NJUG

Gas
Water
Electricity
Telecommunications

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EMBARGOED until 26th April 2005

Utility Bills Set to Rise Post Election

In its response to the consultation on the first major tranche of regulations arising from the Traffic Management Act 2004, the National Joint Utilities Group (NJUG) has warned the Government about the prospect of rising utilities bills and increased red tape following the general election in May.

In a submission to the Department for Transport, NJUG expressed deep concerns that, despite assurances, the new regulations will do little to reduce congestion, but will increase bureaucracy and costs. NJUG are deeply concerned that the provisions in the regulations will hamper the ability of utility companies' to carry out emergency repairs to infrastructure and connect customers to essential services as quickly as they could prior to the regulations. Utilities warn that they will have no choice but to pass on these additional costs of carrying out their essential works to their customers.

Les Guest, NJUG Board Chairman said "We do our very best to ensure that traffic is not delayed unnecessarily as a result of our street works activity, however, on occasions this is unavoidable. Once again we ask the Government not to make utilities the scapegoats for there simply being too much traffic for our road network to cope with. The last thing we want is our customers footing the bill for an unnecessary raft of new regulations that will have little impact on traffic congestion."

NJUG referred to a recent report that claimed that the Government has 'greatly overestimated' the cost of traffic congestion caused by street works. In this report, Professor Phil Goodwin reviewed all the research on the costs of congestion, and concluded that the Government's statement that 'disruption caused by the utility companies costs the economy £4.3 billion each year' is not supported by the available evidence and does not make any sense. The Government has not costed its proposals nor shown by how much it expects the proposed measures to reduce congestion. Despite this, it is on course to impose additional costs in excess of £300 million p.a. on the essential services provided by utility companies.

NJUG calls on the Government to provide a properly costed proposal, which can be verified by independent experts before finalising these regulations, which will, in their present form, pile more red tape and costs onto utilities. This will undoubtedly result in increased utility bills for all, without the benefit of improving congestion by the same value.

Notes To Editors

1. Members of the National Joint Utilities Group are: Transco, THUS plc, BT, Water UK, Telewest, Energy Networks Association, NTL, Cable & Wireless
2. To view a copy of NJUG's response to the Department for Transport's consultation on the draft regulations accompanying the Traffic Management Act 2004 please visit www.njug.demon.co.uk from 26th April. For an advance copy please contact Jessica Mary on 020 7233 7377
3. Phil Goodwin is Professor of Transport Policy at the Centre for Transport and Society, University of West of England, Bristol, and Emeritus Professor at University College London. The report 'Utilities Street Works and the Cost of Traffic Congestion' can be viewed at: http://www.transport.uwe.ac.uk/research/projects/NJUG-congestion.htm
4. For further details please contact: Les Guest, NJUG Board Chairman on 07831 613264 or Harry Pendleton, NJUG Management Committee Chair on 0207 793 4459.

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