



The Association of Signals, Lighting and other highway Electrical Contractors

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DPCR5 Response  
Electricity Distribution  
Ofgem  
2nd floor  
9 Millbank  
London  
SW1P 3GE

13 February 2009

Dear Sir / Madam

**DPCR5 – Electricity Distribution Price Control and Review Policy Paper**  
**Ref: 159/08**

I write in response to the above document issued for consultation.

In respect of introducing real and fair competition in connections, we welcome the approach of adding incentivisation to the regulatory framework. We also welcome the proposals to extend regulation to all connections.

In terms of the timescale, we understand that by definition these proposals will come into place by 2010. However we feel that the timeframe for meeting the proposed competition tests (which are also welcomed) should be looked at again, as effectively this is allowing several more years, beyond 2010, before this area can be dealt with. Regrettably there appears to be no verification from OFGEM nor any independent verification that the requirements of OFGEM (e.g. in respect of DNO's providing information to enable easier take-up of competition) are actually in existence, and we would expect this to be verified before the end of the current Price Control and Review framework. In addition, we would like to see some tangible milestones within the competition test framework on an annual basis to ensure the administrative, informational and implementation aspects are fully complied with.

We remain concerned that, despite OFGEM's decisions and stated requirements, that DNO's are allowed to hide behind the "we are big organisations and cannot guarantee that our staff are saying the right things" which has been evidenced in delays, frustrations and costs to ICP's which is at best, poor communication and at worst could be seen as deliberate delaying tactics. This approach is not permitted as a defence in matters of health and safety, employment law and discrimination, and we do not understand why OFGEM continues to take a relaxed approach to such statements.

Finally, whilst we are broadly in support of the proposals, the experience to date over the last 8-10 years, would appear to indicate that OFGEM is ineffective in ensuring effective competition and in ensuring that DNO's introduce an open and commercially pragmatic approach to such competition. In addition, we remain sceptical that the incentivisation and regulatory approach proposed, if implemented, will have any real impact when DNO's continue to be allowed to implement double digit price increases year on year in areas of work which are regularly delivered (and in many cases exclusively delivered) by them.

Yours faithfully

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Chief Executive