can be forwarded to the landowner(s) or occupier(s).

We believe the requirement for the Confirmation of Appointment form is integral to the process and ensures that applicants are only reserving capacity for that which they are authorised to do so.



Provision of additional information

Following your acceptance of the Connection Offer we may require from you some additional information, dependent on what you initially provided at the application stage and how you wish to progress the scheme.

For those schemes undertaken as a single phase of works we will require detailed information relating to the characteristics of the connections. For example, we will need to know if you will be connecting any generation capability or potentially disturbing equipment, meter locations (where we are to undertake all the contestable works) and any other relevant information not provided with the initial application.

We will review this information and assess whether the design and costs set out under the original Connection Offer remain firm or whether a variation must be made.

If the development is to be built out over a number of defined phases the information may be provided on a phase by phase basis where a draw down schedule is agreed for future phases of the development (**see page 10**).

We will be under no obligation to commence the connection works for a particular phase ahead of receiving the detailed connection requirements and checking that the design solution is still fit for purpose.





Options for phased developments

There are a number of contractual options open to you that provide flexibility of approach for larger developments that are built out over a longer period and have distinct phases. The following describes these options.



Reservation of capacity only

Where it is unknown which part of the development will constitute the first phase.

We can provide you with a Connection Offer for the overall development. Under this arrangement you must confirm the extent of the development area and provide an indication of the proposed ramp up of connections and capacity. For large scale developments, you will be required to provide a phasing plan within 6 months of acceptance.

Following your acceptance, you can request to draw down from the reserved capacity through an application for connection that includes detailed information for a specific phase. You will be required to make an application for the first phase within six (6) months from acceptance and thereafter for each phase in accordance with an agreed schedule.

If you do not make an application for the first phase within six months from acceptance we may terminate the Connection Offer. The connection charge specified in the original Connection Offer is indicative but will become firm on a phase by phase basis as the capacity is drawn down.



Reservation of capacity and immediate connection works

Where the first phase of works are known and the specific costs for this are to be included in the offer.

This can include infrastructure assets, end connections to individual premises or a combination of the two.

The Connection Offer will include two connection charges, the firm cost for the immediate works and an indicative price for the overall development.

The indicative price sets out a very high level view of the anticipated cost, at today's price, for the overall development.

This takes account of any identified requirements based on the detail known at the time of application, such as potential upstream reinforcement works.



Our contractual options are designed to meet your specific needs and provide flexibility of approach.



Draw down

If your development consists of a number of defined phases and you enter in to one of the Reservation of Capacity Connection Offer (the “RoC Connection Offer”) types you will be able to draw down on that capacity as the development progresses.

To do this you will need to submit a new application for each distinct phase of the development confirming that the request relates to a previous Reservation of Capacity Connection Offer.

We will send you a new Connection Offer that is specific to the development phase and include any additional works required in providing the connection to the required location. Upon acceptance, the capacity secured for the phase will be deducted from the reserved capacity. This process will continue until all of the reserved capacity is utilised or the RoC Connection Offer is terminated.

Please note that reserved capacity which is released to the specific phase will be retained subject to meeting project specific milestones and the continued progress of the overall development. This includes the requirement to evidence planning consent where applications are being made for each phase individually. Where a milestone for a particular phase is missed, but other phases are progressing as planned, each phase may be treated individually with regard to the actions we may take.

To draw down from reserved capacity you must apply quoting the original WPD reference on or before the relevant draw down date for that phase and include confirmation that you wish to utilise reserved capacity.

If you are not the original applicant under the RoC Connection Offer and want a connection within the development area you can still apply but we will need a letter of authority from the original applicant to utilise the reserved capacity.





Milestones

To ensure capacity is not unfairly reserved by schemes which are not making progress, we will set out a number of milestones within the Connection Offer.

The milestones are intended to ensure efficient allocation of network capacity to customers, providing us with a contractual basis to remove customers from the connections queue if their project is no longer progressing. This will help to free up capacity for other customers to be connected quicker and more cheaply.

Connection Offers for individual phases of development will carry the following milestones:



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

We accept that sometimes a development can be delayed due to reasons outside of your control.

Therefore, should a milestone be missed, we will not automatically terminate the Connection Offer; we will provide you with a fair opportunity to evidence that the development is still progressing. If you can provide evidence to our reasonable satisfaction we will amend the target dates for the outstanding milestones within the Connection Offer. Please be aware that delays could have an impact on the Connection Charge.

If however, you are unable to provide evidence of progression to our reasonable satisfaction, we reserve the right to terminate the Connection Offer.

Upon termination, we will refund any unspent contributions and you will need to re-apply when you are ready to proceed with the connection works. Any unused capacity which was allocated to the development will be returned to the network for use by others in the connections queue.

For further information on the application of milestones click [here](#).



Should a milestone be missed, we will not automatically terminate the Connection Offer; we will provide you with fair opportunity to evidence that progression is being made towards continuing the development.



Reserving capacity and build-out programmes

The RoC Connection Offer enables capacity to be reserved for future phases where a development is to be built out over a long period of time.

Whilst your original application must include a potential build out programme, under the milestones process for providing outstanding detail, we will require a more detailed phasing plan for the full development which sets out the number of phases, the approximate number of connections and capacity required for each phase and the date each phase is due to commence.

This phasing plan will be used to set out the subsequent process to draw down capacity for phases of a multi-phase development.

Your build out programme should be reasonable in all the circumstances and timescales for completion commensurate with the anticipated number of connections required. We will be happy to discuss this with you.



Further information

A recording of our webinar on the proposed changes is available to view on our website at

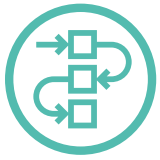
**[www.westernpower.co.uk/
allocation-and-reservation-of-capacity](http://www.westernpower.co.uk/allocation-and-reservation-of-capacity)**

If you have any queries regarding the implementation of this policy please submit your question to:
wpdconnectionspolicy@westernpower.co.uk

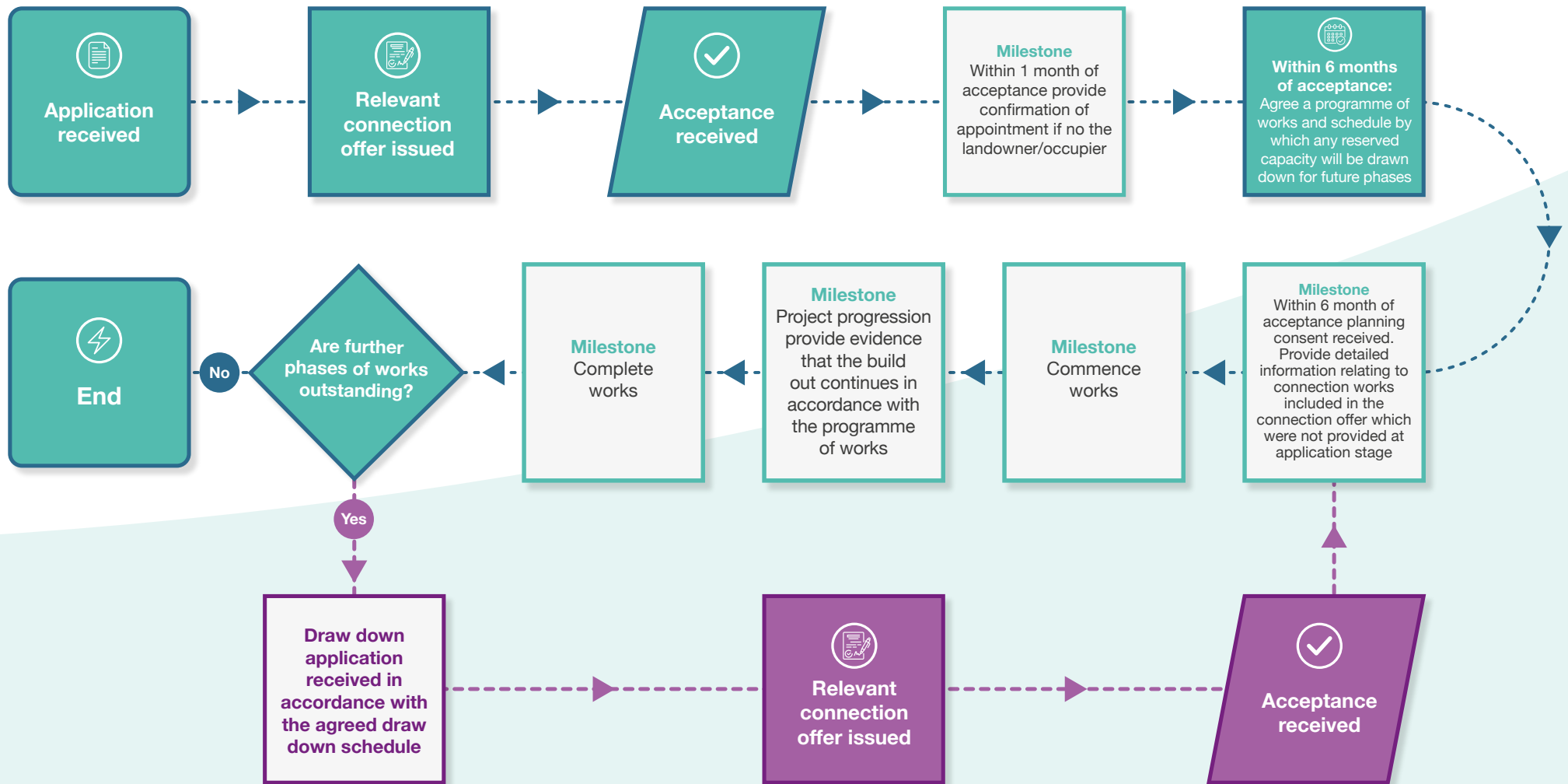


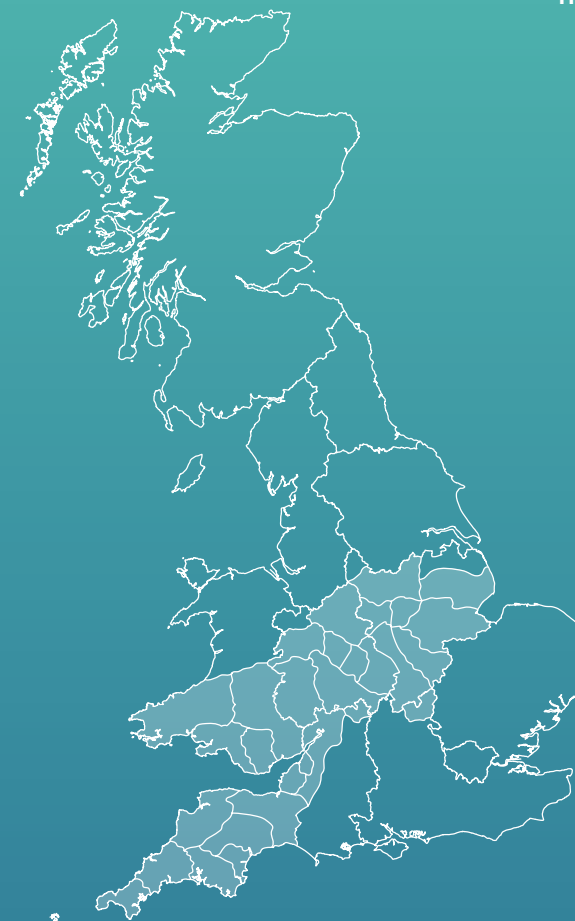
The RoC Connection Offer enables capacity to be reserved for future phases where a development is to be built out over a long period of time.





Process flowchart for applications meeting the threshold





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