

James Veaney
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17th March 2014

Dear James

Re – Consultation on NPG’s Competition Notice

We write in response to the current consultation on NPG’s Competition Notice due to finish on 18th March 2014. NPG has been discussed within the UCCG and we have the following comments to make which apply to both DSAs (North East and Yorkshire) and all of the relevant RMSs (unmetered local authority and unmetered other – unmetered PFI not being particularly relevant at this time):

1. We do not agree with the proposed new market segments of unmetered other - 5 and above, nor of the LV metered – 20 and above. Certainly in respect of the unmetered sector, the way to encourage and facilitate effective competition is to remove barriers (such as unmetered “design fees”) as other DNOs have done
2. Generally customers do not appear to be aware of competitive alternatives to NPG and effective competition does not exist in either of the DSAs – hence NPG’s retained market share. NPG’s comments regarding alternative renewable energy solutions within the sector is a red herring and is no substitute for customers both knowing about and using ICPs. Whilst there is an acknowledgement that NPG has encouraged competition, the reality is that ICPs appear to be encountering delays, additional costs or lack of communication when attempting to deliver competition.
3. NPG do not appear to facilitate ICPs as effective competition. There are reported delays in obtaining appropriate drawings or responses to emails. Their non-contestable charges for contestable unmetered works are the highest in the UK (based on a typical representative sample of work) and nearly 8 times higher than the charges levied by the best performing DNO in the sector. This together with their insistence on charging design fees even for simple unmetered works, is in itself a barrier to effective competition. (It should be noted that NPG was one of only two DNOs not to respond to the UCCG’s request for information on such non-contestable charges within a reasonable timeframe (requested in Nov 2013) and in fact was the last DNO to provide information – which was received only this month)
4. We are advised that quotations do not show the contestable and non-contestable elements. There appears to be no explanation of the rationale behind price changes. Some local authorities have advised that either they were not told of price increases, or only told after the increase had been implemented

Overall we feel unable to support NPG’s application at this time.

Yours sincerely



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Secretary UCCG
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