



Coventry City Council

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Dear Roger

Review of Competition in Gas and Electricity Connections

I refer to your review document issued 16th February 2007 and welcome the opportunity to comment on your proposals for unmetered electricity connections and fault repairs on street lighting and other unmetered highway electrical supplies.

Coventry City Council's (CCC) District Network Operator (DNO) is Central Networks East and the comments on DNO performance, contained within this letter, relate to Central Networks East DNO performance only.

Your consultation document asked two specific questions in relation to the unmetered supplies business and our reply is as follows;

Question 1: Do you agree with the proposed minimum benchmarks for the SLA?

CCC fully supports the introduction of benchmarks within the SLA. However, rather than the minimum standard being set at the current industry average we would propose that the level is set to reflect the average performance of the top quartile of DNO's. For some Local Authorities, whose DNO's are in the top quartile of performers, this may lead to no improvement or only a slight improvement in service delivery. However, for those authorities who are currently experiencing poor levels of service, of which CCC is one, this would provide a significant level of improvement.

Also there needs to be a process of 'continuous improvement' in place to ensure that the performance of the top quartile of DNO's constantly improves, which will then result in improved performance across the whole industry sector.



26 March 2007

The minimum benchmark performance levels need to be supported by a rigorous enforcement regime based on financial penalties. If minimum performance levels are not met then substantial deductions to DNO charges should be considered. CCC recognises that if DNO's are to be penalised for poor performance, that they should be compensated for delays caused by poor work programming by individual authorities.

Question 2: Do you agree that the scope of contestability should be based on contractor accreditation rather than the 1 metre rule?

CCC welcomes the proposed changes and any other measures that would encourage wider participation in the 'competition in connections' arena.

Many contractors see the one metre rule as a major barrier to them entering the 'competition in connections' arena. Their concerns are typically centred around the perception that the volume of works available to them is likely to be restricted, that the registration and accreditation process is lengthy and expensive and the fear that they may be discriminated against by DNO's for existing or future DNO contracts.

The current registration and accreditation process needs to be open and transparent and must clearly define the competency levels required. Training programmes for jointers should be designed to ensure that the core skills are delivered on a modular basis. If jointers are required to work on a variety of DNO systems, the idiosyncrasies of each network could be taught as a separate module without the need to go through the full registration and accreditation programme for each DNO. This would provide new entrants to the market with a greater flexibility to deploy their jointing resources where the work dictates.

The current DNO monopoly has lead to high levels of unsatisfactory performance, a lack of capacity in certain areas of the country, no transparency in relation to costs and no accountability for the escalation in costs over recent years.

Thank you for providing us with the opportunity to comment on your proposals. We await with interest the outcome of the review and hope that your proposals and the feedback that you have received will result in a significant 'step change' in service delivery that we are all trying to achieve,

Yours sincerely



Stephen McCluskey
Service Manager