



**Response by the ENA to Ofcom's 30/06/05 consultation on
"Next Generation Networks – Further Consultation"
21st CN proposals**

Summary

The ENA appreciates the opportunity to respond to the consultation on:
"Next Generation Networks – Further Consultation"

The Energy Networks Association (ENA) is the industry body that represents all of the licensed gas and electricity network operators in the UK. The Energy Telecommunications Users Group (ETUG) is the ENA sub-group responsible for dealing with all matters relating to the Strategic Operational Telecommunications needs of the Utility Industry. More information is available from website:
<http://www.energynetworks.org> & <http://www.energynetworks.org/etug/entry.asp>

ENA Responses

The ENA wish to open their response with the following general statement:

The main concerns of the Energy Industry, regarding the replacement of deterministic services with non-deterministic services, are already well documented in previous ENA responses to the following Ofcom consultations:

- Ofcom's Annual Plan, April 2004 - March 2005
- Phase 1 consultation on the Telecoms Review
- Next Generation Networks - Future arrangements for access and interconnection
- Phase 2 Consultation on the Telecoms Review

Next Generation Networks – Further Consultation

Again this further consultation has many positive aspects and should result in significant advances in solutions at economic costs. Unfortunately the risk to the Energy Industry's protection services is still very real and requires immediate clarification in order that a suitable timeframe remains available in which to mitigate the risk.

In addition to this response and previous responses, we need to have meaningful discussions with Ofcom on the Energy Industry's ability to provide resilient and cost effective solutions for protection services.

The problems that the Energy Industry will face in securing suitable private wire services for Operational High Voltage Protection equipment on the proposed "Next Generation Networks" pose significant regulatory issues. The Energy Industry's members previously held a "class licence" under the 1984 Telecommunications Act for the operation of their own private Telecommunications platforms and were

well connected



afforded inter-connections with BT plant and services, if the equipment met the necessary BT connection approvals. The need for the member companies to have a “class licence” was removed when the new 2003 Communications Act became statute. The ENA members are still in loose terms “Telecom network operators” and rely on private wire services rented from BT for the continued viability of the Telecommunications platform they use to deliver their business needs, including strategic operational services such as Scada and Protection. Although the Strategic Core Telecommunications Networks, built and used for Operational purposes by the Utility companies, do not carry income generating public communications services, the network is an essential element for compliance with Dti licensing and Ofgem regulatory requirements.

Ofcom are managing the concerns of Telco’s regarding “equivalence” but unfortunately do not appear to embrace the fact that large organisations, such as the Energy industry, have a combined Telecom platform that is bigger than that of many Telco’s. The “NGN – Further Consultation” appears to be looking after the interests of Telco’s competing with BT and not providing the necessary regulatory support to Corporate companies with privately provided legacy Telecomm Networks. The possible impact on the Electricity industry’s ability to support the Critical National Infrastructure must be considered and monitored by Ofcom, as ongoing dialogue between BT and the Energy Industry takes place. The ENA and its members are of the firm opinion that the concern previously raised with Ofcom, by the ENA, is a regulatory issue and not as stated by Ofcom: A “supplier” – “customer” issue that both parties (Energy Industry / BT) require resolving on a commercial basis. If Protection service performance cannot be delivered via the BT 21st Century network, then it will become necessary for the Energy Industry to consult Ofgem regarding the recovery of the very significant costs for alternative Telecommunications infrastructure solutions.



ENA Response to Consultation Questions

1. Do you agree with Ofcom's proposed approach for the charges of narrowband voice SMP products provided over next generation interconnects?

No.

This proposal appears to only offer the opportunity to Other Communications Providers (companies that provide publicly available communications services) to have influence on availability, pricing and support for equivalence. As a customer of BT and Other Communication Providers, it would appear that the Energy Industry will not be allowed to influence the design, characteristics and cost of SMP products, under the adopted rational being used by Ofcom in this and other NGN related consultation documents.

2. Do you agree with the overall approach that there needs to be continuity for existing SMP products, but that it would not be appropriate to continue them indefinitely?

No.

The UK electricity transmission network is regarded as part of the UK Critical National Infrastructure. Electricity Network Operators are required to meet performance targets for supply of electricity to consumers and network fault clearance. A key contributor to the performance targets is the availability and performance of Private Wire Communication Services for the Electricity Industry's Protection and Control Systems. These systems are functionally dependent on the deterministic performance that the existing network offers. Currently and for the foreseen future, there are no systems or methods in development that would remove the reliance on deterministic communications. The Energy Industry would wish to have sensibly realistically priced existing or fully equivalent services continued for at least a further 25 years to allow for realistic development and asset replacement timescales

As this question would appear to be only addressed to companies that provide publicly available communications services, it leaves the decision in the hands of the service provider rather than the customer.

3. Do you agree with the general criteria Ofcom has proposed for the withdrawal of legacy SMP products after an interim period?

No.

The number of Private Wire Services used nationally by the Electricity Industry for Strategic Control and Protection schemes may not be sufficient to be classed as "reasonable demand" by the service provider.

Due to the specific requirements of the Electricity Network Protection and Control Systems, migration to a NGN product may not be possible unless similar performance and levels of service are provided. The ENA also consider that users should not be forced to migrate to a NGN product unless a similar or lower cost is offered.



In cases where there continues to be a demand for the network characteristics that these circuits offer, then these products should continue to be provided by BT.

4. Which network intelligence capabilities are likely to be associated with the underlying network where BT has SMP and cannot be independently provided by alternative providers, and why?

No response

5. What are your views of the practical implications of applying Equivalence of Input to NGN's (eg in relation to MSAN interconnection, end-to-end quality of service, and depth of network hooks)?

Equivalence of input is not an adequate way of stating that a service provision will perform to an equivalent specification. A term Equivalence of Performance would be a more acceptable way of expressing the Electricity Industry requirements.

6. Do you agree with the issues Ofcom has identified that need to be addressed by all communication providers as they move to NGNs and what others are there?

No.

There is a general concern expressed by members that the well managed and understood technologies that deliver isolated BT services to Electricity sites that suffer from Rise of Earth potential may not be developed in time for the migration to new NGN offerings. Other facilities such as Mains independence, Alternative and Diverse routing, Separation of Services, ALES, RATES and GTPS also require better definition.

The ENA also agree with the view already expresses by Scottish & Southern Energy that there is another issue that needs to be considered in the move to NGNs and that is the matter of the resilience of communication links to a loss of electricity supply.

7. Do you agree with the policy principles Ofcom has identified for consumer protection during the move to NGNs?

No.

Although 3.86 states that services provided to consumers "should be at least equivalent with their existing services" and that "consumers should suffer no detriment during transition to NGN's" it would appear that Ofcom may not get involved in any issues other than SMP and USO products. Consumer protection is a significant issue when a revolutionary rather than evolutionary project is being undertaken that could have significant impact on costs and the operation of customer's assets.

NGN is such a project, and given the concerns already outlined previously by the ENA on products critical to the electricity industry, we would like to see a clear statement from Ofcom that these policy principles will apply to all BT products and not just those specifically mentioned in this document.



8. Do you agree with the overall processes for developing 21CN obligatory products?

No.

The ENA believes that Ofcom should provide greater regulatory support to the Electricity Industry. The proposed “dispute resolution / market review” role that Ofcom propose to undertake, as shown on Figure 8, does not offer the necessary assurances required by the Electricity Industry.

The ENA believe that BT should :-

- Commit to discuss a technical solution with Electricity Network Operators
- Commit to offering an alternative product design
- Be required to continue to cost effectively provide the existing products that have evolved over many years, where there is no cost effective and/or technical alternative

9. Do you believe that there is a need to co-ordinate and steer cross industry NGN issues which is not met by existing bodies and process?

Yes.

The only concern raised by the ENA members is that the bodies formulating and shaping the future standards, costs and services will only be representative of Telco's and the manufactures of associated equipment.

10. Do you agree that there is a need to co-ordinate the planning and implementation of NGNs on an industry wide basis?

Yes.

The ENA members remember the inconvenience, cost and disruption to services that the BT analogue over digital upgrade imposed on the Electricity Industry. Significant effort was required by both parties to bring about the migration process. This was done at a time where regulation and price controls had little impact on the Electricity Industry's business decisions and the funding of essential work. If NGN is going to cause disruption to the Electricity Industry, and additional funding is required to support the essential elements of Strategic Control and Protection of the High Voltage Network , Co-ordination and planning supported by Ofcom and Ofgem will be fundamental to the success of the initiative.

11. Is there a need for a process to address the wider consumer protection issues arising from the move to NGNs?

Yes.

The ENA support the development of a process to deal with consumer protection issues and welcome Ofcom's intentions to address the wider issues beyond those directly associated with the Communication Plan. The ENA also welcome Ofcom's commitment to being involved in all stages of the process.



Questions 12 to 18

The fundamental problem that the ENA has regarding this consultation document is highlighted by this section of questions. The ENA members are customers of BT and the other Telco's that provide publicly available communications services, Questions 12 to 18 are directed specifically to Other Communications Providers (companies that provide publicly available communications services) and the content of this section of the consultation document appears to exist to secure regulatory control of processes that could impact on the ability of Other Communications Providers to compete on a level playing field with BT. As a customer requiring services from BT & Other Service Providers of Telecom and IT services, the ENA will keep on asking question:-

“What can Ofcom do to ensure that the interest of the customer, rather than that of Other Service Providers, is given the necessary regulatory support as the mighty BT roll out BT21stCN?”

Internal ENA Consultation Process

Any Ofcom consultation document received by or notified to the ENA is analysed, initially by the Telecommunications Co-ordinator, for its relevance to users in the Energy Industry represented by the ENA.

If the document is considered to be relevant to the ENA members, it is forwarded, with initial comments, to those ENA members who have experience in telecommunications / IT & regulatory issues.

Members' comments are then considered and a final draft is produced for ratification.

The official response is then sent by an ENA Director to the originating authority at Ofcom.