

James Veaney
Head of Distribution Policy
Ofgem
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20th March 2014

Dear James

Re – Consultation on SSEPD’s Competition Notice

We write in response to the current consultation on SSEPD’s Competition Notice due to finish on 20th March 2014. SSEPD has been discussed within the UCCG (following a presentation from them) and our comments in respect of the SEPD DSA and all of the relevant RMSs (unmetered local authority, unmetered PFI and unmetered other) follow.

As we stated at the UCCG meeting at which SSEPD made their presentation, we cannot support this Competition Notice (in respect of SEPD and the unmetered sector).

There is no evidence of significant competitive activity (other than in the PFI sector) and we do not consider that “Rent a Jointer” should be considered as evidence of competitive activity since the jointer is being supplied by SSEPD.

In discussion within the UCCG, we could identify only one possible ICP that may be working within the SEPD area – and that would be within the PFIs in that area (some of which are delivered by SSEPD’s own contracting arm, SSE Contracting). ICPs have indicated that there are delays and difficulties in being able to work within the SSEPD area, with one ICP stating that SSEPD were unable to facilitate competition in respect of jointing to the main as they did not appear to have any processes or procedures to cover this work and these activities. It was also considered that the fact that SSEPD have submitted their Competition Notice in this area right at the last moment – when they were obliged to – could be considered as further evidence of lack of pro-active actions in respect of competition within this DSA and the associated RMSs.

There is no evidence that effective competition exists in the SSEPD area and SSEPD have not facilitated competition. Their non-contestable charges for contestable unmetered works are nearly double those levied by the best performing DNO in the sector.

In these circumstances, and until and unless there is significant ICP activity with genuine competition both in existence and available and known to customers, we will not be able to support SSEPD’s application.

Yours sincerely



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Secretary UCCG
Chief Executive HEA – Highway Electrical Association