

# Press release

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## LOCAL POWER NETWORK COMPANIES TO MEET NEW CUSTOMER SERVICE STANDARDS ON CONNECTIONS – OR PAY UP

- New compensation arrangements when local power network companies do not meet targets for good customer service in connections.
- Customers to benefit include home owners, housing developers and power generators.

This month sees the launch of a new scheme to compensate customers if local power network companies fail to meet new performance standards for providing network connections.

The standards, which took effect on October 1, set deadlines for the local power network companies when they provide quotes to customers wanting connections, for contacting the customer after quotes have been issued, and for completing the connection work itself. Customers range from owners of private properties to developers of housing estates and larger business units. Power generators will also benefit.

The standards also apply to the time local power network companies take to repair faults on unmetered networks, for example those that serve street lighting. If the companies breach any of the standards they must pay compensation to customers. This ranges from £10 per day for providing certain connection quotes to £200 per working day if work to complete extra high-voltage connections is not finished in the timescales agreed with the customer.

Stuart Cook, Ofgem's Senior Partner for Smarter Grids & Governance, said: "Historically customer service offered by electricity distribution companies to customers requiring a connection has been poor. From now on our new standards will guarantee compensation to customers if the companies continue to perform poorly. If targets are not met in the vast majority of cases, Ofgem could take enforcement action."

The standards were devised as part of Ofgem's 2010-2015 electricity distribution price controls. Ofgem worked closely with customer groups such as the Home Builders Federation and other stakeholders to develop the standards. The companies have been required to put new systems and processes in place to meet these standards.

Dave Mitchell, Technical Director at the Home Builders Federation, said: "For many years house builders have endured poor levels of service in connections. We are therefore pleased Ofgem has listened to our concerns and have taken the step of providing this performance criteria, with financial penalties if standards aren't met.

Hugh Conway, Electricity Chairman for the Major Energy Users Council (MEUC), said: "The MEUC welcomes these standards as a big step forward for customer service. These

standards are addressing problems that members have had for years in getting a connection.”

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**Notes to editors**

1. The standards and compensation arrangements apply to the seven companies which own Britain’s 14 local electricity distribution networks transporting power to homes and businesses. The three groupings of standards are; standards relating to metered quotation provision, standards relating to other metered connection services and standards relating to unmetered connection services.

2. The compensation available to customers ranges from £10 per day if some standards aren’t met for providing quotes for lower voltage connections, or repairing certain non-emergency unmetered faults, to £200 per day if full energisation of extra-high voltage connections isn’t completed according to the original timescales agreed between the network company and the customer. Examples of some of the standards are below. A document setting out the full list of standards and compensation payments is available here:[http://www.ofgem.gov.uk/Networks/ElecDist/QualofServ/GuarStandds/Documents 1/Connections%20GSOP%20guidance%20Sept\\_0809.pdf](http://www.ofgem.gov.uk/Networks/ElecDist/QualofServ/GuarStandds/Documents/1/Connections%20GSOP%20guidance%20Sept_0809.pdf)

Service	Standard	Compensation if standard not met
Provision of a quote for a connection at extra-high voltages	Within 65 working days... of a request being made by a customer and the receipt of all necessary information and the payment of any relevant fees.	£150 for each working day after the end of the prescribed period up to and including the day on which the quotation is dispatched
Completion of high-voltage connection work (including phased works)	In timescale agreed with the customer	£150 for each working day after the agreed date up to and including the day on which the works are completed
Complete works for extra high voltage connections (including phased works). Such connections would be required by a industrial customer	In timescale agreed with the customer	£200 for each working day after the agreed date up to and including the day on which the works are completed

3. Ofgem has previously taken action when DNOs have performed poorly in customer service on connections. In 2009 Ofgem fined EDF Energy Networks £2 million for failing to meet statutory timescales for providing offers to customers requesting a connection to its networks. More information is available here:

[http://www.ofgem.gov.uk/Pages/MoreInformation.aspx?file=EDFconnections\\_July2009.pdf&refer=Media/PressRel](http://www.ofgem.gov.uk/Pages/MoreInformation.aspx?file=EDFconnections_July2009.pdf&refer=Media/PressRel)

4. The Home Builders Federation (HBF) is the representative body of the home building industry in England and Wales. The HBF's 300 member firms account for some 80 per cent of all new homes built in England and Wales in any one year, and include companies of all sizes, ranging from multi-national, household names through regionally based businesses to small local companies: [www.hbf.co.uk](http://www.hbf.co.uk)

5. The MEUC is an independent body representing the interests of a large number of industrial, commercial, retail and public sector organisations for which the use of gas and electricity are significant factors in their operations. Its principal objectives are to keep members informed of developments within the energy industry and reflect their views to Government and regulatory bodies. More information about the MEUC is available here: [www.meuc.co.uk](http://www.meuc.co.uk)

6. Ofgem is the Office of the Gas and Electricity Markets, which supports the Gas and Electricity Markets Authority, the regulator of the gas and electricity industries in Great Britain. The Authority's powers and duties are largely provided for in statute, principally the Gas Act 1986, the Electricity Act 1989, the Utilities Act 2000, the Competition Act 1998, the Enterprise Act 2002, the Energy Act 2004 as well as arising from directly effective European Community legislation.