

## Guidance on Guaranteed Standards of Performance and Standard Special Licence Condition D10



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**Target audience:** Gas transporters

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### Overview:

This document provides guidance on the guaranteed standards of performance contained in the Gas (Standards of Performance) Regulations 2005 (as amended) and the framework for reporting against those standards. It also provides guidance on the performance and reporting requirements of Standard Special Licence Condition D10.

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## Context

A number of changes were made to the Gas (Standards of Performance) Regulations 2005 and to the conditions of the Gas Transporters Licence as part of the Gas Distribution Price Control Review ("GDPCR") covering the period from 1 April 2008 until 31 March 2013. Consequently, Ofgem is releasing this document as guidance on those regulations and on Standard Special Licence Condition D10, which was one of the modified conditions. It provides an explanation of the new quality of service standards contained in both the regulations and the licence, as well as outlining the associated reporting requirements.

This document supersedes a previous document entitled *Guidance for reporting on Standards of Performance and Standard Special Licence Condition D10* and dated November 2005.

## Associated Documents

- Gas Distribution Price Control Review Final Proposals Document, December 2007 (Ref 285/07)  
<http://www.ofgem.gov.uk/Networks/GasDistr/GDPCR7-13/Documents1/final%20proposals.pdf>
- Gas Distribution Price Control Review Second Licence Drafting Consultation Document, December 2007 (Ref 290/07)  
<http://www.ofgem.gov.uk/Networks/GasDistr/GDPCR7-13/Documents1/2%20LCD%20-%20Final.pdf>
- Guidance for reporting on Standards of Performance and Standard Special Licence Condition D10, November 2005 (previous version of this document - Ref 254/05)  
[http://www.ofgem.gov.uk/Networks/GasDistr/QoS/Documents1/12143-254\\_05.pdf](http://www.ofgem.gov.uk/Networks/GasDistr/QoS/Documents1/12143-254_05.pdf)
- Complaint handling standards (Ref 39/08)  
<http://www.ofgem.gov.uk/Markets/RetMkts/Compl/ConsRep/Documents1/Complaint%20handling%20standards%20decision.pdf>
- The Gas (Standards of Performance) Regulations 2005  
[http://www.opsi.gov.uk/si/si2005/uksi\\_20051135\\_en.pdf](http://www.opsi.gov.uk/si/si2005/uksi_20051135_en.pdf)
- The Gas (Standards of Performance) (Amendment) Regulations 2008,  
[http://www.opsi.gov.uk/si/si2008/uksi\\_20080696\\_en\\_1](http://www.opsi.gov.uk/si/si2008/uksi_20080696_en_1)

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## 1. Introduction

### Background

1.1. This document provides guidance to gas transporters ("GTs") on the requirements of:

- the guaranteed standards of performance ("GSOPs") contained in the Gas (Standards of Performance) Regulations 2005 SI No. 1135 <sup>1</sup> ("the Regulations");
- the Connections GSOP voluntary scheme;
- Connections which are excluded under the Regulations; and
- Standard special licence condition ("SSLC") D10.

1.2. This document explains the GSOPs contained in the Regulations and the standards set out in SSLC D10. It also explains the framework for reporting against those standards.

1.3. The reporting requirements for Independent gas Transporters ("IGTs") are not the same as those for the eight regional Distribution Networks ("DNs"). DNAs are required to provide data on all of the areas covered by this document. IGTs are only required to report on performance against the GSOPs. This document does not apply to GTs in respect of the National Transmission System.

1.4. Amendments to this document may be published from time to time to reflect changes to statutory provisions and/or policies.

1.5. This document is subordinate to the Regulations and to the GT licence. This document will not change, alter or amend any definition or obligation contained within any of those other documents. If there are any inconsistencies between this document and any of those other documents mentioned, the other document will take precedence.

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<sup>1</sup> The Gas (Standards of Performance) Regulations 2005 [http://www.opsi.gov.uk/si/si2005/uksi\\_20051135\\_en.pdf](http://www.opsi.gov.uk/si/si2005/uksi_20051135_en.pdf) ; The Gas (Standards of Performance) (Amendment) Regulations 2008, [http://www.opsi.gov.uk/si/si2008/uksi\\_20080696\\_en\\_1](http://www.opsi.gov.uk/si/si2008/uksi_20080696_en_1)

## Principal changes made as a part of GDPCR 2008 - 2013

1.6. A number of changes to the Regulations and SSLC D10 were effected as a part of the GDPCR<sup>2</sup> covering the period from 1 April 2008 until 31 March 2013. The most significant of these changes were:

- removal of the overall standards of performance and migration of those obligations to GSOPs or SSLC D10;
- introduction of new GSOPs relating to GT performance on responding to consumer complaints, notifying consumers of planned interruptions and tightening the standard for reinstatement of consumers' premises to 5 days; and
- revision of the guaranteed standard of performance for supply restoration to include smaller non-domestic consumers and compensation for third-party damage and water ingress incidents (including the removal of the exemption from the requirement to pay compensation to customers whose supply has been interrupted due to the act or default of another GT or, in the case of water ingress events, a water undertaker).

## Legal framework for the Guaranteed Standards of Performance

1.7. The Gas Act 1986 ("the Gas Act") allows the Gas and Electricity Markets Authority ("the Authority"), with the consent from the Secretary of State for Business, Enterprise and Regulatory Reform to make regulations for GSOPs for GTs. As a part of the gas distribution price control review (GDPCR) covering the period from 1 April 2008 until 31 March 2013, a number of changes have been made to the Regulations.

1.8. GSOPs set service levels that must be met in each individual case. If a GT fails to meet the service level specified in the Regulations, it must make a payment to the customer affected.

1.9. In previous years, GTs were required to meet minimum average levels of performance in certain areas. However, these 'Overall Standards of Performance' have been discontinued, with some of the standards becoming GSOPs and others now appearing in Standard Special Licence Condition D10.

1.10. Revisions to both the Regulations and Standard Special Licence Condition D10 were made as a part of the gas distribution price control review. An electronic copy of the Regulations can be viewed or downloaded on the website of the Office of Public Sector Information: [www.opsi.gov.uk](http://www.opsi.gov.uk).

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<sup>2</sup> Gas Distribution Price Control Review Final Proposals Document, December 2007 (Ref 285/07)  
<http://www.ofgem.gov.uk/Networks/GasDistr/GDPCR7-13/Documents1/final%20proposals.pdf>

## **Legal framework for Standard Special Licence Condition D10**

1.11. Under the Gas Act, Ofgem is responsible for granting licences for the purposes of gas transportation. Standard Special Licence Condition D10 - entitled 'Quality of Service Standards' - is aligned to the guaranteed standards relating to connections and requires licensees to meet the performance targets specified in the condition. It also sets out performance targets relating to the answering of calls to the emergency telephone service, the dedicated enquiry line and the meter point reference number helpline and for attending gas escapes.

## 2. Guaranteed Standards of Performance

### Summary of the Guaranteed Standards

2.1. The revised GSOPs apply to GTs and took effect from 1 April 2008. These set service levels that must be met in each individual case.

2.2. The following table summarises:

- each guaranteed standard;
- the minimum level of compensation; and,
- where relevant, the cap to the level of compensation payable to customers by GTs in the event of a failure to meet the guaranteed standard.

2.3. To discharge the obligation to make payments to a customer under the GSOPs GTs can make the payments directly to a customer, where applicable to another GT for onward transmission to a customer, or under arrangements in Paragraph 1 of Licence Condition SC20 to shippers for prompt onward transmission via suppliers to the customer.

2.4. GTs can choose to make additional ex gratia payments where they consider it to be appropriate or make such payments where an exemption applies.

2.5. A more detailed explanation of the standards and exemptions follows the table, including an explanation of the exemptions specific to each standard.

2.6. It should be noted that for all standards, references to the “number of payments” requires the licensee to detail the number of individual payments made to customers. For example, a customer who received three payments for one standard, following a three day failure by the GT, would be recorded as three individual payments. This is distinct from the number of customers where the relevant standard was not met which is recorded separately, for example, the “number not provided within timescale”.

2.7. In previous years, interruptions caused by third party damage or water ingress were specifically excluded from the compensation arrangements set out in the Regulations. Compensation arrangements for these types of interruptions were set out in Letters of Understanding from Ofgem to the DNs. These letters ceased to have effect on 31 March 2008.

2.8. One of the changes made to the Regulations as a part of the Gas Distribution Price Control Review was to remove the exclusion mentioned above, thus bringing compensation for interruptions caused by third party damage and water ingress within the GSOP regime.

Standard	Description	Payment for failure to meet standard and payment cap
<b>GSOP 1: Supply Restoration</b>  <b>(Regulation 7)</b>	GTs must restore customers' gas supplies within 24 hours following unplanned interruptions on their network.	Domestic customers: £30 Non-domestic customers (with annual gas consumption $\leq 73,200\text{kWh}$ ): £50  Further payments (of the same amount) for each subsequent 24 hour period during which the failure continues will be due, up to a cap of £1000 per customer
<b>GSOP 2: Reinstatement of customers' premises</b>  <b>(Regulation 8)</b>	Following the completion by a GT of work to a service pipe and any associated work to a distribution main where the pipe or main lies under or within the premises of a customer, the GT is required to reinstate those premises within 5 working days.	Domestic customers: £50 Non-domestic customers: £100 No cap  Further payments (of the same amount) for each subsequent period of 5 working days during which the failure continues will be due.
<b>GSOP 3: Priority domestic customers</b>  <b>(Regulation 9)</b>	In the event of an interruption to the supply to the premises of a priority domestic customer, the GT must provide alternative cooking and heating facilities at the customer's premises: <ul style="list-style-type: none"> <li>▪ where the GT has notified the customer of a service interruption, within 4 hours;</li> <li>▪ Where the GT has not notified the customer of a service interruption and the interruption affects less than 250 customers, within 4 hours; and</li> <li>▪ Where the GT has not notified the customer of a service interruption and the interruption affects 250 or more customers, within 8 hours, of the start of the interruption.</li> </ul>	£24 (upon receipt of a valid claim within 3 months of the interruption)



<p><b>GSOP 4: Provision of standard quotations</b></p> <p><b>(Regulation 10(3)(a))</b></p>	<p>GTs are required to provide a standard quotation within 6 working days of receiving a request from a customer for a quotation for a new connection or an alteration to an existing connection up to and including 275kWh per hour.</p>	<p>£10</p> <p>Further payments (of the same amount) for each subsequent working day during which the failure continues will be due, up to a cap of £250 per customer or the quotation sum, whichever is the lower.</p>
<p><b>GSOP 5: Provision of non-standard quotations (≤275kWh per hour)</b></p> <p><b>(Regulation 10(3)(b)(i))</b></p>	<p>GTs are required to provide a non-standard quotation within 11 working days of receiving a request from a customer for a quotation for a new connection or an alteration to an existing connection up to and including 275kWh per hour.</p>	<p>£10</p> <p>Further payments (of the same amount) for each subsequent working day during which the failure continues will be due, up to a cap of £250 per customer or the quotation sum, whichever is the lower.</p>
<p><b>GSOP 6: Provision of non-standard quotations (&gt;275kWh per hour)</b></p> <p><b>(Regulation 10(3)(b)(ii))</b></p>	<p>GTs are required to provide a non-standard quotation within 21 working days of receiving a request from a customer for a quotation for a new connection or an alteration to an existing connection exceeding 275kWh per hour.</p>	<p>£20</p> <p>Further payments (of the same amount) for each subsequent working day during which the failure continues will be due, up to a cap of £500 per customer or the quotation sum, whichever is the lower.</p>

<p><b>GSOP 7: Challenges to the accuracy of quotations</b></p> <p><b>(Regulation 10(3)(c))</b></p>	<p>GTs must refund any overcharge that has been paid by customers who receive and challenge (under the relevant GT's accuracy review scheme) inaccurate quotations for a new connection or the alteration of an existing connection.</p>	<p>Refund any overcharge</p>
<p><b>GSOP 8: Responses to land enquiries</b></p> <p><b>(Regulation 10(3)(d))</b></p>	<p>GTs must respond to a land enquiry in respect of a new connection or the alteration of an existing connection within 5 working days.</p>	<p>£40</p> <p>Further payments (of the same amount) for each subsequent working day during which the failure continues will be due, up to a cap of:</p> <p>£250 per customer, for connections ≤275kWh per hour £500 per customer, for connections &gt;275kWh per hour</p>
<p><b>GSOP 9: Provision of dates for the substantial completion of work (≤275kWh)</b></p> <p><b>(Regulation 10(3)(e)(i))</b></p>	<p>Within 20 working days of receipt of acceptance of a quotation for a new connection or the alteration of an existing connection of up to and including 275kWh per hour, GTs must provide customers with dates for the commencement and substantial completion of the work.</p>	<p>£20</p> <p>Further payments (of the same amount) for each working day on which the failure continues up to a maximum of £250 or the contract sum, whichever is lower, will be due.</p>

<p><b>GSOP10: Provision of dates for the substantial completion of work (&gt;275kWh)</b></p> <p><b>(Regulation 10(3)(e)(ii))</b></p>	<p>Within 20 working days of receipt of acceptance of a quotation for a new connection or the alteration of an existing connection exceeding 275kWh per hour, GTs must provide customers with dates for the commencement and substantial completion of the work.</p>	<p>£40</p> <p>Further payments (of the same amount) for each working day on which the failure continues up to a maximum of £500 or the contract sum, whichever is lower, will be due.</p>
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<p><b>GSOP 11: Completion of work on the agreed date</b></p> <p><b>(Regulation 10(3)(f))</b></p>	<p>GTs are required to substantially complete connections on the date agreed with the customer.</p> <p>A job is deemed to be substantially complete when the connection to the premises has been installed, commissioned and left safe.</p>	<table border="1"> <thead> <tr> <th data-bbox="1361 272 1529 379">Contract sum</th> <th data-bbox="1529 272 1749 379">Compensation payment due *</th> <th data-bbox="1749 272 1966 379">Cap on compensation payments</th> </tr> </thead> <tbody> <tr> <td data-bbox="1361 379 1529 523">Up to and including £1,000</td> <td data-bbox="1529 379 1749 523">£20</td> <td data-bbox="1749 379 1966 523">The lesser of £200 or the contract sum</td> </tr> <tr> <td data-bbox="1361 523 1529 719">Over £1000 but not exceeding £4000</td> <td data-bbox="1529 523 1749 719">The lesser of £100 or 2.5% of contract sum</td> <td data-bbox="1749 523 1966 719">25% of the contract sum</td> </tr> <tr> <td data-bbox="1361 719 1529 895">Over £4,000 but not exceeding £20,000</td> <td data-bbox="1529 719 1749 895">£100</td> <td data-bbox="1749 719 1966 895">25% of the contract sum</td> </tr> <tr> <td data-bbox="1361 895 1529 1070">Over £20,000 but not exceeding £50,000</td> <td data-bbox="1529 895 1749 1070">£100</td> <td data-bbox="1749 895 1966 1070">£5,000</td> </tr> <tr> <td data-bbox="1361 1070 1529 1249">Over £50,000 but not exceeding £100,000</td> <td data-bbox="1529 1070 1749 1249">£150</td> <td data-bbox="1749 1070 1966 1249">£9,000</td> </tr> </tbody> </table>	Contract sum	Compensation payment due *	Cap on compensation payments	Up to and including £1,000	£20	The lesser of £200 or the contract sum	Over £1000 but not exceeding £4000	The lesser of £100 or 2.5% of contract sum	25% of the contract sum	Over £4,000 but not exceeding £20,000	£100	25% of the contract sum	Over £20,000 but not exceeding £50,000	£100	£5,000	Over £50,000 but not exceeding £100,000	£150	£9,000
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<p>* Payments are due in respect of the initial failure and each additional working day on which the failure continues</p>																				

<p><b>GSOP 12: Payments to customers under these GSOPs</b></p> <p><b>(Regulation 12)</b></p>	<p>GTs must make any payment due to a customer under any of the Guaranteed Standards mentioned in this document within 20 working days.</p> <p>GTs can comply with this requirement by making the payment to the relevant shipper, provided that it does so in compliance with the terms of standard condition 20 of the GT licence.</p>	<p>£20</p>
<p><b>GSOP 12: Payments to customers under these GSOPs (GTs not connected to customer's premises)</b></p> <p><b>(Regulation 12)</b></p>	<p>GTs liable under GSOP1 for payments to a customer whose premises are not connected to its own pipe-line system are required to make those payments, or make payments to the GT whose pipe-line system is connected to the customer's premises for onward transmission to the customer, within 10 working days.</p> <p>GTs can comply with this requirement by making the payment to the relevant shipper, provided that it does so in compliance with the terms of standard condition 20 of the GT licence.</p>	<p>£20</p>
<p><b>GSOP 12: Payments to customers under these GSOPs onward transmission) (Regulation 12)</b></p>	<p>GTs receiving payments from other GTs to be passed on to customers in respect of a failure under GSOP1 must pass this payment on to the customer within 5 working days. GTs can comply with this requirement by making the payment to the relevant shipper, provided that it does so in compliance with the terms of standard condition 20 of the GT licence.</p>	<p>£20</p>

<p><b>GSOP 13: Notice of planned interruptions</b></p> <p><b>(Regulation 10A)</b></p>	<p>Where a GT intends to carry out planned maintenance or replacement work to its pipe-line system that will cause an interruption to the supply of customers' premises, it must give each affected customer no less than 5 working days notice of when the interruption is expected to commence and stating the need for the interruption.</p>	<p>Domestic customers: £20 Non-domestic customers: £50 (customers must submit a valid compensation claim within three months of the interruption to the supply in order to be eligible for payment)</p>
<p><b>GSOP 14: Responding to complaints</b></p> <p><b>(Regulation 10B)</b></p>	<p>When a GT receives a written complaint or a verbal complaint to a specified customer service telephone number, it shall provide a substantive response within 10 working days.</p> <p>Where a GT is unable to provide a substantive response within 10 working days, either because a site visit is required or because it needs to make enquiries of a person who is not one of its officers, employees or agents, it shall, within that 10-day period, write to the customer including the name, telephone number and address of the employee whom the customer can contact regarding the complaint. It shall state that a substantive response will be provided within 20 days of receipt of the complaint and it shall provide that response within the timescale.</p>	<p>£20</p> <p>Further payments (of the same amount) for each subsequent period of 5 working days during which the failure continues will be due, up to a maximum of £100.</p>

**GSOP1 (Regulation 7) - Supply restoration.**

2.9. Gas Transporters ("GTs") must restore customers' gas supplies within 24 hours following unplanned interruptions on their network. Where a GT fails to do this, it must pay domestic customers £30 and non-domestic customers £50. GTs are required to pay further compensation of £30/£50 for each subsequent period of 24 hours until the customer's supply is restored. There is a cap on liability for of a single incident of £1000 per customer.

2.10. GTs are exempt from making compensation payments to a customer under this regulation in respect of a particular incident, if that incident:

- causes disruption to more than 30,000 customers' premises;
- was caused by the customer who would otherwise be due payment under GSOP1; or
- was caused by severe weather conditions or other circumstances of an exceptional nature, provided that the GT took all reasonable steps to prevent the circumstances from occurring and from causing an interruption;

2.11. Where an interruption is caused by a GT whose pipe-line system is not connected to the customer's premises, and provided that the GT responsible for the interruption has been informed within five days following the end of the interruption of the number of customers affected, whether each of those customers are domestic or non-domestic and of the duration of the interruption for each customer, the GT causing the interruption shall be liable for the compensation payments. The liable GT can make the payment(s) to the customer directly, to the GT whose pipe-line system is connected to the customer's premises or to the relevant shipper.

2.12. Compensation arrangements under GSOP1 do not apply to customers whose annual gas consumption exceeds 73,200 kWh per year. Compensation arrangements for these customers are set out in the Uniform Network Code.

**GSOP2 (Regulation 8) – Reinstatement of customers' premises.**

2.13. Following the completion of work to a service pipe and any associated work to a distribution main where the pipe or main lies under or within the premises of a customer, GTs are required to reinstate those premises within 5 working days.

2.14. GSOP2 requires GTs to ensure that a customer's premises are reinstated to a reasonable standard having regard to its condition before the start of the works. In particular, access routes to buildings on those premises should be reinstated so that they are reasonably fit to be used as they were before the start of the works.

2.15. A customer's premises shall be deemed to have been reinstated where :

- any drive, path or other route used to obtain access to any building on the customer's premises and any building or structure on those premises has been replaced or repaired so that the drive, path, other route, building or structure is reasonably fit for the type of access or use for which it was used prior to commencement of the work; and

- any other part of the premises, including any garden or lawn, has been reinstated, so far as is reasonably practicable, to a reasonable standard and with reasonable care and skill having regard to its condition prior to commencement of the work.

2.16. GTs failing to meet this standard shall pay £50 to domestic and £100 to non-domestic customers and shall make further payments of £50/£100 for each succeeding period of 5 working days during which the failure occurs.

2.17. GTs are exempt from making compensation payments under this regulation:

- if the work in question was requested by the customer who would otherwise be due compensation under GSOP2 and the work related to the connection or alteration to the connection of the customer's premises; or
- If the work was required as a result of the act or default of a customer or a person under the customer's control.

### **GSOP3 (Regulation 9) – Priority domestic customers**

2.18. A priority domestic customer is a domestic customer in respect of whom the relevant details included on the Priority Service Register maintained by gas suppliers in accordance with the gas suppliers licence have been provided to the relevant gas transporter.

2.19. This standard requires that where there is an interruption to the supply to the premises of a priority domestic customer whose details have been supplied to a GT, the GT must provide alternative cooking and heating facilities at the customer's premises.

2.20. Where a GT has notified the customer of a service interruption, it must provide alternative facilities within 4 hours of the start of the interruption.

2.21. Where a GT has not notified the customer of a service interruption and the interruption affects less than 250 customers, it must provide alternative facilities within 4 hours of the start of the interruptions. Where the interruption affects 250 or more customers, it must provide the facilities within 8 hours of the start of the interruption.

2.22. If the GT does not deliver the necessary facilities to the customer's premises but instead makes those facilities available to customers for collection at a reasonably convenient location for the customer and notifies the customer of that location then, provided that the GT could reasonably have expected the customer to have collected or arranged for the collection of the facilities, the GT will be deemed to have complied with this standard.

2.23. In each case, where a GT fails to meet the required standard, a compensation payment of £24 shall be made to the customer upon receipt of a valid claim from a customer within 3 months of the interruption.



2.24. In calculating whether a GT has complied with GS3, the period from 8:00pm – 8:00am is excluded from the calculation.

2.25. The alternative facilities that must be provided are, in respect of heating, an electric fan heater and, in respect of cooking, a single ring electric or bottled gas appliance or, in either case, any reasonably equivalent appliance.

2.26. GTs are exempt from making compensation payments under GSOP3 if the customer has alternative heating or cooking facilities or if the customer declines alternative heating or cooking facilities offered to them by the GT.

### **Application of Guaranteed Standards for connections**

2.27. Guaranteed standards 4 – 11 (GSOP4 – GSOP11), inclusive, do not apply:

- to the conveyance of gas at a pressure of greater than 7 bar;
- to developments of at least five new build domestic or non-domestic premises where there is no existing connection to the relevant GT's pipe-line system; to complex connections and excluded connections, as described in statements issued by the relevant GT pursuant to its licence; and
- where relevant, if the customer requests a deferral.

2.28. GTs are exempt from the requirement to make payments to customers under Guaranteed Standards 4 – 11 (GSOP4 – GSOP11), inclusive, in any of the circumstances mentioned in the paragraphs describing the individual standards below and, generally, if:

- a GT cannot provide an accurate quotation within the relevant time scale because the quotation will include costs that can only be negotiated with and paid to a third party;
- consents required from third parties cannot be obtained by reasonable endeavours;
- in the case of a quotation not requiring a site visit, a GT makes an incorrect assumption in providing that quotation as a result of the customer providing incorrect or incomplete information;
- any visit is made wholly or mainly in connection with disconnecting the premises;
- where the service relates to the provision of metering services as defined in the GTs licence; and
- where a GT considers a request to be frivolous or vexatious

### **GSOP4 (Regulation 10(3)(a)), GSOP5 (Regulation 10(3)(b)(i)) and GSOP6 (Regulation 10(b)(ii)) – Provision of quotations**

2.29. GTs are required under GSOP4 to provide a standard quotation within 6 working days of receiving a request from a customer for a quotation for a new connection or an alteration to an existing connection up to and including 275kWh per hour. If the GT fails to meet this standard, it shall pay both domestic and non-domestic customers compensation of £10 and a further £10 for each working day that the failure continues, up to a maximum of £250 or the quotation sum, whichever is lower.

2.30. If a non-standard quotation is required, the GT shall, under GSOP5, provide the customer with the quotation within 11 working days from receipt of the request for connection in respect of connections up to and including 275kWh per hour compensation payment of £10 will be due to both domestic and non-domestic customers if this standard is not met. Further payments of £10 will also be payable for each working day that the failure continues, up to a maximum of £250 or the quotation sum, whichever is lower.

2.31. If a non-standard quotation is required and the connection exceeds 275kWh per hour, GSOP6 specifies that GTs have 21 working days from receipt of the request for connection within which to provide the quotation. A compensation payment of £20 will be due to both domestic and non-domestic customers if this standard is not met. Further payments of £20 will also be payable for each working day that the failure continues, up to a maximum of £500 or the quotation sum, whichever is lower.

2.32. In each of these cases, if a GT provides a quotation that is later found to be inaccurate for the purposes of GSOP7, it shall be deemed to have failed to comply with the relevant standard.

#### **GSOP7 (Regulation 10(3)(c)) – Challenges to the accuracy of quotations**

2.33. This standard requires that GTs must refund any overcharge that has been paid by customers who receive and challenge inaccurate quotations for a new connections or the alteration of an existing connections

2.34. Such a challenge by a customer regarding the accuracy of a quotation must be made and found to be inaccurate in accordance with any accuracy scheme published by the GT.

#### **GSOP8 (Regulation 10(3)(d)) – Responses to land enquiries**

2.35. GTs must respond to a land enquiry in respect of a new connection or the alteration of an existing connection within 5 working days and must pay compensation of £40 to both domestic and non-domestic customers if this standard is not met.

2.36. Further compensation payments of £40 will be due to customers for each subsequent working day during which the failure occurs, up to a maximum of £250 in respect of an enquiry relating to a new connection or the alteration of an existing connection up to and including 275kWh per hour, or a maximum of £500 for enquiries relating to a new connection or the alteration of an existing connection above 275kWh per hour.

#### **GSOP9 (Regulation 10(3)(e)(i)) and GSOP10 (Regulation 10(3)(e)(ii)) – Provision of dates for commencement and substantial completion of connection work**

2.37. GSOP9 provides, within 20 working days of receipt of a customer's acceptance of a quotation for a new connection or the alteration of an existing connection of up to 275kWh per hour, that GTs must provide customers with

dates for the commencement and substantial completion of the work. GTs failing to comply with this standard shall make a payment of £20 to domestic and non-domestic customers and further payments of the same amount for each working day on which the failure continues up to a maximum of £250 or the contract sum, whichever is lower.

2.38. GSOP10 provides, within 20 working days of receipt of a customer's acceptance of a quotation for a new connection or the alteration of an existing connection of above 275kWh per hour, that GTs must provide customers with dates for the commencement and substantial completion of the work. GTs failing to comply with this standard shall make a payment of £40 to domestic and non-domestic customers and further payments of £40 for each working day on which the failure continues up to a maximum of £500 or the contract sum, whichever is lower.

### **GSOP11 (Regulation 10(3)(f)) – Completion of work on the agreed date**

2.39. Under this standard, GTs are required to substantially complete connections on the date agreed with the customer. GTs failing to meet this standard, must make a payment to the customer of the amount specified in the table below and further payments of the same amount for each working day until the works are substantially complete, up to the level of the relevant cap, also specified in the table.

<b>Contract sum</b>	<b>Compensation payment due</b>	<b>Cap on compensation payments</b>
Up to and including £1,000	£20	The lesser of £200 or the contract sum
Over £1000 but not exceeding £4000	The lesser of £100 or 2.5% of contract sum	25% of the contract sum
Over £4,000 but not exceeding £20,000	£100	25% of the contract sum
Over £20,000 but not exceeding £50,000	£100	£5,000
Over £50,000 but not exceeding £100,000	£150	£9,000

**GSOP12 (Regulation 12) – Payments to customers under these Guaranteed Standards**

2.40. GSOP12 provides that, where payment is due to a customer under any of the Guaranteed Standards described in this document, GTs must dispatch a note to the customer advising that payment is due and also make the payment within 20 working days. GTs failing to comply with this standard must make a payment of £20 to the customer.

2.41. GSOP1 provides that a GT can be liable for payments to a customer whose premises are not connected to its pipe-line system. In these circumstances, the liable GT is required to make those payments, or make payments to the GT whose pipe-line system is connected to the customer's premises to be passed on to the customer. The liable GT is required to do so within 10 working days. GTs failing to comply with this standard must make a payment of £20 to the customer.

2.42. Where a GT receives such a payment to be passed on to the customer, GSOP 12 provides that the GT receiving payment must pass this payment on to the customer within 5 working days. GTs failing to meet this standard are required to make a payment of £20 to the customer.

2.43. A GT is exempt from this standard if there is a genuine dispute between that GT and the customer over whether a payment is due.

2.44. GTs can comply with the requirements of GSOP 12 by making the payment to the relevant shipper, provided that it does so in compliance with the terms of standard condition 20 of the GT licence.

**GSOP13 (Regulation 10A) – Notice of planned interruption**

2.45. Where a GT intends to carry out planned maintenance or replacement work to its pipe-line system that will cause an interruption to the supply of customers' premises, GSOP13 provides that the GT must give each affected customer no less than 5 working days notice of when the interruption is expected to commence and stating the need for the interruption. GTs failing to meet this standard must pay the customer £20.

2.46. GTs are exempt from making payments under GSOP13 if the customer fails to submit a valid compensation claim within three months of the interruption to the supply.

**GSOP14 (Regulation 10B) – Responding to complaints**

2.47. This standard requires that GTs receiving written complaints or verbal complaints to a specified customer service telephone number to which the GT reasonably expects that the customer will anticipate a response shall provide a substantive response within 10 working days. GTs failing to meet this standard must make a payment of £20 to the customer.

2.48. Where a GT receives such a complaint and is unable to provide a substantive response within 10 working days, either because a site visit is required or because it needs to make enquiries of a person who is not one of its officers, employees or agents, it shall, within that 10-day period, write to the customer including the name, telephone number and address of the employee whom the customer can contact regarding the complaint. It shall also state that a substantive response will be provided within 20 days of receipt of the complaint. GTs failing to meet this standard must make a payment of £20 to the customer.

2.49. The GT is then required to provide a substantive response within this 20-day period. GTs failing to meet this standard must make a payment of £20 to the customer.

2.50. In any instance where a payment is due to a customer under this standard, a further payment of £20 shall be due to the customer for each period of five working days that the failure continues, up to a maximum of £100.

2.51. GTs are not required to make payments under GSOP14 if:-

- the customer informs the GT before the relevant response is due that they do not wish the GT to take any action in relation to the complaint;
- where a GT needs to contact the customer or a person who is not one of its officers, employees or agents, the GT has not received a reply from the relevant person or has not been able to contact them, having taken all reasonable steps to have done so, and having notified the customer within the relevant period that this is the case;
- where a site visit is required, the customer has requested an appointment after the time when the response would have been due; or
- the GT reasonably considers that the complaint was frivolous or vexatious.

2.52. GTs should also be aware of the implications of the new complaint handling standards. Under the Consumers, Estate Agents and Redress Act 2007, Ofgem is required to make regulations covering the handling of consumer complaints to the regulated Gas and Electricity companies. The new standards came into effect on 1 October 2008. For further information, please read the Ofgem document entitled 'Complaint handling standards', details of which can be found in the 'Associated Documents' section above.

### **Generic exemptions from payments under these standards**

2.53. In addition to the exemptions described above, GTs are exempt from the requirement to make payments under GSOP 1 – 13 if: -

1. the customer informs the GT before the payment becomes due that they do not wish for the GT to take any action in relation to the matter;
2. the customer agrees with the GT that action taken by the GT before payment becomes due shall be treated as the action required by the regulation and, if

the action taken includes a promise to do something, the GT keeps that promise;

- 3.** the customer has failed to provide the GT with information necessary for it to meet a standard, has failed to provide the information to the address or via the telephone number specified to the customer by the GT;
- 4.** it was not reasonably practicable for the GT to meet the standard due to:
  - severe weather conditions;
  - industrial action by the GT's employees or contractors;
  - the act or default of a person other than an officer, employee or agent of the GT, or a person acting on behalf of an agent of the GT;
  - the inability on the part of the GT to obtain necessary access to premises;
  - there being a situation where the GT would breach or be likely to breach an enactment in meeting a standard;
  - the effects of an event for which regulations have been made under Part 2 of the Civil Contingencies Act 2004;
  - delays caused by the need for the GT to seek a permit for street works under the Traffic Management Act 2004; or
  - other exceptional circumstances beyond the control of the GT but only where the GT has taken all reasonable steps to prevent the circumstances from occurring and to prevent them from having that effect;
- 5.** the GT reasonably considers information provided by the customer to be frivolous or vexatious;
- 6.** the customer has:
  - committed an offence under paragraph 10 or 11 or Schedule 2B of the Act; or
  - failed to pay charges to the GT after receiving a notice under paragraph 7 of Schedule 2B to the Act and any action taken or not taken by the GT is in accordance with the relevant section of the Act; or
- 7.** the GT has disconnected or refused to connect the customer's premises under Schedule 2B of the Act.

2.54. In relation to GSOP4-11, all of these exemptions apply. However, in the case of the exemption at sub-paragraph 4 of paragraph 2.53, only if the GT has given the customer at least one working day's notice that it would be unable to keep the timed appointment unless it was not reasonably practicable to do so.

2.55. In relation to GSOP13, only the generic exemptions at sub-paragraphs 1, 2, 4, 6 and 7 of paragraph 2.53 apply.

**Disputes**

2.56. Decisions by GTs not to make a payment under the Regulations can be disputed by customers under section 33AB of the Gas Act 1986.

2.57. Such a dispute may be referred to the Authority for determination. The determination will be made in accordance with the procedure detailed at Schedule 2 to the Regulations.

### 3. Guaranteed Standards of Performance - voluntary scheme

3.1. Ofgem has agreed with DNs, to extend the connections guaranteed standards (GSOP4 – GSOP11) to apply to customer groups that are not covered under the Regulations through a voluntary scheme. For ease of reporting the Regulation’s references have been adopted for reporting performance under the voluntary scheme.

These customer groups include:

- gas suppliers;
- shippers;
- independent connection providers (ICPs); and
- IGTs.

3.2. Reporting against the voluntary scheme (connections guaranteed standards, GSOP4 – GSOP11) for these customer groups should be done separately on the relevant worksheet in the reporting template (see Appendix 1)



## 4. Standard Special Licence Condition D10

### Summary of the licence condition

4.1. Standard Special Licence Condition D10 provides that Distribution Networks ("DNs") shall ensure that for each year commencing on 1 April:

1. 90% of standard quotations for new connections or the alteration of existing connections of up to and including 275kWh per hour are issued within 6 working days of the receipt of the request, unless the customer requests a deferral.
2. 90% of non-standard quotations for new connections or the alteration of existing connections of up to and including 275kWh per hour are issued within 11 working days of the receipt of the request, unless the customer requests a deferral.
3. 90% of non-standard quotations for new connections or the alteration of existing connections exceeding 275kWh per hour are issued within 21 working days of the receipt of the request, unless the customer requests a deferral.
4. 90% of new or altered connections are substantially completed within the timescales agreed with the customer.
5. 90% of replies to land enquiries are issued within five working days of receipt of the request, unless the customer requests a deferral.
6. In 90% of cases, dates for the commencement and substantial completion of works are provided within 20 working days from the receipt of the acceptance of a quotation, unless the customer requests a deferral.
7. 90% of calls to a GDN's emergency telephone line are answered by a person adequately trained to process such calls within 30 seconds.
8. 90% of calls to a GDN's emergency telephone service, the dedicated enquiry line and the meter point reference number helpline made during the hours of operation are, in aggregate, answered within 30 seconds (by a person adequately trained to process such calls, in the case of the emergency telephone service).
9. In 97% of cases, where a report of a gas emergency is received by the DN's emergency telephone line or by any other means, the DN shall attend or procure the attendance of an emergency service provide at the incident site within:
  - 1 hour of receipt of the full emergency details, in respect of an uncontrolled gas escape or other uncontrolled gas emergency; or
  - 2 hours of receipt of the full emergency details, in respect of a controlled gas escape or other controlled gas emergency

4.2. This licence condition shall not apply to requests for connections:

- to developments of at least 5 new build domestic or non-domestic premises where there is no existing connection to the DN's pipe-line system;

- to premises to which gas will be conveyed at more than 7 bar gauge;
- to complex and excluded connections; or
- where the customer has failed to provide sufficient information to allow the DN to provide a quotation.

4.3. Any requests received from customers relating to paragraphs 1 to 6, above, received after 5pm on any day shall be deemed to have been received on the next working day.

4.4. Once in each year, each DN shall carry out an audit in respect of its provision of services covered by paragraphs 1 to 6 above. Each DN shall inform the Authority of the details of the audit and, when requested by the Authority in writing, review the operation of that audit.

4.5. Once in each year, each DN shall provide the following information to the Authority :

- 1.** The number of requests for new connections and alterations to existing connections as well as the number of those requests responded to within the relevant timescale specified and number of those requests not responded to within the relevant timescale;
- 2.** the amount paid to customers for failure to provide an accurate quotation;
- 3.** the amount paid as compensation to customers under regulations made under section 33AA of the Act;
- 4.** the results of any audit of the type mentioned at paragraph 4.4;
- 5.** the number of requests for connections classified as 'excluded' for the purposes of the licence condition;
- 6.** the number of calls to the DNs emergency telephone line and to the dedicated enquiry line and meter point reference number helpline together with the number of those calls responded to within the relevant timescales;
- 7.** The number of reports of gas emergencies relating to controlled gas escapes or emergencies and the number of those emergencies where the DN attended or procured the attendance of an emergency service provider within the relevant timescale; and
- 8.** The number of reports of gas emergencies relating to uncontrolled gas escapes or emergencies and the number of those emergencies where the DN attended or procured the attendance of an emergency service provider within the relevant timescale.

## 5. Notice of Rights

5.1. Regulation 15(2) of the Regulations requires GTs to prepare a statement describing customers' rights under the guaranteed standards. The statement should cover regulations 7 - 14 and should explain the GSOPs and exemptions from those standards.

5.2. GTs are required to :

- provide a copy of the statement and of any revision to the statement to Ofgem and the National Consumer Council before sending the statement to gas suppliers (see below);
- not less than once in any 12 month period, send a copy of the statement to each gas supplier which supplies gas to customers' premises connected to the GTs pipeline system so that it can pass it on to its customers;
- make a copy of the statement available for inspection at its premises; and
- send a copy of the statement in its current form to anyone who requests it.

5.3. It is the GT's responsibility to ensure that the Notice of Rights ("the Notice") is issued to the suppliers so that the information contained in the Notices can be relayed to customers. Under Regulation 15, the Notice should explain the guaranteed standards and any exemptions that may apply.

5.4. It is the responsibility of suppliers to ensure that their customers are fully informed of the GT standards of performance. When forwarding information on to customers on behalf of the relevant GT, a supplier is not compelled to issue copies of the GT's document – the requirement is that they should issue the information on how the standards work and apply. The format of these statements is a matter for suppliers to consider.

## 6. Reporting requirements

### Reporting performance to Ofgem

6.1. GTs are required to provide performance information to Ofgem on a quarterly basis. A hard copy of the reporting template is at Appendix 1 to this document and electronic versions will be available from the Ofgem website.

6.2. The reporting requirements for DNs and IGTs are not the same. DNs are required to provide data on:

- performance against the GSOPs;
- performance against SSLC D10;
- the connections voluntary scheme; and
- connections excluded from the guaranteed standards.

6.3. IGTs are only required to submit data covering performance against the GSOPs. The reporting template is the same for both IGTs and GDNs, though IGTs are not required to complete all sections.

6.4. The reporting template should be used to submit all of the relevant data. GTs should only enter data into the cells shaded yellow. The rest of the cells will be automatically populated. In relation to the SSLC D10 spreadsheet, GDNs need only input data in relation to responding to telephone calls and attending gas escapes. The remainder of the information will be populated automatically using the GSOP data.

6.5. GTs should submit completed reporting spreadsheets to Ofgem within one month of the end of the reporting period.

6.6. The dates for providing completed spreadsheets to Ofgem are, in respect of each year during which this document is applicable, as follows:

Reporting period	Due date
Q1: April - June	31 July
Q2: July - September	31 October
Q3: October - December	31 January
Annual	30 April

6.7. Completed electronic copies of the spreadsheets should be returned to [tom.wood@ofgem.gov.uk](mailto:tom.wood@ofgem.gov.uk) and hard copies can be submitted to:

Tom Wood  
Gas Distribution  
Ofgem  
9 Millbank  
London SW1P 3GE

## Appendices

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**Appendix 1 – Reporting template**

The reporting template is attached to this document.

## Appendix 2 – The Authority’s Powers and Duties

1.1. Ofgem is the Office of Gas and Electricity Markets which supports the Gas and Electricity Markets Authority (“the Authority”), the regulator of the gas and electricity industries in Great Britain. This Appendix summarises the primary powers and duties of the Authority. It is not comprehensive and is not a substitute to reference to the relevant legal instruments (including, but not limited to, those referred to below).

1.2. 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 and the Energy Act 2004, as well as arising from directly effective European Community legislation. References to the Gas Act and the Electricity Act in this Appendix are to Part 1 of each of those Acts.<sup>3</sup>

1.3. Duties and functions relating to gas are set out in the Gas Act and those relating to electricity are set out in the Electricity Act. This Appendix must be read accordingly<sup>4</sup>.

1.4. The Authority’s principal objective when carrying out certain of its functions under each of the Gas Act and the Electricity Act is to protect the interests of consumers, present and future, wherever appropriate by promoting effective competition between persons engaged in, or in commercial activities connected with, the shipping, transportation or supply of gas conveyed through pipes, and the generation, transmission, distribution or supply of electricity or the provision or use of electricity interconnectors.

1.5. The Authority must when carrying out those functions have regard to:

- The need to secure that, so far as it is economical to meet them, all reasonable demands in Great Britain for gas conveyed through pipes are met;
- The need to secure that all reasonable demands for electricity are met;
- The need to secure that licence holders are able to finance the activities which are the subject of obligations on them<sup>5</sup>; and
- The interests of individuals who are disabled or chronically sick, of pensionable age, with low incomes, or residing in rural areas.<sup>6</sup>

1.6. Subject to the above, the Authority is required to carry out the functions referred to in the manner which it considers is best calculated to:

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<sup>3</sup> entitled “Gas Supply” and “Electricity Supply” respectively.

<sup>4</sup> However, in exercising a function under the Electricity Act the Authority may have regard to the interests of consumers in relation to gas conveyed through pipes and vice versa in the case of it exercising a function under the Gas Act.

<sup>5</sup> under the Gas Act and the Utilities Act, in the case of Gas Act functions, or the Electricity Act, the Utilities Act and certain parts of the Energy Act in the case of Electricity Act functions.

<sup>6</sup> The Authority may have regard to other descriptions of consumers.

- Promote efficiency and economy on the part of those licensed<sup>7</sup> under the relevant Act and the efficient use of gas conveyed through pipes and electricity conveyed by distribution systems or transmission systems;
- Protect the public from dangers arising from the conveyance of gas through pipes or the use of gas conveyed through pipes and from the generation, transmission, distribution or supply of electricity;
- Contribute to the achievement of sustainable development; and
- Secure a diverse and viable long-term energy supply.

1.7. In carrying out the functions referred to, the Authority must also have regard, to:

- The effect on the environment of activities connected with the conveyance of gas through pipes or with the generation, transmission, distribution or supply of electricity;
- The principles under which regulatory activities should be transparent, accountable, proportionate, consistent and targeted only at cases in which action is needed and any other principles that appear to it to represent the best regulatory practice; and
- Certain statutory guidance on social and environmental matters issued by the Secretary of State.

1.8. The Authority has powers under the Competition Act to investigate suspected anti-competitive activity and take action for breaches of the prohibitions in the legislation in respect of the gas and electricity sectors in Great Britain and is a designated National Competition Authority under the EC Modernisation Regulation<sup>8</sup> and therefore part of the European Competition Network. The Authority also has concurrent powers with the Office of Fair Trading in respect of market investigation references to the Competition Commission.

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<sup>7</sup> or persons authorised by exemptions to carry on any activity.

<sup>8</sup> Council Regulation (EC) 1/2003