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Mr R Morgan  
Senior Connections Policy Manager  
Office of Gas and Electricity Markets  
9 Millbank  
London  
SW1P 3GE

27<sup>th</sup> March 2007

Dear Mr Morgan

**Re: Review of Competition in Gas and Electricity Connections  
Proposals Document**

I refer to the above named document recently published by OFGEM and have pleasure in providing the following response on behalf the London Boroughs of Croydon and Lewisham and their joint PFI street lighting replacement programme.

The replacement programme is currently planned to start during 2009 and it is essential that significant changes are made to the present unmetered connections process to enable the delivery of a more efficient, sustainable and cost effective service.

The joint programme will result in approximately 45,000 service connections, disconnections and transfers, all of which will be completed in the five year Core Investment Period, 2009-14. It is vital that these statutory works (ie the DNO connections) are dovetailed seamlessly into the PFI Service Provider's column replacement programme.

I am delighted you have recognised the impact DNO works can have within the PFI projects and welcome your proposal to engage in separate meetings to discuss the special requirements with regard to this type of project.

Croydon and Lewisham are very keen to see the SLA further developed. In particular, we would like to see the introduction of nationally agreed minimum performance standards and the subsequent report on individual DNO performance proposed for 2007/08. It is also encouraging that the submitted report will be jointly developed by both the DNO and local authority prior to submission to Ofgem, which will serve to eliminate potential discrepancies.

With regard to the "one metre rule", I fully support the proposal to base the scope of contestability on individual contractor accreditation and not the distance of operation from the main distribution cable. This would allow live working on any part of the service cable and would significantly increase the elements of works that could be undertaken on a more competitive basis.

I note your proposals with regard to the need for minimum performance benchmarks which have been derived from the present reported average performance statistics. Whilst I appreciate such standards need to be practical, I am concerned the proposals are too easy for the DNO to achieve: I would prefer to see them set at a higher level. I am also concerned that suggested benchmarks do not impose any requirement on the DNO to complete their works. In the cases set out in the table below, for instance, there are outstanding elements of works, in the region of 10-20%, which require completion. Often it is these residual elements that remain incomplete for a considerable period of time, resulting in undue inconvenience to both the authority and the local communities.

Taking the above into consideration, but excluding any associated PFI works, I would prefer to see the response times amended as follows:

	Definition	Minimum benchmark	Preferred target
<b>Standard 1 – Faults</b>			
Emergency Fault repair	Work necessary to remove immediate danger to the public or property arising from the electricity distribution network associated with street furniture.	80% in 2 hours Report against emergency repair undertaken > 2 hours	95% in 2 hours Report against emergency repair undertaken > 2 hours
High Priority Fault repair	Work that is urgent but would not require attendance out of normal working hours to restore or remove electricity supplies to street furniture e.g. at the site of an accident blackspot, major road junction, pedestrian crossing facility, an area of public order concerns, a reoccurring fault.	50% in 1 day 90% in 10 days Report against high priority fault undertaken > 10 days	75% in 1 day 100% in 10 days Report against high priority fault undertaken > 10 days
Multiple Units fault repair	Fault on service, for example no current, low voltage, faulty cut-out (i.e. electrically distressed), loss of neutral and high earth impedance affecting more than one unit.	75% in 10 days 90% in 20 days Report against multiple unit fault undertaken > 20 days	90% in 10 days 100% in 20 days Report against multiple unit fault undertaken > 20 days
Single Unit fault repair	Fault on service, for example no current, low voltage, faulty cut-out (i.e. electrically distressed), loss of neutral and high earth impedance affecting a single unit.	60% in 10 days 80% in 20 days Report against single unit fault undertaken > 20 days	75% in 10 days 95% in 20 days Report against single unit fault undertaken > 20 days

	Definition	Minimum benchmark	Preferred target
<b>Standard 2 – New Works</b>			
New Works1 – 10 jobs	May include the following; new capital lighting schemes, road improvement schemes, provision of connection/disconnections, service transfer, new service and disconnections.	60% in 15 days 90% in 30 days Report against new works 1-10 jobs undertaken > 30 days	75% in 15 days 100% in 30 days Report against new works 1-10 jobs undertaken > 30 days
New Works11 – 50 jobs	May include the following; new capital lighting schemes, road improvement schemes, provision of connection/disconnections, service transfer, new service and disconnections.	70% in 25 days 90% in 35 days Report against new works 11-50 jobs undertaken > 35 days	75% in 15 days 100% in 35 days Report against new works 11-50 jobs undertaken > 35 days

I would also prefer the term “minimum benchmark” replaced by “target”. The definition of “days” should also be clarified, as either calendar days or working days, and the duration of a working day specified (eg 0700-1800 Monday-Saturday inclusive but excluding national bank holidays).

I feel this is an ideal opportunity for both the DNO and local authority to work more closely with each other and to identify and set achievable targets, which will significantly improve the overall service to the communities of both boroughs.

I trust this information is helpful, and should you wish to discuss my comments further, please contact me on 07974 729 093.

Yours sincerely

Martin Bonner  
Project Manager  
Croydon & Lewisham Councils