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Thursday 23rd September 2012

Re: Strategy consultation for the RIIO-ED1 electricity distribution price control – Ref: 122/12

Dear Ann

I refer to your public consultation document above and also the response provided by our representative bodies the HEA & UCCG.

Amey fully endorses the response provided by the HEA & UCCG with regard to the need for unmetered connection customers to be recognised as a separate customer group to those of all others Ofgem have placed in the Major customer group.

Unmetered connection customers across the UK, typically Local “Highway” Authorities and their street lighting service providers, manage vast numbers of street furniture assets all with existing DNO connections. We require high numbers of small value repeat DNO connection activities on new and existing service cables but spend most of our time chasing DNO’s for repairs and supply restoration to existing connections assets.

The current minimum guaranteed standards of DNO performance in response to requests for planned connection activity and for fault repairs do not incentivise DNO’s enough. We welcome the RIIO proposal to introduce average overall response performance incentives for planned connection activities but would encourage Ofgem to also introduce this approach for DNO’s unmetered connection faults and emergency repairs response.

We would also like to see RIIO introduce incentives to encourage DNO’s to invest in improving, repairing or replacing poorly performing, unreliable and poorly protected existing unmetered connection assets. Unmetered customers often find themselves having to pay for this asset and network improvement work as a consequence of replacing the street furniture asset. An example of this is some DNO’s policies for discontinuing their 5th core street lighting connection networks. In contrast we have other DNO’s who insist on discontinuing perfectly healthy street lighting connection networks to avoid further responsibility, making customers pay for their replacement as private networks.

An incentive targeting average number of faults (interruptions) per 100 unmetered connections may be starting point, although we have no view as yet as to what would be an acceptable level.

We appreciate the benefits that smart grid technology could bring to all stakeholders of a distribution network but also the important role the unmetered market sector has in assisting DNO’s in accounting for and managing real network load and losses. With our industry already investing in new low carbon lighting technologies such

as LED's, remote monitoring and centralised street lighting management systems across the UK, there should be opportunities for us to assist DNO's in monitoring and managing their LV networks of the future, without having to resort to installing additional SMART meters in all street furniture assets. We hope that throughout the RIIO consultation process, Ofgem, DECC and DNO's recognise that the unmetered sector is an important stakeholder too.

Yours faithfully



Stephen Bolland

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For and on behalf of Amey LG Limited

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