

Response to OFGEM “Consultation on penalties for the distribution network operators under the Incentive on Connections Engagement” dated 21st August 2017.

Response on behalf of Skanska UK / Skanska Balfour Beatty JV Ltd.

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Minimum criteria potentially not met (1)

DNOs must demonstrate that they have taken into account ongoing feedback from a broad and inclusive range of connection stakeholders in developing their strategy, activities and outputs. If not, they must give reasons that are reasonable and well justified.

Q1 - Do you consider that UKPN delivered any actions in response to the issues highlighted above? Do you have any additional evidence to support your view?

Response:

Between 2009 and 2014, UKPN installed approximately 140 new power connections in response to individual applications raised by my teams for new supplies to motorway infrastructure during major upgrade work on the M25 motorway before and after the 2012 Olympics.

During the mobilisation of the motorway upgrades, the timely provision of the new power supplies was considered to be a major risk to the successful out-turn of the projects. Through pro-active engagement with UKPN (EDF initially), every power supply was delivered to the roadside in time to allow commissioning of the lighting and technology systems in the 9 sub-phases of the Motorway project including the provision of new HV and LV infrastructure and associated wayleaves / easements and the upgrading of existing HV infrastructure.

At times when programme was considered to be at risk, the single point of contact in UKPN's team (Ian Arnold) engaged with UKPN's Account Manager for Skanska (Steve May) who in turn engaged with my team to prioritise critical elements of the work to meet our key programme dates.

The commitment to our satisfaction as a customer and their engagement in complying with our own delivery programme was beyond expectations of the UKPN organisation and was a key factor in the successful delivery of the £1.3bn programme of upgrade work.

The success was all the more commendable when considering the associated need for new wayleaves and easements to all the individual supplies which were negotiated in an environment where there had been a considerable advanced awareness of the upgrade scheme by local land owners and their appointed agents and a heightened ambition among such parties to secure maximum gain from the activities on the projects.

The pro-active coordination of the “Freedom” wayleave negotiators and UKPN's regular attendance (Fortnightly) at our progress meetings and continued flow of updates through the presentation of “tracker” spreadsheets on all ongoing activities was key to the risk management process and outcome.

New easements were to the best of our knowledge, delivered against a standard set of criteria for all new supplies provided.

Q2 - Where relevant, do you consider that UKPN provided reasonable and justified reasons why the commitment was not included in the work plan?

Response:

Against the “extra-ordinary” scale of the challenge we gave to UKPN, we consider that UKPN fully met our requirements in both administration and delivery of the new supplies keeping us abreast of developments and challenges throughout the process and where necessary, engaging us collaboratively to assist in the resolution of local / tactical issues with individual supplies.

We have no further comment to make against this question.

Q3 - Do you consider that market segments mentioned above were the relevant ones affected? Were other market segments also affected?

Response:

Metered Demand Connections LV

Metered Demand Connections HV.

Minimum criteria potentially not met (2)

DNOs must demonstrate that they have undertaken a comprehensive work plan of activities, failing this, to provide an explanation that is reasonable and well justified.

Q4 - Do you consider that UKPN delivered any of these commitments? Do you have any additional evidence to support your view?

Response:

Throughout the 5+ year delivery relationship between UKPN's delivery team and our own teams, UKPN provided work plan's for each supply delivered encompassing all aspects of the process including materials procurement timelines, wayleave targets and progress updates and delivery plan targets for the installation process on site for both HV and LV metered connections.

Their regular engagement with our teams and progress updates allowed the early identification and rectification of any issues arising through access, technical difficulties (E.g. Ground conditions / flooding in some cases) and landowner issues (Easement negotiations) allowing ourselves to escalate issues internally and with local land agents as required to resolve matters and meet our critical programme targets accordingly.

As mentioned in our response to Q1, the provision of new services by UKPN was an unqualified success across the 5 year programme of work. We have no complaint to raise with their service offering or performance.

Q5 - 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?

Response:

We have no comments against this question. The service provided by UKPN was beyond expectations over the whole 5+ year programme.

Q6 - Do you consider that market segments mentioned above were the relevant ones affected? Were other market segments also affected?

Response:

No further comment – Metered Demand Connections LV and HV are the relevant market segments.

Minimum criteria potentially not met (3)

DNOs must demonstrate that they have implemented a comprehensive and robust strategy for engaging with connection stakeholders or, failing this, to provide an explanation that is reasonable and well justified.

Response:

We have no comments to make against Questions 7-10 – All supplies provided by UKPN were metered supplies and not associated with LA service provision.

Minimum criteria potentially not met (4)

DNOs must demonstrate that it has delivered its relevant outputs. If not, the DNO is required to provide reasons that are reasonable and justified.

Response:

We can find little if any correlation between the “Minimum criteria potentially not met” statement above and the “Reasons” commentary under this heading despite reference to the “Incentive on Connections (ICE) Guidance Document.

In summary, we consider that the reporting of outputs and progress provided by UKPN through correspondence and regular attendance at meetings was satisfactory for the purposes of the services provided and contributed to the unparalleled success of the schemes.

In response to the comments related to IDNO / ICP engagement and development of Contract arrangements, we confirm that these were not relevant to the services provided. UKPN, in line with their obligations provided an estimate for every new service provided detailing expected charges in respect of non-contestable and contestable services. On each occasion, the confidence engendered by UKPN's approach to delivery of the contestable works resulted in us selecting the full service delivery by UKPN. This confidence was subsequently rewarded with successful delivery fully justifying the decision in each case. We had no cause to engage IDNO or ICP services throughout the programme of work.

We have no further comment to make against question 11-14.

Minimum criteria potentially not met (5)

DNOs must deliver their relevant outputs and if not, a reason must be provided that is reasonable and justified.

Q15 - Do you consider that UKPN delivered a single point of contact for connection customers? Do you have any additional evidence to support your view?

Response:

Yes – UKPN provided a consistent single point of contact throughout the 5 year programme relationship between our teams contributing to commitment to our programme goals and a successful out-turn across the complex and challenging programme of work.

In addition to the consistent Project Manager appointed for the whole period (Mr Ian Arnold), UKPN also identified a consistent escalation manager in Mr Steven May who again, was engaged at senior level with our team throughout the whole relationship.

The successful engagement and outcomes on the M25 programme of work has subsequently led to the continued appointment of the same delivery managers on our latest £1bn project for 60+ new supplies along the A14 Cambridge to Huntingdon improvement scheme in Cambridgeshire giving us great confidence looking forward.

Q16 - Do you consider that UKPN's commitment to reduce the time to provide a quote has been delivered?

Response:

We are unaware of the details of any commitment to improve the time to provide a quote. We can however confirm that the timescale experienced for the provision of quotations and subsequent service delivery was satisfactory across the range of new services provided by UKPN and fully met our operational and procedural needs.

We have no further comment against this question.

Q17 - What specific actions did you expect UKPN to take to ensure this commitment was delivered?

Response:

Across the extensive programme of work delivered by UKPN, we consider the level of success to be unparalleled.

Where local / tactical issues were encountered, communication channels were open and honest and issues were overcome collaboratively. A good example of this collaboration was in 2012 when severe flooding events significantly hampered the installation services on site. The matter was discussed in progress meetings with the outcome being ourselves providing resources to transport UKPN plant and equipment through flooded areas to the workforce to allow UKPN to continue to deliver their services which they subsequently did successfully.

This commitment to collaborative resolution was essential to the ultimately successful outcome on the programme of work.

18. If applicable, do you consider that UKPN provided reasonable and justified reasons why the commitment was not delivered?

Response:

As detailed in response to Q17 above, we consider that the communication / engagement by UKPN was key to the success of the scheme. The open and honest approach to the resolution of local issues was fundamental to the successful outcome.

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

Response

N/A – We consider the market segments indicated to be relevant to the services proved by UKPN.
