

Internal Only

As a connection stakeholder please see below our response to your consultation on penalties for DNO's under the Incentives for Connection Engagement initiative with specific reference to your review of UK Power Networks performance.

Landsec is the UK's leading Real Estate Investment Trust (REIT) and the largest listed commercial property company by market capitalisation. We buy, sell, own, manage and develop office, retail, leisure and residential space across the UK. We own over 6m sq.ft. of office space in central London together with approximately 1m sq.ft. of retail space and a large strategic land holding for future development within the SE region, most of which falls within the UKPN licenced footprint.

We are a regular customer of the UKPN major connection business. We have recently completed a £3bn development programme within central London and the SE which involved the provision of many major electrical connections to new and refurbished building projects together with substantial reinforcement works. The developments included; 20 Fenchurch St, Nova Victoria, Mizuho House, 60 Ludgate Hill, The Zig Zag Building, Kingsgate House, Park House, 62 Buckingham Gate, 123 Victoria St, Wellington House and 20 Eastbourne Terrace. We are currently preparing the way for our next generation of developments in London working closely with UKPN to ensure that the necessary infrastructure is in place to connect the buildings to the network, which will include a 33kV connection to our 21 Moorfields development which will be the new UK headquarters for Deutsche Bank.

The company you describe in your review is not one that we would recognise from the organisation we deal with on a day to day basis. I lead our Engineering and Design activities on development projects across the UK and we have worked with a number of other DNO's and in my opinion UKPN's approach to engagement and customer service is the best we currently experience.

In addition to our major development work, most of which has required HV connections at 33kV and 11kV, smaller projects and changes to our managed portfolio often require new low 400V LV connections. Planning and installing new connections in central London is amongst the most complex in the UK; working in busy congested streets filled with multiple utility services which requires UKPN to work closely with local authorities, the GLA and TFL in order to deliver successful projects. Despite these challenges UKPN provide us with solutions and quotations within the time period allowed under the regulated performance standards and in almost all cases deliver the connections on time and on budget. In addition to the new connection work we have worked collaboratively with UKPN to accommodate a major substation in the basement of our Kingsgate House development, the first new major substation in the west end of London for over 20 years providing new supply capacity for our developments in the Victoria area and capacity for future developments in the wider Westminster area for many years to come.

During my time at Landsec my Engineering team has managed our utility connections with electricity companies from the time they were in public ownership to the regulated businesses which they are now and in the case of the SE licenced areas with all the previous licensee holders for the network areas currently owned by UKPN. The customer focus and engagement throughout this period with DNO's across the UK was at times challenging and often fell short of our expectations but I would have to say that when UKPN took over the SE area networks there was a step change improvement in the approach to customer service and delivery performance compared with what we had previously experienced. The new approach was led from the top of the organisation with a personal commitment from the CEO Basil Scarsella to focus on improving customer service. One of the most important steps taken was to introduce customer relationship managers which has provided us with a single point of contact which has been invaluable, providing consistency of communication and a customer focussed service.

In our experience we find the UKPN senior management team to be open, approachable and responsive to any concerns we raise. Its willingness to engage with stakeholders has been demonstrated by their approach to consultation on RIIO ED1 and the early work they are doing to respond to the new challenges being set by renewable generation and distributed energy supplies looking at the possible transition to a DSO model as part of RIIO ED2.

I trust that you will consider the above in your final assessment of any penalties applied to UKPN for their performance under the ICE requirements.

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