

All interested parties

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Dear Stakeholders,

## Guaranteed Standards of Performance (GSOPs) – Final Decision and Statutory Instrument for Reliability GSOPs (Severe Weather Arrangements)

Guaranteed Standards of Performance (GSOPs) set standards of performance levels that Distribution Network Operators (DNOs) are expected to meet. If a DNO fails to meet the required level of service, it could be required to pay compensation to the affected consumers. Payments under the guaranteed standards compensate customers for the inconvenience caused by DNOs' failure to deliver services to the guaranteed standards. They are not designed to compensate customers for subsequent financial loss. The Electricity (Standards of Performance) Regulations 2015<sup>1</sup> (the "Reliability GSOPs") underpin some of these obligations.

As Part of our proposed approach to implementing the immediate recommendations from the Review of Severe Weather Arrangements for Electricity Customers<sup>2</sup> we decided to amend the Reliability GSOPs. To implement these changes, we drafted The Electricity (Standards of Performance) Amendment Regulations 2023 (the "Amendment Regulations") which we published for consultation on 4 April 2023<sup>3</sup>.

<sup>&</sup>lt;sup>1</sup> <u>The Electricity (Standards of Performance) Regulations 2015 (legislation.gov.uk)</u>

<sup>&</sup>lt;sup>2</sup> <u>Review of Severe Weather Compensation Arrangements for Electricity Customers | Ofgem</u>

<sup>&</sup>lt;sup>3</sup> <u>Statutory consultation on proposed amendments to the Electricity (Connection Guaranteed Standards of</u> <u>Performance) Regulations 2015 | Ofgem</u>

We received 12 responses to the consultation and our decision was published on 9 August 2023<sup>4</sup>. Our decision letter explained some changes had been made as a result of the consultation responses, but the substantive policy that underpinned the amendment regulations, set out in our Review of Severe Weather Arrangements for Electricity Customers, had not changed.

The Amendment Regulations have come into force today, on 1 September 2023 and are published here: <u>http://www.legislation.gov.uk/id/uksi/2023/887</u>.

Any questions regarding this decision letter should be directed to Faysal Mahad, <u>AssetRiskResilience@ofgem.gov.uk</u>.

Kind regards,

Jourdan Edwards, Deputy Director, Onshore Networks Signed on behalf of the Authority and authorised for that purpose by the Authority

<sup>&</sup>lt;sup>4</sup> <u>Final Decision and Statutory Instrument on Guaranteed Standards of Performance (GSOPs) for Reliability and</u> <u>Connections | Ofgem</u>