

Letterhead of The Hongkong Electric Co Ltd

OUR REF.: T&D/385/16/13(U)
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By Telefax on 3/11 at 11:47 hrs.
2nd November, 2000

By Fax and By Post
Fax No. 2944 5805

Dr. Hon. Tang Siu-tong, J.P.,
Chairman,
Panel on Planning, Lands & Works,
Legislative Council,
Room 2A, Overseas Trust Bank Building,
95-97, Castle Peak Road,
Yuen Long,
N.T.

Dear Dr. Tang,

PROPOSED CHARGING AND PENALTY SYSTEM
FOR ROAD OPENING WORKS

We understand that the above proposal would be put forward again to the Legislative Council Panel on Planning, Lands and Works for discussion on 6th November, 2000. We would like to reiterate our comments below for your consideration.

- a. In the past few years, we have made tremendous improvement in our road works through close co-ordination/co-operation with Highways Department in the 3-tier Committees (ROCC, UTLC and JUPG). Our Company and all our trenching contractors have also attained certification on quality management system on trench work to ISO9002 international standard. Similar improvements have also been made by other utilities. Hence, we do not consider that there is a need to establish the new structure and doubt its effectiveness in further improving road opening works, especially from a cost-benefit viewpoint.
- b. The Permit Charging System will create unnecessary administrative work, and hence cost and time, to both the Government and all utilities. All these will eventually be borne by the public.

- c. Based on the amount of road opening works related to our business to provide, reinforce and maintain electricity supply to our customers in 1999, our Company would have to pay \$8.8 millions on permits and daily fees. This will inevitably increase our operational costs and could eventually affect our customers.

Please also be informed that the Business and Services Promotion Unit of Commerce and Industry Bureau has commissioned a consultant, Booz-Allen & Hamilton (HK) Ltd. to assess the regulatory impact on the above proposal in two workshops with participation of relevant Government departments, utility undertakings and road work contractors. In the first workshop held in mid July 2000, all participants agreed that "one stop shop among Government departments" and "one stop shop among Government departments & utility undertakings entrustment" on road opening works were the best solutions in achieving the objective of minimizing social impact. The second workshop has yet to be conducted. The report submitted at this stage by the consultant is incomplete as there has been no discussion on how to implement the above best solutions. Hence, it would not be appropriate to consider the Proposed Charging and Penalty System For Road Opening Works before the Regulatory Impact Assessment Report is concluded.

We would be pleased if you could consider seriously the above comments.

Yours sincerely,
THE HONGKONG ELECTRIC CO., LTD.
香港電燈有限公司

A. Fretwell
ACTING GENERAL MANAGER
(ENGINEERING)

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