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INTRODUCTION

The promotion of good customer service is a major objective of the Director General of Electricity Supply. Each year since 1992 he has reported on the performance of the Public Electricity Suppliers (PESs) in providing services for electricity customers. Standards of Performance are an important element in the regulatory framework and serve to protect the interests of customers in key service areas. This report explains the background to the setting of the Standards and examines the companies' performances under them. It also comments on other important customer service issues.

All PESs (that is, the 12 regional electricity companies in England and Wales and the two Scottish companies) are required to report to the Director General on their performance against the Standards which are set under sections 39 and 40 of the Electricity Act 1989. The Standards cover the provision by PESs of services to customers in the distribution, supply and metering of electricity. They have been set by the Director General after consultation with companies, the Electricity Consumers' Committees and other customer representatives. Standards were first introduced in July 1991, and were successively revised and tightened in April and July 1993 and April 1995. Further improvements were made during the period covered by the present report in April 1998 and July 1998.

There are two types of Standards:

- Guaranteed Standards set service levels which must be met in each individual case. If the PES fails to provide the level of service required, it must make a payment to the customer affected.
- Overall Standards cover areas of service where it is not appropriate to give individual guarantees, but where customers in general have a right to expect from PESs predetermined minimum levels of service.

This report summarises the performance of PESs under the Standards during the twelve months to 31 March 1999 and gives corresponding figures for preceding years. Also included are statistics on customer complaints received by the Director and on disconnections for non-payment of bills. Both are important indicators of company performance. In addition, the report shows the number of prepayment meter customers.

Progress under the Standards

When the Standards were first set they allowed for differences in circumstances between PESs, including differences in previously achieved performance, whilst at the same time encouraging companies to achieve higher levels of performance. Some companies, particularly Eastern, Southern and Midlands, volunteered to accept higher levels of Standards in order to demonstrate their commitment to customer service. These were incorporated into the formal Standards, which consequently were in some cases set higher for these companies than for other companies. In many instances, the level of performance which companies actually achieved was well above the performance required under the Standards. Despite differences in circumstances between companies, differences in levels of performance for most of the Standards became considerably less marked after 1991.

The initial Standards were important in underpinning and encouraging improved services for customers. The subsequent process of change demonstrated what the best companies were capable of achieving and resulted in the lowest performers increasingly approaching the achievements of the better performers.

Over the period since 1991, companies have demonstrated a steady improvement in their performance against the Overall Standards. As for the Guaranteed Standards, the number of payments fell from over 13,000 in 1991/92 to 2,251 in 1996/97, even though the Standards were tightened over this period. As recorded in last year's report, 1997/98 saw an increase in the total number of payments. This was the result of the large number of payments made to customers who were off supply for more than 24 hours as a result of winter storms. The number of payments made in 1998/99 was similarly affected by supply interruptions over the Christmas period.

Improvements to the Standards

As noted, the Standards have been tightened on a number of occasions since they were first introduced. Most recently, following consultation in 1997, the Director General introduced improvements to ensure greater consistency in the Standards between the 14 PESs; to improve the reliability of supply for customers; and to be consistent with the introduction of competition in supply during 1998.

In particular, distribution business Standards cover services where the PESs continue to be monopoly suppliers. The Director General noted that these Standards continued to have an important role to play as the competitive market developed. In addition, since second tier suppliers would in most cases be supplying customers in more than one PES area, there was benefit if such suppliers were able to carry out their businesses in circumstances where Standards for distribution were, as far as possible, uniform across all PES areas.

In the light of the consultation, the Director General brought forward in March 1998 a package of improvements to the Standards. The main elements were:

- from 1 April 1998 all of the Overall Standards, apart from OS1a (restoration of supply within three hours), were set at 100 per cent;
- from 1 July 1998 common customer service obligations under the Guaranteed Standards for all PESs; and
- a new Guaranteed Standard on the repair of prepayment meter faults. All PESs are required to respond to faults within three or four hours (depending on when the fault is reported).

Details of these and other revisions are given later in this report.

As part of the present review of the PESs, the Director General has consulted over the costs and benefits of a number of further specific improvements to the Standards affecting quality of supply, including:

- a Guaranteed Standard covering supply restoration in less than the current 24 hours;
- reducing the scope of the severe weather exemption;
- the introduction of a new Guaranteed Standard dealing with frequent supply interruptions;
- requiring all Guaranteed Standards payments to be made automatically.

MORI was commissioned in early 1999 to carry out market research on customers' attitudes to quality of supply. The research which covered over 2,500 customers was to assess customers' expectations of supply reliability and the value they placed on secure supply, and customers' views on specific improvements to the Standards. The results of the research are being taken into account in the Director General's proposals for the distribution price control from April 2000.

The Director's proposals also include a future programme of work to be carried out by Ofgem on information and incentives. Amongst other things it will aim to define better the outputs of the regulated business including the quality of supply measures; strengthen the financial incentives on companies in relation to such measures; and improve the monitoring of delivery between price control reviews to enable more robust comparative analysis of quality of supply measures.

Competition in Supply

During 1998/99, the electricity supply market for all customers was progressively opened up to competition. This process was completed in May 1999, and all customers are now able to choose their electricity supplier. However, customers, including those who choose a different supplier, still depend on the PES in their area for distribution services (and for metering services until 2000), and it is important that they should continue to receive a high level of service.

The Director General has therefore ensured that the arrangements for the competitive supply market provide full protection for all customers in respect of those services for which PESs remain monopoly providers. These arrangements reflect the present legal position whereby the Director's powers to set Standards apply only to PESs (and in the case of Guaranteed Standards only in relation to tariff customers). Under the new arrangements for Standards:

- Guaranteed Standards continue to apply to PES tariff customers;
- customers of second tier suppliers receive the same level of service on distribution matters from their local PES as is received by the PES's own supply customers; in the event of a service failure covered by the Guaranteed Standards, they receive payments of the same value as do the PES's own customers. These payments are made by PESs to second tier suppliers who pass them on to customers;
- PESs have to monitor and publish their performance in serving all their tariff and contract supply customers; and
- second tier suppliers are required to publish their own Standards on supply issues (including their own schemes to make payments to customers when they fail to meet those Standards), and are required to monitor and publish their performance on specific matters, including handling of customers' enquiries and keeping appointments.

GUARANTEED STANDARDS

The Guaranteed Standards cover the 11 service areas shown in Figure 1. These Standards have been set to guarantee a level of service which it is reasonable to expect companies to deliver in all cases. A customer who fails to receive the required level of service is entitled to a payment.

Figure 1 Guaranteed Standards of Performance in 1998/99

Service	Performance Level since 1/7/98	Penalty Payment	Performance level 1/4/98 - 30/6/98	
1	Responding to failure of a supplier's fuse	Within 3 hours on weekdays (at least) 7 am to 7 pm, and within 4 hours at weekends (at least) 9 am to 5 pm	£20	Within 4 hours of any notification during working hours*
2	Restoring electricity supplies after faults	Must be restored within 24 hours	£50 (domestic customers) and £100 (non-domestic customers) for not restoring supplies within 24 hours plus £25 for each further 12 hours	£40 (domestic customers) and £100 (non-domestic customers) for not restoring supplies within 24 hours plus £20 for each further 12 hours
3	Providing supply and meter	Arrange an appointment within 2 working days for domestic customers and 4 working days for non-domestic customers	£20 - £100	3 days for domestic customers and 5 days for non-domestic customers*
4	Estimating charges	Within 5 working days for simple jobs and 15 working days for others	£40	10 days for simple jobs and 20 days for most others*
5	Notice of supply interruption	Customers must be given at least 5 days' notice	£20 domestic customers £40 non-domestic customers	At least 2 days' notice*
6	Investigation of voltage complaints	Visit within 7 working days or substantive reply within 5 days	£20	Visit or substantive reply within 10 days*
7	Responding to meter problems	Visit within 7 working days or substantive reply within 5 working days	£20	Visit within 10 working days or substantive reply within 5*
8	Responding to customers queries about charges and payment queries	A substantive reply and agreed refunds paid within 5 working days	£20	A substantive reply within 5 working days
9	Making and keeping appointments	Companies must offer and keep a morning or afternoon appointment, or a timed appointment if requested by the customer	£20	Standard was the same throughout the year
10	Notifying customers of payments owed under Standards	Write to customer and make payment within 10 working days of failure	£20	Write to customer within 10 working days of failure*
11	Responding to prepayment meter faults	Companies must respond to prepayment meter faults within 3 hours on weekdays and 4 hours at weekends	£20	Standard did not apply

Notes:

Details of the Standards are set out in Regulations made by the Director General.

Companies may not have to make payments if failure is caused by severe weather or other matters outside their control. However, this depends on the particular circumstances and companies must make all reasonable efforts to meet the Standards.

The Standards apply to tariff customers and those marked * have varied between companies. Companies are also required to send an explanatory leaflet to customers at least once a year.

OVERALL STANDARDS

The Overall Standards set minimum levels of performance which PESs are required to achieve over a 12 month period in specific service areas. A description of each of these Overall Standards is given in Figure 2. Although there is no obligation to make a payment to the customer if a company fails to meet an Overall Standard, under the Competition and Service (Utilities) Act 1992, each PES has a duty to conduct its business in such a way as can reasonably be expected to lead to its achieving the Standards. To ensure that companies account to their customers about the Standards, the Director General has directed each company to give information to customers about its performance under the Overall Standards. This is a further pressure on companies to achieve the required level of performance.

Figure 2 Overall Standards of Performance

1a	Minimum percentage of supplies to be reconnected following faults within three hours (% varies between PESs - see Figure 19)
1b	All supplies to be reconnected following faults within 24 hours
2	All voltage faults to be corrected within six months
3	Connecting new tariff customers' premises to electricity distribution systems:
3a:	All domestic customers to be connected within 30 working days
3b:	All non-domestic customers to be connected within 40 working days
4	All customers who have been cut off for non-payment to be reconnected before the end of the working day after they have paid the bill or made arrangements to pay
5	Visiting to move meter when asked to do so by customer. All cases within 15 working days
6	Changing meters where necessary on change of tariff within 10 working days of domestic customers' request in all cases
7	Ensuring that the company obtains a firm meter reading for all domestic and small business customers at least once a year
8	All customer letters to be responded to within 10 working days

Data Collection and Reporting of Performance

As indicated earlier, some companies offered services at levels above the minima laid down under the Standards, for example by giving customers more notice of supply interruptions than required, or by working to targets in areas not covered by the Standards, such as issuing refunds or revised bills. Companies may also apply the Standards on appointments differently through their arrangements for offering timed appointments. Where a company has provided a service beyond the Standards, it has not always been practicable for that company to monitor its performance against both the service target which it has set itself and the Standards set by the Director General. This has meant that in certain cases a company's performance returns may reflect the company's performance against more demanding criteria than may be necessary for the Standards. However, the companies' performance returns are presented in this report as if the data submitted by companies were, in all cases, measured against the Director General's Standard.

The Director General has given detailed guidance to companies on best practice in reporting performance under the Standards. In order to ensure consistent reporting across companies, the guidance requires all companies to commission annual independent audits of their reporting systems, to confirm that the guidance has been incorporated in the reporting procedures, and that those procedures are being followed.

Codes of Practice

The companies have important obligations to customers as set out in Codes of Practice. These Codes form a key part of customer protection and specify in clear and simple language the services which customers can expect from suppliers and provide reassurance to customers that suppliers will act responsibly.

The Codes are agreed with the Electricity Consumers' Committees and are approved by the Director General. In preparation for the introduction of full competition in 1998, new Codes were approved for suppliers from April 1998. These cover: the payment of bills by domestic customers, including guidance for the assistance of customers with payment difficulties; services for elderly and disabled customers; advice on the efficient use of electricity; procedures with respect to site access; and companies' complaint-handling arrangements. The Codes also include agreed arrangements for promoting customer awareness of the Codes and for monitoring services delivered to customers. Suppliers are required by licence to report on their performance under the Codes. The first reports will be due early in 2000.

Social Action Plan

In March 1998, in its Green Paper "A Fair Deal For Consumers", the Government asked the electricity and gas regulators, in consultation with customer groups and in partnership with the gas and electricity industries, to prepare an industry-wide action plan to ensure efficiency, choice and fairness in the provision of gas and electricity to disadvantaged customers. The Government's objective is to ensure that the economic benefits of liberalisation are spread fairly amongst everyone, including the most vulnerable customers. The Government asked that the Plan establish timescales and identify milestones to be achieved over the next five years so that progress in assisting such customers can be judged against measurable targets.

OFFER and Ofgas published their plans in June 1998. However, in the limited time that was available for their production, it was not possible to consult fully with companies, consumer representatives and others concerned with the interests of disadvantaged customers. Through discussions with a number of organisations, OFFER and Ofgas became aware that there were areas in which the plans could be strengthened.

The appointment of a new combined energy regulator from 1 January 1999, and the merger of the two offices from March 1999, provided an opportunity for review and the production of a revised combined Plan. The review also provided an opportunity to take into account issues arising from the Government's inter-departmental review of fuel poverty policy; to reflect the results of the surveys carried out for OFFER and for Ofgas by MORI into the impact of competition; and to consult widely on the issues affecting disadvantaged customers and the potential measures to address them.

The Director General announced in February 1999 that he would be carrying out a review of the plans. He said that his intention was to set the contribution of the regulatory office in the context of what the Government as a whole could do; to assess rigorously where the regulator could and could not expect present policies to deliver benefits for the fuel poor; and to identify where the regulator and others could act effectively to bring further benefits.

Ofgem (formerly OFFER and Ofgas) published the *Social Action Plan: Discussion Document* in May 1999, and a further response in October. Following consultation, the aim is to produce a new Social Action Plan, covering both gas and electricity, by the end of 1999.

CHAPTER 2

GUARANTEED STANDARDS

Overview

During 1998/99 there was a significant increase in the number of Guaranteed Standards (GS) payments made by companies. The number of payments rose from 17,308 in 1997/98 to 39,085 in 1998/99. This increase was very largely accounted for by payments under GS2 made to customers who were off supply for more than 24 hours during storms over the Christmas period. As reported in last year's Customer Services Report, the number of GS payments during 1997/98 was itself heavily affected by payments to customers who were off supply during storms that winter. Excluding winter storms payments, the number of GS payments in 1998/99 was 2,059 including 48 payments made under the new Standard relating to prepayment meter faults (GS11) introduced on 1 July 1998. This represented a small increase on the figure of 1,953 for GS payments (excluding those relating to winter storms) in 1997/98.

Figure 3 shows the total number of GS payments made by each of the companies during 1998/99 and in each of the four preceding years. Six companies made fewer payments during 1998/99 than in the previous year. Seven companies made six or less payments for every 100,000 tariff customers. Of those companies who made more payments, the two largest increases were by Northern and NORWEB, the result primarily of payments for winter storm interruptions. Other companies made ex-gratia payments which are not counted as GS payments. In particular ScottishPower made such payments to nearly 51,000 customers. (See the section on GS2 for details).

The use of ex-gratia payments has been noted in previous Customer Services Reports. These are payments which the companies report as having made on a voluntary basis to customers who have suffered poor service. There are indications that, in addition to those made under GS2, their use is increasing. In particular, Northern Electric - which has reported nine payments under Guaranteed Standard 8 which relates to queries raised by customers about charges and methods of payment - made just under 800 ex-gratia payments in this area of customer service. In view of the disparity between these two figures, and the problems which Northern Electric's new billing system has caused its customers, Ofgem is requesting further information about these payments. More generally, Ofgem is considering the recording practices of companies and the use of ex-gratia payments in relation to matters covered by the Standards. Whilst such payments are to be welcomed where matters have gone wrong, it is important that their widespread use does not distort recorded performance under the Standards.

Figure 4 shows the total number of payments made under each of the Standards in 1998/99 and during preceding reporting periods. The number of payments made under the different Standards varied significantly, with the restoration of supply Standard (GS2) and the appointments Standard (GS9) accounting for the majority of payments.

The total value of payments under the Standards during 1998/99 was some £1,447,000. The highest amount paid by any single company was just over £900,000. The corresponding figures in 1997/98 were £572,000 and £446,000. The value of payments during 1998/99 was also affected by the amount payable to domestic customers under GS2 for 24 hour loss of supply. This was increased with effect from 1 July 1998 from £40 to £50, and for each subsequent 12 hour period from £20 to £25. The number of services which PESs reported they provided to customers covered by the Standards was over 15.7 million.

Figures 5 to 17 show the number of payments made by each company for each of the Guaranteed Standards.

Figure 3 Number of Guaranteed Standards Payments made by Companies

Company	1994/95	Payments/ 100,000 tariff customers	1995/96	Payments/ 100,000 tariff customers	1996/97	Payments/ 100,000 tariff customers	1997/98	Payments/ 100,000 tariff customers	1998/99	Payments/ 100,000 tariff customers	1998/99 (excluding winter storm payments)	Payments/ 100,000 tariff customers
Eastern	1243	40	767	25	356	12	336	11	348	11	348	11
East Midlands	1,110	49	542	24	292	13	216	9	248	11	248	11
London	22	1	19	1	80	4	327	16	318	16	318	16
Manweb	181	13	242	18	81	6	62	4	40	3	40	3
Midlands	439	20	359	16	77	3	46	2	59	3	59	3
Northern	295	20	174	12	163	11	1,681 ¹	119	14,246	1,099	66	5
NORWEB	35	2	119	5	91	4	13,964 ²	647	23,132	1,081	286	13
SEEBOARD	316	16	15	1	15	1	28	1	112	6	112	6
Southern	108	4	47	2	37	1	15	1	21	1	21	1
SWALEC	364	38	601	62	316	33	124	13	41	4	41	4
South Western	253	20	246	19	132	10	25	2	17	1	17	4
Yorkshire	596	29	334	17	271	14	279	14	265	13	265	13
Hydro-Electric	199	32	185	29	190	30	88	14	149	24	149	24
ScottishPower	249	14	145	8	150	8	117	6	89	5	89	5
All Companies	5,410	21	3,795	15	2,251	9	17,308³	67⁴	39,085	151	2,059	8

Notes:

- 1 includes 1,556 for 1997/98 winter storms payments
- 2 includes 13,798 for 1997/98 winter storms payments
- 3 includes 15,355 for 1997/98 winter storms payments
- 4 corresponding figure, excluding winter storm payments, is 7

Figure 4 Number of Guaranteed Standards Payments made by Companies

Guaranteed Standard	1994/95	1995/96	1996/97	1997/98	1998/99	Excluding winter storms payments	
						1997/98	1998/99
1	48	43	17	17	50	17	50
2	419	485	167	15,409	37,067	54	41
3	23	16	6	4	2	4	2
4	22	18	32	13	38	13	38
5	880	705	363	251	195	251	195
6	29	14	2	20	7	20	7
7	96	23	12	9	5	9	5
8	491	198	165	191	213	191	213
9	2,942	2,119	1,340	1,167	1,264	1,167	1,264
10	460	174	147	227	196	227	196
11	n/a	n/a	n/a	n/a	48	n/a	48
TOTAL	5,410	3,795	2,251	17,308	39,085	1,953	2,059

GS1 Supplier's Fuse

The Standard requires companies to visit the customer's premises within a specified number of hours of being notified that the supplier's fuse has operated (ie. that it has blown) or may have operated.

Since 1 July 1998, all PESs are required to respond within three hours on weekdays between (at least) 7am and 7pm, and within four hours at weekends between (at least) 9am and 5pm. Previously the response time and the hours within which the Standard applied varied between companies, and some companies voluntarily worked to tighter targets than those set by the Standard. During the first quarter of 1997/98, most companies had four hours to respond; Eastern and Midlands had three hours.

Payment levels

The payment for failing the Standard is £20 for both domestic and non-domestic customers.

Figure 5 Number of payments made

Company	1994/95	1995/96	1996/97	1997/98	1998/99
Eastern	27	24	3	7	2
East Midlands	4	1	0	0	11
London	0	1	0	4	3
Manweb	0	1	1	0	1
Midlands	6	2	0	0	10
Northern	0	3	0	2	5
NORWEB	2	1	0	0	2
SEEBOARD	0	0	0	0	2
Southern	2	2	0	0	1
SWALEC	0	6	3	1	0
South Western	1	0	2	0	1
Yorkshire	1	0	2	0	0
Hydro-Electric	0	0	2	1	4
ScottishPower	5	2	4	2	8
TOTAL	48	43	17	17	50

GS2 Restoration of Supply

To ensure that inconvenience to customers is kept to a minimum, this Standard requires companies to restore the supply within 24 hours of the company becoming aware of a fault on the distribution system.

Payment levels

If the company fails to meet this Standard the customer is entitled to claim a payment. The amount payable was increased from 1 July 1998 as set out in Figure 6.

Figure 6 Value of GS2 Payments

	Before 1 July 1998	From 1 July 1998
First 24 Hours		
Domestic	£40	£50
Non-domestic	£100	£100
Each Successive 12 Hours		
All customers	£20	£25

Figure 7 shows the total number of payments made by each PES under GS2, including those for the winter storms.

By far the majority of payments made in 1998/99 is accounted for by payments due to loss of supply during winter storms. On 26 December 1998, large parts of northern England and Scotland were affected by high winds which caused widespread damage to the overhead distribution system and, in some areas, the transmission system. The worst affected PES areas were ScottishPower, NORWEB and Northern, although Scottish Hydro-Electric, Manweb, and Midlands also declared system emergencies. Although supply was restored to most customers within 24 hours, over 50,000 customers were without a supply for longer, with some supplies not being restored until the New Year. In his report on the storms (published in May 1999) the Director General noted that the overall level of preparation and planning in the companies had not been up to the pressures they faced and that further improvements in emergency planning, particularly in terms of communication with customers, were essential.

Companies were generally positive in their attitude to customers submitting compensation claims. However, there was considerable variation in practice as regards payment of compensation under Guaranteed Standards and ex-gratia payments. NORWEB and Northern made payments mainly under the Guaranteed Standards, though they also made ex-gratia payments. Other companies, principally ScottishPower, did not make Guaranteed Standard payments, claiming the severe weather exemption, but made ex-gratia payments. These payments were generally of an amount equivalent to Standards payments. In addition to making cash payments, NORWEB and ScottishPower in some cases paid for accommodation costs for customers who were off supply for a prolonged period. Figure 8 shows the number of customers who received winter storms payments (GS2 and ex-gratia) and the value of those payments.

Figure 7 Number of payments made

Company	1994/95		1995/96		1996/97		1997/98		1998/99	
	24 hrs	12 hrs	24 hrs	12 hrs	24 hrs	12 hrs	24 hrs	12 hrs	24 hrs	12 hrs
Eastern	172	14	28	2	39	0	1	0	13	0
East Midlands	61	0	18	0	3	0	3	0	5	0
London	0	0	3	0	17	5	17	4	5	0
Manweb	7	5	4	2	0	0	2	0	0	0
Midlands	45	3	149	65	1	1	0	0	0	0
Northern	1	0	1	1	2	2	1,556	0	6,230	7,950
NORWEB	2	0	20	16	11	0	5,561	8,258	11,414	11,444
SEEBOARD	5	0	0	0	3	1	3	0	0	0
Southern	6	0	2	0	2	0	0	0	0	0
SWALEC	38	0	89	65	40	19	0	0	0	0
South Western	17	1	1	0	0	0	0	0	0	0
Yorkshire	0	0	0	0	7	0	4	0	6	0
Hydro-Electric	3	2	1	0	0	0	0	0	0	0
ScottishPower	37	0	16	2	7	7	0	0	0	0
TOTAL	394	25	332	153	132	35	7,147	8,262	17,673	19,394

Note:

An additional payment becomes due for each full period of 12 hours without supply beyond the first 24 hours

Figure 8 Winter Storms Payments 1998/99

Company	No of GS payments	No of customers receiving ex-gratia payments	Total no of customers receiving payments	GS payments, amount paid (£)	Ex-gratia payments, amount paid (£)	Total amount paid (£)
Northern	14,180	47	6,277 ¹	510,250	1,410	511,660
NORWEB	22,846	420	11,698 ¹	904,050	30,226	934,276
Yorkshire	0	5	5	0	164	164
SEEBOARD	0	51	51	0	2,650	2,650
SWALEC	0	533	533	0	26,875	26,875
ScottishPower	0	50,990	50,990	0	4,506,708	4,506,708
Hydro-Electric	0	583	583	0	47,000	47,000
Total	37,026	52,629	70,137	1,414,300	4,615,033	6,029,333

Note:

1 A number of customers received more than one GS payment (where they were without supply for more than 36 hours).

GS3 Providing a Supply

Where a customer has made a written request for supply and has provided the necessary documentation and payment, the Standard requires companies to make an appointment to visit and install a meter.

For the first quarter of 1998/99, most companies had to respond within three working days for a domestic customer and within five working days for a non-domestic customer, though Eastern and Midlands had two working days to provide a supply for a domestic customer. Since 1 July 1998, all PESs are required to install a meter for domestic customers within two working days, and for non-domestic customers within four working days.

For failing to arrange an appointment, a payment of £20 must be made. In addition, if the company fails to keep the appointment, domestic customers are entitled to £40 and non-domestic customers to £100.

Figure 9 Number of payments made

Company	1994/95	1995/96	1996/97	1997/98	1998/99
Eastern	2	3	0	1	0
East Midlands	13	8	4	0	0
London	2	2	0	0	2
Manweb	0	0	0	0	0
Midlands	0	0	0	0	0
Northern	3	0	0	0	0
NORWEB	0	1	0	0	0
SEEBOARD	0	0	0	3	0
Southern	0	0	0	0	0
SWALEC	0	1	1	0	0
South Western	0	0	1	0	0
Yorkshire	2	1	0	0	0
Hydro-Electric	1	0	0	0	0
ScottishPower	0	0	0	0	0
TOTAL	23	16	6	4	2

GS4 Estimate of Charges

The Standard requires companies to provide an estimate of the charge to be made by the company for connecting a new supply or moving a meter.

During the first quarter of 1998/99 most companies had to respond within 10 working days if no significant work was needed, or 20 working days if significant work was required, though Eastern and Midlands had five working days for simple jobs and 15 for difficult ones and Hydro-Electric had 30 working days for difficult jobs. Since 1 July 1998, all PESs are required to provide an estimate within five working days if no significant work is needed, or 15 working days if significant work is required.

For failing to meet this Standard a payment of £40 must be made to both domestic and non-domestic customers.

Figure 10 Number of payments made

Company	1994/95	1995/96	1996/97	1997/98	1998/99
Eastern	3	6	4	1	0
East Midlands	0	1	5	7	8
London	0	0	1	1	13
Manweb	1	2	0	0	0
Midlands	3	0	1	1	0
Northern	0	3	5	1	3
NORWEB	0	0	0	0	0
SEEBOARD	1	1	0	0	0
Southern	0	0	0	0	0
SWALEC	3	0	0	0	0
South Western	3	5	13	0	0
Yorkshire	5	0	3	0	0
Hydro-Electric	2	0	0	1	2
ScottishPower	1	0	0	1	12
TOTAL	22	18	32	13	38

GS5 Notice of Planned Interruptions to Supply

This Standard requires companies to give a minimum period of notice to customers whose supply is to be interrupted for repair or maintenance work to the distribution system.

For the first quarter of 1998/99 most companies had to give at least two days' notice, but Manweb had to give at least three, and Midlands, SEEBOARD and Southern at least five. Some companies set themselves longer periods and made payments if they failed to meet them: thus, NORWEB gave three days' notice, East Midlands five, and Midlands seven. Since 1 July 1998, all PESs are required to give at least five days' notice. Midlands voluntarily gives seven days' notice.

The payment for failing the Standard is £20 for domestic and £40 for non-domestic customers. Claims, which need not be in writing, are allowed within one month from the day supply is lost.

Figure 11 Number of payments made

Company	1994/95	1995/96	1996/97	1997/98	1998/99
Eastern	36	87	21	6	3
East Midlands	149	126	53	49	43
London	1	0	5	14	8
Manweb	64	93	22	25	20
Midlands	139	62	38	28	25
Northern	53	46	35	10	1
NORWEB	8	22	7	41	45
SEEBOARD	15	6	5	0	0
Southern	51	12	11	6	2
SWALEC	190	111	55	26	13
South Western	94	60	40	1	2
Yorkshire	28	13	47	36	25
Hydro-Electric	19	23	10	4	7
ScottishPower	33	44	14	5	1
TOTAL	880	705	363	251	195

GS6 Voltage Complaints

The Standard requires companies to arrange an appointment to investigate voltage complaints, or to provide a substantive reply explaining why the supply was outside the permitted limits. If the company fails to keep an appointment, a further payment is due.

In the first quarter of 1998/99, most companies had to arrange an appointment or provide a substantive reply within 10 working days. Southern had seven working days for the Standard, and Eastern and Midlands had five for a substantive reply. East Midlands and NORWEB had voluntary limits of five and seven working days respectively for replying. Since 1 July 1998, all PESs are required to offer appointments within seven working days or provide written replies within five working days.

The payment for failing any part of the Standard is £20 for both domestic and non-domestic customers.

Figure 12 Number of payments made

Company	1994/95	1995/96	1996/97	1997/98	1998/99
Eastern	11	4	1	2	2
East Midlands	5	1	1	5	0
London	0	0	0	8	2
Manweb	0	1	0	0	0
Midlands	2	2	0	0	0
Northern	0	1	0	1	0
NORWEB	0	0	0	0	1
SEEBOARD	1	0	0	1	1
Southern	0	0	0	0	1
SWALEC	1	3	0	3	0
South Western	5	0	0	0	0
Yorkshire	0	0	0	0	0
Hydro-Electric	0	1	0	0	0
ScottishPower	4	1	0	0	0
TOTAL	29	14	2	20	7

GS7 Meter Disputes

The Standard requires companies to respond to customers who report a meter error, either by making an appointment to investigate or by providing an explanation of why the meter appears to be operating outside the permitted margins of error.

In the first quarter of 1998/99, most companies had five working days in which to provide an explanation or 10 working days (seven for Southern) in which to visit. Southern and Hydro-Electric had a voluntary limit of five working days for a visit. Since 1 July 1998, all PESs are required to provide a written explanation within five working days, and to make a visit within seven working days. Southern has a voluntary limit of five working days for a visit.

The payment for failing any part of the Standard is £20 for both domestic and non-domestic customers.

Figure 13 Number of payments made

Company	1994/95	1995/96	1996/97	1997/98	1998/99
Eastern	7	2	2	4	1
East Midlands	17	4	1	0	2
London	0	0	0	0	0
Manweb	0	0	0	0	0
Midlands	3	4	0	0	0
Northern	0	0	1	0	0
NORWEB	0	3	1	2	0
SEEBOARD	9	0	0	0	0
Southern	0	0	0	0	0
SWALEC	2	5	1	3	1
South Western	0	0	0	0	0
Yorkshire	54	1	0	0	1
Hydro-Electric	4	3	3	0	0
ScottishPower	0	1	3	0	0
TOTAL	96	23	12	9	5

GS8 Charges and Payment

The Standard requires companies to reply within five working days to customers' charges and payment queries. The Standard covers replies to customer requests for a change to the method of paying bills (where this is not agreed) and queries about the accuracy of a bill or whether a payment is due under the Standards.

Since 1 July 1998, all PESs are also required under GS8 to make any refund promised to a customer following an account query within five working days.

A payment of £20 is due each time the Standard is broken.

Figure 14 Number of payments made

Company	1994/95	1995/96	1996/97	1997/98	1998/99
Eastern	248	75	72	89	74
East Midlands	20	1	0	0	5
London	2	3	9	36	15
Manweb	2	0	0	1	1
Midlands	4	1	1	0	0
Northern	0	0	0	0	9
NORWEB	0	6	8	23	51
SEEBOARD	112	3	3	7	23
Southern	12	10	1	1	7
SWALEC	19	30	2	5	5
South Western	33	48	17	1	2
Yorkshire	22	12	6	4	3
Hydro-Electric	10	6	20	6	6
ScottishPower	7	3	26	18	12
TOTAL	491	198	165	191	213

GS9 Appointments

The Standard applies to a range of services provided by companies and requires them to offer a morning or afternoon appointment to a customer, or a more specific appointment within a two-hour time band, if the customer so requests. The Standard also obliges the company to keep the appointment.

The Standard is common to all companies. However, within the Standard practice may vary between companies in the timing of appointments.

A payment of £20 is due each time either part of the Standard is broken.

Figure 15 Number of payments made

Company	1994/95	1995/96	1996/97	1997/98	1998/99	1998/99 Payments per 100,000 tariff customers
Eastern	483	460	143	122	177	6
East Midlands	821	374	219	141	159	7
London	14	9	27	186	226	11
Manweb	100	124	55	33	14	1
Midlands	209	67	33	16	14	1
Northern	238	119	116	108	43	3
NORWEB	23	50	63	64	134	6
SEEBOARD	57	2	1	5	74	4
Southern	26	13	18	5	2	0.1
SWALEC	111	250	175	78	19	2
South Western	92	131	57	23	12	1
Yorkshire	463	300	204	234	230	11
Hydro-Electric	149	146	149	71	120	19
ScottishPower	156	74	80	81	40	2
TOTAL	2,942	2,119	1,340	1,167	1,264	5 (Avg)

GS10 Payments

This Standard requires companies to notify customers that they are due a payment under the Guaranteed Standards and to make payment within a prescribed period.

In the first quarter of 1998/99, most PESs were required only to notify customers within a period of ten working days that a payment was due; Hydro-Electric had 20 working days to notify customers, and Midlands five. Since 1 July 1999, all PESs are required to notify and make payments within 10 working days; Midlands voluntarily sets itself five days.

The payment for failing the Standard is £20 for both domestic and non-domestic customers.

Figure 16 Number of payments made

Company	1994/95	1995/96	1996/97	1997/98	1998/99
Eastern	240	76	71	103	72
East Midlands	20	8	6	11	10
London	3	1	16	57	24
Manweb	2	15	3	1	4
Midlands	25	7	2	1	10
Northern	0	0	2	3	5
NORWEB	0	0	1	15	40
SEEBOARD	116	3	2	9	9
Southern	11	8	5	3	6
SWALEC	0	41	20	8	3
South Western	7	1	2	0	0
Yorkshire	21	7	2	1	0
Hydro-Electric	9	5	6	5	10
ScottishPower	6	2	9	10	3
TOTAL	459	174	147	227	196



GS11 Prepayment Meter Faults

The Standard requires companies to respond to prepayment meter faults within three hours on weekdays between (at least) 7am and 7pm and within four hours at weekends between (at least) 9am and 5pm. The Standard was introduced with effect from 1 July 1998.

The payment for failing the Standard is £20.



Figure 17 Number of payments made

Company	1998/99
Eastern	4
East Midlands	4
London	20
Manweb	0
Midlands	0
Northern	1
NORWEB	1
SEEBOARD	3
Southern	2
SWALEC	0
South Western	0
Yorkshire	0
Hydro-Electric	0
ScottishPower	13
TOTAL	48

3 CHAPTER

OVERALL STANDARDS

Overview

The Director General has set Overall Standards for each company in eight key service areas. The Standards require the company to achieve or exceed the particular level of performance determined for it in respect of each of these services. Performance is measured for each 12 month period ending 31 March each year.

The structure of each of the Overall Standards (OS) is the same for all companies, and the Standards set the same deadlines for all companies. However, some companies set themselves tighter deadlines for particular Standards and report their performance against these deadlines; for example, Midlands reports performance under OS8 (Customer Correspondence) with a deadline of five working days, rather than the ten working days set by the Standard.

Before 1 April 1998, the level of performance required varied between companies in terms of the percentage of services which they had to deliver satisfactorily. With effect from that date, however, all PESs are now required to achieve 100 per cent under all but one of the Standards. In the case of OS1a (which specifies the minimum percentage of interrupted supplies to be restored within three hours) the required level of performance ranges between 85 per cent and 95 per cent. Ofgem is exploring the scope for further improvements to OS1a as part of the distribution price control review.

Each company's performance under the Overall Standards is set out in Figures 18 to 29. The figures also indicate the level required to be achieved for each company and allow the company's 1998/99 performance to be compared with its performance during previous reporting periods.

There are, in effect, ten Overall Standards covering distinct service areas. (Two of the service areas are each covered by two Standards, and the other service areas have one Standard each). In the majority of cases, companies equalled or improved on their performance in 1998/99 compared with 1997/98 (when the percentage levels to be achieved were, in many cases, lower) and most met the Standards set or came within one percentage point of meeting them. In twenty cases, however, companies failed Standards by more than one percentage point (see Figure 18). In some cases, this reflected the effect of severe weather in interrupting supplies (Standards OS1a and OS1b). Seven companies failed OS7 by more than one percentage point. This Standard requires companies to obtain an actual meter reading at least once a year for their domestic and small business customers, and was raised to 100 per cent on 1 April 1998. The performance of three of the seven companies was lower in 1998/99 than in 1997/98 (though by less than one percentage point) and of these London failed the Standard by 3.5 percentage points. It also failed OS5 (which requires companies to resite meters within 15 working days when requested to do so by customers) by 22 percentage points. The company has explained the steps it is taking significantly to improve its performance in these areas.

Figure 18 Companies failing to meet Overall Standards or whose performance in 1998/99 fell by comparison with the preceding year (by more than one percentage point)

Overall Standard	Failed Standard (by more than one percentage point)	Performance lower than in 1997/98 (by more than one percentage point)
1a - Restoration of Supply within three hours	London	Northern
	Manweb	NORWEB
	Midlands	Southern
	NORWEB	Hydro-Electric
	Hydro-Electric	Scottish Power
	ScottishPower	
1b - Restoration of Supply within 24 hours	ScottishPower	ScottishPower
2 - Voltage Faults	Manweb	
	Scottish Power	-
4 - Reconnection	East Midlands	East Midlands
	Hydro-Electric	Hydro-Electric
5 - Resiting Meters	London	London
7 - Reading Meters	London	-
	Manweb	
	NORWEB	
	SEEBOARD	
	SWALEC	
	Hydro-Electric	
8 - Customer Correspondence	ScottishPower	
	Northern	-

Figure 19 OS1 - OS8 Required and Achieved Percentages for 1998/99

	OS1a		OS1b		OS2		OS3a		OS3b	
	Required	Achieved	Required	Achieved	Required	Achieved	Required	Achieved	Required	Achieved
Eastern	93	94.2	100	100	100	100	100	100	100	100
East Midlands	90	91.6	100	100	100	100	100	100	100	100
London	85	81.9	100	100	100	100	100	100	100	100
Manweb	90	85.4	100	100	100	98.4	100	99.6	100	100
Midlands	95	92.6	100	100	100	100	100	100	100	100
Northern	90	92	100	99.34	100	100	100	100	100	100
NORWEB	90	88.1	100	99.5	100	100	100	100	100	100
SEEBOARD	90	92.8	100	100	100	100	100	100	100	100
Southern	90	92.4	100	100	100	100	100	100	100	100
SWALEC	85	87.6	100	100	100	100	100	100	100	100
South Western	85	93.4	100	100	100	100	100	100	100	100
Yorkshire	85	95	100	100	100	100	100	100	100	100
Hydro-Electric	85	82.6	100	99.5	100	100	100	100	100	100
ScottishPower	85	78.4	100	97.2	100	96.6	100	100	100	100

	OS4		OS5		OS6		OS7		OS8	
	Required	Achieved	Required	Achieved	Required	Achieved	Required	Achieved	Required	Achieved
Eastern	100	100	100	100	100	99.1	100	99.1	100	100
East Midlands	100	98	100	99.9	100	99.1	100	99.9	100	100
London	100	100	100	77.8	100	100	100	96.5	100	99.3
Manweb	100	100	100	99.9	100	100	100	98.2	100	99.7
Midlands	100	100	100	100	100	100	100	99.4	100	99.8
Northern	100	100	100	100	100	99.9	100	99.1	100	98.4
NORWEB	100	100	100	100	100	100	100	98.6	100	100
SEEBOARD	100	100	100	100	100	100	100	98.1	100	100
Southern	100	100	100	100	100	100	100	99.5	100	100
SWALEC	100	100	100	100	100	100	100	98.6	100	100
South Western	100	100	100	100	100	100	100	99.6	100	100
Yorkshire	100	100	100	99.9	100	100	100	99.2	100	99.9
Hydro-Electric	100	96.4	100	100	100	100	100	98.2	100	100
ScottishPower	100	100	100	100	100	100	100	98.1	100	100

NB The above percentage Achieved figures are rounded to one decimal place.

Figure 20 OSlA Restoration of Supply

The Standard requires supplies to be restored within three hours in a minimum percentage of cases.

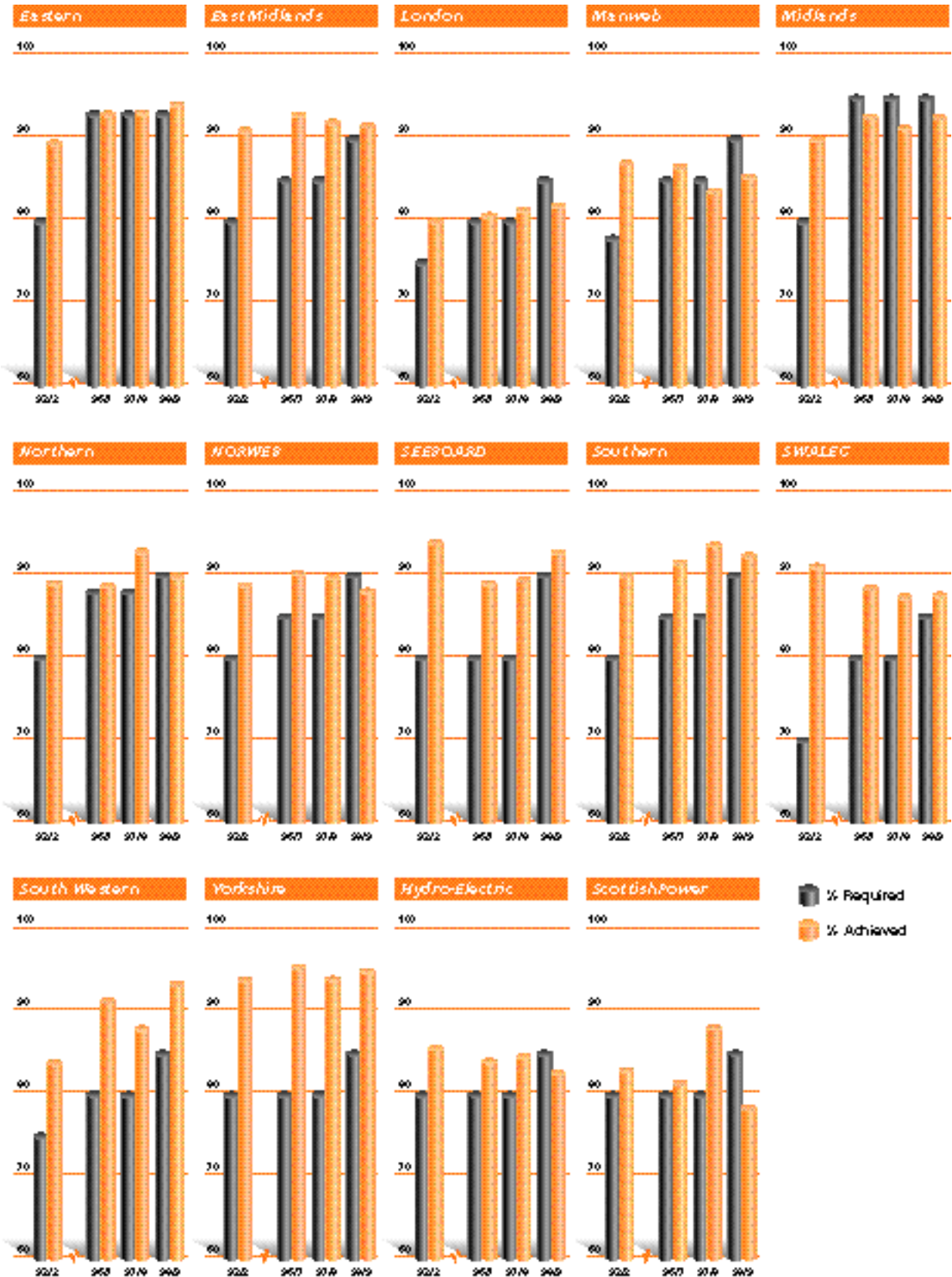


Figure 21 OSib Restoration of Supply

The Standard requires supplies to be restored within three hours in a minimum percentage of cases.

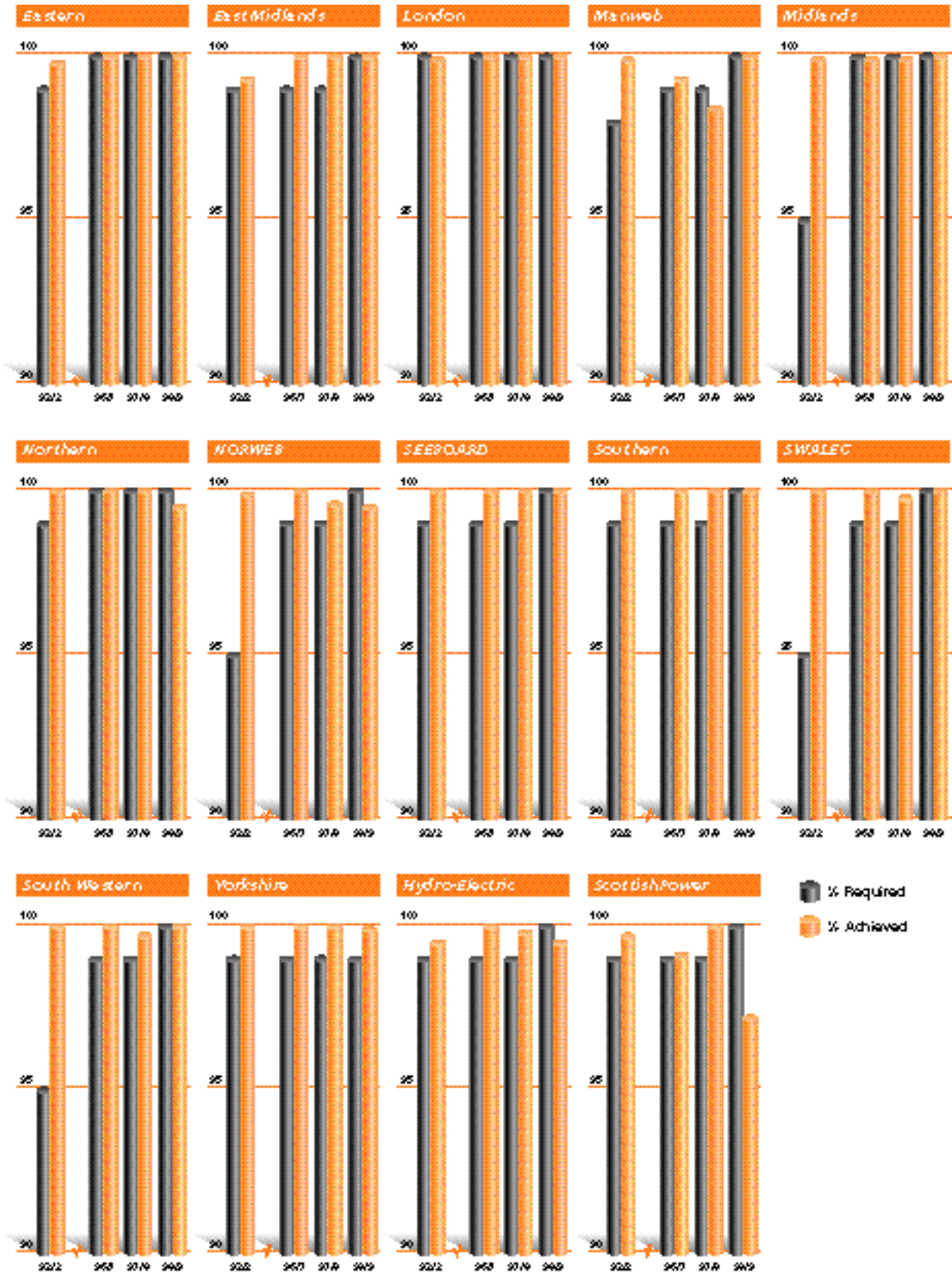


Figure 22 OS2 Voltage Faults

The Standard requires all voltage faults to be corrected within six months.

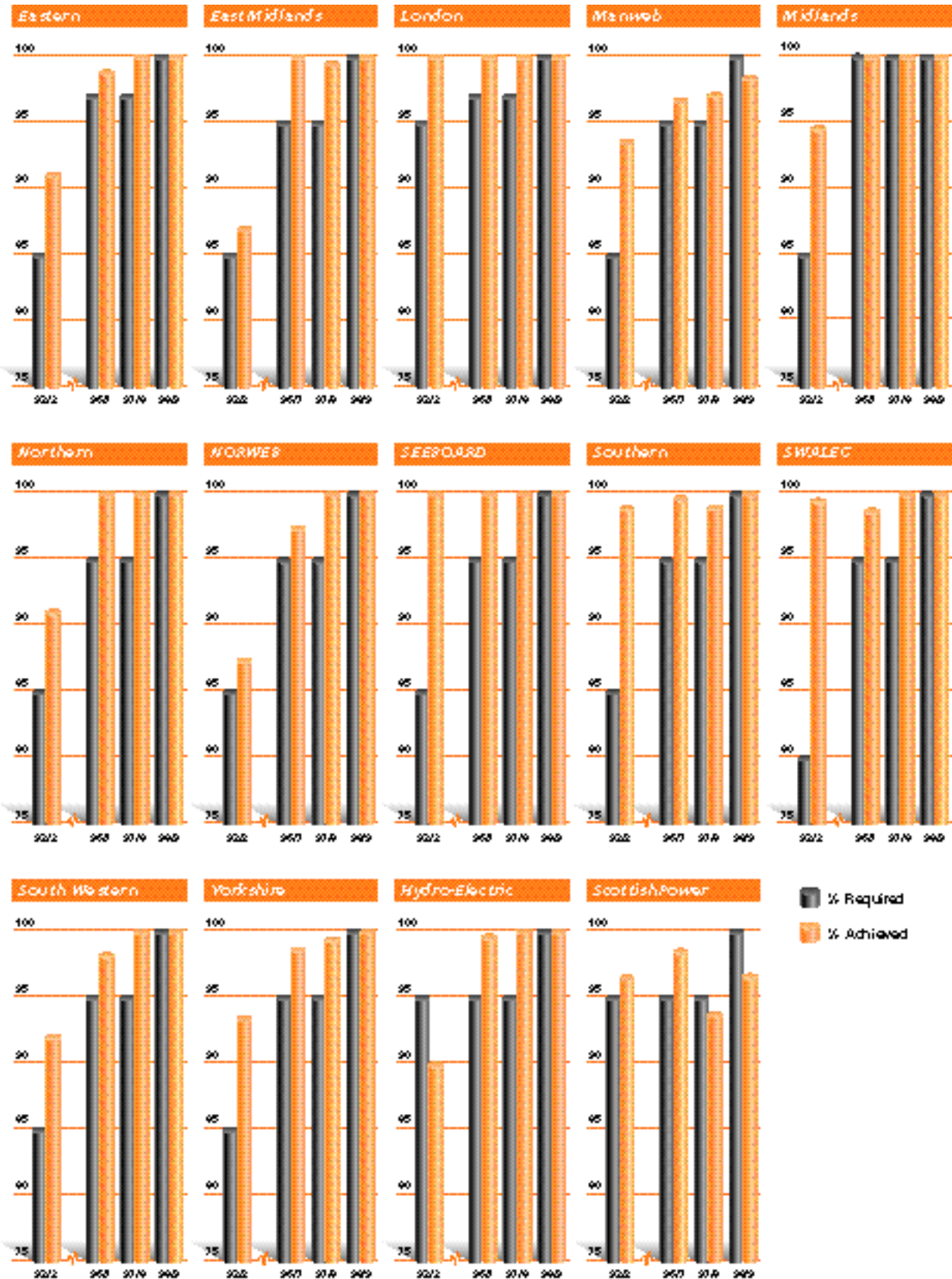


Figure 23 OS3a Connecting Supplies

The Standard requires all new supplies (including the installation of a service line and meter) for domestic customers to be provided within 30 working days.

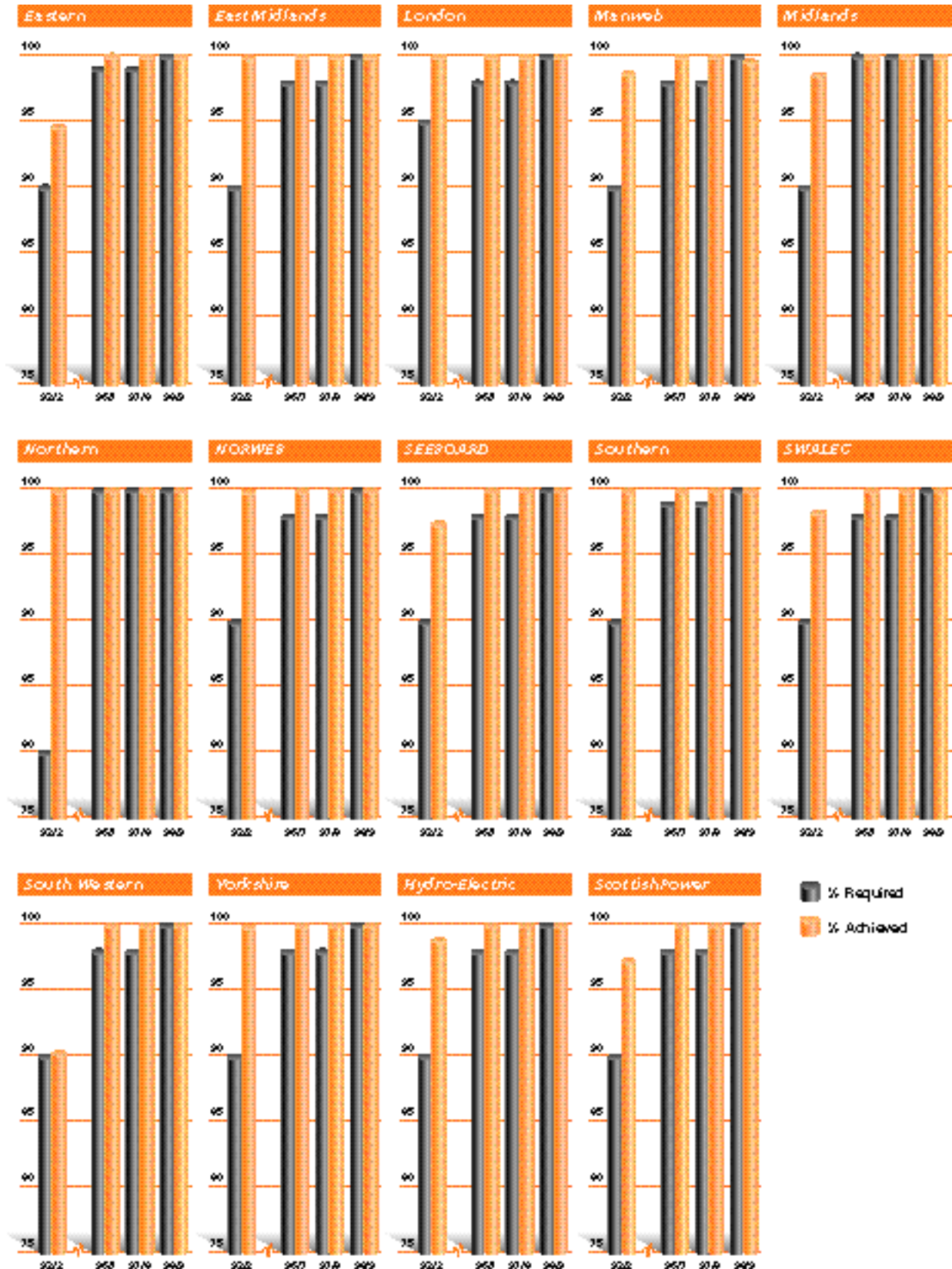


Figure 24 OS3b Connecting Supplies

The Standard requires all new supplies (including the installation of a service line and meter) for non-domestic customers to be provided within 40 working days.

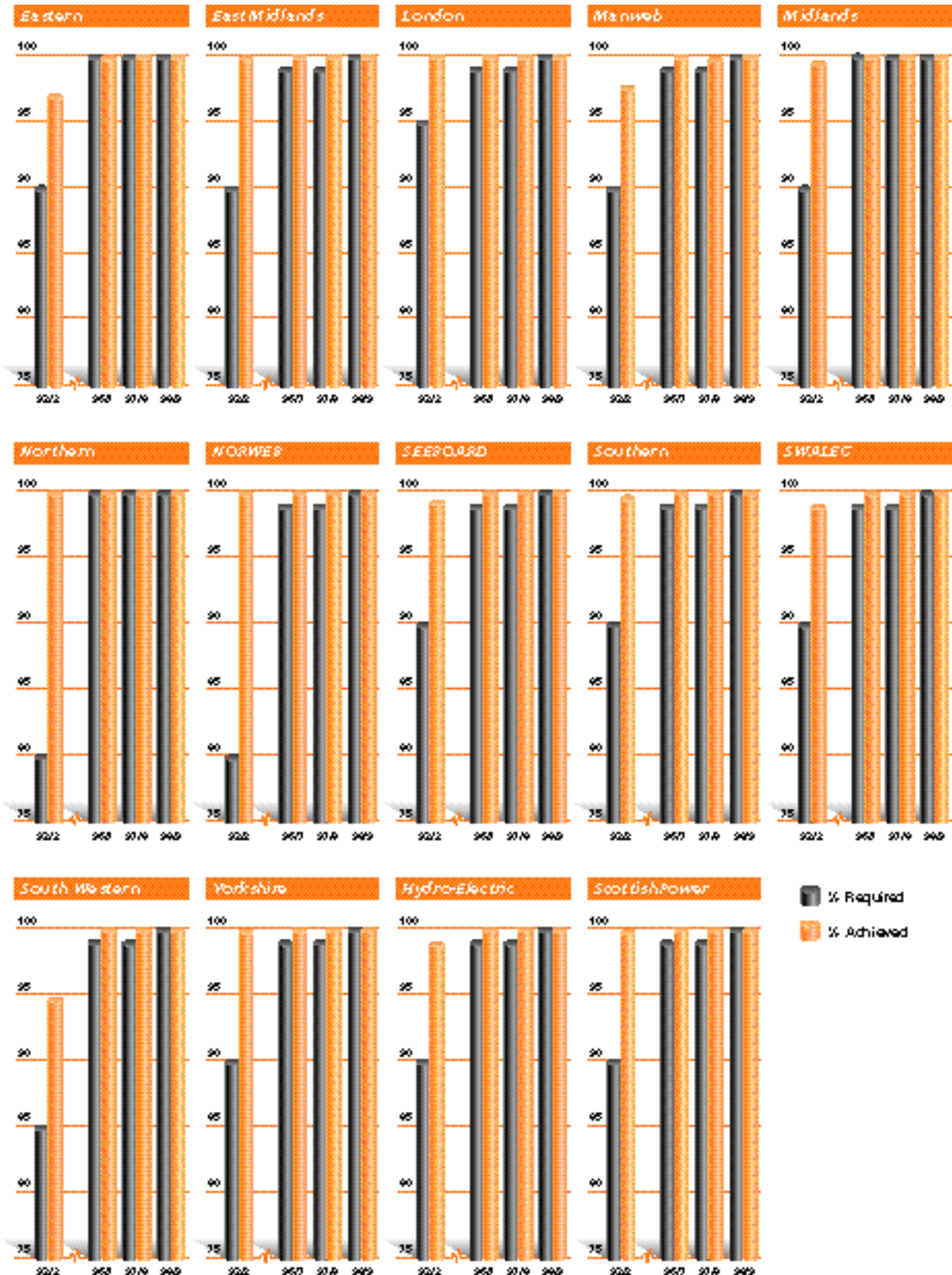


Figure 25 OS4 Reconnection

The Standard requires companies to reconnect all customers who have been disconnected for non payment by the end of the next working day following an agreement to pay.

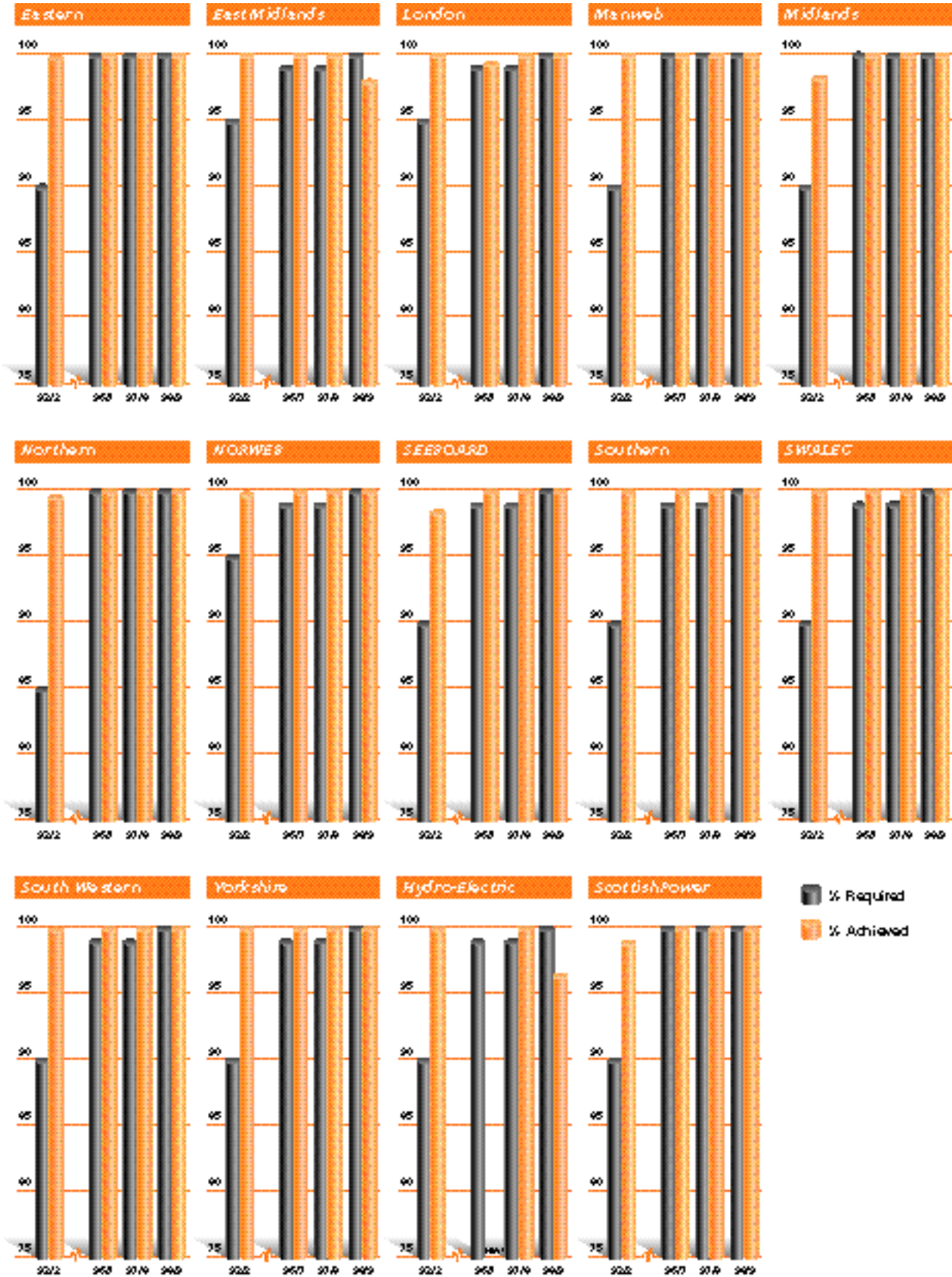


Figure 26 OS5 Resiting Meters

The Standard requires companies to resite the meter within 15 working days.

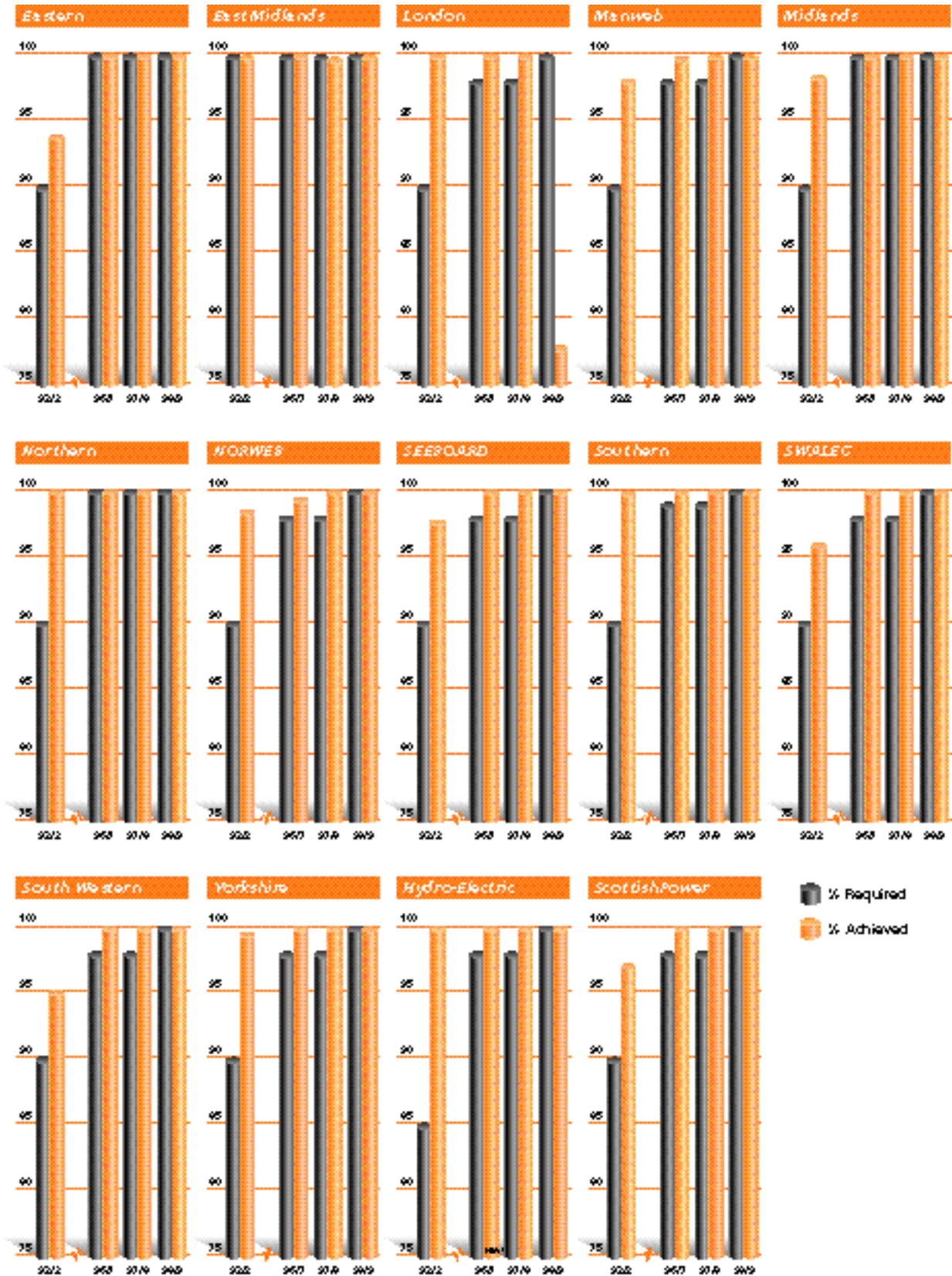


Figure 27 OS6 Changing Meters

The Standard requires companies where necessary to change the meter within 10 working days of agreeing with the customer a change in payment methods.

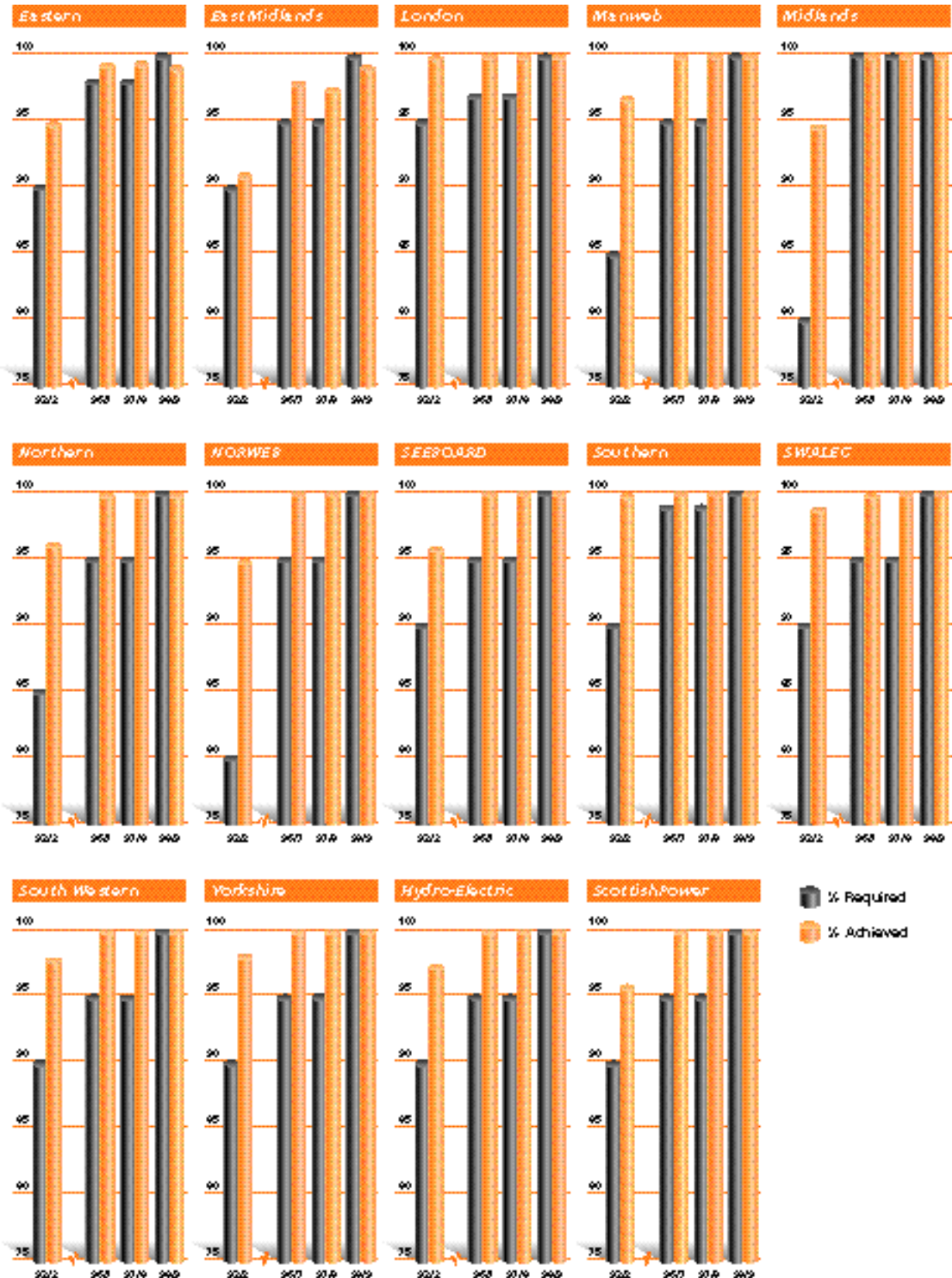


Figure 28 OS7 Reading Meters

The Standard requires companies to obtain an actual meter reading at least once every 12 months for all their domestic and small business customers.

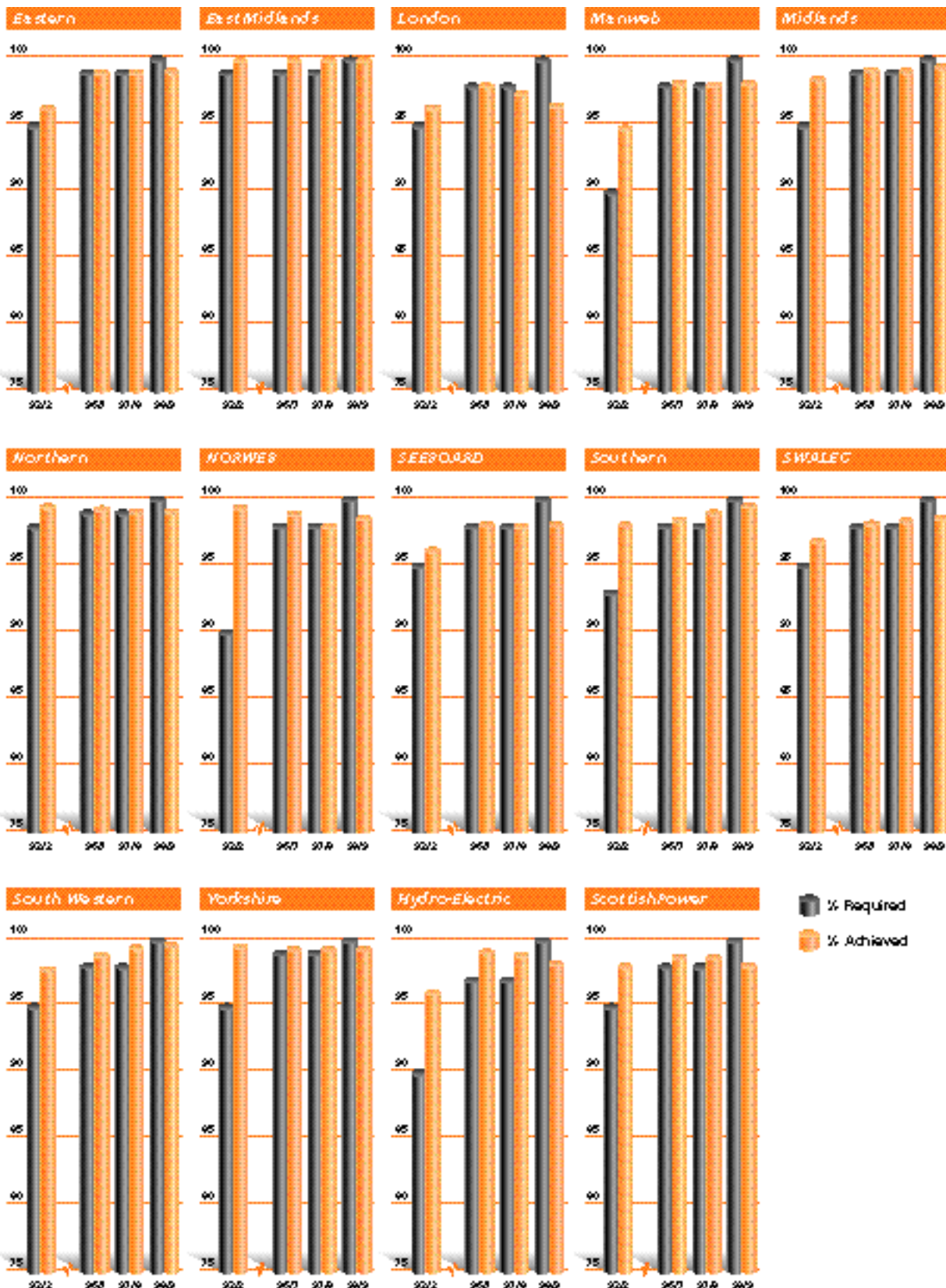
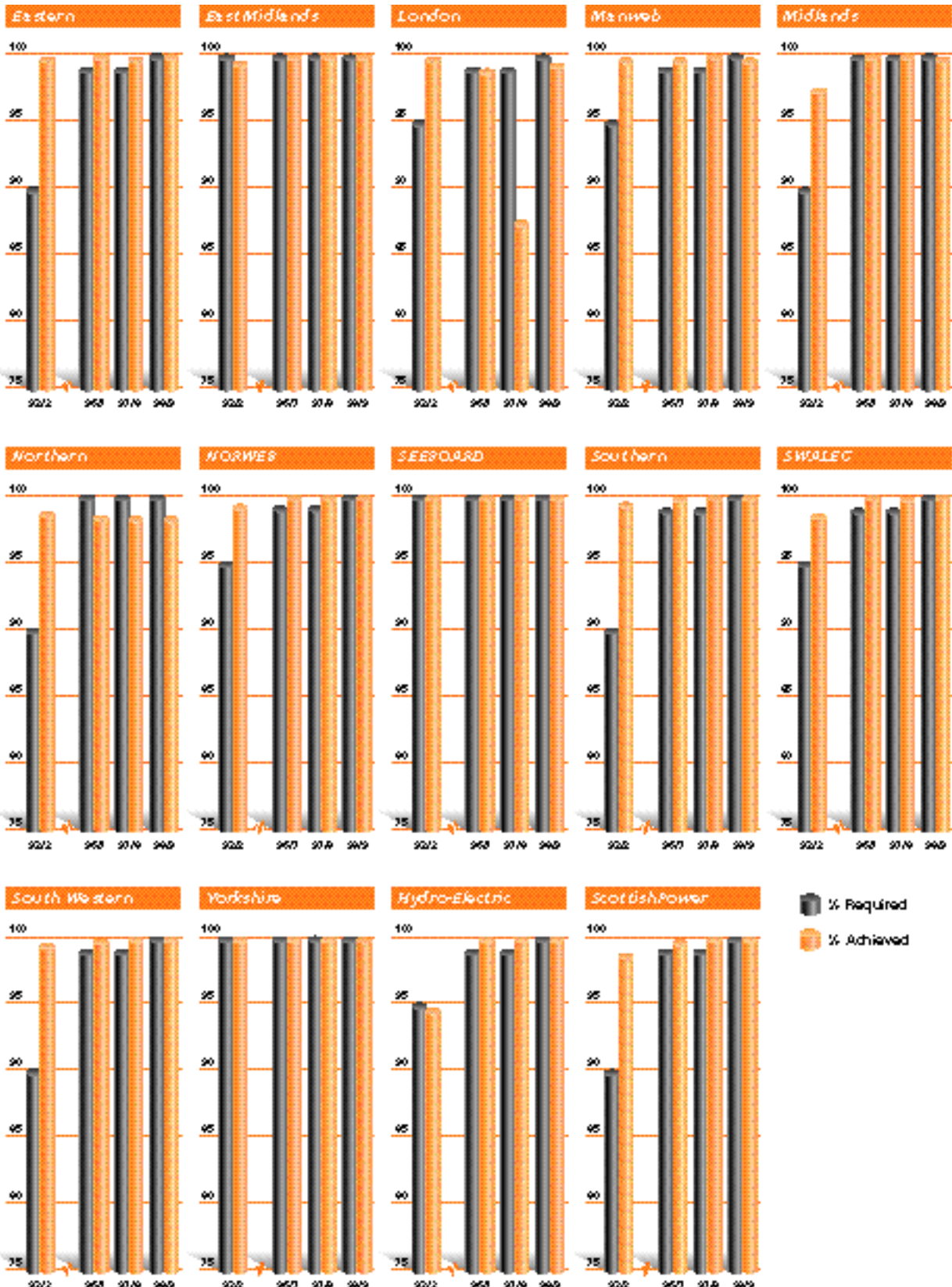


Figure 29 OS8 Customer Correspondence

The Standard requires companies to reply to customers letters about the distribution or supply of electricity within 10 working days.





Customer Complaints

During 1998/99, OFFER and the Electricity Consumers' Committees received a total of 7,382 complaints against all suppliers, an overall increase on the previous year of 17 per cent.

As figure 30 shows, complaints against Public Electricity Suppliers supplying in their own areas (ie first tier) fell on average by nearly three per cent. All but two of the PESs showed a decrease, five having decreases in excess of 30 per cent. Complaints against one PES - Northern Electric - rose by nearly 250 per cent, from 418 to 1447. As noted in OFFER's Annual Report, much of this increase has been due to problems in the company's handling of dual fuel complaints, and in the introduction of a new computer billing system.

Figure 30 also records the number of complaints received against second tier suppliers (including PESs supplying out of their area) since the competitive market opened in September 1998. Of the 1,230 complaints, 40 per cent were against British Gas Trading which was the most active second tier supplier in the market, and 16 per cent against each of ScottishPower and Northern Electric.

The Director General has taken steps to ensure that suppliers in the newly opened competitive market are fully aware of their responsibilities towards customers. Complaints against suppliers are being carefully monitored and issues have been taken up with companies where appropriate. He has been particularly concerned about the high level of complaints against Northern Electric, and issued in August 1999 a notice of his intention to make an enforcement order against the company if improvements were not made.

A fuller analysis of complaints, by calendar year, is contained in OFFER's Annual Report for 1998.

Figure 30 Customer Complaints

Supplier	1996/97 Number of complaints received	1997/98 Number of complaints received	1998/99 Number of complaints received	Percentage change in complaints received between 1998/99 and 1997/98
PES: Eastern	805	813	815	0
East Midlands	536	404	342	(15)
London	561	948	711	(25)
Manweb	325	201	137	(32)
Midlands	636	328	170	(48)
Northern	460	418	1447	246
NORWEB	685	576	506	(12)
SEEBOARD	313	508	488	(4)
Southern	573	452	375	(17)
SWALEC	346	237	144	(39)
South Western	374	132	73	(45)
Yorkshire	505	407	400	(2)
Hydro-Electric	113	129	125	(3)
ScottishPower	581	767	419	(45)
Total: All PES	6,813	6,320	6,152	(3)
Second Tier Suppliers	-	-	1,230	-
TOTAL: All Suppliers	6,813	6,320	7,382	17

() Reduction in complaint numbers

DOMESTIC DISCONNECTIONS

As a condition of its licence and with the approval of the Director General, each company is required to operate a Code of Practice for domestic customers experiencing difficulty in paying their electricity bills. Since the introduction of the Code in 1991, the number of domestic customers disconnected each year for debt has fallen sharply. Figure 31 shows the actual number of domestic customers disconnected for debt by each company during the past five years. In 1998/99, the number of domestic customers disconnected for debt showed a small decrease over that for the preceding year. Of four companies showing increases, Yorkshire disconnected 147 customers in the year compared with 90 in 1997/98. The increase reflects the clarification by OFFER in 1997/98 of reporting criteria. Ofgem is discussing measures with the company to reduce the level of its disconnections.

Figure 31 Domestic Disconnections

Company	1994/95	1995/96	1996/97	1997/98	1998/99
Eastern	229	238	161	115	50
East Midlands	153	56	18	20	26
London	0	0	0	0	0
Manweb	27	30	8	7	0
Midlands	8	7	1	0	0
Northern	39	54	75	14	9
NORWEB	270	101	82	42	64
SEEBOARD	23	0	0	0	0
Southern	128	73	41	53	32
SWALEC	35	24	24	23	21
South Western	94	67	53	10	23
Yorkshire	36	4	0	90	147
Hydro-Electric	14	10	0	2	1
ScottishPower	27	10	8	7	0
TOTAL	1,083	674	471	383	373

PREPAYMENT METERS

In 1998/99, the number of domestic customers paying for their electricity by means of a prepayment meter was virtually unchanged - at a total of 3.7 million - by comparison with the preceding year. Figure 32 shows that for the years since 1990/91, the number of prepayment meters nearly doubled, from 1.8 million to 3.7 million.

Figure 33 shows the number of prepayment meters, by each company, per 100,000 domestic customers.

Figure 32 Prepayment Meters

Company	'000 Prepayment Meters at end-March					Percentage increase, 1990/91 to 1998/99
	1990/91	1993/94	1996/97	1997/98	1998/99	
Eastern	159	294	366	357	316	99
East Midlands	158	204	269	277	274	73
London	163	262	378	388	399	145
Manweb	171	218	271	284	286	67
Midlands	192	233	313	327	334	74
Northern	49	69	124	136	144	194
NORWEB	150	214	255	267	260	73
SEEBOARD	78	157	206	212	214	174
Southern	153	214	288	300	304	99
SWALEC	73	115	151	157	161	121
South Western	77	119	186	200	210	173
Yorkshire	112	185	241	247	248	121
Hydro-Electric	45	77	116	127	139	209
ScottishPower	227	339	392	395	394	74
TOTAL	1,807	2,700	3,556	3,674	3,683	104

Figure 33 Prepayment Meters per 100,000 Domestic Customers

For the years 1990/91, 1994/95 and 1998/99

