

VERIDIAN CONNECTIONS INTERROGATORY #12

INTERROGATORY

In paragraph 55, reference is made to the “value chain” in new residential developments. Please explain what is meant by the term including the components that make-up the value chain in that context.

RESPONSE

Value chain is a business term describing the participants and processes involved in adding customer value to a product or service from the perspective of the end-use consumer. In the case of new residential developments, the parties involved at the start are the developers who are the initial customers of the distributors who will compete to provide competitive connection services. The end-user consumers are the people buying the homes or building units from the builder and consuming the electricity as an end-use customer of the utility.

Developers and builders strive to keep their development and building costs low and to provide innovative services to their customers. Developers may be willing to pay more for improved customer service from the distributor if, in the end, it helps them to sell their lots/units more quickly. Builders want to offer lots/units with improved or innovative services that can provide a cost or competitive advantage to sell their homes/units in the competitive real estate market.

Wirebury plans to add value for its developer customers and for its end-use consumers by offering standardized customer focused services to developers at competitive rates and by ensuring that its distribution consumers receive best-in-class service and the latest metering technology at competitive rates.

