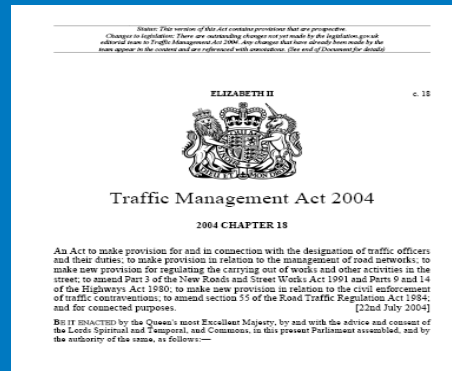


Permit Schemes a Utility Perspective



Paul Gerrard
Street Works Manager, National Grid

National Grid

An international gas and electricity company

- We play a vital role in delivering gas and electricity to millions of people safely, reliably and efficiently
- Based in the UK and northeastern US
- One of the world's largest investor-owned utilities
- Approximately 19 million industrial, commercial and domestic customers served by 28,000 employees

UK Gas Distribution

- Our gas distribution business comprises four of the eight regional gas distribution networks in Great Britain
- We own and operates Britain's largest distribution business
- Deliver gas to almost 11 million homes and businesses



■ Gas Distribution UK – operating area

Scale of our operations

132,000 kilometres of pipelines

26 active gas shippers **10.8 million consumers**

operate 24 hours a day, 7 days a week

£400 million running the gas emergency service

2000km mains replacement/reinforcement

maintain gas distribution above ground assets replace complex gas mains

over 3 million calls per year

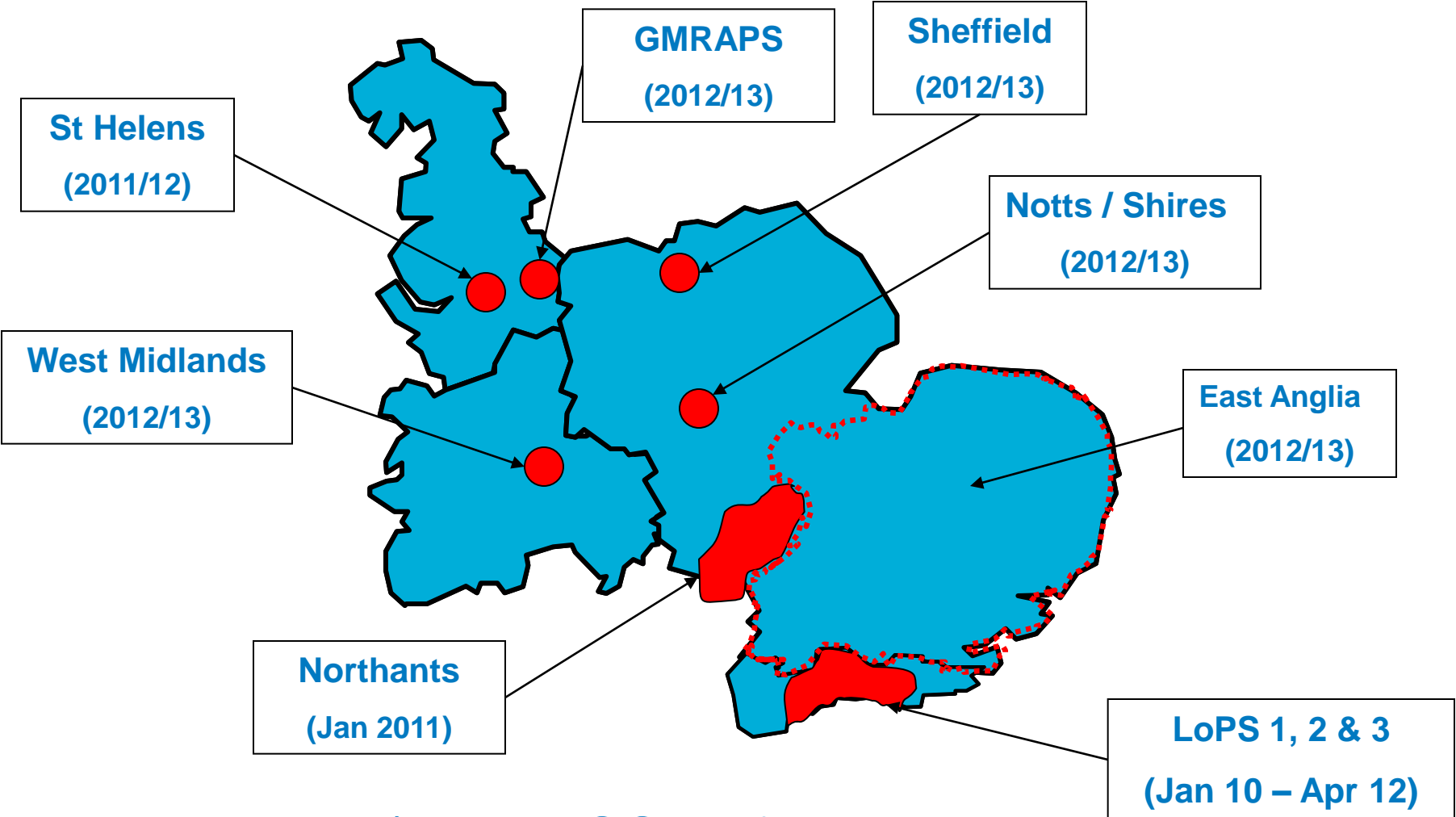
meter number enquiry service appliance repair helpline
national gas emergency number (0800 111 999)

400,000 Notices / Permits sent per year
135,000 emergency jobs

616,000 metering jobs **70,000 repair jobs**
(7000 caused by 3rd parties)
24,000 connections jobs

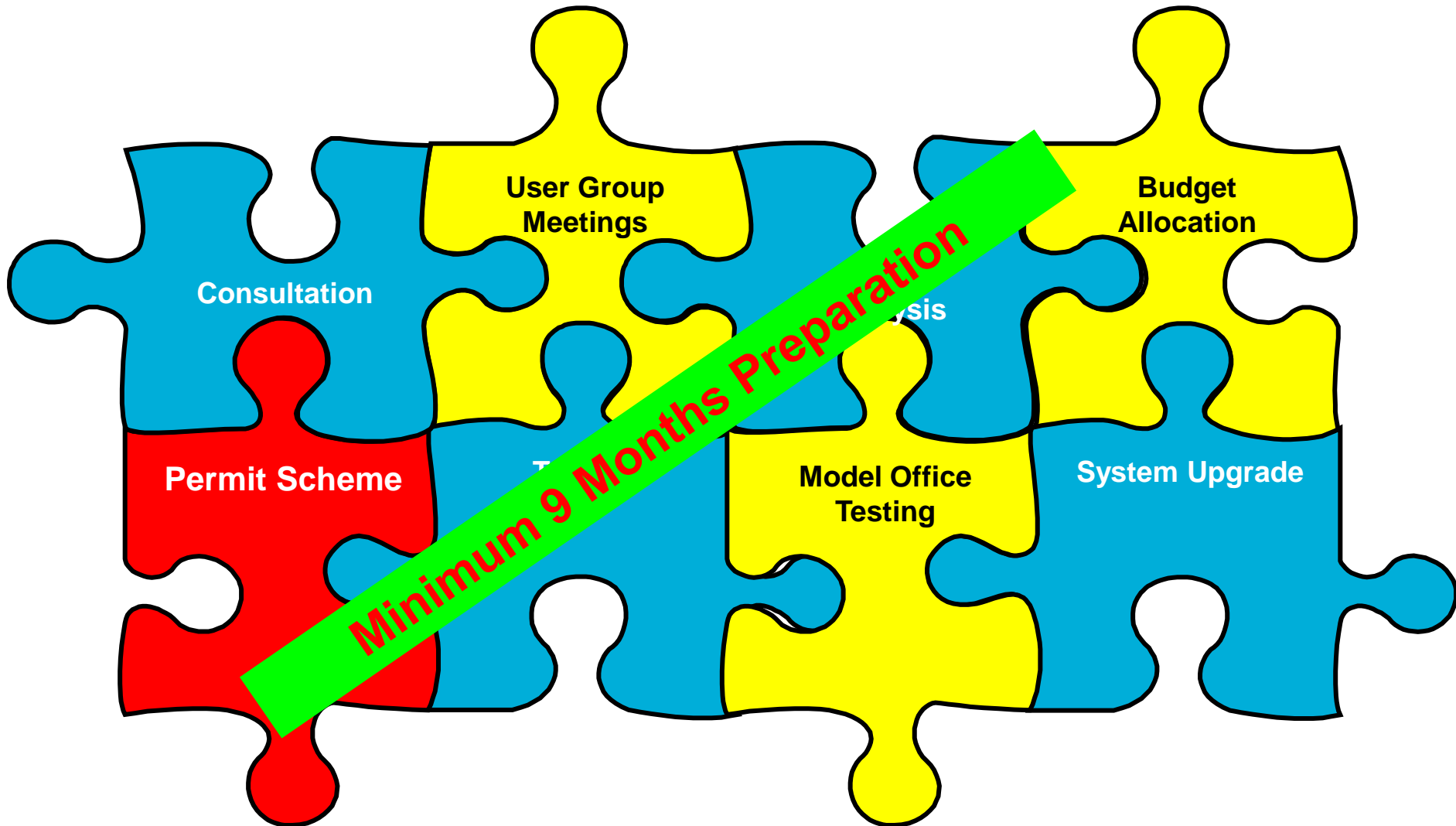


Permit schemes: Geographical Impact



■ c.100 HA / LA in NGG Dx footprint

Elements of a Permit Scheme – Utility Pre ‘go-live’ work



Challenges for Utilities

- Different types of Scheme
 - Single
 - Common
 - Joint
- Different street area covered in the Scheme's
 - T/S Only
 - All Streets
- Different Conditions for each Scheme
- Different Interpretation of the Schemes between Utilities and Authorities
- Different fees for each Scheme and Authorities

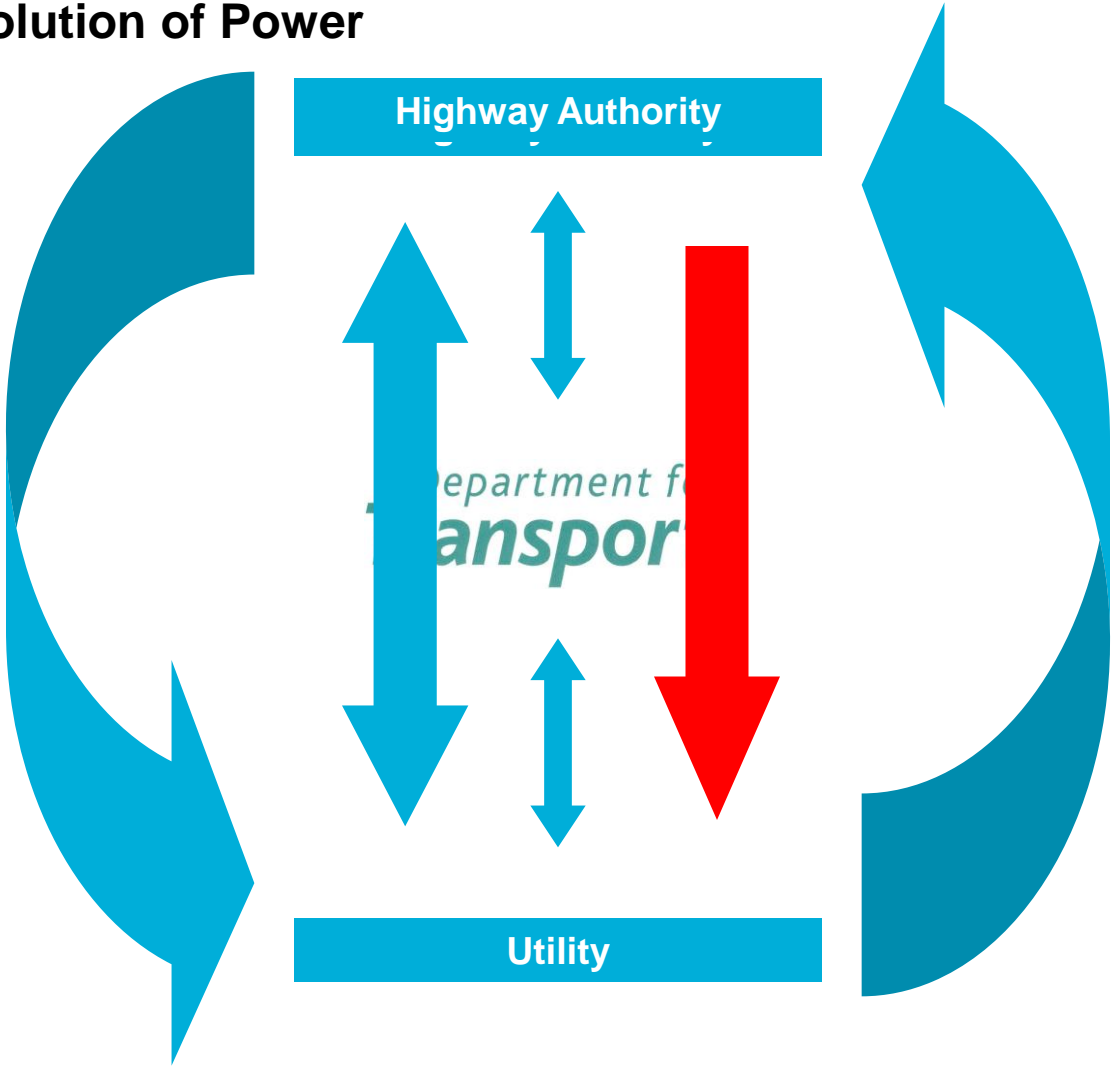


Permit Schemes – Non Standard packages

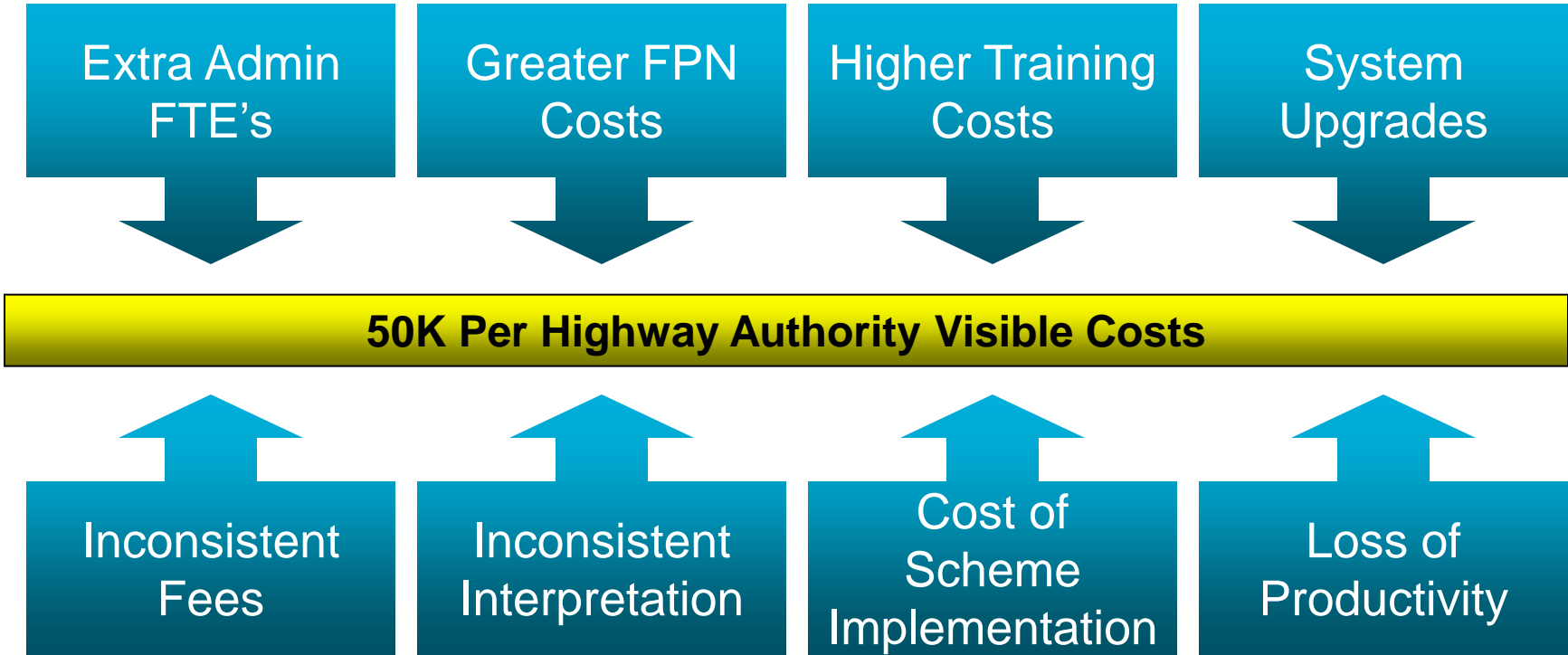
Scheme Name	Scheme Type	All Roads?	Consistent Charges?	Consistent Conditions?	Central Admin Hub?
London Permit Scheme	Common	✓	✗	✗	✗
Northampton Permit Scheme	Single	✗	✗	✗	✗
Greater Manchester Road Activities Permit Scheme	Joint	✓	✗	✗	✓
Merseyside Authorities Permit Scheme	Common	✓	✗	✗	✗
Yorkshire Common Permit Scheme	Common	✗	✗	✗	✗
East of England Permit Scheme	Common	✓	✗	✗	✗

Consultation Process

Proposed Devolution of Power



Impacts Of Permit Schemes



50K Per Highway Authority Visible Costs

Extra Admin
FTE's

Greater FPN
Costs

Higher Training
Costs

System
Upgrades

Inconsistent
Fees

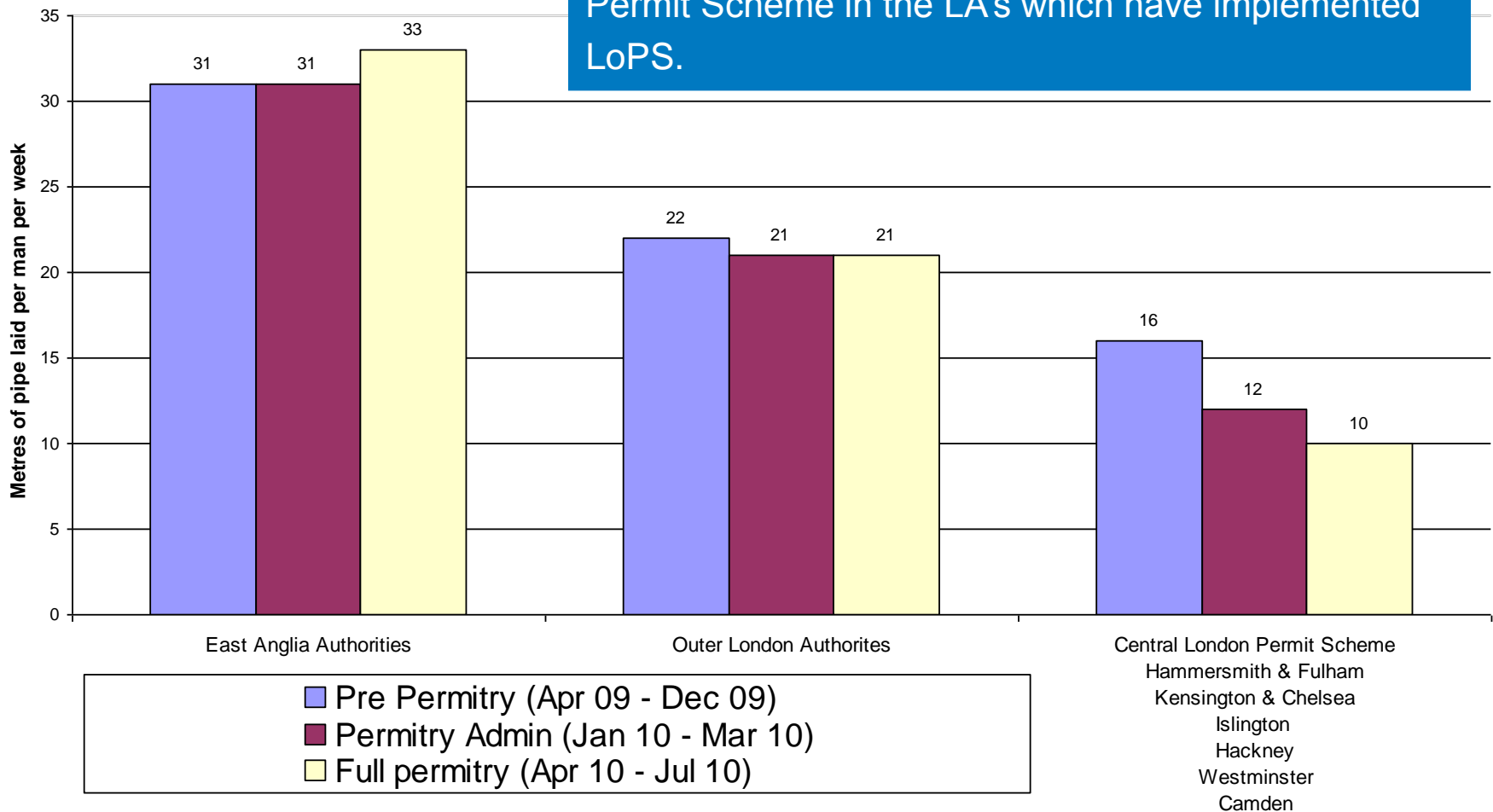
Inconsistent
Interpretation

Cost of
Scheme
Implementation

Loss of
Productivity

Permit Schemes: Loss of productivity

Central London productivity on mains replacement has reduced by 38% since the introduction of the Permit Scheme in the LA's which have implemented LoPS.

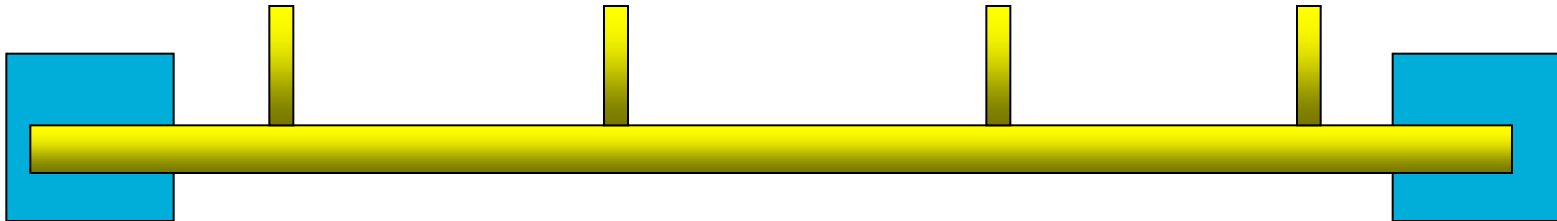


Permit Schemes: Longer work duration

Inefficient Permit Conditions

100m (Insertion) 1 push

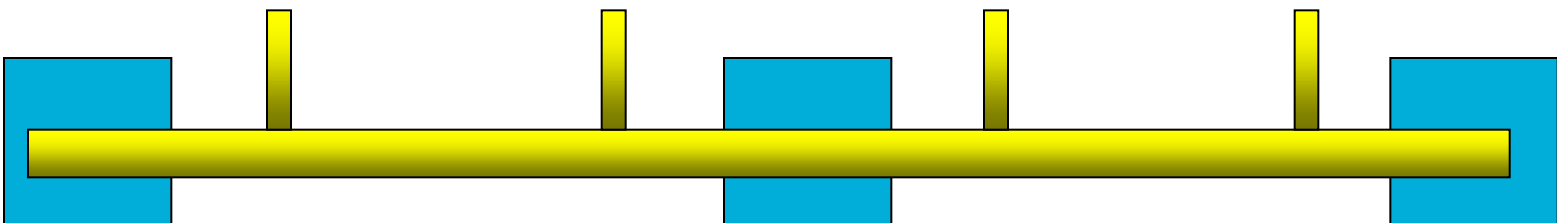
Permit / Notice (No Conditions)



Total job duration: x days

100m (Insertion) 50m Restriction

Permit / Notice (Conditions)

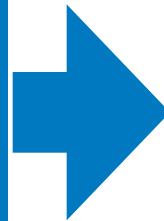


Total job duration: x+y days
Additional material and backfill costs

Impact on consumers

Objectives of Permits

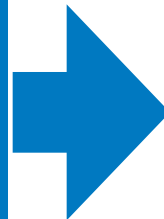
- Reduce congestion
- Better coordination
- More control for HA



Are these objectives being met?

Impact on Utilities

- Increase in administration
- More restrictions on work
- Increase in charges
- Loss of productivity
- Longer work duration



Increases in gas bills for all consumers

The impacts of PERMITS could introduce significant additional costs to customers

Utility Overview

- No Clear Benefits Identified
 - No Congestion Reduction Proven
 - No Review Process
 - Large Administrative Burden
 - Existing Legislation Sufficient
 - Self Empowerment on New Schemes
 - Cost may be passed on to consumer

Thank You – Questions?

