

# London power blackout and the cost of privatisation

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A 34-minute electricity blackout in London on Thursday August 28 caused chaos and disruption that could still be seen the following day.

Problems began at around 6.20 p.m. when a blackout hit a vast area of the capital city and Kent in the southeast. It was the worst possible time. In the middle of rush hour, the power outage left more than 250,000 people stranded after finishing work.

Even in the best of circumstances, Londoners will readily agree that the worst thing about living in the city is the lack of a decent transport system. Commuters are now inured to the daily announcements of signal failures, delays due to fire incidents and a myriad of other reasons why they are made late for work. Such is the frequency of delays on the Underground that announcers have now taken to giving out the much shorter list of lines that are running as normal. Add to this the sudden end of the freak heatwave with a downpour of almost tropical dimensions and one begins to understand the general mood prevailing among struggling commuters.

The coincidence of the power failure occurring within a month of the self-assured statements made in the aftermath of the US power blackout that this could not happen in the UK did not go unnoticed. Conversations between strangers struggling to board buses or lining up for taxis frequently began with the question, “Do we have to copy everything that America does?” Transco, which runs Britain’s national grid, also owns Niagara Mohawk, where the initial failure of the US system took place.

National Grid Transco (NGT) emerged out of the privatisation of Britain’s power system by the Tory government in 1990. The company has blamed a unique combination of two technical faults for what chief executive Roger Urwin called a “totally exceptional” occurrence.

Urwin was quick to deny any connection between the breakdown and cuts to investment that have occurred since privatisation. “Everything points to the events having nothing to do with the level of investment. It’s not at all clear we could have invested more money and avoided them.

It is a discrete event, one which we are going to get to the bottom of and learn from it and don’t have a repetition,” he said.

According to the *Guardian* newspaper, NGT was accused by an unnamed professor who acts as an adviser to the company of “smugly” putting profits before investment and sacking 60 percent of its engineering staff to satisfy demands from shareholders.

Urwin admitted that the workforce has been reduced by half in an “efficiency drive” since privatisation, but claimed that proportionally fewer engineers had left. He asserted that cuts had not “in any way prejudiced the safe and reliable operation of the system.”

Citing £3.5 billion investment into the system since 1990, Urwin said that investment was running at three times the level under state ownership. What he failed to point out was that the Tory government had systematically withheld funds in the run up to privatisation. Having been given an already rundown system at a knockdown price, NGT carried out the minimum investment necessary to ensure a profitable return for shareholders.

NGT is conducting an internal inquiry into the specific cause of the faults and is also being investigated by the regulator Ofgem. Even if one accepts that the power failure itself was a freak occurrence for which no contingency plans could have been made, it is indisputable that the impact it had upon the transport system most certainly could have been avoided.

Until October 2002, the Underground system was powered by its own generators, separate from the national grid. The Lots Road Power Station in the wealthy Chelsea area supplied electricity to London Underground for most of the last century. Construction of the Lots Road facility began in 1902 to provide power for the Metropolitan Railway and the Metropolitan District Railway (now the Metropolitan and District lines on London Underground) in readiness for the change to electrified lines, and from steam to electric trains. The station was responsible for the last complete breakdown of the tube network in November 1996, when a main

generator failed. This fuelled calls for the closure of the Lots Road facility and in October 2002, power was turned off and the national grid assumed responsibility for powering the Underground.

The changeover was managed through the Labour government's Private Finance Initiative (PFI). In 1998, a 30-year contract was signed with SEEBOARD Powerlink (SPL) to "manage, maintain, develop and finance London Underground's power supply system". Labour's Transport Minister at the time, John Spellar, said, "Lots Road has considerable history and has served London well, but it is now time to move on... Transferring to the National Grid will mean a more reliable and environmentally friendly power supply for the Tube. This project is a good example of the public and private sector working in partnership to improve services for travellers in London."

At the time questions were raised about the feasibility of having the capital's transport system reliant upon the one power source. The Lots Road closure announcement stated that "in the event of National Grid failure, Lots Road's smaller sister station at Greenwich, equipped with quick start gas turbines, will be used for emergency power and SPL has installed battery lighting at all stations to provide emergency lighting."

Thursday's power outage was the first test of this system and it failed miserably.

The major problem was that although power was resumed within 35 minutes there was such a backlog of trains that the bulk of stations remained closed until after 10.00 p.m., with some not opening until the following morning.

Things were made worse by London Underground's evacuation policies. Some 500 trains were halted when power went down, trapping tens of thousands of passengers inside tunnels. By switching to a different power source on the national grid, LU was able to get power back within 20 minutes of the failure but staff were unable to recharge the lines for much longer because of the large number of passengers walking along the tracks.

The guidance laid down for tube drivers is that, unless told otherwise, they should evacuate the trains if power is out for 30 minutes. On parts of the Bakerloo, Jubilee and Victoria lines, drivers were apparently told to begin guiding passengers to the stations much sooner. Steve Grant of the train drivers' union ASLEF said, "It seems that on some lines they started to get people out and on others they didn't. Nobody seemed to know what the problem was."

Bobby Law of the RMT rail union said, "It doesn't seem that they've got a plan for a power failure. Some people were told to detrain and others weren't."

It is clear that a major factor in the transport chaos was the Labour government's decision to close the Lots Road power

station and make the system reliant on the one source for its power. Whatever the legitimacy of the arguments in 1998 for the need to renew a system that had been in place for almost 100 years and had already led to one complete shutdown of the Underground, there are indications that other factors played a part in the decision to close rather than redevelop the Lots Road facility.

Standing as it does on the prestigious Chelsea Wharf, the power station occupied prime land for redevelopment. A decision on a £500-million plan to transform the building into luxury flats similar to those of the neighbouring Chelsea Harbour complex is expected in the autumn, after being delayed due to opposition from local residents.

With all the scientific and technological progress made in the last century, why is it that it is not possible to guarantee basic necessities such as reliable electricity and transport? The underlying reason for the blackout in London, like that last month in the US, is the conflict between the material interests of the wealthy elite who occupy the boardrooms of companies such as NGT and the needs of the great mass of ordinary working people.

In the fallout that is still to come, there will no doubt be many criticisms of the PFI and even calls for the renationalisation of basic utilities, but that in itself is not enough. No one can deny that the old state industries left much to be desired in terms of efficiency and reliability. This is because nationalisation does not equal genuine social ownership. While the state itself functions on the basis of the profit system, the industries it controls are also run in the interests of the privileged few.

With the wild financial speculation of the 1980s and 90s, and the systematic destruction of basic industry, a new layer emerged within the ruling elite whose only concern was that of short-term financial gain at the expense of the long-term interests of the capitalist economy. Whereas in a previous period, vital sectors such as energy were nationalised in recognition of their importance to the overall economy, today's elite and its political representatives think nothing of selling them off in the interests of immediate financial gain.

While capitalism could never ensure the long-term interests of humanity, it is becoming increasingly obvious that neither can it secure the most basic requirements of daily life, and this is true whether the government of the day calls itself Tory or Labour.



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