

Internal Only

I'm writing to you regarding your Connections Engagement document, published on 21st August 2017 and the role of UKPN in our connections business.

I strongly believe that the penalty of £4.6 million pounds which is intended to be issued to UKPN is completely unjustified. As an ICP who work in every DNO in the UK except for one, Electrical Testing are well positioned to provide evidence to the contrary that UKPN have failed on their engagement to customers.

Some general background. Electrical Testing have been an ICP since 2011, starting off with one jointer carrying out transfers and disconnections. We had one client and a DNO in UKPN who were there to help our fledgling connections business. 6 years later we have 13 jointers, 6 strong ICP management team, have worked for over 50 clients, (independent, contractor and council) and UKPN have been instrumental in that development and the services that we now able to offer to our customers.

UKPN have been willing to listen to the requirements that our clients have asked of us as a legitimate alternative to the DNO, and in the majority of cases the steps have been put in place to allow this work to occur. New services, both metered and unmetered. Service extensions. Linking and Fusing. Signal Injection. Steel Wired Armour on the main disconnections. Overhead Line disconnection, transfer and new services. Metered Disconnections. At each stage, consultation, process, communication, approval and delivery. There is no other DNO that we have worked with who has achieved or at the very least provided us the opportunity to do so much more than basic transfers and disconnections. The pace of change has been glacial in other parts of the country but not in the South East.

To address some of your questions.

Do you consider that UKPN delivered any of these commitments? Do you have any additional evidence to support your view?

As one of the few ICP's who have put their hand up for the OHL Pilot, UKPN delivered on their commitment to complete the Unmetered OHL Pilot and transfer to BAU. They then extended the Pilot to increase the scope of the Pilot to incorporate the provision of Shrouding for Non-Connections activity at our request as our client Suffolk CC asked it of us. UKPN worked with external stakeholders to increase the scope of the Pilot and engaged fully with us through the process, keeping us fully updated. We were in full agreement for UKPN to extend this Pilot by a further six months to allow it to work with ICP's to identify key learning points from the expanded scope of works and discuss at the arranged Unmetered OHL Pilot Workshop on 07 September to move to BAU within the agreed six-month extension. UKPN clearly communicated with stakeholders with regards to the extension of this Pilot and explained the reasons why. The extension of this Pilot has not hindered or affected us, in fact quite the opposite. Up until 28/02/17, we had only completed 41 connections under this Pilot but with the agreed six-month extension, were able to complete a further 287 connections which fully justified the extension.

For the Disconnections Pilot UKPN were fully delivering on their commitment to complete the Metered Disconnections Pilot and transfer to BAU. At numerous UKPN events such as Competition in Connection Workshops and other ICP stakeholder meetings, UKPN were consistently requesting the participation in the pilot as the take up had been very low. Again, we put our hands up to take part but had few to do which meant identifying key learning points to allow it to move this activity to BAU was always going to be difficult. The lack of sufficient take-up meant that it was perfectly sensible for UKPN to extend the period of the Pilot by a further six months to allow further ICP's to carry out activity and then work with ICP's to identify key learning points from the expanded scope of works and discuss at the arranged Disconnection Pilot Workshop on 07 September to move to BAU within the agreed six-month extension. Electrical Testing were in agreement for UKPN to extend this Pilot by a further six months and I'm satisfied that UKPN communicated clearly with stakeholders with regards to the extension of this Pilot and explained the reasons why.

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The extension of this Pilot has not hindered or affected the ICP community from entering this Pilot and providing this service to their customers.

What specific actions did you expect UKPN to complete in order to deliver the commitment(s) that you feel they did not fulfil? Which of these actions do you believe was not complete?

We are happy that UKPN commenced both Pilots and were happy to support the extension of both Pilots by six months to allow;

- For the Unmetered OHL Pilot the extension of the scope of the Pilot to include shrouding for non-connections activity;
- For the Metered Disconnections Pilot the entry of further ICP's into the Pilot and completion of additional disconnections

(FYI, the six month extension allowed a further three ICP's to enter the Disconnections Pilot which could justify the extension).

We do not believe that UKPN failed to deliver on any of its commitments. The six-month extensions were well communicated, agreed by affected stakeholders and did not hinder the ICP community or customers in any way. I cannot see how they could have done anymore to facilitate these pilots and believe the low take up has more to do with the quality of the ICP's themselves and their technical ability to deliver these types of services.

Do you consider that market segments mentioned above were the relevant ones affected? Were other market segments also affected?

Ofgem believe that the following market segments were affected and from our point of view, this is clearly incorrect. Every time we have enquired with UKPN regarding a service we have found that we are pushing against an open door. Our requests are based on what our clients are asking of us and not necessarily what OFGEM believe should be available. The demand has to be there and it is our experience that when the need arises, UKPN have helped us deliver.

For the OHL Pilot only the "Unmetered Connections – LA work" and "Unmetered Connections – Other work" segments in EPN and SPN were affected by this Pilot. Clearly due to the nature of the Pilot, Unmetered Connections in LPN were not affected (no OHL network), nor were the LV Metered Demand segment. For the Metered Disconnections Pilot only "Metered Demand – LV work" in LPN, EPN and SPN were affected by this Pilot.

I cannot comment on other segments as we do not currently operate in those sectors or that they clearly do not apply.

To summarise, UKPN's competition in connections team separate them from other DNO's who customer engagement is significantly lacking in comparison and it is only through their events, email communications and clear and concise process that we have been able to grow our business in the way that we deliver connections work to customers. It is our belief that OFGEM have to look deeper at the reasons why they think that UKPN has not met it's targets in regard to customer engagement and improvements, for in our experience it isn't for lack of effort on their part. Quite the opposite. It is our view that UKPN should not be penalised for the lack of ambition of NERS ICP providers in the LV sector. You can lead a horse to water, but you can't make it drink.

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