

Network Operations and Emergency Attendance Discussion Q&A

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Doncaster Council vs DNO

- Doncaster Council street lighting operates in the Northern Powergrid Authority, with a small area covered by Western Power Distribution to the south of the town.
- Doncaster Council uses Independent connection providers for all Contestable connections, transfers & disconnections.
- In 2018-2019 financial year Doncaster Council paid Northern Powergrid £91k for NON CONTESTABLE works.
- Of the £91k it is estimated that Doncaster council failed to recover half from insurance companies.

The Question is Why?

DNO – The Service Level Agreement

- What agreement does your Council have with the DNO?
- If your council has a service level agreement (SLA) with the local DNO has it been updated to account for de-regulation of services. i.e. does it clearly state the contestable and non-contestable aspects?
- Does your DNO charge for emergency attendance utilising agreed schedule of rates? Or does it charge using an on-cost calculation policy?
- Were the changes notified and agreed via an updated SLA?
- Doncaster cannot answer these questions because it is unable to locate an agreement – Neighbouring authorities when challenged were also unable to answer (Hull CC, East Riding & North East Lincs.)

Public money

 This has led to each Authority requesting the latest signed agreement from the DNO

 If no Agreement exists how can authorities prove best value for local residents?



Why are the Council Liable?

- As an Authority we are customers of the DNO's the same as a resident or business
- If the service cable was damaged entering a property would the DNO claim from the resident or the insurer?
- If the insurer why do the DNO bill the Council? Surely the liability sits with the person who causes the damage?
- Why do councils foot the bill? DNO's have a duty of care to make safe equipment – Councils have a duty of care to notify
- Are Councils being penalised for undertaking their duty of care under the highways act?
- Why are the council responsible for damage to equipment which they do not own?

Motor Investigation Bureau (MIB)



- The Motor Investigation Bureau can be used to reclaim costs from un-insured driver
- Doncaster council uses this service to re-cover costs currently including the DNO costs
- This costs the council with administration time that the DNO's do not affect
 For further information on claiming from un-insured drivers

See the link below

https://www.mib.org.uk



Reasons Suggested for the Charges

- Dealing with the DNO's the following reasons have been suggested as to why we are charged
- 1. You cant remove your equipment until we disconnect
- 2. You haven't protected our equipment satisfactorily

We may not be able to remove equipment until its disconnected, however the emergency services cannot access sites either therefore the duty of care for these services must also lie with the DNO – we have no statutory obligation to disconnect just a duty of care to inform.

Section 169 Highway Act 1980 States that :

(c) to do such things in connection with the structure as any statutory undertakers reasonably request him to do for the purpose of protecting or giving access to any apparatus belonging to or used or maintained by the undertakers.

This surely means that a column is accepted as suitable protection for their equipment at the time of installation?

How can we challenge this?

- As Authorities we should challenge the charges, this may lead to legal advice being sought which would be much cheaper if we could organise a group of interested authorities perhaps through APSE who could contribute to costs via agreement but who would all benefit from the outcome
- Should we stop providing order numbers for works and provide police incident numbers and telephone numbers instead?



Independent Network operators (IDNO)



Independent Network Operators

- In 2005 Offgem produced documentation which opened competition for Independent network operators (IDNO's) to operate on the electricity networks
- The intention was to give the customer more choice and increased competition for electricity connections.
- However this only benefitted the originators of the requests for supply i.e. developers in many cases – The council were the final adopters not considered as the final owners.
- Lighting authorities were frightened into adopting ownership of supplies rather than being accused of being anti-competitive

IDNO Agreements

- In Doncaster we fell into this trap and a number of networks were installed without a service level agreement.
- On the first occasion of a RTC in a IDNO operated estate the council picked up a bill of £1750 for the emergency disconnection of a column.
- On review the council has discovered that whilst a standard SLA is available from Offgem, there is flexibility for agreement between parties and we don't have to sign the original document and <u>can</u> challenge.
- Therefore Doncaster has sought to agree with IDNO's that many of the failings of the DNO SLA i.e. responsibility of cut outs within our assets is agreed so as to minimise the risk to the council in the event of damage.
- This work is currently on-going but the hope is that in Doncaster we can limit the IDNO's who sign up to our agreement to be adopted. This is not Anticompetitive merely protecting the councils interests. And the IDNO's can see a benefit to having an agreement in our area as being seen as an approved Doncaster IDNO

Insurance Claims



Regular questions – Answers?



We thought it maybe beneficial for APSE to consult its member authorities to produce a database of questions and answers for Insurance claim challenges: Here are some of the more regularly asked questions from Doncaster:

- Betterment In Doncaster we explain that any betterment value is lost by loss in production for attending to single columns rather than replacing numerous columns in schemes, additionally this can inhibit the future design process if trying to accommodate a newly replaced column into a new scheme. - this seems to be accepted in quite a lot of cases.
- 2. Engineers fees This is becoming a difficult one for us to quantify, What is reasonable as far as engineer fees i.e. we have admin, design, OOH Call out staff as well as costs from the high number of queries from adjusters. Can we charge for any queries after the first query? How do we quantify successfully recovery of all these associate costs?

Regular questions – Answers?



- 3. Labour rates Lots of Adjuster try to challenge our labour rates, In Doncaster we are on wages locally agreed below the NJC. Therefore this challenge is unlikely to be successful due to the costs other authorities charge for the same work. Ultimately we always answer this and it goes away
- 4. Why have you not re-used lanterns etc. In Doncaster we are unable to quantify any structural damage to lanterns and its fixing from impact so as a matter of course always replace the lantern. Lanterns are designed under certain parameters and we do not know how these can be damaged during impact
 - When a car is damaged in an accident the insurance company do not go to the scrap yard to get parts matching the condition of the original bumper etc.
- 5. Please explain the charges from your DNO or IDNO? : We have a copy of the DNO on-costs documentation and supply this with the comment that this work is NON-CONTESTABLE and as such we have no option but to pay it. For IDNO queries we supply a copy of our connections schedules showing the three companies on our framework and highlighting the price we used was the cheapest

Questions - Comments

Whilst we are not sure of all the answers and come to our colleagues for assistance we do believe that we like many in the street lighting industry are merely following the path trod by our predecessors who did not have the benefit of de-regulation and therefore simply had to comply.

In the way the Network operators have been forced to change to allow competition, do we now as councils now need to change and challenge to insure we get the best deal for our Authorities?

If you would like to discuss further please contact me:

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