

Directorate of the Urban Environment

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Your ref:

Our ref: SL/MH/08

Please ask for: Mr. M. Harwood

Direct line: 01384 814502

f.a.o. Emma Kelso
OFGEM
9 Millbank
London
SW1P 3GE

Cc: Matt Williams (for Lighting Board); Glyn Williams (for CSS)

07 April 2008

Dear Ms. Kelso,

Re: New metering technology in public lighting

Thank you for your letter of 1st April 2008.

Dudley is one of the authorities that is actively engaged in procuring a trial site for a public lighting Central Management System (CMS) and we expect our trial to be up and running by the end of this calendar year. We see the potential advantages of such a system as enabling us to detect lamp outages immediately they occur, allowing the identification of faults causing excessive use of electricity and thereby prompting action to be taken, as well as the obvious one of allowing us to 'trim' street lighting operating hours to those required to light the streets effectively. We are not yet prepared to dim street lighting in such an urban area as this one for a number of reasons but might in the future consider it if the benefits outweighed the disadvantages.

The prospective roll out of such a system is one of the elements within a cost benefit analysis of street lighting which will also be carried out here as part of this exercise. The other benefits that you list in your letter, of active metering and prospective reduction in DuOS charge, could also be taken into account by the exercise if their costs and any prospective savings are quantified by the time the cost benefit analysis is complete. However, it would be a mistake for you or anyone else to assume that its implementation could be justified on these grounds alone. Provision of a CMS is by definition expensive – in Dudley the capital cost of implementation could be as high as £1.5 million – and in order that the payback period is reasonable considerable savings would have to be identified. Given that many authorities are struggling even to finance the capital cost of replacement of life expired equipment, I fear that for many authorities the cost would be too high and the payback period too long to justify implementation of a CMS.

Given that the cost of Dudley's street lighting energy has increased by about 250% in the last five years any effort to reduce that burden would be welcome. Savings though are relative only to costs; reductions in tariffs and DuOS charges alone as a result of CMS implementation would have to be substantial to justify the exercise.

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INVESTOR IN PEOPLE

In an age when the electricity supply industry is making great efforts to reduce carbon footprints, both its own and that of its customers, and given the obvious benefit in this regard from a CMS exercise, I would be interested to see what effort the industry as a whole could make to improve the viability of CMS introduction.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'M Harwood', written on a light-colored rectangular background.

Mel Harwood
Team Manager – Street Lighting

