

**By:** Norman Bateman, Head of Technical Services

**To:** Environment, Highways & Waste Policy Overview Committee – 15 September 2009

**Subject:** Update on Service Level Agreement with EDF Energy

**Classification:** Unrestricted

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**Summary:** This report is to provide an update on the performance of EDF Energy in relation to the Service Level Agreement after two periods of reporting.

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## **1. Introduction**

- 1.1 Following a period of consultation with all South East highway authorities, Kent County Council signed up to a new Service Level Agreement (SLA) with EDF Energy in December of last year. The purpose of this report is to provide an update on EDF Energy's performance after two three month periods of reporting by EDF to Ofgem. The report will also provide information on the working relationship with EDF Energy and the new working practices that have been employed, which are outside of the SLA.
- 1.2 The report will also consider the proposal for Ringway to seek approval to work on the EDF network.

## **2. History**

- 2.1 Over the last few years EDF Energy has not enjoyed a good reputation in the highway street lighting world. In self recognition of their poor performance, EDF Energy embarked on a project entitled Excellence in UMC (unmetered connections) last year. This included the development of an SLA to comply with Ofgem's request for all Distribution Network Operators to report consistently on performance. KHS (Kent Highway Services) was included in the consultation process for the delivery of the SLA.

## **3. Service Level Agreement**

- 3.1 The SLA covers all aspects of EDF Energy's performance for KHS including response times for faults on the network, times to carry out connections and the provision of quotations. The SLA also provides for better reporting and monitoring of work.

A copy of the SLA is attached in Appendix 1 detailing the target response times.

## **4. Faults and Connections**

A summary of the SLA figures for the last two quarters can be found in Appendix 2.

- 4.1 **Faults** The results for the first quarter of this year (1<sup>st</sup> January to 31<sup>st</sup> March) showed that the targets were not being met. There are a number of underlying

reasons for this, the most significant being a considerable backlog of outstanding work, insufficient resources and teething problems with the new reporting procedures. KHS was unable to agree the figures with EDF Energy as the data presented did not match that held by KHS. The data was therefore submitted to Ofgem without agreement.

The second quarter figures presented by EDF Energy showed a marked improvement with the exception of multiple faults, where performance was still poor. Again KHS was unable to agree the figures issued to Ofgem. This agreement issue is being resolved.

Multiple faults are those which are most noticeable by the public therefore it was disappointing to see performance worsen. The cause of multiple faults can often be the 5<sup>th</sup> core network where a number of lights are fed and controlled from one point. The control point for these is often within a sub station which is inaccessible to KHS staff and therefore outside of our control. Over the last few months we have worked closely with EDF Energy to find a solution and I can report that an agreement has been reached whereby EDF Energy will provide a live supply to the first street light in the chain outside of the sub-stations. KHS will then install the necessary control in that street light, thus allowing KHS staff the ability to maintain and repair multiple faults. This work has commenced in Tonbridge and Malling and a programme is being developed County-wide.

- 4.2 **Connections** As with faults, the first quarter highlighted that targets were not being met. This has steadily improved over the second quarter, and KHS was able to agree the figures presented to Ofgem in July.

In an attempt to further improve response times to connections, KHS approached EDF Energy with a view to using the 'rent-a-jointer' scheme. This allows KHS to 'purchase' a jointing team from EDF to carry out schemes that are then programmed and controlled by KHS. This has previously been refused by EDF Energy as there is a requirement to provide a comprehensive long term programme of scheme work. KHS has been able to evidence this and to date a major replacement programme across the County has been operating successfully. This scheme provides both cost and efficiency savings and customer perception has also improved as there is no longer a delay in street lights being installed, connected, and the old column removed.

In addition to this, Ringway, the KHS contracting arm, has approached EDF Energy with a view to entering into a 'tripartite' agreement. This allows nominated Ringway staff to obtain accreditation to work on the EDF Energy secondary network. This will then enable KHS to have even greater control over works which will now include individual columns as well as schemes. It is anticipated that this approval may be obtained in the next three months.

- 4.3 **Quotations:** KHS is not required to obtain quotations for work, therefore this is not applicable to KHS.

## **5. Further Co-operative Working with EDF**

- 5.1 At a recent meeting with EDF, the Cabinet Member for Environment, Highways and Waste was able discuss the past performance of the provider and the

proposals from EDF to continue with their improvement. EDF stated that they were very confident of maintaining the progress made so far and that they considered Kent County Council very important on their customer base.

5.2 From a more operational point of view, a senior manager from EDF now forms part of the KHS Streetlighting Management Team thereby giving KHS immediate access into the management of EDF improving communication and cutting down on delays.

## **6. Conclusion**

6.1 This report is for information only, but highlights that EDF Energy has responded to their poor performance over recent years showing improved response to KHS and that these improvements are ongoing.

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