

Roger Morgan  
Senior Connections Policy Manager  
Connections Policy  
Ofgem  
9 Millbank  
London  
SW1P 3GE

Darien Goodwin  
Head of Transport

5<sup>th</sup> floor Laurence House  
Catford  
SE 6 4RU

direct line 020 8314 9956  
fax 020 8314 3642

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Dear Roger

## **Lewisham Response to Ofgem on Unmetered electricity connections**

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

Lewisham strongly supports benchmarks for the SLA and considers that further strengthening of the proposals is needed:

1. The minimum benchmarks for fault repairs and new works should be 100% and average targets should be set to encourage efficiency.
2. These minimum standards must be accompanied by financial penalties with significant deductions from the DNO charges in the absence of circumstances beyond DNO control.
3. Lewisham would wish to be able to carry out audits to ensure reporting is accurate. Indeed, if DNO reporting is significantly out then there must be sanctions

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

Lewisham welcomes this change on the basis that this should allow live work on self-lay mains, DNO laid mains and service cables as soon as possible.

### ***Competition***

Lewisham is in favour of full competition as soon as possible. This is the only way to ensure high levels of performance, innovation and value for money prices. This will also help Lewisham achieve its statutory obligations in respect of Best Value. We need suppliers in competitive markets to assist with our Best Value and efficiency (Gershon) obligations and we cannot see why DNOs should be any different.

We certainly believe that the present local monopoly has given us

- Unsatisfactory performance
- A lack of transparency and accountability in relation to costs and cost increases
- Inefficiencies and excess profits, excessive charges and poor value for money
- Lack of capacity

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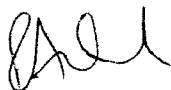
## **Interim Measures**

Lewisham would support the following safeguards in licences:

1. DNOs should be obliged to provide indicative prices for large scale projects such as street lighting PFI to all interested parties including local authorities and their advisors within a reasonable timescale (i.e.: 28 calendar days).
2. DNOs should be obliged to provide a full breakdown of all their charges including direct labour, materials and overheads split between contestable and non-contestable works to all interested parties including local authorities and their advisors within a reasonable timescale (i.e.: 28 calendar days).
3. DNOs should be obliged to ensure that their charges are reasonable and are based on efficient costs and working practices and that they include reasonable levels of profit only.
4. DNOs should be obliged to ensure and demonstrate that increases in charges are reasonable and are based on genuine increases in underlying costs only.
5. DNOs should be obliged to offer large scale projects jointers on a rent-a-jointer and a secondment basis.
6. DNOs should be obliged to ensure that they train and recruit staff so that they have the capacity to support large scale projects as required.

Please let me know if you require clarification of any of the above

Yours sincerely



PP Darien Goodwin  
Head of Transport