

Roger,

OFGEM consultation document - competition in connections - Rutland County Council Response

Please find our response below;

Question 1 – Do you agree with the proposed key performance indicators for the SLA?

Answer – Yes (with a mechanism for reviewing and tightening them).

We agree that the SLA should have targets for each work category that reflect the current industry average, but only if the DNO for our area can transparently demonstrate competition.

Rutland would (hopefully) be one of the winners if this approach is taken due to the very poor performance of Central Networks East.

We are pleased that OFGEM has proposed implementing this as a minimum standard.

However, we must have a mechanism in place to ensure that there is “continuous improvement” in DNO performance, to ensure that the industry average is constantly improving.

Other DNO’s have already shown that performance improvement is possible. We need to see this performance improvement across the whole industry.

In addition to the stated performance within each work category it is imperative that a 100% achievement figure exists.

The public, LA officers and elected members are continually frustrated by the inability of the DNO to fully complete jobs.

This 100% achievement figure is imperative to improving overall performance and will give Central Networks East a challenge.

The current %age of jobs within the industry average timescale will not have the desired effect of improving performance to our satisfaction.

In the consultation document it is stated that OFGEM “expect all DNO’s to exceed these benchmark levels in 2007/8”.

In 5.2 you state that DNO’s would not support the introduction of financial penalties. That was to be expected. Nevertheless, in such an industry, financial penalties are a reality in so many other activities. We support and encourage the introduction of financial penalties and note that the achievement of the proposed benchmark standards is likely to fail without them, set of course at an appropriate level. Experiences from the implementation of the NRSWA should be considered here.

LA’s need to be treated as “customers” of the DNO in the same way as metered supply customers are treated. In line with the proposals for metered supplies, unmetered supplies also need to have clearly defined reporting procedures between the DNO and LA’s, as well as clear dispute resolution channels.

We have been very involved in trying to help the DNOs with their internal systems and have explored the data transfer between all parties concerned. Our DNO’s information is still inaccurate despite all this work.

Frankly, we see no good reason why the measurement of BV215b remains a requirement upon the LA.

There is a lot of 'buck passing' going on when we raise issues with the DNO. Without a strong contractual arrangement with our DNO, we are in an impotent situation in terms of affecting improvements in the DNO's performance. We would urge OFGEM and the Audit Commission to resolve these differences for the benefit of the whole industry. Specifically, we would seek the requirement for the measurement of BV215b be transferred to OFGEM as soon as possible!

RCC support the view that a change in the licence condition along the lines detailed above would result in a strong SLA with penalties that would be an overall benefit to our customers – the public.

RCC would strongly encourage quarterly publication of approved contractors by the DNOs (Section 5.9) which includes an indication of the workload being issued to those contractors. Similar information is being circulated in the East Midlands with respect to construction spend – hence it is proven not to be difficult to produce without breaking commercial confidences.

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

Answer – Yes, together with other measures to encourage competition.

The one metre rule is anti-competitive and reduces the potential for performance improvement (in relation to BVPI 215b).

RCC is pleased to note that a list of all approved contractors should be available to enable LA's to enter 'triangular' agreements with the DNO, if they so wish. Anecdotally, approved contractors have previously been reluctant to become involved in competition in connections due to concern that they may be discriminated against by the DNO for future DNO contracts. RCC requests that OFGEM put monitoring systems in place to ensure that this does not occur.

RCC supports "rent a jointer" and notes with dismay (but little surprise) that Central Networks East are trying to influence OFGEM to remove "rent a jointer" schemes and are not currently offering such a product to us. We respectfully expect OFGEM to insist that Central Networks offer us this service.

On the location information systems side of things – if the transmission of data was included under NRSWA (New Roads and Streetworks Act 1991) then our DNO would be provided with a specific GIS reference (USRN). Then, on receipt of a supply failure notice they would issue an ETON notice, so they would know where it was! This is an issue (the actual format and content of the supply fault data) that our DNO have been using as a 'get-out'. We would gladly help further with this point. Overall – it does not appear that our DNO are applying Quality Assurance methods to street lighting cable fault resolution. The actual raising of NRSWA Road Openings is an issue for our DNO too (as has been found with an outstanding cable fault job from December 2006 which apparently was going to be repaired today).

The 'supply chain' for cable fault resolution is, for us, far too long!

Thank you for allowing us the opportunity to comment on your proposals and we hope you will consider them fully. Without some urgent changes, we don't see how the 'cable fault' problems are going to be improved. Please contact us if you require further clarification.

Yours sincerely,

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