

**October 2001**

**Guaranteed and Overall Standards  
for Independent Gas Transporters**

**A Consultation Document**

## Executive summary

This document discusses the application of guaranteed and overall standards of performance to the Independent Gas Transporters (IGTs).

The IGTs are small gas transportation networks attached to Transco's network or to other IGTs. Once these networks have been established they are natural monopolies and have no competitors to ensure that quality of service to consumers remains high. Consumers on such networks should be protected by the same standards of performance that apply to Transco.

It also suggests that standards of performance will not be required for metering or connections services provided by IGTs, as these services are increasingly competitive.

Chapter one describes the purpose of the document and gives a description of the future timetable for the development of guaranteed and overall standards of performance for the IGTs.

Chapter two describes the IGTs and the regulatory background to standards of performance. The current standards of three of the largest IGTs are compared to Transco's current standards. Imposing the same set of standards on all the gas transporters (GTs), i.e. Transco and the IGTs, would offer considerable advantages, ensuring that consumers on all networks were guaranteed a minimal level of service and enabling comparisons to be drawn between the performance of all the GTs.

Chapter three summarises the previous consultations which have taken place on guaranteed and overall standards of performance. It discusses the views of respondents on the application of such standards to the IGTs. It concludes that monopoly services such as gas transportation services require a set of guaranteed and overall standards of service to protect the interests of consumers. However, it is recognised that certain aspects of such standards may require some further consideration before they are applied to the IGTs.

Chapter four outlines the practical issues surrounding the application of guaranteed and overall standards of performance to the gas transportation services provided by the IGTs. It asks for views on suggested solutions to these issues.

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# 1. Introduction

## *Purpose of this document*

- 1.1 Transco is the major gas transporter (GT) in GB. It owns both the high pressure network, which transports gas from the beach terminals and interconnectors to the Local Distribution Zones (LDZs), and the LDZs. The Independent Gas Transporters (IGTs) own local gas transportation networks. These networks are attached either directly to Transco's system or indirectly to Transco's system via another IGT. There are currently 11 companies, including Transco, that are licensed to transport gas. Some of these companies (for example, United Utilities and GTC) hold more than one licence. Ofgem estimates that around 240,000 supply points are connected to IGT systems.
- 1.2 The Utilities Act 2000 gives Ofgem the power to specify guaranteed and overall standards of performance to apply to the GTs, in consultation with Energywatch, the licensees and other interested parties.
- 1.3 Initial thinking on the development of standards of performance for gas and electricity was discussed in a consultation document in October 2000<sup>1</sup>. The paper concluded that minimum standards of service should be prescribed for gas transportation and also potentially for gas metering services and gas connections services. Minimum standards of performance would be better achieved via introduction of statutory standards for GTs rather than the replacement of existing statutory standards in electricity with more informal arrangements. Therefore, guaranteed and overall standards should replace the GTs' existing standards of service.
- 1.4 The review of Transco's price control<sup>2</sup> has identified a number of potential guaranteed and overall standards that could be applied to the transportation services provided by Transco. The IGTs are also natural monopoly providers of gas transportation services. Therefore it is necessary to consider the application of guaranteed and overall standards to their gas transportation services.

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<sup>1</sup> Guaranteed and Overall Standards of Performance – A Consultation Document, Ofgem, October 2000

<sup>2</sup> Review of Transco's price control from 2002 – Initial thoughts consultation document, Ofgem, February 2001

- 1.5 This document considers how guaranteed and overall standards of performance should be developed for the IGTs' transportation services. It asks for views on whether these standards should be the same as those being developed for Transco and how IGT performance should be measured. This document also asks whether guaranteed and overall standards of performance should be applied to the IGTs' metering services and connections services.
- 1.6 The existing standards of performance for Transco and other GTs will be retained until 31<sup>st</sup> March 2002.
- 1.7 The document has the following structure.
- ◆ Chapter two describes the current requirements for standards of performance and actual levels of performance and compensation payments. It suggests that where they provide monopoly services there would be advantages in ensuring that all GTs are subject to the same minimum standards of performance.
  - ◆ Chapter three summarises the previous consultations relating to guaranteed and overall standards for IGTs and the responses to those documents. It discusses the responses, the market for the provision of gas transportation services and broad proposals for the way forward.
  - ◆ Chapter four summarises how guaranteed and overall standards of performance for transportation services should be applied to the IGTs. It asks for views on a number of issues relating to application of transportation standards to the IGTs, for instance whether measurement of performance should be adjusted to account for the relatively small size of such networks. Chapter four also asks whether guaranteed and overall standards of performance should be applied to the IGTs' metering and connections services.

### **Future Timetable**

- 1.8 The timetable for development of the guaranteed and overall standards for the IGTs is set out in Table 1.1. below.

**Table 1.1 Timetable for development of guaranteed and overall standards for IGTs**

<b>Dates</b>	<b>Milestones</b>
November 2001	Ofgem publishes final proposals for standards for other gas transporters
November 2001 – March 2002	Drafting and submission of statutory instruments for guaranteed standards  Drafting and publication of determinations for overall standards  Consultation on modifying the standard licence conditions for standards of performance
April 2002	Guaranteed and overall standards of performance implemented.

### **Responding to this document**

- 1.9 If you would like to comment on these issues, please respond by the 19<sup>th</sup> November 2001. Written responses should be sent to:

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Electronic responses should be sent as an MS-Word document or else in the main body of the email message. Responses to this document will be placed in the Ofgem library.

## 2. Background

### *The Independent Gas Transporters*

- 2.1 The IGTs own gas transportation networks. There are currently 10 companies aside from Transco that are licensed to transport gas. Both industrial and commercial (I&C) consumers and domestic consumers are connected to IGT networks. These networks typically have a monopoly in the distribution of gas to the consumers on their networks.
- 2.2 Ofgem estimates that around 240,000 supply points are connected to IGT networks (see Table 2.1). Independent Pipelines Ltd (IPL) is the largest IGT with around 130,000 supply points. GTC is the second largest company with around 48,000 connections. The IGTs as a whole have been gaining around 80,000 to 100,000 supply points a year. Over the next three years the number of supply points connected to such systems will probably reach 500,000.

**Table 2.1: Ofgem estimates of supply points currently connected to IGT networks**

IGT		Current connected supply points
Independent Pipelines Ltd	IPL	130,000
The Gas Transportation Company Ltd <sup>1</sup>	GTC	48,000
British Gas Connections Ltd	BGCL	35,000
ScottishPower Gas Ltd	SPG	15,500
SSE Pipelines Ltd	SSEP	6,500
E.S. Pipelines Ltd	ESP	1
East Midlands Pipelines Ltd	EMP	2400
United Utilities Gas Pipelines Ltd <sup>2</sup> and United Utilities Gas Networks Ltd <sup>2</sup>	UUGP UUGN	0
Utility Grid Installations Ltd	UGI	1
Mowlem Energy Ltd	MEL	0
Total		237,400

<sup>1</sup> Holds two licences

<sup>2</sup> Both of these are owned by United Utilities

### *The Utilities Act and Standards of Performance*

- 2.3 The Utilities Act 2000 placed a new principal objective on Ofgem, to protect the interests of gas and electricity consumers, where appropriate through the promotion of competition. In performing this duty Ofgem needs to have regard

to a number of issues, including the interests of those who are disabled or chronically sick, those of pensionable age, those with low incomes and those in rural areas.

- 2.4 The Utilities Act also allows Ofgem to set guaranteed and overall standards of performance for licensed GTs, in consultation with Energywatch, the licensees and interested parties. Licensed GTs comprise Transco and the IGTs.
- 2.5 Guaranteed standards set service levels that must be met in each individual case. If the licensee fails to meet the required level of service, it is required to pay a level of fixed compensation to the affected consumer. Overall standards of service cover areas where it is considered inappropriate to have individual guarantees, but where consumers in general have a right to expect the licensee to deliver pre-determined, minimum levels of service.
- 2.6 Where it is reasonable to do so, different standards can be set for different licensees. The Utilities Act also provides Ofgem with the power to impose financial penalties on licensees for a breach of any relevant requirement and for any failure to meet a guaranteed standard of performance. Overall standards of performance are relevant requirements under the Utilities Act.
- 2.7 Any new guaranteed standards of performance must be contained in secondary legislation. This secondary legislation must be approved by the Secretary of State for Trade and Industry. New overall standards of performance require a statutory determination by Ofgem.
- 2.8 Under the Utilities Act, Energywatch has a duty to publish information on performance against guaranteed and overall standards.

### ***Current Standards of Performance under the GT Licence***

- 2.9 Standard condition 20 of the new GT licence states that the licensee will establish standards of performance. These standards of performance should set out targets for performance relating to connections to domestic premises, the provision of alternative heating and cooking facilities and the prevention of gas escapes. The standards of performance should relate to the making of visits to premises and responses to complaints and enquiries whether in person, by telephone, in writing or otherwise, and need to 'take into account the needs of

those who are disabled, chronically sick or of pensionable age'. Where the GT transports gas to domestic consumers, it must establish a compensation scheme for compensating persons affected by failures to meet established standards and it must report to Ofgem on the operation of that compensation scheme.

- 2.10 Paragraph 5 of standard condition 20 of the new GT licence requires the licensee to: 'a) furnish the Authority with a copy of, and b) publish in such form and in such manner as the Authority may direct, particulars of the established standards and the compensation scheme'. The standards of performance for the currently licensed and operating IGTs are reproduced in Appendix one, as are the current standards of performance for Transco. Transco also has Network Code standards and certain voluntary standards.
- 2.11 Paragraph 7 of standard condition 20 of the new GT licence states that: 'if the licensee conveys gas to domestic premises, it shall, as soon as is practical after the end of the calendar year containing the day on which this licence came into force and of each subsequent calendar year, furnish to the Authority and publish, in such a form as the Authority may direct and in such manner as will achieve adequate publicity for it, a report on the operation of the compensation scheme during that year'.
- 2.12 In February Ofgem requested from each of the IGTs a report on the operation of its standards of service and compensation scheme. These reports are reproduced in Appendix two. Several of the IGTs had not been operating their networks for a year, so they could not compile such a report. This applies to UUGP, UUGN, UGI, MEL and ESP.
- 2.13 EMP, BGCL, IPL, GTC, SSEP and SPG have reported on their standards of performance. As can be seen from Appendix two, there is significant variation in the format and information contained in the reports. A considerable amount of information was provided by EMP and BGCL, but less by some of the other companies. On the other hand, only one company had to pay out any compensation (around £60) for failure to meet performance standards. None of the other companies reporting on their performance had paid out any compensation – apparently because they had met all their standards of

performance (or in one case were not at fault for an interruption in the gas supply).

### **IGT's and Transco's Standards of Performance – Case Study Comparisons**

- 2.14 The standards of service of each of the IGTs are reproduced in Appendix one, along with the current standards of performance used by Transco. Case studies, comparing each of the three largest IGT's standards to Transco's current set of standards, are described below.

#### *British Gas Connections Ltd (BGCL)*

- 2.15 BGCL has ten standards, one more than Transco. The other nine standards are similar to Transco's standards of performance. One of them replicates Transco's emergency response standard – although BGCL contracts with Transco to provide this service.
- 2.16 BGCL has an additional standard in relation to gas escapes compared to Transco. BGCL will attempt where possible to maintain the gas supply and will carry out minor appliance repairs (taking less than 30 minutes and costing less than £4). It will use personnel trained to recognise carbon monoxide leakage and report to the occupier if more repairs are required. However, this standard largely replicates part of condition 6 of the GT licence. Therefore Transco, and the IGTs, would also have to provide such a service or be in breach of their licences.
- 2.17 BGCL's performance targets are similar to Transco's. The exceptions are: responses to connections and contact for visits to premises - where the standard is slightly higher; and alternative heating and cooking facilities, gas escapes and recording of complaints – where the standards are slightly lower.
- 2.18 Compensation is available from BGCL for failure to meet four of its standards of performance: notification of planned interruptions; alternative heating and cooking facilities; making and keeping appointments; and contact for visits. BGCL's other standards do not appear to have compensation available. Transco offers fixed compensation for failure to meet its standards of performance for making and keeping appointments and provision of alternative heating and cooking facilities. Transco may also offer compensation for failure of its other standards, but this is on a discretionary basis

2.19 There are two cases where it is possible to compare the fixed compensation levels offered by BGCL and Transco and in both cases BGCL's compensation level is slightly higher than Transco's. In the case of failure to provide alternative heating and cooking facilities, BGCL will pay £22 per day compared to Transco's one off £20 payment. However, BGCL caveat this by noting that in exceptional circumstances provision of such facilities may not be reasonably practicable. Similarly, for failure to meet the standard of service for making and keeping appointments, BGCL will pay £11 per visit compared to Transco's £10.

*Independent Pipelines Ltd (IPL)*

2.20 IPL also has ten standards, compared to Transco's nine. Two of IPL's standards refer to connections, whereas only one of Transco's condition 20 standards of performance relates to connections. On the other hand, Transco has an additional set of connections standards which were imposed under Section 28 (1) of the Gas Act (see Table A1.2 in Appendix one).

2.21 There are similarities between IPL and Transco's standards. For instance, one of IPL's standards replicates that placed on Transco regarding emergency response – though IPL contracts with Transco to provide this service. Many of IPL's other standards cover similar issues to Transco's.

2.22 There are several general differences to Transco's standards. IPL does not have any performance targets specifically noted. This maybe because it is working to 100 per cent targets but this is not clear. Further, several of its standards have no compensation available. Transco by contrast offers the possibility of discretionary compensation even if it does not state that fixed compensation is available.

2.23 Unlike Transco, IPL has a standard which states that if gas supply is interrupted 'it will be restored within 24 hours or later if requested by the customer provided that:

- (a) The interruption is not caused through IPL's power to disconnect for reasons other than safety
- (b) The interruption is caused through circumstances beyond IPL's control whereby it is impossible to restore the supply within 24 hours'.

- 2.24 The standard states that 'if neither (a) or (b) above are applicable' IPL will pay £20 for each additional 24 hours of interruption. In other words, if the interruption is caused by IPL's power to disconnect for reasons other than safety or there were circumstances whereby IPL could have reconnected gas supply within 24 hours, compensation may be payable.
- 2.25 There are other specific differences, some of which render IPL's standards superior to Transco's, some of which rendering them inferior. First, IPL does not have a complete equivalent to Transco's standard PSOS4. PSOS4 states that 'where a visit is appropriate, following receipt of correspondence or a complaint contact will be made within 2 working days. The visit will be made within 5 working days, or later with the customer's agreement'. IPL has a standard for visits related to connections queries. However, for other issues IPL's 'visits to premises' standard merely states that appointments will be made, without giving a timetable for contact and setting of the appointment. Second, regarding standards for notice for planned interruptions, if the interruption is to last for more than 3 days, IPL will give no less than 20 days notice to those involved. This is better than Transco's standard. Third, IPL will only keep 'customer contacts' for two years. Transco's standard refers to records of all complaints not contacts, and has no time limit. Finally, IPL's payment for failure to meet the standard on alternative heating and cooking facilities is £10 per day, compared to a fixed payment of £20 by Transco.

*GTC Ltd*

- 2.26 GTC has five standards, compared to Transco's nine. Of GTC's five standards, four are very similar to Transco standards. The other standard offers appointments to consumers who are disabled, chronically sick or pensioners, within five business days.
- 2.27 Unlike Transco, GTC does not have any standards in relation to: responding to telephone calls; responding to correspondence requesting connections; establishing a complaints register; notification of planned work; or gas emergencies. Further, GTC does not have performance targets specifically noted. This may be because it is working to 100 per cent targets but this is not clear.

2.28 On the other hand, unlike Transco, GTC has fixed compensation levels for all of its standards. Many of Transco's standards have discretionary compensation or where a fixed level of compensation is available, this is lower than that available from GTC. Transco's standard for making and keeping appointments notes that 'failure to give 24 hours notice of inability to attend may attract a compensation payment.' The payment quoted is £10. In contrast, GTC will pay £20 for failing to offer an appointment before or after 1pm and £20 for failing to keep an appointment, and the two sets of compensation are independent of one another. Similarly, for failure of the standard to provide alternative heating and cooking facilities in the event of a gas disconnection, Transco will pay £20. By contrast, GTC will pay £20 for such a failure for every consecutive 24 hours after GTC has become aware of the situation.

#### **Standards within the IGT Network Codes**

- 2.29 Transco has certain standards of performance which fall outside standard condition 20. One of these is within the Network Code and refers to compensation to larger consumers in the case of a gas interruption.
- 2.30 The relevant IGT network code provisions are summarised in Appendix four. There are four IGTs who appear to make some form of provision for larger supply points: ESP, GTC (both licences), UGI and SPG. The first two have similar compensation (or refer explicitly) to Transco's provisions for larger supply points (i.e. they relate the payment to large users to capacity use and capacity charges). By contrast, UGI and SPG's compensation schemes appear to offer a fixed £20 payment to domestic and I&C consumers alike (for each consecutive period of 24 hours or part of 24 hours, in which they fail to have a gas supply).

#### ***Conclusion***

- 2.31 Competition is generally the best method of ensuring that consumers obtain an appropriate quality service at a reasonable price. Where competition is not possible, it is necessary to protect consumers by regulation. The Utilities Act now provides for Ofgem to set guaranteed and overall standards for the services provided by all GTs.

2.32 Although the IGTs currently have standards of performance (as required by standard condition 20 of the new GT licence), there is variation between them as to the standards in place, compensation for failure to meet given standards and the reporting of performance. It is not clear that this variation is justified and consumers should be protected by uniform standards. It is also unclear that this would, particularly in the case of gas transportation services which is a monopoly activity, limit GTs ability to compete in the connections or metering markets. There would be considerable benefits from a more uniform approach in terms of providing similar consumers guaranteed minimum levels of service and allowing more robust comparisons across GTs. Therefore, a benchmark set of standards should be set for all GTs for performance of gas transportation services.

### 3. Previous Consultations and the Way Forward

3.1 This Chapter outlines in more detail Ofgem’s view of the market for gas transportation services, in response to comments made to previous consultations. Regulation would seem appropriate where gas transporters provide a monopoly service to consumers. It also sets out broad proposals for the form of guaranteed and overall standards of performance for the IGTs.

3.2 Table 3.1 outlines relevant Ofgem consultations and correspondence relating to guaranteed and overall standards of performance.

**Table 3.1: Ofgem Consultations and Correspondence on the topic of Guaranteed and Overall Standards of Service**

<b>Date of Consultation Document</b>	<b>Title</b>	<b>Contents in relation to standards of performance</b>
October 2000	Initial Consultation on Guaranteed and Overall Standards of Performance	Discussed the concept of performance standards for both electricity and gas and for all parts of the industries.
January 2001	Final Proposals Paper on Guaranteed and Overall Standards of Service	Described the responses to the initial document and Ofgem’s first proposals.
February 2001	Letter to IGTs	Asked about standards of service and any other views on the potential new regime.
February 2001	Review of Transco’s Price Control from 2002 – Initial thoughts consultation document	Discussed initial thoughts for Transco’s guaranteed and overall standards of performance and the output regime
June 2001	Guaranteed and Overall Standards of Performance – Further Consultation	Update document
June 2001	Review of Transco’s Price Control – Draft Proposals	Detailed draft proposals for Transco’s guaranteed and overall standards of performance given responses to previous documents and IFF consumer research
July 2001	Guaranteed and overall standards of performance for metering services – Further Consultation	Described the draft proposals for guaranteed and overall standards of performance for Transco’s and the PES’ metering services
September 2001	Review of Transco’s Price Control – Final Proposals	Detailed the final proposals for Transco’s guaranteed and overall standards of performance, for services aside from metering.

### *Initial Consultation - October 2000*

- 3.3 Initial thinking on the development of the system of performance standards for gas and electricity was discussed in a consultation document in October 2000<sup>3</sup>. The document observed that as GTs are monopoly networks competitive forces could not be relied on to ensure high standards of service. Given their monopoly position, the paper suggested that minimum standards of service should be prescribed for gas transportation services, and also potentially for gas metering and connection services performed by GTs. The paper also noted that minimum standards of performance would be better achieved via the introduction of statutory standards for GTs rather than the replacement of existing statutory standards in electricity with more informal arrangements. Therefore, guaranteed and overall standards should replace the existing standards required under condition 20 of the new GT licence.
- 3.4 The October paper suggested that existing Transco transportation standards should be converted into guaranteed and overall standards which would apply to all GTs. These were:
- making and keeping appointments (guaranteed standard);
  - alternative heating and cooking (guaranteed standard);
  - notification of planned work (guaranteed standard);
  - responding to telephone calls (overall standard);
  - replying to correspondence (overall standard); and
  - gas emergencies (overall standard).
- 3.5 It also included a number of proposals for the performance levels for these transportation standards and proposed payments. These are summarised in table A3.1 in Appendix three. Some of the standards proposed involved increases in performance levels. The October paper asked for views on these matters and whether the increases in performance standards outlined should be introduced.

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<sup>3</sup> Guaranteed and Overall Standards of Performance – A Consultation Document, Ofgem, October 2000

- 3.6 The October paper also discussed metering standards. It noted that GTs have de facto monopolies in the provision and operation of gas meters and provide metering services to the majority of shippers. Competition in metering should develop over time but the paper suggested that at present standards were necessary, particularly on gas suppliers. It asked for views as to whether complementary standards should be placed on GTs.
- 3.7 Where gas connections were concerned, the October paper proposed that Transco's existing standards on quotations for network connections should be converted into guaranteed and overall standards for all gas transporters. The paper also suggested a number of performance targets for such standards, which were adapted from the current Transco standards. The details of these proposed guaranteed and overall standards in gas connections are reproduced in Table A3.2 in Appendix three.

### ***Responses to the October Consultation Document***

- 3.8 Many of the responses to the document addressed the specific aspects of the standards, performance targets and compensation levels. These more general responses were discussed in the Chapter on performance standards in the February Transco price control review document<sup>4</sup>. Responses to the October paper which discussed the application of standards of performance to the IGTs are discussed below.

### **Whether Guaranteed and Overall Standards should be applied to the IGTs**

- 3.9 Most IGTs that responded to the consultation were against the proposal that guaranteed and overall standards should be applied to their businesses. Many said that the costs of implementation of the new standards would be relatively high and that there were inherent differences between Transco and smaller operators. For instance, the relative costs to an IGT of investing in expensive telephony equipment (to monitor calls) would be very high relative to the number of calls placed to the company. One IGT asked whether the costs of meeting the higher standards would be greater than the benefits to consumers. Many of them said that they operated in a competitive rather than monopoly

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<sup>4</sup> Review of Transco's price control from 2002 – Initial thoughts consultation document, Ofgem, February 2001

environment and that this drove the standards of service that consumers required. One IGT considered that standards of service were a key discriminating feature between market players and that if the householders on a site were dissatisfied, this would be fed back to the developer who would be less likely to give that company future business. It also noted that there was no evidence that the IGTs provided anything less than an excellent service. One IGT suggested that the current standards, developed under standard condition 20 of the new GT licence, be maintained by the IGTs on a voluntary basis.

- 3.10 In contrast, consumers of the transportation networks (shippers, suppliers and industry groups) appeared to support the extension of guaranteed and overall standards to all gas transporters. One respondent noted that competitive forces could not be relied on to ensure service levels. Another respondent suggested the best way of ensuring improvements in the service levels and efficiency of the monopoly electricity distribution and gas transportation businesses was by incentivising them using appropriate rewards. However, in the meantime, minimum standards of service should be applied to such businesses. A response from a shipper/supplier supported the need for those standards of service applying to Transco to be extended to all gas transporters.
- 3.11 Energywatch stated that it 'strongly believes in the need for both guaranteed and overall performance standards for services, which for the foreseeable future are likely to remain being provided by the monopoly electricity distribution and gas transportation licence holders'. Energywatch also considered that 'standards of performance and their targets should be standardised to the extent that the physical similarities in the systems allow for meaningful comparison of performance'.

#### *Ofgem's view*

- 3.12 Guaranteed and overall standards should apply to monopoly services provided by the IGTs. Although the IGTs operate in a competitive environment, this is only in relation to the connections market. It is doubtful that there are significant constraints on their behaviour in the provision of gas transportation services once a network is established. It is also questionable whether the requirements of similar consumers vary considerably from network to network.

Therefore, given that IGTs are providing many of the same types of service to consumers as Transco, it would seem reasonable that the same sort of standards should be applied to them. Further, the application of guaranteed or overall standards would not appear to raise barriers to entry into the connections market when such standards would be applied to current GTs and new entrants alike.

#### **Whether the standards should be adjusted to account for the size of the IGTs**

- 3.13 The Utilities Act allows different standards to be set for different companies. The first question is whether standards should be set at a different level for the IGTs compared to Transco. The second question is if standards are at the same level, whether IGT standards should be measured in a different manner.
- 3.14 Energywatch noted that given ‘the nature of the performance standards proposed and the fact that competitors to Transco are monopolies (albeit smaller ones), Energywatch does not accept that it is appropriate for standards to be lower for some transporters than for others. Performance should be at least at the level that Transco has been previously providing.’
- 3.15 Two IGTs commented on the calculation of the standards, pointing out that there could be problems measuring the success of the IGTs in meeting the standards. One IGT noted that the low volume of occurrences on the IGT networks could mean an overall failure if one or two consumers did not receive the standard service. In contrast, on Transco’s network failure would only occur if several thousand consumers had not received the correct service. Another IGT observed that application of the standards should reflect the differences in size of the different gas transporters.

#### *Ofgem’s view*

- 3.16 The standards applied to the GTs should not differ according to their size. A consumer on one network should not be disadvantaged in terms of service received due to the ownership of the network. The cost of meeting these standards of service is a minimum cost of becoming a GT.
- 3.17 Nevertheless there may be some measurement issues surrounding the standards of service adopted for the IGTs, specifically in relation to the volumes of

occurrences. Chapter four of this document discusses suggestions for addressing this issue.

***Paper on Guaranteed and Overall Standards of Performance January 2001***

3.18 The January document<sup>5</sup> considered the responses to the October document and made the following observations. First, there would be merit in introducing guaranteed and overall standards of performance for GTs, as this would help align electricity and gas regulation. Second, that the standards discussed in the consultation document raised the levels of service required of Transco and so would probably increase its costs. Transco's current price control, which lasts until April 2002, is based on its existing standards of service. The costs of meeting new standards of service would have to be considered by Ofgem when setting the next price control. Third, further consideration would need to be given to the standards of performance to be applied to the other GTs. The paper concluded that the interaction between Transco's standards of service and its price control and consideration of standards of performance required for IGTs would require time. Therefore, the existing standards regime would be retained until April 2002.

3.19 The document also noted that it was appropriate to set metering standards for Transco and electricity distributors until competition in metering services was fully developed. No specific conclusions were reached on whether guaranteed or overall metering standards should apply to the IGTs.

***Ofgem Letter to the IGTs – February 2001***

3.20 A letter was sent to each of the IGTs in February requesting a report on its standards of performance. The letter noted that this information would help in assessing whether guaranteed and overall standards should be applied to the IGTs. The letter went on to ask whether the companies had any further comments as to whether such standards should be applied to the IGTs.

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<sup>5</sup> Guaranteed and Overall Standards of Performance – Final Proposals, Ofgem, January 2001

## Responses by the IGTs

- 3.21 Many of the IGTs noted that they had made detailed comments to the previous consultation and had no more comments to add. One IGT maintained that the application of such standards, based largely on performance to date of Transco, should not be applied to smaller IGTs. It said that it provided a quality service in all its operations and that any application of such standards would be unwarranted and misjudged. Another IGT noted that they have had no claims under their compensation scheme, except for one in 1998. It considered that the absence of claims suggested that additional standards for IGTs may be an attempt to solve a problem that did not exist. A third IGT noted that it offered a good standard of service to its consumers, partly because it had to publish its standards of performance and operate a compensation scheme and partly because of normal commercial pressures. It was concerned at the cost of implementing guaranteed and overall standards of performance when there did not appear to be problems to resolve. It suggested that standards of performance should only apply to IGTs when a problem is identified with their performance.

### *Ofgem's view*

- 3.22 These views are not significantly different to those already expressed by the IGTs. See the discussion set out in the earlier sections of this Chapter.

## ***Further Consultation - June 2001***

- 3.23 This document summarised the broad position Ofgem had reached on guaranteed and overall standards of performance. Respondents had supported proposals to roll forward existing gas transportation arrangements until April 2002 and consider future application of guaranteed and overall standards during the Transco price control review. The document noted that there would be a separate consultation on standards of service to apply to other GTs.

## *Transco Price Control Review – February, June and September 2001 Papers*

- 3.24 The February document<sup>6</sup> outlined initial proposals for Transco's output regime and guaranteed and overall standards of service regime to be put in place from April 2002.
- 3.25 The June document<sup>7</sup> drew on responses to earlier consultation documents and the high level results of consumer research by IFF. Ofgem published a detailed report on IFF's consumer research in July<sup>8</sup>.
- 3.26 The September document<sup>9</sup> drew on the final results of IFF's consumer research and the responses to the June document, to produce final versions of the guaranteed and overall standards of performance to apply to a number of Transco's services.

### **Transco's existing standards of service**

- 3.27 Transco's current standards of service are reproduced in Appendix one. Transco also has obligations to consumers of gas under its Network Code. The Network Code provides that, where Transco is or has been in breach of its obligation to make gas available for offtake from the system, it must pay:
- consumers using less than 73,200 kWh (2,500 therms), £20 for each consecutive period of 24 hours, or part of such a period, commencing with the expiry of the first 24 hours of failure; and
  - other users, consuming greater than 73,200 kWh, a payment calculated in accordance with a formula set out in the Network Code.
- 3.28 Transco must make payments owed under this provision to the relevant shipper, who passes this to the supplier and finally to the end consumer.

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<sup>6</sup> Review of Transco's price control from 2002 – Initial thoughts consultation document, Ofgem, February 2001

<sup>7</sup> Review of Transco's price control from 2002 – Draft Proposals, Ofgem, June 2001

<sup>8</sup> Gas Transporters Standards of Performance Study Quantitative Stage – Research Report prepared for Ofgem by IFF Research Ltd, Ofgem, July 2001

<sup>9</sup> Review of Transco's price control from 2002 – Final Proposals, Ofgem, September 2001

- 3.29 Transco is not currently required to make compensation payments where the failure to make gas available is the result of third party damage, including cases of water ingress.

#### **Connections Standards of Service**

- 3.30 Transco has a number of connections standards of service imposed by an enforcement order issued by Ofgem in February 1999 under Section 28(1) of the Gas Act (see Appendix one). The February document asked for views as to whether it would be appropriate to convert these standards into guaranteed and overall standards for Transco. The June document suggested that it was not appropriate to convert current connections standards into standards of performance under the Utilities Act.
- 3.31 The September document noted that Ofgem was working with the industry on a number of initiatives to enhance competition and choice in connections services. It concluded that the inclusion of connections standards as guaranteed and overall standards was not appropriate.

#### **Metering Standards of Service**

- 3.32 The February document asked for views about proposed standards of service for Transco's metering services. The June document concluded that Ofgem would issue a further consultation paper on guaranteed and overall standards of performance for metering services, once further consideration had been given to the issues.

#### **Coverage of Standards**

- 3.33 The February document noted that Transco's current public standards only apply to consumers using less than 73,200 kWh. Following introduction of standard licences under the Utilities Act on 1<sup>st</sup> October 2001, GTs only have to establish standards for domestic consumers. The June document suggested that standards of performance should apply to all consumers connected to Transco's LDZ networks, except for the standard on reconnecting consumer supplies, where I&C consumers will continue to be covered by the Network Code compensation scheme. The September document confirmed that all Transco's guaranteed and overall standards would apply to I&C consumers, except for the reconnection

standard and the standard regarding adequate heating and cooking facilities for priority consumers.

### **Definition and level of standards**

- 3.34 The February paper noted that Transco had met or exceeded its target levels of performance for all its condition 20 standards of service. It asked for views as to whether the standards should be redefined or target levels altered if they were converted into guaranteed and overall standards of performance. The June document noted that raising Transco's performance targets would impose significant costs on Transco while only benefiting a small number of consumers. Therefore, it proposed that current performance targets be retained. However, it did suggest applying the standards to each LDZ individually to ensure that consumers in each LDZ are offered a similar level of protection. Transco will also be required to report performance in guaranteed standards on an LDZ basis. This should make it easier to compare the performance of the IGTs with Transco. The September document confirmed that guaranteed and overall standards of performance would be applied at an LDZ level from April 2002.

### **Qualitative Standards**

- 3.35 The February document discussed the idea, raised by respondents to previous consultation documents, that standards should be qualitative in nature. Most respondents agreed with Ofgem's view that qualitative standards of performance would be impractical.

### **Compensation Payments**

- 3.36 The February document asked for views on the appropriate level of compensation (in respect of final consumers) for services currently covered by Transco's condition 20 standards of service and any possible additional standards.
- 3.37 The June document noted that compensation for failure to meet guaranteed standards should be based on the direct cost and inconvenience to consumers of Transco failing to provide an adequate level of service. However, it also noted that a simple compensation scheme should be developed to avoid imposing unnecessary costs on Transco. It proposed introducing fixed levels of

compensation for domestic and non-domestic consumers respectively. Levels of compensation would be informed by the results of the IFF consumer survey.

- 3.38 The September document noted several responses to the June document, which had pointed out that there should be closer alignment between the levels of compensation in gas and electricity. In some instances, inconvenience to consumers would be the same across both industries, for instance, failure of a service engineer to show up for an appointment. However, in other cases, inconvenience to consumers of failure to maintain a standard was clearly different across the industries. These factors and the final results of IFF's consumer survey were reflected in the final proposals for compensation levels.
- 3.39 The June document also recognised that the cost and inconvenience of supply interruptions lasting greater than 24 hours would increase with the size of non-domestic consumer. Hence it proposed retaining the provision in Transco's Network Code for failure to make gas available to non-domestic consumers, which relates the level of compensation to capacity bookings.

#### **Guaranteed and overall standards of performance for transportation**

- 3.40 Tables 3.2 and 3.3 summarise the final proposals for guaranteed and overall standards of performance for Transco's transportation services. A fuller discussion of these proposals is outlined in the September final proposals document. These final proposals have taken into account detailed analysis of the consumer survey results and the responses of Transco, Energywatch, other licensees and interested parties to the June draft proposals.

**Table 3.2 Final Proposals for Guaranteed Standards of Performance**

No	Standard	Definition	Payment
1	Restoring domestic consumers' supplies after an unplanned interruption*.	Where domestic consumers are interrupted for a period of greater than 24 hours, a fixed compensation payment will be made for each subsequent period of 24 hours or part of such a period consumers are off supply. This applies regardless of the cause of the interruption. (It excludes interruptions where more than 50,000 consumers are affected. It also excludes cases where gas has been restored up to the emergency control valve, but Transco is unable to gain access to complete the reconnection.)	£30  Cap per consumer of £1000
2	Reinstatement of consumers' premises	On completion of Transco initiated work to re-lay service pipes on a consumer's premises, the premises will be permanently reinstated within 10 working days. If the premises are not permanently reinstated within this time, a fixed compensation payment will be made for each subsequent period of 5 working days or part of such period until the premises are permanently reinstated.	£50 (domestic)  £100 (non-domestic)
3	Making and keeping appointments	Transco should arrange a morning or afternoon appointment for consumer initiated work, or a timed appointment if requested by the consumer. A fixed compensation payment will be made where Transco fails to attend.	£20
4	Adequate heating and cooking facilities.	If it is necessary for safety reasons for Transco to disconnect the gas supply to premises occupied by a domestic consumer who: (a) Is disabled, chronically sick, or of pensionable age; (b) Does not live with any person who is not disabled, or chronically sick, not of pensionable age or a minor; and (c) Is included on a priority service register provided by a supplier, They will not be deprived of adequate heating and cooking facilities. A fixed compensation payment will be made where consumers are deprived of these facilities.	£24
5	Notifying consumers (or relevant shippers) of payments owed under the standards	Transco shall write to the consumer (or shipper) and make payment within 10 working days.  Where Transco fails to inform the consumer (or shipper) and make payment within 20 working days a fixed payment will be made.	£0  £20

\* Compensation for business consumers will be covered by Transco's network code.

**Table 3.3: Final Proposals for overall standards of performance**

No	Standard	Definition	Target*
1	Telephone calls	Transco's call centres will answer telephone calls within 30 seconds. Emergency calls will be given priority over other types of call.	90%
2	Notification of planned supply interruptions	For planned maintenance or replacement work, which involves interruption of the gas supply, a standard notification letter will be provided to consumers directly affected at least 5 working days in advance of starting the work.	95%
3	Informing consumers of when they are due to be reconnected	For unplanned supply interruptions which are expected to last over 24 hours and: (a) Less than 250 consumers are affected Transco will inform individual consumers that they have been interrupted and the expected programme for reconnection within 12 hours of it having knowledge of the interruption; and (b) More than 250 consumers are affected Transco will provide public announcements to inform consumers that they have been interrupted and the expected programme for reconnection within 12 hours of it having knowledge of the interruption (for example, using local public address broadcasts and local radio).  Progress charts and the reconnection programme should be displayed locally and updated information should be provided to consumers every 24 hours. (The expected programme for reconnection should include the expected day of reconnection)	97%  97%
4	Acknowledging correspondence	All correspondence from gas consumers or members of the general public will receive an acknowledgement within 5 working days of receipt. This will indicate when a substantive response may be expected.	90%
5	Visits	Where a visit is appropriate following receipt of correspondence or a complaint: a) Contact will be made within 2 working days of receipt of the correspondence; and b) The visit will be made within 5 working days of contact with the consumer or later if requested by the consumer/member of the public	93%
6	Substantive response to complaints	Consumer shall receive a substantive response to complaints from whatever source within 10 working days other than in exceptional circumstances. (This would include complaints relating to metering until this market becomes competitive and connections work where it has legal obligations).	90%
7	Gas emergencies	Where Transco receives a report of a gas emergency or gas escape, significant spillage of carbon monoxide or other hazardous situations, it will attend as quickly as possible within the following timescales: a) all uncontrolled escapes within 1 hour; and b) all controlled escapes within 2 hours	97% 97%

\* All performance targets apply nationally and to each LDZ individually.

### **Auditing of Standards of Performance**

3.41 The June document also proposed that Transco's standards of service information should be audited. This would help ensure that Transco's performance was accurately recorded and that consumers were receiving the correct compensation. There were two possible options for the audit outlined, either Transco would commission and pay for the independent auditor or Ofgem would commission and pay for an independent auditor. The September document concluded that Ofgem would commission and pay for an independent auditor.

### ***Guaranteed and overall standards for metering services - July 2001***

3.42 This paper sought views on the draft secondary legislation for guaranteed and overall standards of performance for metering services. It proposed that, as well as standards being proposed on suppliers, complementary guaranteed and overall standards in relation to meter provision and maintenance should also be placed on the licensed electricity distribution companies and Transco. At present these companies have de-factor monopoly positions in the provision of such services to suppliers.

3.43 Tables 3.4 and 3.5 show the final guaranteed and overall standards of performance for metering services as reproduced from the July 2001 document. It proposed that the final statutory instrument covering the new metering standards for these companies would be put in place no later than the beginning of October 2001, coming into effect on 1 January 2002. Existing standards will continue to apply until this time.

**Table 3.4 Guaranteed Standards to be applied to Transco – July Document**

No.	Service	Required Performance	Compensation Payment
1	Providing a meter*	Not used	
2	Responding to meter problems	Visit within 7 working days or substantive reply within 5 working days	£20
3	Making and keeping appointments on metering business	A morning or afternoon appointment, or a timed appointment if requested by the consumer	£20
4	Responding to prepayment meter faults	Attend gas PPM meter faults resulting in loss of supply within 4 hours	£20
5	Appointments for final meter reading or clearance	Morning or afternoon appointments (at 2 days notice) for final meter reading or clearance	£20
6	Special meter reading or clearance, at the consumer's request	Visit within 3 working days of request. Morning or afternoon appointments to be agreed as required.	£20
7	Notifying consumers of payments owed under the standards	Write to the consumer and make payment within 10 working days.	£20

\*Following consultation Ofgem no longer feels it is not appropriate to set a guaranteed standard upon the provision of a meter to an existing connection. As a supply of gas or electricity cannot be given other than through an appropriate meter, this would be more akin to a supply standard.

**Table 3.5 Overall Standards to be applied to Transco – July Document**

No	Service	Required Performance
1	Visiting to reposition the meter, when asked to do so by a domestic consumer	15 working days following acceptance and payment of quote
2	Changing meters when necessary on change of supply terms	Within 10 working days of a domestic consumer's request, in all cases
3	Obtaining a non-estimated meter reading, for the purpose of billing the consumer, for all domestic and business consumers:- at least once every year (domestic only); and at least once every 2 years.	Not used
4	Responding to prepayment meter faults within specified number of working hours	95-98%
5	All domestic consumers who have been disconnected for non-payment to be reconnected, so as to restore supply, before the end of the next working day after they have paid the bill, or made arrangements to pay.	100%

### ***Conclusion***

3.44 The IGTs are local monopolies who may not have sufficient incentive to maintain standards of transportation services to their directly connected consumers. Similar consumers on IGT networks are unlikely to have different service requirements or preferences to consumers on Transco's networks. Therefore, the final proposals for Transco's transportation guaranteed and overall standards of service outlined in the September Transco price control paper should also apply to the IGTs. There are a number of issues specific to IGTs, which need to be considered as part of the process of applying the proposed standards. These issues are dealt with in Chapter four.

## 4. Proposals for IGT Guaranteed and Overall Standards of Performance

- 4.1 The gas transportation services of all GTs should be subject to a set of guaranteed and overall standards of service. It is proposed that the standards developed for Transco's gas transportation service (summarised in Tables 3.2 and 3.3) should also be applied to the IGTs. However, respondents to previous consultations have queried the impact of the IGT's small consumer base on the measurement of such standards. There are also some remaining questions about the auditing of information on standards of service provided by the IGTs and standards related to interruptions. These are dealt with below.
- 4.2 Guaranteed and overall standards should not be applied to the connections and metering services provided by IGTs. The reasoning for this is also set out in this Chapter.

### *Guaranteed and Overall Standards for IGT Transportation Services*

#### *Compensation for Large Industrial and Commercial Consumers*

- 4.3 The final proposals document noted that the costs and inconvenience of supply interruptions lasting greater than 24 hours would increase with the size of industrial and commercial consumer. Therefore it proposed retaining Transco's Network Code provisions relating to failure to make gas available to such consumers. Under these arrangements, industrial and commercial consumers would receive higher levels of compensation.
- 4.4 There is some variation in the treatment of compensation to industrial and commercial consumers for gas supply interruptions in the Network Codes of the IGTs. Views are invited as to whether these arrangements should be brought into line with those applying to Transco.

#### *Standards of Service to address planned interruptions on IGT networks*

- 4.5 The final proposals document suggested that Transco should be incentivised to reduce all types of non-contractual interruptions (planned and unplanned) through an outputs regime. In contrast, most of the guaranteed and overall

standards proposed in the document relate to unplanned interruptions. Views are invited as to whether any additional standards should be required of the IGTs in relation to planned interruptions on IGT networks.

*Interruptions on IGT Networks which cause failure on a downstream network*

- 4.6 There are an increasing number of cases where IGT networks are upstream of either other IGTs or of Transco. Currently if Transco fails to make gas available to independent networks for a period longer than 24 hours, it must pay compensation to the relevant gas shipper, the shipper then passes this onto the relevant supplier, who is responsible for compensating the end consumer. It is not clear whether any of the IGTs have a similar obligation to consumers on networks downstream of their network. Views are invited as to whether such arrangements should be introduced.

*Measurement Issues*

- 4.7 In the light of responses to the previous consultations, it appears that there maybe measurement issues surrounding the application of standards to the IGTs. Many of the IGTs currently have a low number of connected supply points, so a small number of occurrences in absolute terms could represent a high percentage of supply points resulting in failure of an overall standard.
- 4.8 There maybe a number of solutions to this problem, including:
- ◆ Measurement of performance against standards over a longer time period. For instance, achievement of a 90 per cent target over a three-year period rather than a one-year period;
  - ◆ A rolling average performance level – this would allow poor performance in one year to be off set by better performance in another; and
  - ◆ The guaranteed and overall standards of service could be applied only to IGTs above a certain size, for example 10,000 supply points.

### ***Guaranteed and Overall Standards for IGT Connections and Metering Services***

- 4.9 There has been discussion of guaranteed and overall standards for Transco's metering services on the basis that it may be difficult for smaller suppliers to arrange contracts for such services. It is envisaged that as competition develops regulation will be removed. In contrast to Transco the IGTs do not appear to have a dominant position in the provision of metering services and so it is not appropriate to bring forward proposals for metering standards of performance.
- 4.10 There have been no complaints about the standards of service offered by the IGTs in the connections market. The standards which were imposed upon Transco were the result of an investigation into Transco's connections services after a number of complaints about this area. The connections market is reasonably competitive, and none of the IGTs have a dominant position in this market. At present it does not appear appropriate to bring forward proposals for connections standards of performance.

### ***Auditing of Standards of Service***

- 4.11 The June price control document suggests that Transco's standards of service information should be subject to audit. Views are invited on the following issues:
- ◆ whether this should also be the case for the IGTs;
  - ◆ should audits be funded by each IGT (with rules for the appointment of the auditor set out by Ofgem), or should Ofgem appoint and fund the audit; and
  - ◆ should there be a minimum IGT size below which audits were not applied.

### ***Way Forward***

- 4.12 Final proposals for the standards of performance on the IGT networks will be published in November 2001.
- 4.13 Ofgem is empowered to set guaranteed standards in Statutory Instruments (with the approval of the Secretary of State) and can separately determine overall

standards of performance. The appropriate secondary legislation and determinations for gas transporters will need to be in place for the standards to become effective on the 1<sup>st</sup> April 2002.

4.14 As part of this process it will be necessary to review the standard licence conditions for standards of performance to remove any duplication between the existing standards required by the licence and new guaranteed and overall standards of performance.

4.15 The timetable for the development of guaranteed and overall standards of performance for GTs is set out in Table 4.1 below.

**Table 4.1: Timetable for developing guaranteed and overall standards of performance for gas transporters**

<b>Dates</b>	<b>Milestones</b>
November 2001	Final proposals for standards for GTs
November 2001 – March 2002	Drafting and submission of statutory instruments for guaranteed standards  Drafting and publication of determinations for overall standards  Consultation on modifying the standard licence conditions for standards of performance
April 2002	Guaranteed and overall standards of performance implemented.

## Appendix one - GT Standards of Service

Table A1.1 – Transco’s Standards of Service

Service	Standard	Performance Level	Compensation Payment
PSOS 1	Telephone calls Planned performance level 90%	All calls to Transco call centres to be answered within 30 seconds.	Disc
PSOS 2a	Replies to correspondence – 1  Planned Performance level 90%	Consumer to receive a reply within 5 working days, except where immediate action is required. Interim replies will indicate when a full reply may be expected.	Disc
PSOS 2b	Replies to correspondence – 2  Planned performance level 90%	Correspondence requesting connection of premises likely to use less than 2500 therms (73,200 kWh) per year will receive a reply in 5 working days (unless the request comes via a shipper or supplier).	Disc
PSOS 3	Complaints Planned performance level 100%	A record will be kept of all complaints, from whatever source.	Disc
PSOS 4	Visits  Planned performance level 93%	Where a visit is appropriate, following receipt of correspondence or a complaint, contact will be made within 2 working days. The visit will be made within 5 working days, or later with the consumer’s agreement.	Disc
PSOS 5	Notification of planned work  Planned performance level 95%	Work for planned maintenance that requires interruption of the gas supply and entry into the consumer’s premises will be the subject of notice of: At least 10 working days in respect of the service pipe; and At least 5 days in respect of the meter	Disc
PSOS 6	Making and keeping appointments  Planned performance level 95%	Where required, appointments will be made on a morning or afternoon basis. Failure to give 24 hours’ notice of inability to attend may attract a compensation payment.	£10
PSOS 7 and 7a	Gas emergencies (Transco also currently undertakes this work on behalf of the other gas transporters) Planned performance level 97%	In respect of gas escapes, spillage of carbon monoxide or other hazardous situations, as quickly as possible but within at least one hour for uncontrolled escapes and two hours for controlled escapes.	Disc
PSOS 8	Alternative heating and cooking facilities  Planned performance level 100%	Where Transco has to disconnect the gas supply for safety reasons, it will provide alternative heating and cooking facilities for consumers who are disabled, chronically sick, or of pensionable age, or where there are children in the property.	£20

**Table A1.2: Transco's Connection Standards of Service (as imposed under Section 28 (1) of the Gas Act)**

Standard	Work Area	Standard of Service	National Planned Performance Level	Stage 1 Liability Payment	Stage 2 Standard of Service	Stage 2 Liability Payment
CSOS 1	One-off quotations <sup>10</sup> < 73,200 kWh (desktop)	D + 3	90%	£30	D + 10	£40
CSOS 2	One off quotations < 73,200 kWh (requiring a site visit)	D + 8	90%	£30	D + 15	£40
CSOS 3,5 <sup>11</sup>	Single connection <sup>12</sup> quotations > 73,200 kWh (not requiring reinforcement)	D + 8	90%	£50	D + 15	£65
CSOS 3a, 5a <sup>13</sup>	Single connection quotations > 73,200 kWh (requiring reinforcement and a site visit)	D + 12	90%	£50	D + 25	£65
CSOS 4	Quotation for new housing (multiple supply meter points)	D + 15	90%	£50	D + 25	£65
CSOS 6	Quotation for GT connection (not requiring reinforcement)	D + 8	90%	£50	D + 15	£65
CSOS 6a	Quotation for GT connection (requiring reinforcement)	D + 12	90%	£50	D + 25	£65
CSOS 7	Quotation to connect a self lay pipe (not requiring reinforcement)	D + 8	90%	£50	D + 15	£65
CSOS 7a	Quotation to connect a self lay pipe (requiring reinforcement)	D + 12	90%	£50	D + 25	£65
CSOS 8	Response to land enquiry from shipper, supplier or developer	D + 5	90%	£30	D + 15	£40
CSOS 9	Initial land enquiry by a GT	D + 5	90%	£30	D + 15	£40
CSOS 10	Initial self lay enquiry	D + 5	90%	£30	D + 15	£40

<sup>10</sup> A one off quotation relates to the connection of single premises

<sup>11</sup> CSOS 3 applies to quotations for shippers. CSOS 5 applies to quotations for non-shippers

<sup>12</sup> A single connection quotation can cover a number of premises

<sup>13</sup> CSOS 3a applies to quotations for shippers. CSOS 5a applies to quotations for non-shippers

**Table A1.3: Independent Pipelines Ltd (IPL) Standards of Performance**

Standard	Performance Level	Compensation Payment
Connection to premises:  Quotations	If no site visit required – quote sent within 5 working days. If site visit required – consumer contacted within 2 working days to arrange appointment (to take place within 5 working days or later if consumer requests). Following the visit a quote will be sent either: within 5 working days, if property adj to public highway in which a suitable IPL main is situated; or within 20 working days if property not adj to a public highway in which a suitable IPL main is situated.	£10
Connection to premises:  Appointments to carry out work	Appointments for service connections/alterations will be arranged by contacting the consumer within 3 working days of receiving acceptance of quote.  Work will commence within 20 working days of receipt of acceptance or later if requested by the consumer - unless the property is not adj to a public highway in which a suitable IPL main is situated. In this instance, the consumer will be advised of the time scale by which a connection can be made.	£10
Maintenance of gas supply	If a consumer's gas supply is interrupted, it will be restored within 24 hrs or later if requested by the consumer, provided that: (a) The interruption is not caused through IPL's power to disconnect for reasons other than safety; (b) The interruption is caused through circumstances beyond IPL's control whereby it is impossible to restore the supply within 24 hours.	If neither (a) or (b) is applicable IPL may pay compensation of £20.00 for each additional 24 hour period until supply restored.
Planned interruptions: requiring access to consumer's premises	Written notice will be given: 10 working days in advance of work on a gas service to a premises; 5 working days in advance of work on a gas meter at a consumer's premises.  Where > 3 days interruption is involved IPL will give written notice to anyone affected detailing the circumstances no < 20 working days in advance of work commencing.	None stated
Gas escapes	Gas escapes and other hazardous situations will be attended: All uncontrolled gas escapes will be visited within one hour All controlled gas escapes will be visited within two hours	None stated
Visits to premises	Appointments will be made for all work requested by consumers. If an appointment cannot be kept then a new date will be agreed giving at least 24 hours notice.	If < 24 hrs notice of change of appointment or if appointment not kept, £10.00.
Telephone	Calls from consumers will be answered within 30 seconds of the call being connected.	None stated
Written correspondence from consumers	Consumers will receive a reply within 5 working days of receipt. If further information required, reply will give an indication of when a further letter will be sent. There will be instances when immediate action may be necessary to respond to written consumer enquiries or complaints.	None stated

Record of contacts	A record of all consumer contacts will be held on file for a minimum period of two years	None stated
Elderly and disabled:	<p>A care register will be maintained of persons of retirement age, persons who are registered disabled or those who are chronically sick provided that they are living alone or with other persons who also qualify. On request the company will arrange for a gas safety check to be carried out within 28 days or later if requested by the consumer.</p> <p>In circumstances other than a District Supply Emergency, if necessary to interrupt their gas supply then they will be left with adequate heating and/or cooking facilities.</p>	<p>£10.00 maybe payable for each 24 hr period until supply restored. [does not apply if interruption is not due to IPL's power to disconnect for reasons other than safety]</p>

**Table A1.4: UGI Ltd Standards of Performance**

<b>Standard</b>	<b>Performance</b>	<b>Planned Performance level</b>
Telephone calls	Will be answered within 30 seconds of the call being connected	90%
Replies to Correspondence	All correspondence from gas consumers/general public will receive a reply within 5 working days of receipt of the correspondence except where immediate action is required. If an interim reply has to be made that reply can be provided.	90%
Requests for Connections	Correspondence requesting UGI to connect premises – which are reasonably expected not to consume more than 2500 therms a year and are not the subject of a request for connection via a shipper or supplier – will receive a reply within 5 working days	90%
Complaints	A record will be kept of all complaints from whatever source	100%
Visits	Where a visit is appropriate, following receipt of correspondence or a complaint, contact will be made within 2 working days of receipt of correspondence. The subsequent visit will be made within 5 working days of that contact – or later if requested by the gas consumer / member of the public.	93%
Notification of planned work	For planned maintenance or replacement work initiated by UGI, involving interruption of the gas supply and access to gas consumers' premises, written notification will be provided: At least 10 working days in advance of work on the service pipe to the consumers' premises. At least 5 working days in advance of work on the gas meter at the consumers' premises.	95%
Appointments	Appointments will be kept for all visits where relevant work requested. Where required appointments will be on a morning (up to 1pm) or afternoon basis. If an appointment cannot be kept, the consumer will be contacted without delay by the best possible means, to receive an apology, an explanation and to arrange a new mutually convenient appointment. Where < 24 hours notice is given, compensation may be payable. If the consumer is not available at the premises, a note will be put through the door advising them that appointment was kept. If an appointment re-arranged at the request of UGI cannot be kept, compensation may be payable, irrespective of the length of notice given to the consumer.	95%
Gas emergencies	Where UGI receives a report of a gas emergency such as a gas escape, significant spillage of carbon monoxide, fumes, or other hazardous situations, it will attend such reported emergencies as quickly as possible within the following timescales: All uncontrolled escapes and emergencies within 1 hour All uncontrolled escapes and emergencies within 2 hours	98%
Alternative heating & cooking	If necessary for safety reasons for UGI to disconnect the gas supplier to premises occupied by a domestic consumer who is disabled, chronically sick or of pensionable age and who lives alone, or shares the premises with other persons in the same categories, or with a minor, they will not be deprived of adequate heating and cooking facilities.	100%

Utility Grid Installations Ltd shall operate a fixed compensation scheme to consumers in line with Transco's where there has been failure to meet Standards of Service.

**Table A1.5: United Utilities Gas Pipelines Ltd (UUGP) (owned by United Utilities)  
Standards of Performance**

Standard	Performance	Planned Performance level and compensation
Replies to written correspondence	All correspondence from gas consumers on its networks will receive a response within 5 working days of receipt of that correspondence except where immediate action is required.	95%
Request for connection	Correspondence requesting that UUGP directly to connect to premises – which are reasonably expected not to consume more than 2500 therms per annum and which are not the subject of a request for connection via a shipper/supplier or other GT including Transco, will receive a reply within 5 working days.	90%
Record of Complaints	A record of all complaints relating to the connection of premises, and maintenance of these connections, will be kept.	95%
Notification of Planned Work	<p>For planned maintenance or replacement work initiated either by UUGP or another GT upstream of its network, which involves interruption of the gas supply, and which requires access to gas consumers' premises, written notification will be provided</p> <p>At least 10 working days in advance of work on the service pipe to the consumers' premises                      At least 5 working days in advance of work on the gas meter at the consumers' premises</p>	95%
Gas Emergencies	<p>UUGP will contract with Transco to provide the national 24-hour, 365 days emergency response service. Transco will perform its obligations at least to the standard required in standard condition 6 of its GT licence. It is understood that these are as follows: following report of a gas emergency Transco will attend such reported emergencies as quickly as possible within the following time scales:                      Uncontrolled escapes &amp; emergencies within 1 hour;                      Controlled escapes &amp; emergencies within 2 hours</p> <p>UUGP will ensure that a qualified member of staff will be available on site within 4 hours of being contacted by Transco where there is a continuing threat to safety as a result of a substantial escape of gas.</p>	97%
Alternative heating and cooking facilities	If necessary for Transco to disconnect the gas supply for the purposes of averting danger to life or property, to premises occupied by a domestic consumer who is disabled, chronically sick or of pensionable age and who lives alone, or shares the premises with other persons in the same categories, Transco will ensure that alternative heating and cooking facilities will be arranged.	100%  £20 per consumer. If failure due to Transco, UUGP will recover the compensation from Transco

**Table A1.6: United Utilities Gas Networks Ltd (UUGN) (owned by United Utilities)  
Standards of Performance**

Standard	Performance	Planned Performance level and compensation
Replies to written correspondence	All correspondence from gas consumers will receive a response within 5 working days of receipt of that correspondence except where immediate action is required.	90%
Requests for connection	Correspondence requesting UUGN connect to premises – which are reasonably expected not to consume more than 2500 therms per annum and which are not the subject of a request for connection via a shipper/supplier or other GT including BG Transco plc, will receive a reply within 5 working days.	90%
Record of Complaints	A record of all complaints relating to the connection of premises, and maintenance of these connections, will be kept	95%
Notification of planned work	<p>For planned maintenance or replacement work initiated either by UUGN or a GT upstream of its network, which involves interruption of the gas supply, and which requires access to gas consumers' premises, written notification will be provided:</p> <p>At least 10 working days in advance of work on the service pipe to the consumers' premises            At least 5 working days in advance of work on the gas meter at the consumer's premises</p>	95%
Gas emergencies	<p>UUGN will contract with Transco to provide the national 24-hour, 365 day emergency response service. Transco will perform its obligation at least to the standard required in standard condition 6 of its GT licence. It is understood these are as follows: following report of gas emergency Transco will attend such reported emergencies as quickly as possible within the following time scales: uncontrolled escapes &amp; emergencies within 1 hour; controlled escapes &amp; emergencies within 2 hours</p> <p>UUGN will ensure that a qualified member of staff is available on site within 4 hours of being contacted by Transco where there is a continuing threat to safety as a result of a substantial escape of gas.</p>	97%
Alternative heating and cooking facilities	If necessary for Transco to disconnect the gas supply for the purposes of averting danger to life or property, to premises occupied by a domestic consumer who is disabled, chronically sick or of pensionable age and who lives alone, or shares the premises with other persons in the same categories, Transco will ensure that alternative heating and cooking facilities will be arranged.	100%  £20 per consumer. If failure due to Transco, UUGN will recover the compensation from Transco

**Table A1.7: British Gas Connections Ltd (BGCL) Standards of Performance**

Standard	Performance	Planned Performance level and compensation
Connection requests	<p>Domestic premises adj to public highway with suitable main, and expected to consume &lt; 2,500 therms pa – a reply will be sent within 5 Business Days from date of initial request. If main not suitable, or property not adj to public highway with a suitable main, BGCL will try to arrange a visit within 10 Business Days of initial request, or at a time more suitable for consumer. Where a quote is required, it will be sent within 5 Business Days from date of visit.</p> <p>An appointment will be made to carry out the work within 3 Business Days of receipt of acceptance and payment of quote price. The work will be carried out within 15 Business Days, or at a date more suitable to the consumer.</p>	95%
Maintenance – notification	Where maintenance/replacement work is deemed necessary by BGCL and requires interruption of the gas supply, BGCL will advise those affected in writing, at least 10 Business Days in advance. Where the work requires access to meters/premises of gas consumers, BGCL will give written notification to those consumers at least 5 Business Days in advance.	95% Failure to meet any of this standard - £11
Alternative heating and cooking facilities	<p>If for safety reasons BGCL disconnects the gas supply to premises occupied by a domestic consumer who is disabled, chronically sick or of pensionable age and who lives alone, or shares the premises with other persons in the same categories, or with minors, they will not be deprived of adequate heating and cooking facilities.</p> <p>Where exceptional circumstances exist making provision of alternative facilities to a wider number of consumers necessary, BGCL can only do so on the basis of reasonable practicality.</p>	95% £22 per day
Gas escapes1	When attending a gas escape, BGCL shall, if reasonably practicable/safe:- maintain supplies to premises and to heating and cooking appliances for domestic consumers; carry out minor appliance repairs (completed within 30 min or using materials valued to £4); use personnel trained to recognise signs of carbon monoxide leakage, and who are instructed to report such signs to the owner/occupier; inform the owner/occupier should further repairs be required, of a class of person permitted under safety regulations to perform repairs (e.g. CORGI)	95%
Gas escapes 2	<p>BGCL will respond to reports of gas escapes, spillage of carbon monoxide, fumes or other hazardous situations in it's licence area as quickly as possible and within the following timescales:-</p> <p>all uncontrolled gas escapes and other reported emergencies – within one hour</p> <p>all controlled gas escapes and other reported emergencies – within two hours</p>	95%
Making and keeping appointments	<p>Appointments made directly with gas consumers/general public will be kept for all visits where relevant work requested. If required, appointments will be provided on a morning (up to 1pm) or afternoon basis.</p> <p>If an appointment cannot be kept, the consumer will be contacted without delay by the best possible means to receive an apology, an explanation and</p>	95% £11 per visit

	<p>to arrange a new mutually convenient appointment. Where &lt; 24 hours notice is given by BGCL that the appointment cannot be kept, compensation may be payable.</p> <p>If the consumer is not available at the premises visited, a suitable note will be put through the door advising the consumer that the appointment was kept.</p> <p>If an appointment re-arranged at the request of BGCL cannot be kept, compensation may be payable irrespective of the length of notice provided.</p>	
Visits to premises	<p>Where a visit is appropriate following receipt of correspondence or complaint, contact will be made within 3 business days of receipt. Subsequent visit will be made within 5 business days of that contact or later if requested.</p>	<p>95%</p> <p>£11 per visit</p>
Telephone contact	<p>BGCL will establish a telephone network manned by staff who will be trained to a competent level of expertise. Calls will be answered within 30 seconds of the call being connected. A textphone service will be provided for callers who are deaf or have hearing difficulties.</p>	<p>90%</p>
Written correspondence	<p>All general correspondence from gas consumers/general public will receive a reply within 5 Business Days of receipt, except in circumstances where immediate action would be required. In more complex matters which require a thorough investigation, an interim reply will be made which will indicate when a full reply could be expected.</p> <p>All correspondence will give the name of the person who writes the letter, or the name of the person to whom any enquiries should be addressed.</p>	<p>95%</p>
Complaints	<p>Complaints which cannot be resolved at the first contact, will be referred to a line manager to progress.</p> <p>The complaint will be investigated, a response provided by telephone or in writing within 5 days of receipt of the complaint, and the appropriate action taken to resolve the matter.</p> <p>A record will be kept of all complaints, from whatever source, for a period of time not less than 2 years.</p>	<p>95%</p> <p>Complainant may be entitled to compensation – dealt with on an individual merit basis</p>

**Table A1.8: ScottishPower Gas Ltd (SPG) Standards of Performance**

<b>Standard</b>	<b>Performance</b>	<b>Planned Performance level and compensation</b>
Telephone Calls	All telephone calls to SPG will be answered within 30 seconds.	90%
Correspondence	SPG will acknowledge or reply to all correspondence within 10 working days	99%
Complaints	All complaints will be registered and investigated with a written reply within 10 days.	100%
Visits	Should a visit be necessary for any reason, we will offer a morning or afternoon appointment.	99%  £20 if SPG changed/ cancelled with < 24 hours notice
Emergency calls	Where SPG receives a report of a gas escape, they will attend:  Uncontrolled emergencies and escapes within 1 hour Controlled emergencies and escapes within 2 hours	97%
Notification of planned work/ Disconnection of supply	Should SPG find it necessary to interrupt the gas supply they will notify consumers ten working days in advance for work on the service pipe or five working days in advance for work on the gas meter, with the exception of gas escape situations.	None stated
Alternative heating and cooking facilities	If the gas supply is interrupted for safety reasons for a period of four hours or more, to premises occupied by sick, disabled or elderly, or occupying premises shared by any of these persons. SPG will endeavor to provide alternative temporary heating and cooking facilities.  This facility is available on a practicality basis and in exceptional circumstances of large volume service interruption, resourced allocation of appliances may be restricted.	95%

SPG will investigate any complaint and where they have been found to have failed to meet any of their standards a fixed compensation of £10 will be paid. Should the consumer feel such a payment is inadequate due to loss or inconvenience they have suffered as a result of SPG's failure to meet any of the standards of service, they may seek further compensation, which will be considered on an individual basis.

**Table A1.9: SSE Pipelines Ltd (SSEP) Standards of Performance**

Standard	Performance	Planned Performance level and compensation
Enquiries	If a consumer contacts SSEP with a relevant enquiry SSEP will respond within 5 business days. Where a full answer to the query cannot be provided SSEP will provide a date within the reply for such an answer	If not SSEP will pay £20
Connection requests	SSEP have a separate publication entitled <i>Connection Charges Statement</i> that explains the process of obtaining a new connection to SSEPs system. They will acknowledge any connection enquiry made in accordance with clause 2.1 and will provide a quotation for the connection as soon as practicable (date as advised in acknowledgement- normally within 28 days but in any event within 3 months of receiving all relevant information).	If not SSEP will pay £20
Appointments	Where SSEP arrange to visit they will offer morning or afternoon appointments and can make more specific arrangements where necessary. They will keep all agreed appointments unless:  The consumer cancels the appointment; or is out when SSEP call; or exceptional circumstances force SSEP to cancel the appointment - SSEP will give at least one business day's notice	If not SSEP will pay £20
Prevention of gas escapes	SSEP have made arrangements with Transco to ensure that any suspected gas escapes reported to the national gas emergency number will be responded to as follows:  All uncontrolled escapes and emergencies within 1 hour; and All controlled escapes and emergencies within 2 hours	If not SSEP will pay £20
Prevention of gas escapes 2	Where you mistakenly report the suspected gas escape to SSEP we will forward the information to Transco within 15 minutes	If not SSEP will pay £20
Provision of emergency heating and cooking equipment	Gas shippers will advise SSEP of any consumers who qualify for inclusion on a Care Register. If a person is on the register and gas is unavailable for a period likely to exceed 24 hours, SSEP will provide them with alternative heating and cooking arrangements within 24 hours of the gas ceasing to be available	If not SSEP will pay £20

Morning appointments start at 8am and finish at 1pm, afternoon appointments start at 12 noon and finish at 4pm.

**Table A1.10: E.S. Pipelines Ltd (ESP) Standards of Service**

Standard	Performance	Planned Performance level and compensation
Record of complaints	A record will be kept of all customer contacts/requests/complaints where action required (normally kept for 2 yrs). Note will be taken of information which may affect the standards of performance, including signed confirmation of date and time of a visit.	
Responding to Requests, Queries and Enquiries	ESP must respond to any reasonable request/query/enquiry within 5 working days of receipt. Response may not provide all information requested, but must be substantive and include estimated time scales for provision of outstanding information. Connection and meter work - ESP will request additional necessary information in response. (There maybe further requests for information after initial response.) On receipt of all necessary information a proposal will be sent within 5 working days, if work relatively straightforward, or within 15 working days, if significant work required. If taking longer than 15 working days – the customer will be informed.	£25 for failing to respond within prescribed time period
Keeping appointments	ESP must offer choice of a visit either before or after 1pm, or during an agreed 2 hr time band. If ESP have tried to resolve a customer’s complaint/query/enquiry over the telephone or in writing and customer requests a visit to resolve the situation, ESP must offer to call within 10 working days of the request. ESP must endeavour to give the customer at least 24 hrs notice of cancellation (by phone in normal office hours or posting a letter 36 hours prior to appointment.)	£20 - failure to make an appointment; £20 - failure to keep an appointment; £15 - failing to endeavour to give 24 hrs notice of cancellation. These are all independent of one another.
Disabled, chronically sick and pensioners	If such a customer requests a visit, ESP must offer to call within 5 working days of the request. If requested by such a customer ESP should provide a copy of charges due or quoted to the customer’s next of kin. ESP must provide alternative heating and cooking facilities if the customer’s gas supply has to be disconnected for maintenance.	£20 - failure to make an appointment; £10 - failure to provide copy of any charges due/quoted to next of kin; £30 – failure to provide alternative heating & cooking facilities. Compensation payments are independent of each other & other compensation payments.
Prevention of domestic gas escapes	When the gas escape is stopped it should be done so that, where practical, supply to domestic customers is maintained - this may include minor repairs to appliances. (As defined in condition 6 of GT licence.)  If further repair work required, where reasonably possible, the customer should be informed of this and given information on companies in their locality who can carry out the repair work.	£20 - failure to reasonable maintain the supply to domestic customers. £10 - failure to inform Customer about companies in their locality.

Any person (“the Customer”) within an ESP authorised licence area, as defined in the Gas Act 1986, where the Customer’s premises uses less than 2,500 therms per annum. When ESP fails a standard, ESP is obliged to recognise their failure and to make a compensation payment to the Customer automatically. Claims for compensation payment must be made within one month of the incident.

**Table A1.11: East Midlands Pipelines Ltd (EMP) Standards of Performance**

Standard	Performance	Planned Performance level and compensation
Replies to written correspondence	All Correspondence from gas consumers on EMP network will receive a response within 5 working days of receipt of that correspondence except where immediate action is required.	95%
Requests for connection	Correspondence requesting a connection to a premises which is reasonably expected not to consume more than 2500 therms per annum, and which are not subject to a request for connection via a shipper/supplier or other GT including Transco, will receive a reply within 5 working days.	90%
Record of complaints	A record of all complaints relating to the connection of premises, and maintenance of these connections, will be kept.	95%
Notification of planned work	<p>For planned maintenance work or replacement work initiated either by EMP or another GT upstream of EMP's network, which involves interruption of the gas supply, and which requires access to gas consumers' premises written notification will be printed.</p> <p>At least 10 working days in advance of work on the service pipe to the consumers' premises</p> <p>At least 5 working days in advance of work on the gas meter at the consumers' premises</p>	95%
Gas emergencies	<p>EMP has contracted with Transco to provide a national 24-hour, 365 day emergency response service. Transco will perform its obligations at least to the standard required in condition 6 of its GT licence. It is understood that these are as follows: following report of a gas emergency Transco will attend such reported emergencies within the following time scales.</p> <p>Uncontrolled escapes and emergencies within 1 hour</p> <p>Controlled escapes and emergencies within 2 hours</p> <p>EMP will ensure that a qualified member of staff will be available on site within 4 hours of being contacted by Transco where there is a continuing threat to safety as a result of substantial escape of gas.</p>	97%
Alternative heating and cooking facilities	Should it necessary for Transco to disconnect the gas supply for the purposes of averting danger to life or property, to premises occupied by a domestic consumer who is disabled, chronically sick or of pensionable age and who lives alone, or shares the premises with other persons in the same categories, Transco will ensure that alternative heating and cooking facilities will be arranged.	97%

**Table A1.12: The Gas Transportation Company Ltd (GTC) Standards of Performance**

<b>Standard</b>	<b>Performance</b>	<b>Planned Performance level and compensation</b>
Appointments	GTC must offer a visit before or after 1pm and keep any associated appointment.	£20 for failing to offer an appointment before or after 1pm. £20 for failing to keep appointment. These are independent of one another.
Responding to queries and requests.	Where a consumer has any queries or requests (which cannot be met by GTC), a substantive reply will be sent within 5 business days of receipt. If a substantive reply cannot be sent within this time, a holding reply will be sent and a substantive reply as soon as practicable.	£20 for failing to respond within prescribed period.
Visit to discuss a complaint, query or enquiry	GTC must offer an appointment on request from a consumer, to visit within 10 business days, if GTC have been unable to resolve the complaint/query or enquiry by correspondence or by phone.	£20 for failure to make appointment within prescribed period. £20 for failure to keep appointment. These are independent of one another.
Disabled, chronically sick and pensioners	Offer an appointment upon requests from consumer to visit within 5 business days to deal with appropriate enquiries. Keep the appointment.	£20 for failure to make appointment within prescribed time period. £20 for failure to keep appointment. These are independent of one another.
Special needs consumers and heating and cooking facilities	GTC will maintain & keep up to date a list of Special Needs Consumers (SNC). In the event of disconnection of their premises for the purposes of preventing danger to life or property, SNCs will not be deprived of adequate heating & cooking facilities.	£20 for failure to make adequate heating and cooking facilities available for every consecutive period of 24 hrs after GTC became aware of the situation.

**Table A1.13: Mowlem Energy Ltd (MEL) Standards of Performance**

<b>Standard</b>	<b>Performance</b>	<b>Planned Performance level and compensation</b>
Telephone calls	All telephone calls will be answered within 30 seconds	90%
Correspondence	Will acknowledge or reply to all correspondence within 10 working days	99%
Complaints	All complaints will be registered and investigated with a written reply within 10 days	100%
Visits	Should a visit be necessary for any reason, they will offer a morning or afternoon appointment.	99%  If they change or cancel appointment with < 24 hrs notice £20
Emergency calls	Where Mowlem receive a report of a gas escape they will attend:  Uncontrolled gas escapes within 1 hr Controlled gas escapes within 2 hrs	97%
Notification of planned work/ Disconnection of supply	If Mowlem needs to interrupt the gas supply, they will notify the consumer: 10 working days in advance for work on the service pipe; 5 working days in advance for work on the gas meter. This excepts gas emergency situations.	95%
Alternative heating and cooking facilities	If the gas supply is interrupted for safety reasons for a period of four hrs or more, to premises occupied by the sick, disabled, or elderly, or occupying premises shared by any of these person, Mowlem will endeavor to provide alternative heating and cooking facilities – this is on a practicality basis.	95%

Mowlem Energy Ltd will investigate any complaint and where they have been found to have failed to meet any of their standards of service, a fixed compensation payment of £20 will be paid. There is an option for consumers to seek higher compensation which will be considered on an individual basis.

## **Appendix two - Reports by IGTs on the Operation of Standards of Service**

Please note that the reports quoted may include references to the previous GT licences.

### **Independent Pipelines Ltd**

IPL has informed Ofgem that 'since its inception there have been very few incidents and ....we have had no claims against the scheme except for one in 1998 from AGAS.'

AGAS claimed compensation for loss of supply at a site. IPL did not make any payment, claiming that it had no liability under its Code or condition 20 statement because the loss of supply happened on Transco's network.

### **GTC**

'During the year we complied with all of our Standards of Performance with the exception of continuity of supply. We failed to supply 2 domestic supply points with gas for a total of 3 days resulting in compensation payments to the appropriate shippers of £60.'

### **East Midlands Pipelines Ltd**

#### **Introduction**

This document has been prepared by East Midlands Pipelines Ltd ("EMP") in accordance with standard condition 19 of its Public Gas Transporter's Licence.

EMP was granted a licence to operate as a Public Gas Transporter (under Section 7 of the Gas Act 1986) on the 10<sup>th</sup> April 1999.

This document is a report on the operation of EMP's Standards of Performance Scheme from 1<sup>st</sup> January 2000 to 31<sup>st</sup> December 2000.

#### **Statement**

East Midlands Pipelines Ltd has continued to monitor and review performance against the Standards of Performance set out in Condition 19 of the Public Gas Transporter's Licence, in order to ensure that we give our consumers the highest levels of service

possible. These standards continue to be seen as a minimum on which EMP will aim to build.

East Midlands Pipelines Ltd has specified 5 areas which are subject to specific standards of performance there are measured against planned performance levels which are detailed below.

The table below details the areas in which performance has been monitored as well as the planned and actual performance levels.

<b>Standard of Performance</b>	<b>Planned Performance Level</b>	<b>Actual Performance Level</b>
<u>Replies to Written Correspondence</u> All correspondence from gas consumers on EMP networks will receive a response within 5 working days of receipt of that correspondence except where immediate action is required.	95%	100%
<u>Requests for Connection</u> Correspondence requesting a connection to a premises which is reasonably expected not to consume more than 2500 therms per annum and which are not subject to a request for connection via a shipper/supplier or other PGT including Transco, will receive a reply within 5 working days.	90%	100%
<u>Record of Complaints</u> A record of all complaints relating to the connection of premises and maintenance of these connections will be kept.	95%	100%
<u>Notification of Planned Work</u> For planned maintenance work or replacement work initiated by EMP or another PGT upstream of EMP's network, which involves interruption of gas supply and which requires access to gas consumers' premises, written notification will be provided: <ul style="list-style-type: none"> <li>• At least 10 working days in advance of work on the service pipe to the consumers' premises</li> <li>• At least 5 working days in advance of work on the gas meter at the consumers' premises</li> </ul>	95%	100%
<u>Gas Emergencies</u> EMP has contracted with Transco to provide a national 24-hour 365 day emergency response service. In this contract, Transco	97%	100%

<p>warrants to perform its obligations at least to the standard required in standard condition 18 of its PGT licence. It is understood that these are as follows:</p> <p>Following report of a gas emergency Transco will attend such reported emergencies within the following timescales:</p> <p>Uncontrolled escapes and emergencies within 1 hour</p> <p>Controlled escapes and emergencies within 2 hours</p> <p>EMP will ensure that a qualified member of staff will be available on site within 4 hours of being contacted by Transco where there is a continuing threat to safety as a result of a substantial escape of gas.</p> <p>Should it be necessary for Transco to disconnect the gas supply for the purposes of averting danger to life or property, to premises occupied by a domestic customer who is disabled, chronically sick, or of pensionable age and who lives alone, or shares the premises with other persons in the same categories, Transco will ensure that alternative heating and cooking facilities will be arranged.</p>		
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As detailed above, the planned performance level was met in all cases, therefore no compensation payments were made in this period.

East Midlands Pipelines Ltd will continue to monitor these performance levels and remains committed to providing its consumers with the highest standards of service.'

**E.S.Pipelines Limited**

Had not yet been operating networks for a year.

**United Utilities Gas Networks Ltd (UUGN)**

Had not yet been operating networks for a year.

**United Utilities Gas Pipelines Ltd (UUGP)**

Had not yet been operating networks for a year.

**Mowlem**

Had not yet been operating networks for a year.

## UGI

Had not yet been operating networks for a year.

## British Gas Connections Ltd (BGCL)

BGCL's performance is outlined in the following table:

Ref no	Standard	Classification	Performance Target %	Actual Performance %	Occurrences
2.1.1.	Connection Requests	Company standard	95%	100%	5
2.1.2	Maintenance	Company standard	95%	N/A	0
2.2	Cooking and heating arrangements	Company and individual	95%	N/A	0
2.3	Prevention of gas escapes (sub-contracted to Transco)	Company standard	95%	99%*	404
3.1.1	Making and keeping appointments	Company and individual	95%	N/A	0
3.1.2	Visits to premises	Company and individual	95%	N/A	0
3.2.1	Telephone contact	Company standard	90%	94%	Internal monitor
3.2.2	Written correspondence	Company and individual	95%	N/A	0
4.1	Complaint handling procedure	Company	95%	100%	1
4.2	Compensation scheme	No compensation payments made in the year			

\*data provided by Transco who are emergency service provider

### **Scottish and Southern Energy Pipelines Ltd (SSEP)**

SSEP reported that it had not failed any of its published standards and had not made any compensation payments.

### **ScottishPower Gas Ltd (SPG)**

'The level of telephone calls and correspondence is small with no complaints made against SPG to date. Emergency calls are responded to directly by Transco on SPG's behalf as the dominant/monopoly service provider to which the same standards of service apply as to their own emergency activities. SPG did not have an instance to notify consumers of planned work or disconnections of supply, provide alternative heating or cooking facilities (provision for this within the Transco emergency contract) and pay any fixed compensation.'

## Appendix three - Guaranteed & Overall Standards October 2000 Proposals

**Table A3.1 Proposed GT Guaranteed and Overall Standards of Performance for Transportation Services - October 2000 Document**

**i) Guaranteed standards**

No.	Standard	Performance Level	Payment
1.	Making and keeping appointments	Where required, appointments will be made on a morning or afternoon basis. Failure to give 24 hours notice of inability to attend may attract a payment.	£10
2.	Alternative heating and cooking facilities.	Where the transporter has to disconnect the gas supply for safety reasons, it will provide alternative heating and cooking facilities for consumers who are disabled, chronically sick, or of pensionable age, or where there are children in the property.	£20
3.	Notification of planned work	Work requiring interruption to the gas supply, and entry to the consumer's premises will be the subject of notice of: At least 10 working days in respect of the service pipe; and At least 5 days in respect of the meter	£20 (domestic) £40 (non-domestic) (as per electricity)
4.	Notifying consumers (or relevant suppliers, so that they can pass the information to consumers) of payments owed under the standards.	Write to the consumer (or supplier) and make payment within 10 working days.	£20

**Table A3.1 Proposed GT Guaranteed and Overall Standards of Performance for Transportation Services - October 2000 Document**

**b) Overall Standards**

<b>No.</b>	<b>Standard</b>	<b>Performance level</b>	<b>Target</b>
1.	Making and keeping appointments	Where required, appointments will be made on a morning or afternoon basis	97%
2.	Alternative heating and cooking facilities	Where Transco has to disconnect the gas supply for safety reasons, it will provide alternative heating and cooking facilities for consumers who are disabled, chronically sick, or of pensionable age, or where there are children in the property.	100%
3.	Notification of Planned work	Work requiring interruption to the gas supply, and entry to the consumer's premises will be the subject of notice of: At least 10 working days in respect of the service pipe; and At least 5 working days in respect of the meter	99%
4.	Telephone calls	Calls to be answered within 30 seconds.	98%
5.	Replies to correspondence	Consumer to receive a reply within 5 working days, except where immediate action is required. Interim replies will indicate when a full reply may be expected.	96%
6.	Gas emergencies	In respect of gas escapes, spillage of carbon monoxide or other hazardous situations, as quickly as possible but within: At least one hour for uncontrolled escapes At least two hours for controlled escapes	98% 99%

**Table A3.2 Proposed GT Guaranteed and Overall Standards of Performance for Connections Services - October 2000 Document**

**a) Guaranteed standards**

<b>No.</b>	<b>Service</b>	<b>Required Performance</b>	<b>Payment</b>
1.	Desk top quotation for connection of single premises (< 73,200 kwh)	4 working days	£40
2.	Quotation, requiring a site visit, for connection of single premises (< 73,200 kwh)	9 working days	£40
3.	Quotation for a single connection (no reinforcement or site visit) (> 73,200 kwh)	9 working days	£50
4.	Quotation for a single connection (requiring reinforcement) (> 73,200 kwh)	13 working days	£50
5.	Quotation for connection of multiple premises, not requiring reinforcement	11 working days	£50
6.	Quotation for connection of multiple premises, requiring reinforcement	14 working days	£50
7.	Completion of connection work after acceptance (and payment of any sum under section 11 of the Gas Act).	[ ] working days	£100
8.	New Housing Enquiry	16 working days	£50
9.	Initial self lay enquiry	6 working days	£30
10.	Quotation to connect a self lay pipe (not requiring reinforcement).	9 working days	£50
11.	Quotation to connect a self lay pipe (requiring reinforcement)	13 working days	£50
12.	Initial land enquiry	6 working days	£30

**Table A3.2 Proposed GT Guaranteed and Overall Standards of Performance for Connections Services - October 2000 Document**

**b) Overall standards**

<b>No.</b>	<b>Service</b>	<b>Required Performance</b>
1.	Desk top quotation for connection to single premises (< 73,200 kwh)	3 working days in 90% of cases
2.	Quotation, requiring a site visit, for connection of single premises (< 73,200 kwh)	8 working days in 90% of cases
3.	Quotation for a single connection (no reinforcement required) (> 73,200 kwh)	8 working days in 90% of cases
4.	Quotation for a single connection (requiring reinforcement) (> 73,200 kwh)	12 working days in 90% of cases
5.	Quotation for connection of multiple premises, not requiring reinforcement	8 working days in 90% of cases
6.	Quotation for connection of multiple premises, requiring reinforcement	12 working days in 90% of cases
7.	Completion of connection work after acceptance of quotation and payment of any sums required under section 11 of the Gas Act	[ ] working days in 100% of cases

## Appendix four - Standards of Service Provisions in IGT Network Codes

### 1. East Midlands Pipelines Ltd (EMP)

#### Section E: Delivery of gas to the system and Gas Offtake and Standards of Service

- Where EMP fails to make gas available at a Domestic Supply Point, EMP will pay the Shipper £20 for each consecutive period of not less than 24 hours during which the failure continues. The shipper shall pass this money in full to the customer. Alternatively, the shipper may deduct from the charges payable by the customer an amount equal to such payment.

The Compensation provisions in Section E 3.1 relate to a Domestic Supply Point. Nothing about larger supply points or I & C consumers.

### 2. E S Pipelines (ESP)

#### Part J: Delivery and Offtake of Gas

- Part J7 and J8 of ESP's code concern the failure by ESP to make gas available for Offtake. There is a provision for compensation for failure to make gas available for offtake in respect of a Smaller Supply Point (where the AQ is not greater than 2,500 therms, according to Part CI 1.1). There is also a provision for compensation to larger supply points, which is based upon the capacity held by the user on the day and capacity charges.
- ESP will not be in breach of its obligation to make gas available for off-take where gas is not delivered to the connection point for any reason beyond ESP's control

### 3. United Utilities Gas Networks Ltd (UUGN - owned by UU)

#### Section E: Delivery of gas to the system and Gas Offtake and Standards of Service

- Where due to failure, gas is not available for offtake at a Domestic Supply Point, UUGN will pay the Shipper £20 for each consecutive period of not less than 24 hours during which the failure continues. The shipper shall pass this money in full to the customer. Alternatively, the shipper may deduct from the charges payable by the customer an amount equal to such payment.

The Compensation provisions in Section E 3.1 relates to a Domestic Supply Point. Nothing about larger supply points or I & C consumers.

### 4. United Utilities Gas Pipelines Ltd (UUGP - owned by UU)

- Nothing in the code.

### 5. GTC

#### Clause 18: Standards of service

- This concerns Domestic Consumers (persons whose supply does not exceed 2,500 therms a year, according to the Gas Act Section 15A (10)).
- Where GTC fails to make gas available for offtake at a Supply Point and Domestic Consumers are deprived of supply for a continuous period exceeding 24 hours, GTC shall make a payment to the Shipper.
- This payment will be for onward transmission to each such Domestic Customer, and will be in the sum of £20.00 for each consecutive period of 24 hours (or part) that the customer has no gas supply.
- The sum will be payable on the expiry of the first 24 hours of such failure.
- For End-Users other than Domestic Consumers, GTC shall observe the terms applicable to Transco in similar circumstances under the Transco code.
- GTC has no obligation to make the ex-gratia payment referred to in clause 18 if the shutdown is due to *force majeure*

## 6. IPL

### Section J3.5: Gas not made available for offtake

- This concerns Supply Points whose AQ does not exceed 2,500 therms. Where because of failure, gas is not available for offtake IPL will pay the Shipper £20 for each consecutive period of not less than 24 hours during which the failure continues.

The section specifies a Supply Point whose AQ does not exceed 73,200 kWh (2,500 therms). There is no mention of Supply Points whose AQs exceed 2,500 therms.

## 7. BGCL

### Section D3.4: Offtake of gas from the system (gas not made available for offtake)

- Where BGCL is in breach of its obligation to make gas available for offtake from a system at a system exit point, for a domestic customer, BGCL will pay to the shipper an amount of £20.00 for each consecutive period of 24 hours or part thereof during which the relevant failure continued.

The provisions specify a domestic customer, and do not mention I & C consumers.

## 8. GPL (licence owned by GTC)

### Section G4: Delivery and Offtake of Gas

- Where due to failure, gas is not available for offtake at a Smaller Supply Point, it will pay the Shipper £20 for each consecutive period of not less than 24 hours during which the failure continues. GPL pays the amount if the failure is GPL's fault. If it is Transco's fault, GPL receives the money from Transco.
- Regarding larger supply points: if there is failure to make gas available for offtake, GPL will pay to the shipper the amount that it receives from Transco in respect of such failure at the relevant Larger Supply Point.
- If GPL is in breach of its obligation to make gas available for offtake by Users, GPL will for each Day of failure, pay to the Registered User an amount determined as C\*P (where C is the amount of LDA Capacity held by the User of the relevant Day and P the sum of the Applicable Daily Rates of the Capacity Variable Component of the Customer Charge and the LDA Capacity Charge).

## 9. Utility Grid Installations (UGI)

Section I 4.1: Quality, Title and Risk

- Where as a result of a relevant failure gas is not available for offtake for a period of not less than 24 hours, UGI will pay to the shipper an amount of £20 for each consecutive period of 24 hours or part during which the relevant failure continues.
- This clause appears to apply to all consumers, not just domestic consumers.

**10. ScottishPower Gas (SPG)**

Section K4.1: Quality, Title and Risk

- Similar provisions to UGI.

**11. SSEP**

Clause 21: Standards of Service

- For a Supply Point whose AQ does not exceed 73,200 kWh (2,500 therms), SSEP will pay to the shipper £20 for each consecutive 24 hours or part, following the failure to make gas available for offtake at the supply point.

These payments are compensation for the domestic Consumer so affected, and are paid to the shipper for onward transmission to the said Consumers. Nothing is provided for I & C Consumers.