

June 2001

**Guaranteed and overall standards
of performance**

Further consultation

Executive summary

This document follows on from the Ofgem consultation document "Guaranteed and overall standards of performance" published in October 2000 and from the Ofgem consultation document "Guaranteed and overall standards of performance: Final Proposals" published in January 2001.

The principal objective of the Gas and Electricity Markets Authority is to protect the interests of consumers, wherever appropriate by promoting effective competition. There are a number of ways in which regulation protects the interests of gas and electricity consumers. Licensees have to comply with other statutory obligations, with licence conditions, and with codes of practice that certain licence conditions require them to publish. Standards of performance constitute another way in which regulation protects consumers.

Standards are presently set for Public Electricity Suppliers (PESs). The Utilities Act 2000 ('the Utilities Act') will abolish the concept of a PES and will require the PES distribution and supply businesses to operate as separate legal entities, each with its own licence. The Utilities Act empowers the Authority to set guaranteed and overall standards for electricity distributors, electricity suppliers, gas transporters and gas suppliers.

Ofgem's October 2000 paper sought views on what standards and performance targets should apply to the monopoly businesses of electricity distribution and gas transportation, and on the appropriateness of setting standards of performance in the competitive supply markets. In January 2001 Ofgem consulted on its final proposals for the future application of guaranteed and overall standards of performance in electricity and gas. A list of the 22 organisations who responded to the January 2001 consultation is at Annex D.

Following consideration of those responses, Ofgem has prepared draft secondary legislation for consultation. This draft secondary legislation takes the form of draft regulations (where the proposed standard is to be a guaranteed standard of performance) and draft statutory determinations (where the proposed standard is to be an overall standard of performance) and reflects Ofgem's revised proposals following the January 2001 consultation. The draft secondary legislation is attached to this document as Annexes A to C.

In summary Ofgem proposes that the existing PES guaranteed and overall standards of performance are retained in relation to the ex-PES electricity distribution and supply businesses in relation to their old PES authorised areas, split as appropriate between the ex-PES distribution business and the ex-PES supply business.

Respondents to the January 2001 consultation paper raised a number of important issues with regard to the setting of guaranteed and overall standards in relation to electricity and gas metering. Ofgem believes that these issues warrant some further consideration. In view of this we propose that the future application of standards of performance in relation to metering is taken forward outside of this consultation document, rather than delay the introduction of standards of performance in relation to electricity distribution and supply whilst these issues are taken forward. Ofgem is continuing to consider the issues raised by respondents in relation to metering and intends to publish a separate consultation on guaranteed and overall standards of performance in relation to metering in the coming weeks, with a view to implementation revised guaranteed and overall standards relating to metering a little later in 2001.

Whilst further consideration is given to the form and content of the metering standards, Ofgem proposes that the existing PES metering standards are retained for the ex-PES supply businesses in relation to their old PES authorised areas and this proposal is reflected in the draft secondary legislation set out at Annexes A to C.

Ofgem proposes that the secondary legislation set out in Annexes A to C will take effect when the PES transfer schemes to be made under Part I of Schedule 7 of the Utilities Act take effect. This is expected to be on 1 August 2001.

This paper seeks views on the draft secondary legislation on guaranteed and overall standards of performance set out at Annexes A to C. The deadline for responses to this consultation is close of play on Monday 2 July 2001.

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1. Introduction

Purpose of this document

- 1.1 This document follows on from the consultation document “Guaranteed and overall standards of performance” that Ofgem issued in October 2000 and from the consultation document “Guaranteed and overall standards of performance: Final proposals” that was published in January 2001. It summarises the responses to the January 2001 consultation and invites comments and suggestions on draft secondary legislation prepared in accordance with the policy decisions that Ofgem has taken following consideration of those responses.
- 1.2 At present the Electricity Act 1989 (‘the Electricity Act’)¹ provides for the Authority to set guaranteed and overall standards of performance for public electricity suppliers (the PESs). Such standards have been set since 1991. The Gas Act 1986 (‘the Gas Act’)² contains a similar provision, which empowers the Authority to set guaranteed and overall standards of performance in relation to gas supply services. This power was inserted into the Gas Act following the Competition and Service (Utilities) Act 1992, but to date these powers have not been exercised. Gas regulation has relied on licence conditions, industry agreements and voluntary service undertakings to provide safeguards for consumers on standards of service.
- 1.3 The Utilities Act 2000 (‘the Utilities Act’) will abolish the concept of a PES and will require the PES distribution and supply businesses to separate. The Utilities Act empowers the Authority to set guaranteed and overall standards for electricity distributors, electricity suppliers, gas transporters and gas suppliers under sections 39, 39A, 40 and 40A of the Electricity Act and sections 33A, 33AA, 33B and 33BA of the Gas Act. Section 40B of the Electricity Act and section 33BAA of the Gas Act, which are inserted by the Utilities Act, require the Authority to consult with the Gas and Electricity Consumer Council (energywatch) and other persons, including the relevant licensees, before prescribing or determining standards of performance. Ofgem has sought views

¹ As amended by the Competition and Service (Utilities) Act 1992.

² As amended by the Competition and Services (Utilities) Act 1992.

on what standards and performance targets should apply to the monopoly businesses of electricity distribution and gas transportation, and on the appropriateness of setting standards of performance in the competitive supply markets.

- 1.4 Standards of performance are only one form of regulating service standards. In considering the future application of standards of performance it is important to have regard to the other ways of incentivising licensees and protecting consumers. For example Ofgem has recently produced proposals on information and measurement for an information and incentives project for electricity distribution businesses³ which has specified a number of service outputs that these companies will be financially incentivised to deliver. Further proposals⁴ were published on 18 January 2001. Service standards are also included in licence obligations and in industry agreements.
- 1.5 In considering the future application of standards of performance in the electricity and gas industries it is helpful to consider recent performance against the current performance targets and also the continued relevance of the standards themselves. It is Ofgem's policy to withdraw from prescriptive regulation as competition develops. Therefore a key factor in considering the future application of standards has been the extent to which competition has developed within the electricity and gas markets. An important ancillary benefit of guaranteed and overall standards of service, of which it is important to be mindful, is that they encourage the development of associated management and information systems. It is also necessary to consider the application of the existing price controls in the electricity and gas industries, as in setting licensees' allowed revenues within those price controls it is necessary to have regard to licensees' expected performance against any standards of service.

Structure of the document

- 1.6 For ease of reference, and so that this document presents a comprehensive picture, Chapter 2 repeats the background information originally presented in the October 2000 and January 2001 consultations. Similarly, Chapters 3 and 4

³ 'Information and Incentives Project: Output measures and monitoring delivery between reviews: final proposals' September 2000.

⁴ Information and Incentives Project: Incentives Schemes – Initial Thoughts (January 2001)

repeat information on the existing performance standards in the electricity and gas industries respectively. Chapter 5 introduces the responses to the January 2001 consultation and the draft secondary legislation set out at Annexes A to C. Chapters 6 to 10 follow a common format. Each deals with standards in a particular business and:

- sets out the final proposals in the January 2001 consultation;
- summarises the responses to consultation;
- makes revised proposals and invites comment on the draft secondary legislation annexed to this document.

1.7 Chapter 11 considers the mechanism for making compensation payments to consumers and the scope and application of the exemptions to the regulations on guaranteed standards of performance. Chapter 12 sets out the action that we intend to take after completion of this consultation.

Timetable

1.8 The deadline for responses to this consultation is Monday 2 July 2001. Responses should be sent to:

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Contacts

1.9 Should you have any questions regarding this document Lisa Vango on 020-7901-7178 or Elaine Wilson on 020-7901-7849 would be pleased to assist you.

Confidentiality

- 1.10 In accordance with our normal practice, we intend to make responses to this consultation publicly available, through the Ofgem Library. However, if asked to do so, we shall respect the confidentiality of any response. Respondents wishing their responses to remain confidential should clearly mark the documents to that effect.

2. Background

Electricity

i) legal background

- 2.1 Section 39 of the Electricity Act empowered the electricity regulator (with the consent of the Secretary of State) to make regulations setting guaranteed standards of performance for the PESs. The latest statutory instrument made under this provision is the Electricity (Standards of Performance) (Amendment) Regulations 2000 (SI 2000 No. 840). The Regulations prescribe a range of fixed penalties to be paid to consumers for failure to meet the specified standards of performance.
- 2.2 Section 40 of the Electricity Act, as substituted by the Competition and Service (Utilities) Act 1992, empowered the electricity regulator to determine standards of overall performance for the PESs. The Act also introduced a provision requiring each PES to conduct its business in such a way as could reasonably be expected to achieve the overall standards set for it.

ii) policy background

- 2.3 The PESs are subject to standards of performance covering the provision of services to consumers. The standards cover a wide range of services relating to supply, distribution and metering services. They were first set, by the Director General of Electricity Supply, in 1991. There were revisions in 1993, 1995, 1998 and 2000.
- 2.4 In the electricity sector, there are two types of standard:
- ◆ guaranteed standards that set service levels that must be met in each individual case. If the company fails to provide the level of service required, it must make a payment to the affected customer; and
 - ◆ overall standards that cover areas of service where it is not appropriate to give individual guarantees, but where consumers in general have a right to expect companies to deliver predetermined, minimum levels of service.

Gas

i) legal background

2.5 Unlike the Electricity Act, which followed it, the Gas Act made no provision for standards of performance. The Competition and Service (Utilities) Act 1992 subsequently introduced provisions mirroring the electricity arrangements described in paragraphs 2.1 and 2.2 for the gas sector, in the form of:

- ◆ section 33A, empowering the gas regulator (with the consent of the Secretary of State) to make regulations setting guaranteed standards of performance for gas suppliers; and
- ◆ section 33B, which empowered the gas regulator to determine overall standards of performance for gas suppliers.

ii) policy background

2.6 In the gas sector, although there was no initial provision for statutory standards of performance to be set, Ofgas and British Gas subsequently agreed on a range of standards, through the use of licence conditions and voluntary service undertakings.

2.7 In the event, following the introduction of statutory powers to set standards of performance in gas, the former gas regulator made no such regulations or determinations. However, it was felt appropriate to retain the licence requirements that had previously been in place for those elements of the former British Gas business that were subject to monopoly controls (British Gas Trading Ltd and BG Transco plc), and for the generality of Public Gas Transporters (PGTs), who constitute local monopolies.

2.8 Special Condition 13A of the gas supply licence granted to British Gas Trading Limited (BGT) requires the company to set, and to report on, performance standards, in respect of gas supply services to domestic consumers, relating to:

- ◆ the supply of gas;
- ◆ ascertaining the quantity of gas supplied; and

- ◆ recovery of gas charges.

2.9 Standard Condition 19 of the PGT Licence requires licensed gas transporters to establish standards of performance in respect of the connection of premises using less than 2,500 therms per year, the provision of alternative heating and cooking facilities, and for the prevention of escapes of gas. The obligations of the PGTs under Standard Licence Condition 19 are summarised at paragraph 4.2. In addition to these, BG Transco plc (Transco), which owns and operates the greater part of the gas network, has additional obligations under the Network Code, which are discussed in more details at paragraphs 4.3 and 4.4. Transco also has standards of service relating to gas connections. These standards resulted from an Order made by the Director General of Gas Supply in February 1999 under section 28(1) of the Gas Act. In addition to the standards outlined above, Transco has introduced a range of voluntary service standards.

The Utilities Act 2000

2.10 The Utilities Act makes significant changes to the arrangements currently in electricity and gas. It provides, amongst other things, for:

- ◆ the Authority, with the consent of the Secretary of State, to make separate regulations for guaranteed standards of performance for electricity distributors and electricity suppliers in relation to electricity and for gas transporters and gas suppliers in relation to gas;
- ◆ the Authority separately to determine overall standards of performance for electricity distributors and electricity suppliers in relation to electricity and for gas transporters and gas suppliers in relation to gas.

2.11 New guaranteed standards of performance, or the amendment of existing guaranteed standards, under sections 39 and 39A of the Electricity Act and sections 33A and 33AA of the Gas Act, must be contained in secondary legislation. This secondary legislation must be approved by the Secretary of State. New overall standards of performance, or the amendment of existing overall standards, under sections 40 and 40A of the Electricity Act and sections 33B and 33BA of the Gas Act will be made by the Authority, through a statutory determination.

3. Electricity – existing standards

Guaranteed standards of performance

3.1 The following table summarises the guaranteed standards of performance currently applying in electricity distribution and supply:

No.	Service	Required Performance	Payment
1	Responding to failure of a supplier's fuse	Within three hours on weekdays between (at least) 7am to 7pm, and within 4 hours at weekends between (at least) 9am to 5pm.	£20
2	Restoring supplies after a fault	Must be restored within 18 hours For each further 12 hour period	£50 (domestic) £100 (non-domestic) £25
3	Providing supply and meter	Arrange an appointment within 2 working days for domestic consumers and 4 working days for non-domestic consumers.	£20 - £100
4	Estimating charges for connections and meter alterations	Within 5 days for simple jobs, and 15 days for others	£40
5	Notice of planned supply interruption	Consumers must be given 5 days' notice	£20 (domestic) £40 (non-domestic)
6	Investigation of voltage complaints	Visit within 7 working days or substantive reply within 5 days.	£20
7	Responding to meter problems	Visit within 7 working days or substantive reply within 5 working days.	£20
8	Responding to consumers' queries about charges, and payment queries	A substantive reply and agreed refunds paid within 5 working days	£20
9	Making and keeping appointments	A morning or afternoon appointment, or a timed appointment if requested by the customer	£20
10	Notifying consumers of payments owed under the standards	Write to the customer and make payment within 10 working days.	£20
11	Responding to prepayment meter faults	Within 3 hours on weekdays and 4 hours at weekends.	£20

3.2 Like OFFER before it, Ofgem has published annual reports on services for electricity consumers, giving full details of performance against the standards. In future, following the commencement of the relevant provisions of the Utilities Act this will be a role for energywatch. The October 2000 and January 2001 consultation papers summarised performance against these standards.

Overall standards of performance

3.3 The overall standards currently applying in the electricity sector are set out in the following table:

No.	Service	Required Performance
1a	Minimum percentage of supplies to be connected, following faults, within 3 hours.	Varies, between PESs, between 85% and 95%
1b	All supplies to be reconnected, following faults.	Within 18 hours
2	All voltage faults to be corrected	Within 6 months
3	Connecting new tariff premises to the electricity distribution system	30 working days (Domestic) 40 working days (Other)
4	All consumers who have been disconnected for non-payment to be reconnected before the end of the working day after they have paid the bill, or made arrangements to pay.	
5	Visiting to move the meter, when asked to do so by the customer	15 working days in all cases
6	Changing meters when necessary on change of tariff.	Within 10 working days of a domestic customer's request, in all cases.
7	Obtaining a firm meter reading for all domestic and business consumers at least once a year	Once a year.
8	Responding to all customer letters	Within 10 working days.

3.4 Differences in the targets set for the various PESs make it more difficult to summarise performance against the overall standards. In general, however, the trend is one of improvement since the standards were first set⁵.

Distribution and supply

3.5 The Utilities Act abolishes the concept of a PES and requires the legal separation of the PES electricity distribution and supply businesses. Separate standards will

⁵ Information on individual PES' performance against overall standards was also included in the OFFER annual reports on standards of service for consumers, which are referred to in paragraph 3.2.

be required for distributors and suppliers. It is helpful to identify which standards relate to distribution functions and which relate to supply functions.

i) electricity distribution - guaranteed standards

3.6 This table sets out the existing guaranteed standards that are readily allocable to licensed distribution businesses. To avoid confusion, the existing numbering has been preserved.

No.	Service	Required Performance	Payment
1	Responding to failure of a supplier's ⁶ fuse	Within three hours on weekdays between (at least) 7am to 7pm, and within 4 hours at weekends between (at least) 9am to 5pm.	£20
2	Restoring supplies after a fault	Must be restored within 18 hours. For each further 12-hour period.	£50 (domestic) £100 (non-domestic) £25
4	Estimating charges for connections and meter alterations	Within 5 days for simple jobs, and 15 days for others.	£40
5	Notice of supply interruption	Consumers must be given 5 days' notice	£20 (domestic) £40 (non-domestic)
6	Investigation of voltage complaints	Visit within 7 working days or substantive reply within 5 days.	£20
9	Making and keeping appointments	A morning or afternoon appointment, or a timed appointment if requested by the customer.	£20
10	Notifying consumers of payments owed under the standards	Write to the customer and make payment within 10 working days.	£20

⁶ The reference to 'a supplier's fuse' becomes confusing now that PES activities are to be clearly separated into distribution and supply. The 1989 Act used the term 'supply' somewhat loosely, in the context of PES activities. After separation the mains fuse on an incoming electricity service will be part of the distributor's equipment.

ii) electricity distribution - overall standards

3.7 The existing overall standards allocable to distribution would seem to be:

No.	Service	Required Performance
1a	Minimum percentage of supplies to be connected, following faults, within 3 hours.	Varies, between PESs, between 85% and 95%
1b	All supplies to be reconnected, following faults.	Within 18 hours
2	All voltage faults to be corrected.	Within 6 months
3	Connecting new tariff premises to the electricity distribution system.	30 working days (Domestic) 40 working days (Other)
8	Respond to all customer letters.	Within 10 working days.

iii) electricity supply - guaranteed standards

3.8 Six of the existing guaranteed standards are associated with supply. Three of these (GS 3, 7 and 11) relate directly to metering. Another two (GS 9 and 10) relate to it indirectly.

No.	Service	Required Performance	Payment
3	Providing supply and meter	Arrange an appointment within 2 working days for domestic consumers and 4 working days for non-domestic consumers.	£20 - £100
7	Responding to meter problems	Visit within 7 working days or substantive reply within 5 working days.	£20
8	Responding to consumers' queries about charges, and payment queries	A substantive reply and agreed refunds paid within 5 working days.	£20
9	Making and keeping appointments	A morning or afternoon appointment, or a timed appointment if requested by the customer.	£20
10	Notifying consumers of payments owed under the standards	Write to the customer and make payment within 10 working days.	£20
11	Responding to prepayment meter faults	Within 3 hours on weekdays and 4 hours at weekends.	£20

iv) electricity supply - overall standards.

3.9 Four of the five overall standards allocable to the supply activity are concerned with metering.

No.	Service	Required Performance
4	All consumers who have been disconnected for non-payment to be reconnected before the end of the working day after they have paid the bill, or made arrangements to pay.	100%
5	Visiting to move the meter, when asked to do so by the customer.	15 working days in all cases.
6	Changing meters when necessary on change of tariff.	Within 10 working days of a domestic customer's request, in all cases.
7	Obtaining a firm meter reading for all domestic and business consumers at least once a year.	Once a year.
8	Respond to all customer letters.	Within 10 working days.

4. Gas – existing standards

Obligations in the gas industry

- 4.1 The existing standards of performance in the gas sector result from licence conditions, Network Code obligations, and through voluntary standards of service adopted by Transco, rather than being prescribed through regulations or statutory directions. The Competition and Service (Utilities) Act gave the gas regulator the power to prescribe guaranteed and overall standards of performance in relation to gas supply services, but those powers have not been used.

Gas Transporters

i) obligations under condition 19 of the gas transporter licence

- 4.2 Standard condition 19 of the gas transporter licence requires that all gas transporters must establish standards of performance in respect of connections to premises using less than 2,500 therms, the provision of alternative heating and cooking facilities, and in relation to the prevention of gas escapes. The obligation is common to all gas transporters, but Transco's licence contains some enhancements to condition 19, imposing additional obligations with respect to reporting on performance against the standards, and with respect to provision of information to the regulator. The fact that Transco owns and operates by far the greatest part of the gas pipeline network means that regulatory attention has, hitherto, focused mainly on the Transco standards. Other gas transporters are required to report on the operation of any 'compensation scheme' that may be required under the condition, by virtue of their conveying gas to domestic consumers.

ii) Transco's obligations under the Network Code

- 4.3 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 the failure; and
- ◆ larger users a payment calculated in accordance with a formula set out in the Network Code.

4.4 The Code requires that Transco make any payments that are owed under this provision to the relevant shipper. The shipper is required, under the conditions of its shipper licence, to pass the payment on to the relevant supplier, who in turn is required by the conditions of its supply licence to pass the payment on to the customer. The most recent figures for payments made to domestic consumers, under this provision of the Network Code, is £958,650 between June 1999 and May 2000. In relation to larger users, payments totalling over £3000 have been made since August 1999.

iii) Transco's voluntary standards

4.5 British Gas first began to operate its voluntary standards in 1992. When British Gas split, in 1996, obligations under the standards were allocated between Transco and British Gas Trading (BGT). Transco's 'Public Standards of Service' are summarised in the following table. For the purposes of this consultation, and for comparability with the electricity standards, those Transco standards attracting 'fixed compensation' have been listed first. They roughly parallel the guaranteed standards in electricity. Transco may make discretionary compensation in respect of other standards, depending on the circumstances.

Ser.	Standard	Performance level	Payment
1	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
2	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

3	Telephone calls Planned performance level 90%	All calls to Transco call centres to be answered within 30 seconds.	Disc ⁷
4	Replies to correspondence – 1 Planned performance level 90%	Customer 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
5	Replies to correspondence – 2 Planned performance level 90%	Correspondence requesting connection of premises likely to use less than 2,500 therms (73,200 kWh) per year will receive a reply in 5 working days (unless the request comes via a shipper or supplier).	Disc
6	Complaints Planned performance level 100%	A record will be kept of all complaints, from whatever source.	Disc
7	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 customer's agreement.	Disc
8	Notification of planned work Planned performance level 95%	Work for planned maintenance that requires interruption of the gas supply, and entry to the customer'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
9	Gas emergencies (Transco currently undertakes this work, on behalf of 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

⁷ References to 'Disc' mean that Transco may make discretionary payments to consumers in respect of these standards.

Gas suppliers

i) BGT's obligations under special licence condition 13A

- 4.6 Special condition 13A of British Gas Trading's (BGT's) gas supply licence requires that BGT set, and report on, performance standards in respect of gas supply services to domestic consumers. These performance standards relate to: the supply of gas; ascertaining the quantity of gas supplied; and the recovery of gas charges. The BGT standards of performance discussed below comply with this obligation. These standards cover a wide range of customer safeguards that, in the electricity sector, are variously dealt with through standards of performance, licence conditions, codes of practice prepared in accordance with licence conditions, and voluntary service standards set by the companies.
- 4.7 The licences of other gas suppliers have no direct equivalent to special condition 13A, although standard conditions 16 to 21 provide for some of the same safeguards⁸. Section C (Supply to domestic consumers) of the new gas supply licence will replace conditions 16 to 21 with a suite of standard conditions affording additional protection to smaller consumers⁹. The Secretary of State's statutory licensing scheme made under paragraph 19(1) of Schedule 7 to the 2000 Act will incorporate the new standard licence conditions (determined by the Secretary of State under section 81 of the Utilities Act) into all existing gas supply licences.

ii) BGT's standards

- 4.8 As explained in paragraph 4.5, when British Gas split (in 1996) the standards were split between Transco and BGT, as appropriate. BGT's 'Public Standards of Service' are summarised in the following tables. The serials quoted are those given in the information leaflet 'Standards of service for our gas consumers'. For the purposes of this consultation, and for comparability with the electricity standards, those BGT standards attracting 'fixed compensation' have been listed first. They roughly parallel the guaranteed standards in electricity.

⁸ These customer safeguards are: advice on the efficient use of gas; services for pensioners or disabled or chronically sick persons; facilities for blind and deaf persons; steps to be taken when charges are unpaid; and a prohibition on disconnection of pensioners in the winter months.

⁹ Ofgem has consulted separately on what the appropriate definition of small consumers should be, for this and other purposes.

a) standards attracting fixed compensation

Ser	Standard	Performance level	Payment
6	Making and keeping appointments Measure of performance 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 payment.	£11
9	Appointments for final meter reading or clearance Measure of performance 99%	Morning or afternoon appointments (at two days' notice) for final meter reading or clearance.	£11
10	Special meter reading or clearance, at the customer's request. Measure of performance 99%	Visit within three working days of request. Morning or afternoon appointments to be agreed, as required.	£11

b) Standards not attracting fixed compensation

Ser	Standard	Performance level	% Target
1	Telephone answering	Within 30 seconds.	90%
2	Replies to customer correspondence	Within 5 working days. Interim replies to indicate the expected date of substantive replies.	90%
3	Customer complaints	A record to be kept of all written customer complaints.	99%
4	Visits	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.	93%
5	Obtaining a gas supply	Request to be passed to the relevant gas transporter within 48 hours.	99%
7a	Credit meter accounts (meter reading)	The company will submit gas bills based on an actual meter read ¹⁰ , at least once a year.	90%
7b	Credit meter accounts (meter reading)	The company will submit gas bills based on an actual meter read ¹¹ , at least once every two years.	99%
8	Meter reading frequency	Attempt to read meters six months after the previous reading or attempted reading.	98%
9	Final meter reading or clearance	A morning or afternoon appointment must be given, if required, with at least 2 days notice.	99%
10	Special meter reading or clearance	Visit within 3 working days of receiving a request. A morning or afternoon appointment to be agreed, if required.	99%
11	Estimating procedures	Procedures should favour neither BGT nor its consumers. Differences between actual and estimated gas usage will be monitored.	On 90% of occasions the company-wide weekly samples will be within +/- 4% points.
12	Account payment	No later than three months after an unpaid bill was dispatched, clear action will be taken to prevent build-up of debt.	99% of unpaid bills
13	'Helpline Pack' for defaulting consumers	Where a customer's account is unpaid and there has been no contact with the company, BGT will send a 'Helpline Pack', encouraging contact.	99% with whom no contact has been made

¹⁰ The customer can take this meter reading.

¹¹ This meter reading must be a company read.

14	Visits concerning unpaid bills	Where a bill remains unpaid after 13 weeks, the company's representative will visit the customer, to discuss an arrangement to pay.	95% of consumers visited
15	Payment arrangements	Unless standard 16 applies, the customer will be offered an affordable payment arrangement, to cover current consumption, plus a contribution towards arrears.	100% of consumers
16	Alternatives to payment arrangements	Where a payment arrangement is unsuitable, the company will offer a prepayment meter, or a Fuel Direct arrangement.	100% of consumers
17a	Regular payment schemes	Monitoring of consumption against monthly payment to be undertaken every six months, and payments adjusted accordingly.	None. BGT monitors its performance by reference to the number of complaints received.
17b	Regular payment schemes	Refunds will be made where there is a credit balance, and payments are in excess of the level required.	100% of requests
18	Refunds	Where the customer is entitled to a refund, it will be sent within five working days of the request, or of the decision that a refund is appropriate.	95% of requested refunds.
19	Defective/full meters	Where a defective or full meter means that the customer is off supply, a visit will be made within four hours of the request.	95% of requests
20	Older, disabled or chronically sick consumers	BGT will maintain a 'Gas Care Register', as described in the relevant code of practice.	None. BGT monitors the numbers registered and carries out 'internal analysis'.
21	Gas safety checks for those on the 'Gas Care Register'.	A check will be made within 28 days of the customer's joining the register, or later by agreement.	95% of new Gas Care consumers
22	Energy efficiency (services)	Consumers to be advised annually of energy efficiency services available, and of a point of contact for further information.	100% of consumers
23	Energy efficiency (advice)	Free energy efficiency advice to be available from trained specialists, at local call rates.	None, but BGT monitor the number of enquiries.
24	Energy efficiency (and debt)	Information on reduction of energy costs to be given when visiting consumers to discuss debt problems.	100% of consumers visited.

4.9 BGT reports annually on performance against these standards. In 1998, 1999 and 2000 the company met or exceeded all of the standards.

5. Responses to the January 2001 consultation and the draft secondary legislation

Responses to the January 2001 consultation paper

- 5.1 A list of the 22 organisations that responded to the January 2001 consultation is at Annex D to this document.
- 5.2 Responses are summarised in the following sections of this document, in the discussion of standards in the various businesses.

Draft secondary legislation on guaranteed and overall standards of performance

- 5.3 Following consideration of the responses received to the January 2001 consultation, Ofgem has prepared draft secondary legislation for consultation which reflect Ofgem's revised proposals. Ofgem proposes that the draft secondary legislation set out in Annexes A to C will take effect, in place of the existing PES standards of performance, when the PES transfer schemes to be made under Part I of Schedule 7 of the Utilities Act take effect. This is expected to be on 1 August 2001.
- 5.4 Annex A sets out draft regulations for electricity distributors and electricity suppliers which prescribes the guaranteed standards of performance which must be met. Ofgem proposes that the standards of performance set out in these regulations will apply to the ex-PES distribution businesses in respect of their old PES authorised areas.
- 5.5 Annex B sets out a draft statutory determination for electricity distributors. Ofgem proposes that the standards of performance set out in this determination will apply to the ex-PES distribution businesses in relation to their old PES authorised areas. Currently, the PESs have varying performance targets in relation to these standards and Ofgem does not propose to review these current performance targets for 2001/2002.
- 5.6 Annex C sets out a draft statutory determination for ex-PES electricity suppliers. Ofgem proposes that the standards of performance set out in this determination

will apply to the ex-PES supply businesses in relation to their old PES authorised areas. Currently, the PESs have varying performance targets in relation to these standards and Ofgem does not propose to review these current performance targets for 2001/2002.

- 5.7 Views are sought on the draft regulations and statutory determinations which are set out in Annexes A to C to this document.

6. The future of standards in electricity distribution

Ofgem's proposal

- 6.1 In January 2001 Ofgem proposed to retain the current guaranteed and overall standards of performance, as set out at Chapter 3, for the ex-PES distribution businesses. It was proposed that further work on the future application of standards of performance in electricity distribution would be taken forward in 2001 in conjunction with Ofgem's ongoing work on the Information and Incentives Project, for implementation in April 2002.
- 6.2 Ofgem proposed that, at present, the existing performance targets for current OS3 (estimate of charges for connections) of 30 working days for domestic customers and 40 working days for non-domestic customers should remain in place, rather than introduce the revisions proposed in October 2000.
- 6.3 Ofgem proposed that electricity distributors should be subject to certain metering standards that would apply also to suppliers.
- 6.4 Additionally, Ofgem proposed that the current GS5 (notification of planned supply interruptions) should be revised so as to require electricity distributors to give customers at least 2 days notice (rather than the current requirement of 5 days).

Summary of responses

- 6.5 Those respondents who commented on Ofgem's proposals in relation to electricity distribution were supportive of the proposal to retain the existing PES standards in 2001/2002 and to take forward the future application of standards in this area in conjunction with Ofgem's work on the Information and Incentives Project. However, 3 of the 22 respondents commented that the standards should apply to all electricity distributors rather than be limited to ex-PES distributors.
- 6.6 With regard to Ofgem's proposal to revise the performance target for current GS5 (notice of planned supply interruptions), from 5 days to 2 days, the PES distribution businesses that responded to the consultation commented that they

had not experienced any difficulties in adhering to the existing performance target of 5 days and some commented that if the standard were to be amended they would continue, where possible to give at least 5 days notice.

- 6.7 A number of respondents urged Ofgem to consider the disapplication or modification of current OS1a (restoration of supply following a supply outage). Concern was expressed that OS1a which excludes supply interruptions of less than 1 minute was inconsistent with the reporting arrangements set out as part of the Information and Incentives Project in relation to supply outages, which excludes all interruptions of less than 3 minutes. Some licensees suggested that the standard should be removed altogether, whilst others suggested that the standard should be aligned with the Information and Incentives Project arrangements (excluding all supply outages of less than 3 minutes).

Discussion and revised proposals

- 6.8 Ofgem considers that it is important that these existing guaranteed and overall standards of performance are retained and welcomes the support received from respondents regarding the retention of these existing guaranteed and overall standards of performance.
- 6.9 Some respondents commented that the standards should apply to all electricity distributors rather than just the ex-PES businesses. The DTI are currently preparing exemption regulations which will set out which operators of electricity distribution networks will require a licence. Ofgem continues to believe that until the decision on exemptions is known it seems sensible to restrict the standards, as they are now, to what will be the ex-PES distribution networks.
- 6.10 A number of respondents, whilst supporting Ofgem's proposal in relation to GS5, to move from a requirement for 5 days notice before a planned supply outage to 2 days, commented that they had not experienced difficulties in complying with the existing 5 day standard. However, Ofgem believes that the increased risk of unsafe working practices that are associated with a 5 day target necessitates a move to 2 days. Such an approach would also be consistent with the requirements laid out in the Electricity Supply Regulations 1988. Nonetheless, Ofgem is pleased by the view expressed by some electricity distributors that they would continue, wherever possible, to give at least 5 days

notice of a planned interruption to supply, but that this should not be at the expense of safety considerations.

- 6.11 Ofgem recognises that the retention of current OS1a in its present form would require electricity distributors to prepare two sets of statistics, excluding interruptions of less than 1 minute for OS1a and excluding interruptions of less than 3 minutes for the Information and Incentives Project. In view of this, Ofgem proposes that current OS1a is amended so that interruptions of less than 3 minutes are excluded.
- 6.12 Ofgem seeks views on the draft electricity distribution guaranteed standards of performance set out in the draft Regulations at Annex A to this document. Views are also sought on the draft overall standards of performance set out in the draft statutory determination at Annex B to this document.

7. The future of standards in gas transportation

Ofgem's proposals

- 7.1 In the January 2001 final proposals paper on standards of performance Ofgem proposed that the existing gas transportation standards of performance for Transco and other gas transporters should be retained until 31 March 2002, within the current regulatory framework¹². As part of the Transco price control review, Ofgem would then consult on guaranteed and overall standards of performance that should apply to Transco from April 2002. Ofgem would consult separately on any standards of performance that would apply to other gas transporters.
- 7.2 Additionally, it was proposed that Transco should be subject to certain metering standards that would apply also to suppliers.

Summary of responses

- 7.3 There was general support amongst those respondents who commented specifically on transportation for the proposals to retain the current measures whilst the Transco Price Control Review takes place. However, one respondent commented that it would be appropriate to increase Transco's current performance levels immediately, whilst two others suggested that a standard on the restoration of supply outages was introduced straight away.

Discussion and revised proposals

- 7.4 Ofgem welcomes the support received for its proposals to roll forward the existing arrangements until April 2002 and to consider the future application of guaranteed and overall standards in gas transportation as part of Ofgem's work on the Transco Price Control Review.
- 7.5 Transco's existing standards of performance were set in accordance with Transco's current price control arrangements. In view of this, Ofgem does not feel that it would be appropriate to seek to modify those performance targets before April 2002.

- 7.6 Ofgem is developing proposals for a guaranteed standard of performance on reconnecting customers following a supply interruption, which would apply from April 2002. This will be discussed further in the June Transco price control paper and a separate paper on standards of performance for other gas transporters. Transco's existing Network Code arrangements in respect of supply interruptions will apply until April 2002.
- 7.7 Ofgem's February price control paper invited views on a number of key issues concerning the development of regulatory standards for April 2002. These were:
- ◆ the appropriate scope of Transco's standards of performance;
 - ◆ the appropriate performance levels and whether they should apply individually to each LDZ;
 - ◆ the appropriate coverage of the standards and form of the compensation schemes;
 - ◆ the role of qualitative standards; and
 - ◆ whether Transco should provide additional information on its performance in attending gas emergencies.
- 7.8 The June price control paper will set out Ofgem's draft proposals for transportation standards of performance for Transco in the light of respondents' views on these issues. It will also take into account the results of customer survey work conducted by IFF research on behalf of Ofgem on standards of performance.
- 7.9 Ofgem will consult separately on the draft standards of performance to apply to other gas transporters.

¹² Therefore, retaining Standard Licence Condition 19 in the new transporter licences. Transco's licence would, as now, contain a modified version of Standard Licence Condition 19.

8. The future of standards in electricity and gas supply

Ofgem's proposals

- 8.1 In January 2001 Ofgem proposed to remove the two exclusively supply-related standards in electricity when supply price regulation is discontinued, with other existing PES supply standards continuing (with amendment) in respect of metering.
- 8.2 In gas supply, Ofgem proposed that the existing, voluntary standards should be retained until the price control is disappplied. From that time, competition should be sufficiently developed to be relied upon. There would then be no requirement for supply-related standards in gas.
- 8.3 Ofgem proposed that the existing overall standard on reconnection, following disconnection for electricity debt, should continue and should be introduced in respect of gas disconnections. These standards although placed on suppliers are, in effect, metering standards and would be taken forward as part of Ofgem's proposed standards of performance in relation to electricity and gas metering.

Summary of responses

- 8.4 Generally respondents to the January 2001 consultation document supported Ofgem's proposals to retain the existing supply related guaranteed and overall standards of performance on the ex-PES supply businesses at present, but that those standards should be removed on the removal of the price controls.
- 8.5 However, one respondent suggested that Ofgem should take the opportunity to go further and set new guaranteed and overall standards of performance for all suppliers. Another respondent commented that Ofgem should prescribe standards of performance in relation to supply for the ex-PES supply businesses and British Gas Trading.

Discussion and revised proposals

- 8.6 It has been suggested that Ofgem should take this opportunity to set additional standards of performance on suppliers, rather than to simply retain the PESs

existing supply related standards (in so far as they relate to supply activities) with a view to removing those standards on the removal of the price controls.

- 8.7 However, now that competition is established in the gas and electricity supply markets, Ofgem believes that there is a strong argument for discontinuation of standards in supply. Such an approach is consistent with Ofgem's declared policy of withdrawing from prescriptive regulation as consumers are able to rely on the protection that competition affords.
- 8.8 Ofgem believes that its proposals set out in the January 2001 consultation paper represent an appropriate withdrawal from prescriptive regulation in what has become a competitive market, balanced by significant extension of formal standards in other areas where competition has yet to develop. This approach leaves suppliers free to develop supply packages, for a range of price options, on the basis of their commercial judgement.
- 8.9 At present Ofgem does not believe that it is necessary to set guaranteed and overall standards in relation to supply, beyond the retention of the two existing exclusive supply standards that apply to the PESs. However, this is not an irrevocable step. In response to any perceived problem suitable standards could be quite quickly introduced, but at present Ofgem does not believe that any such standards are required.
- 8.10 Therefore Ofgem seeks views on the draft electricity supply guaranteed standards of performance set out in the draft Regulations at Annex A to this document. Views are also sought on the draft overall standards of performance set out in the draft statutory determination at Annex C to this document.
- 8.11 In relation to gas supply, the existing standards of service which are set under licence conditions will remain in place whilst the relative price control introduced in April 2001 continues.

9. The future of standards in electricity and gas metering

Ofgem's proposal

- 9.1 Ofgem proposed that metering standards should be placed on suppliers until effective competition in metering activities is established and consumers' interests are protected accordingly. In addition Ofgem proposed that complementary guaranteed and overall standards in relation to meter provision and maintenance should be placed on ex-PES distributors and Transco.
- 9.2 The following tables summarise Ofgem's January 2001 proposals for metering standards for both gas and electricity suppliers:

Guaranteed Standards

No.	Service	Required Performance	Payment
1	Providing a meter	Arrange and keep an appointment within 2 working days for domestic consumers and 4 working days for non-domestic consumers, to an existing connection.	£20/£100
2	Responding to meter problems	Visit within 7 working days or substantive reply within 5 working days.	£20/£100
3	Making and keeping appointments on metering business	A morning or afternoon appointment, or a timed appointment if requested by the customer	£20
4	Responding to prepayment meter faults	Attend within 3 hours on weekdays and 4 hours at weekends.	£20
5	Appointments for final meter reading or clearance	Morning or afternoon appointments (at two days' notice) for final meter reading or clearance.	£20
6	Special meter reading or clearance, at the customer's request.	Visit within three 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 customer and make payment within 10 working days.	£20

Overall standards

No.	Service	Required Performance
1	Visiting to reposition the meter, when asked to do so by the customer	15 working days following acceptance and payment of quote
2	Changing meters when necessary on change of tariff.	Within 10 working days of a domestic customer's request, in all cases.
3	Obtaining a non-estimated meter reading, for the purpose of billing the customer, for all domestic and business consumers: at least once every year (domestic); and at least once every two years (non-domestic).	<i>90% of properties</i>
4	Responding to prepayment meter faults: within 3 hours on weekdays within 4 hours at weekends	98% 95%
5	All 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.	<i>100%¹³</i>

9.3 As well as applying to all electricity and gas suppliers, guaranteed standards 1 to 4 would apply to ex-PES distribution businesses and to Transco. Similarly, all the overall standards, except OS3 (meter reading) would apply to ex-PES distributors and to Transco.

Summary of responses

9.4 There were wide variations of views with regard to the appropriate approach to take in relation to metering. Some respondents did not support the proposal for complimentary standards on the ex-PES electricity distributors and Transco and took the view that such standards were contrary to the supplier hub principle. Others supported Ofgem's proposal to set complementary metering standards, although a number of respondents suggested that the standards should only apply to the distribution businesses as suppliers have no control over the processes covered by the standards of performance. One respondent commented that Ofgem's proposals were insufficient to provide adequate protection for customers and sought the introduction of additional standards, in particular in relation to pre-payment metering.

¹³ Please note that the January 2001 consultation document incorrectly listed the performance target in respect of proposed OS5 as 24 hours. The reference should have been to 100%.

- 9.5 A number of respondents questioned the scope and application of the proposed standards and sought clarification as to how the standards would operate. In particular concern was raised regarding the appropriateness of some of the standards in relation to I&C customers and over the time and cost implications of introducing the proposed standards.

Discussion and revised proposals

- 9.6 The responses to the January 2001 consultation paper have raised a number of issues in relation to the future application of metering standards that Ofgem feels merit some further consideration.
- 9.7 However Ofgem believes that it is important that this further consideration does not delay the introduction of guaranteed and overall standards in relation to electricity distribution and supply. Therefore Ofgem proposes that the future application of standards in relation to metering is taken forward outside of this consultation document. It is intended that a further consultation paper relating to guaranteed and overall standards of performance in relation to metering will be issued in the coming weeks, once Ofgem has given further consideration to some of the issues, with a view to having appropriate standards of performance in relation to metering in place a little later in 2001.
- 9.8 Whilst further consideration is given to the metering standards Ofgem proposes that the existing guaranteed and overall standards that relate to metering, which currently apply to the PESs are carried forward for the ex-PES supply businesses in relation to their old PES authorised areas. This proposal has been reflected in the draft secondary legislation at Annex A and Annex C and comments are invited on those proposals.

10. The future of standards in network connections

Ofgem's proposal

- 10.1 Ofgem proposed that the existing gas standards should remain in force at present. The Electricity Connections Steering Group, which had been tasked with producing workable and effective standards of performance in electricity connections, would be asked to consider the feasibility of harmonising the standards of performance regimes for gas and electricity.

Summary of responses

- 10.2 Generally respondents supported the proposal to defer consideration of the future of standards in relation to connections whilst the Electricity Connections Steering Group continued its work.
- 10.3 However there was some concern as to the suitability of the Electricity Connections Steering Group to be commenting on the appropriateness of alignment between gas and electricity, in view of the Steering Group's focus on electricity connections.

Discussion and revised proposals

- 10.4 Ofgem welcomes respondents' support to its proposal to defer consideration of the future of standards in relation to connections whilst the Electricity Connections Steering Group continues its work.
- 10.5 In October 2000 Ofgem proposed that Transco's existing standards of performance in relation to connections should be adopted in relation to electricity connections. However, in considering the responses to the October 2001 consultation, Ofgem recognised that there were a number of technical and practical difficulties in transposing those standards into electricity. In addition, in view of the work being undertaken by the Electricity Connections Steering Group to produce workable and effective standards of performance in relation to electricity connections, Ofgem agreed that it would be inappropriate to consider the future application of standards of performance in electricity connections at this stage.

10.6 In setting guaranteed and overall standards of performance Ofgem is seeking, where appropriate, to align. As such, Ofgem feels that in considering the future application of standards of performance in electricity connections, it is appropriate that the Electricity Connections Steering Group considers whether it is possible to align the standards of performance in relation to electricity and gas connections.

11. Compensation payments and exemptions

Initial proposals

(a) compensation payments

- 11.1 Ofgem believes it to be appropriate for gas transporters to make any compensation payments under standards of performance through suppliers and shippers, and that this should be done through licence conditions, mirroring the existing position in electricity¹⁴.

(b) exemptions

- 11.2 In its October 2000 and January 2001 consultation papers Ofgem proposed that, in reviewing the future application of standards of performance the opportunity would be taken to amend the current exemption regulations in relation to severe weather.

Summary of responses

(a) compensation payments

- 11.3 Generally respondents supported Ofgem's proposal that suppliers pass on payments to customers on behalf of electricity distributors and gas transporters.
- 11.4 However, one respondent continued to assert that suppliers should be able to levy an administrative charge on electricity distributors and gas transporters for providing this service.

(b) exemptions

- 11.5 Respondents welcomed Ofgem's decision to review the operation of the current exemptions in relation to severe weather and indicated that the exemption, as currently drafted, was unclear as to the applicability of the exemption following an occurrence of severe weather.

¹⁴ The draft standards licence conditions, published in October 2000, and the DTI draft standard licence conditions published in March 2001, included conditions requiring the passing on of payments.

Discussion and revised proposals

(a) compensation payments

11.6 Ofgem recognises that there will be costs associated with passing on compensation payments owed by electricity distributors and gas transporters to customers, and that under Ofgem's proposals these costs will be met by the supplier. However, Ofgem believes that the passing on of these payments is a role rightly attributed to the supplier, forming part of the suppliers' customer service package to the customer and as such it would not be appropriate for the supplier to levy an administrative charge on electricity distributors and gas transporters.

(b) exemptions

11.7 Ofgem appreciates that there is a need to review the operation of the exemption regulations in relation to severe weather. Ofgem proposes that a comprehensive review of the scope and application of the existing exemption regulations is undertaken and that consideration of the current exemption in relation to severe weather is taken forward as part of that review. The review will be conducted during 2001/2002 as part of Ofgem's work in reviewing the future application of standards of performance in electricity distribution, in conjunction with Ofgem's work on the Information and Incentives Project.

12. Future action

- 12.1 In accordance with our normal practice, we intend to make responses to this consultation publicly available, through the Ofgem Library. However, if asked to do so, we shall respect the confidentiality of any response. Respondents wishing their responses to remain confidential should clearly mark the documents to that effect.
- 12.2 Ofgem would welcome views on the revised proposals set out in this paper and on the draft secondary legislation set out in at Annexes A to C.

Timetable for the consultation

- 12.3 The deadline for responses is Monday 2 July 2001.
- 12.4 We currently plan to put in place the necessary regulations and orders for 1 August 2001, to accord with the commencement of the relevant provisions of the Utilities Act.
- 12.5 Responses to this consultation should be sent to:

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Annex A

STATUTORY INSTRUMENTS

[2001 No.]

ELECTRICITY

The Electricity (Standards of Performance) Regulations [2001]

Made.....[...2001]
Coming into force.....[?????]

ARRANGEMENT OF REGULATIONS

Regulations

1. Citation and commencement
2. Interpretation

Electricity distributor's individual standards of performance

3. Electricity distributor's fuse
4. Supply restoration
5. Estimate of charges for connection
6. Notice of supply interruption
7. Voltage complaint

Electricity supplier's individual standards of performance

8. Providing a meter
9. Meter disputes
10. Pre-payment meters
11. Estimate of charges for repositioning a meter
12. Charges and payments

Common obligations

13. Appointments
14. Disputes
15. Payments
16. Exemptions
17. Timing of notification
18. Notice of rights

Overall standards of performance

19. Information to be given to customers about overall performance

General

20. Transitional provisions
21. Revocation

THE SCHEDULE

The Gas and Electricity Markets Authority in exercise of the powers conferred by sections 39, 39A, 39 B, 42A and 60 of the Electricity Act 1989^(a) and all other enabling powers after consultation with the Gas and Electricity Consumer Council, electricity suppliers^(b) and with persons and bodies appearing to be representative of persons likely to be affected by the Regulations, after considering the results of research to discover the views of a representative sample of persons likely to be affected, and with the consent of the Secretary of State in accordance with sub-sections 39(1)(a) and 39A(1)(a) of the Electricity Act 1989, makes the following regulations:

Citation and commencement

1. (1) These regulations may be cited as the Electricity (Standards of Performance) Regulations [2001] and shall come into force on [1 August 2001].

Interpretation

2. (1) In these Regulations-

(a) 1989 c.29

(b) Regulation 4 of the Utilities Act 200 (Transitional Provisions No. 1) Regulations 2001 (SI [?] / 2001) amends the requirement for consultation set out in section 40 B of the Electricity Act 1989.

‘the Act’ means the Electricity Act 1989;

‘appropriate meter’ has the meaning given in paragraph 1 of Schedule 7 to the Act;

‘the Authority’ means the Gas and Electricity Markets Authority;

‘commencement date’ means, in relation to each occasion upon which a regulation applies, the day upon which that regulation first applies, or, where a prescribed period in a paragraph of a regulation is expressed in hours, the time on that day when that regulation first applies;

‘Consumer Council’ means the Gas and Electricity Consumer Council;

‘customer’ means a person who supplied or requiring to be supplied with electricity at any premises in Great Britain, and includes an electricity supplier where he is acting on behalf of such a person;

‘distribution services area’ means the area specified or described pursuant to standard condition 2 of the electricity distributor’s electricity distribution licence;

‘domestic customer’ means a customer supplied or requiring to be supplied with electricity at domestic premises (but excluding such customer in so far as he is supplied or requires to be supplied at premises other than domestic premises);

‘domestic premises’ means premises at which a supply is taken or to be taken wholly or mainly for domestic purposes;

‘electricity distributor’, for the purposes of these Regulation, means an electricity distributor in whose licence Section C of the standard conditions of distribution licences is in effect and where that distributor is distributing in its distribution services area;

‘electricity distributor’s fuse’ means the fusible cut-out or automatic switching device of the electricity distributor for disconnecting the supply to the customer’s premises situated nearest to the electricity distributor’s side of the appropriate meter for the customer’s premises;

‘electricity supplier’, for the purposes of these Regulation, means an electricity supplier in whose licence Section D of the standard conditions of supply licences is in effect and where that supplier is supplying in its supply services area;

‘margins of error’ means the prescribed margins of error or the agreed margins of error as defined in paragraph 13 of Schedule 7 to the Act;

‘non-domestic customer’ means any customer other than a domestic customer;

‘pay’ includes crediting the account of the customer for charges incurred or to be incurred in respect of the supply or in respect of the provision of any electricity meter, electric line or electrical plant, and ‘payment’ shall be construed accordingly;

‘prescribed period’ means, in a paragraph or sub-paragraph of a regulation, the period in column 2 of Part I of the Schedule opposite the reference to that paragraph or sub-paragraph of the regulation in column 1 of Part I of the Schedule;

‘prescribed sum’ means, in a paragraph or sub-paragraph of a regulation, where the customer is a domestic customer the amount in column 3 of Part I of the Schedule, or where the customer is a non-domestic customer the amount in column 4 of Part I of the Schedule in either case opposite the reference to that paragraph or sub-paragraph of the regulation in column 1 of Part I of the Schedule;

‘relevant operator’ means, the electricity supplier or, as the case may be, the electricity distributor, depending on the particular regulation in issue;

‘specified time’ means-

- (a) unless sub-paragraph (b) applies, a part (specified by the electricity supplier) of a day (also specified by the electricity supplier) within the prescribed period from the commencement date, being either a part which falls either wholly before one o’clock in the afternoon or wholly after noon, or a part not exceeding two hours, or
- (b) such part of a day (whether or not within that period) as is requested by the customer and agreed with the electricity supplier, such agreement not to be unreasonably withheld,

Provided -

- (i) that a part of a day may be specified time for the purpose of a regulation notwithstanding that it was requested, agreed or specified prior to the time at which that regulation first applied ;and
- (ii) that the electricity supplier shall not be obliged to agree part of a day less than two hours;

‘standard condition of electricity supply licences’ means the document determined by the Secretary of State for that purpose pursuant to section 33(1) of the Utilities Act 2000 including any amendment or modification made to those standard conditions in accordance with the Act, and a reference in a provision relating to electricity distributors to a numbered standard condition is a reference to the standard condition bearing that number in the standard conditions of electricity distribution licences;

‘standard condition of electricity distribution licences’ means the document determined by the Secretary of State for that purpose pursuant to section 33(1) of the Utilities Act 2000 including any amendment or modification made to those standard conditions in accordance with the Act, and a reference in a provision relating to electricity suppliers to a numbered standard condition is a reference to the standard condition bearing that number in the standard conditions of electricity supply licences;

‘supply services area’ means the area specified or described pursuant to standard condition 3 of the electricity supplier’s electricity supply licence;

‘working hours’ means the period between the hours specified in Part II of the Schedule; and

- (2) In these regulations ‘the Schedule’ means the Schedule to these regulations.
- (3) Unless the context otherwise requires, any reference in these Regulations to a numbered regulation is a reference to the regulation on these Regulations bearing that number; and any reference in a regulation to a numbered paragraph or sub-

paragraph is a reference to the paragraph or sub-paragraph of that regulation bearing that number.

- (4) For the purpose of these Regulations-
 - (a) where more than one person is a customer in respect of particular premises, a notice given by a relevant operator to one person who is a customer in respect of those premises shall be a sufficient notice to any other person who is a customer in respect of those premises at the time the notice is given;
 - (b) where a person is a customer in respect of more than one premises, a reference in a regulation to 'customer' is a reference to that person in respect of each of the premises of which he is a customer to which the regulation applies;
 - (c) any reference to the dispatch by a relevant operator of an explanation or reply within a particular period shall not require that the explanation or reply (if in writing) is received by the customer within that period and shall be satisfied if the relevant operator provides the explanation or reply orally to the customer within that period; and
 - (d) any reference to a customer shall (except in relation to the entitlement to any payment due from a relevant operator under these Regulations) include-
 - (i) any person having apparent authority to represent the customer; and
 - (ii) where the customer is the owner of the premises supplied, any person occupying those premises.

Electricity distributor's individual standards of performance

Electricity distributor's fuse

3. (1) This regulation applies where an electricity distributor is informed (other than by post) by a customer during working hours that, or of circumstances suggesting that, the electricity distributor's fuse has operated so as to disconnect the supply to the customer's premises.
- (2) For the purposes of paragraph (1), where information is received by a electricity distributor outside working hours it shall be deemed to have been received at the commencement of the next following working hours.
- (3) Where, within the prescribed period from the commencement date, an appropriate person fails to attend at the premises where the electricity distributor's fuse is situated for the purpose of replacing or reinstating the electricity distributor's fuse and restoring the supply, the electricity distributor shall, except in any of the circumstances described in paragraph (4), pay to the customer the prescribed sum.
- (4) The circumstances described in this paragraph are-
 - (a) each of the circumstances described in regulation 16;
 - (b) that the customer or, as the case may be, the electricity supplier did not request the electricity distributor to restore the supply; and
 - (c) that the electricity distributor's fuse had not operated so as to disconnect the supply.

- (5) In this regulation, 'appropriate person' means a person employed or authorised by an electricity distributor to restore the supply where the electricity distributor's fuse has operated.

Supply restoration

4. (1) This regulation applies where the supply to a customer's premises is discontinued as a result of a failure of, fault in or damage to the electricity distributor's distribution system, except where regulation 3 applies.
- (2) Where this regulation applies, the electricity distributor shall, except in any of the circumstances described in paragraph (3), pay to the customer, where –
- (a) the supply is not restored to the customer's premises within the relevant period, the prescribed sum; and
 - (b) in respect of each succeeding period of 12 hours upon the expiry of which the supply is not restored, the prescribed sum.
- (3) The circumstances described in this paragraph are-
- (a) each of the circumstances described in regulation 16;
 - (b) that it was not reasonable in all the circumstances for the electricity distributor to be aware either that the supply to the customer's premises had been discontinued or that the supply had not been restored;
 - (c) that-
 - (i) the premises to which the supply was discontinued are situated on an island;
 - (ii) the supply to premises on that island is normally provided through an electric line situated on or under the sea bed;
 - (iii) the failure, fault or damage occurred in that part of the electric line which is situated below the high water mark of spring tides; and
 - (iv) no alternative means is normally available to the electricity distributor to supply the premises on that island; and
 - (d) that the electricity distributor has not received a claim for compensation from the customer in respect of the circumstance referred to in paragraph (1) within a period of one month from the date upon which the supply was restored to the customer's premises.
- (4) In this regulation-
- 'relevant period' means the prescribed period commencing at the time-
 - (i) the electricity distributor is informed by a customer that the supply to the customer's premises has been discontinued;
 - (ii) the electricity distributor is informed by a person other than the customer or is otherwise made aware by the operation of any automatic system operated by the electricity distributor of circumstances in which paragraph (1) applies or may reasonably be expected to apply to premises including the customer's premises; or
 - (iii) where the failure, fault or damage has occurred in an underground electric line of a nominal voltage of 20 kilovolts, 12 hours after the time at which paragraph (i) or (ii) applies.

Estimate of charges for connection

5. (1) This regulation applies where-
- (a) a customer gives a notice under section 16A(1) of the Act (including a notice modifying any previous notice) and requests that the electricity distributor provides an estimate;
 - (b) the supply is to be provided at low voltage; and
 - (c) the electricity distributor receives from the customer the information relating to the provision of the supply which is or could reasonably be expected to be within the knowledge of the customer and is reasonably required by the electricity distributor to enable him to provide the estimate.
- (2) Where this regulation and paragraph (4) apply and the electricity distributor fails to dispatch an estimate to the customer within the prescribed period from the commencement date, the electricity distributor shall, except in any of the circumstances described in regulation 16, pay to the customer the prescribed sum.
- (3) Where this regulation, but not paragraph (4), applies and the electricity distributor fails to dispatch an estimate to the customer within the prescribed period from the commencement date, the electricity distributor shall, except in any of the circumstances described in paragraph (5), pay to the customer the prescribed sum.
- (4) This paragraph applies where it is reasonable for the electricity distributor to believe that it will not be necessary to carry out any significant work other than the provision of a service line, an appropriate meter and an electricity distributor's fuse to enable the connection to be given.
- (5) The circumstances described in this paragraph are-
- (a) each of the circumstances described in regulation 16; and
 - (b) that the electricity distributor reasonably believes that the premises referred to in the notice form or will form part of a development scheme comprising five or more premises.
- (6) In this regulation-
- 'estimate' means a statement in writing of the amount which the electricity distributor reasonably expects he will require the customer to pay under sub-section 19(1) of the Act or under regulations made under sub-section (2) of that section having regard to the information which is known or ought reasonably be known by the electricity distributor in relation to the carrying out of that work including-
 - (i) where the electricity distributor reserves the right to vary the amount stated having regard to the actual costs incurred by him in carrying out the work, a reference to any matters which the electricity distributor considers may cause the amount to be varied significantly; and
 - (ii) the terms for payment of the amount stated and any variation of that amount;

'low voltage' means a nominal voltage not exceeding 1,000 volts; and

'service line' means a low voltage electric line or any part of the line which will, at the time it is provided, only be used for supplying a single customer, excluding any part of the line which, at the time it is provided, is intended by the electricity distributor to be used to enable him to provide a connection to premises (other than the customer's premises) in respect of which the electricity distributor has received

or would reasonably expect within the following 12 months to receive a notice under section 16A.

Notice of supply interruption

6. (1) This regulation applies where an electricity distributor discontinues the supply to a customer's premises for an authorised purpose.
- (2) Where this regulation applies and the electricity distributor-
 - (a) has failed to give to the customer prior notice of not less than the prescribed period, stating the day upon which the supply is or is expected to be discontinued; or
 - (b) discontinues the supply on a day other than a day stated in the notice, the electricity distributor shall, except in any of the circumstances described in paragraph (3), pay to the customer the prescribed sum.
- (3) The circumstances described in this paragraph are-
 - (a) each of the circumstances described in paragraphs (3), (6) and (7) of regulation 16; and
 - (b) that the electricity distributor has not received a claim for compensation from the customer in respect of the failure referred to in paragraph (2) within a period of one month from the commencement date.
- (4) In this regulation 'authorised purpose' means testing or any other purpose connected with the carrying on of the activities which he is authorised by his licence to carry on in relation to his electric lines and electrical plant (other than the electricity distributor's fuse).

Voltage complaint

7. (1) This regulation applies where a electricity distributor is informed by a customer that-
 - (a) the customer believes that the supply is being or has been given at a voltage outside the limits of the permitted variations; or
 - (b) an event has occurred in relation to the supply and an electricity distributor might reasonably expect the cause of the event to have been a supply given at a voltage outside the limits of the permitted variations.
- (2) Where this regulation and paragraph (3) apply, and the electricity distributor fails within the prescribed period from the commencement date to offer to the customer to visit the customer's premises to investigate the matter during a specified time the electricity supplier shall, except in any of the circumstances described in paragraph (5), pay to the customer the prescribed sum.
- (3) This paragraph applies where the electricity distributor is reasonably satisfied that he is unable to provide an explanation of the probable reason for the matter notified under paragraph (1) without visiting the customer's premises.
- (4) Where this regulation applies and the electricity distributor-
 - (a) where paragraph (3) applies, fails to visit the customer's premises during the specified time, he shall pay to the customer the prescribed sum; or

- (b) where paragraph (3) does not apply, fails to dispatch to the customer an explanation of the probable reason for the matter notified under paragraph (1) within the prescribed period from the receipt of the notice, he shall pay to the customer the prescribed sum, except in either case in any of the circumstances described in paragraph (5).
- (5) The circumstances described in this paragraph are each of the circumstances described in regulation 16 provided that, in relation to paragraph (6) of that regulation, the electricity distributor gave the customer not less than one working day's prior warning (whether or not in writing) that he would be unable to visit during the specified time or the circumstances in which that paragraph applied occurred at a time when it was not reasonably practicable to give such a warning.
- (6) In this regulation, 'permitted variations' has the same meaning as in regulation [x] of the Electricity Safety, Quality and Continuity Regulations [2001]^(a).

Electricity supplier's individual standards of performance

Providing a meter

- 8. (1) This regulation applies where-
 - (a) a customer makes a request to the electricity supplier for the installation of an appropriate meter at the premises;
 - (b) it is necessary for the electricity supplier to visit the customer's premises to install an appropriate meter;
 - (c) the electricity supplier is not required to install any electric line other than a line to connect the meter where the distance between the connection points of the meter and the electrical plant containing the electricity distributor's fuse does not or will not exceed one metre;
 - (d) the electricity supplier all the information in relation to the supply requested which the electricity supplier might reasonably require; and
 - (e) the customer has communicated orally with the electricity supplier in connection with the ascertainment of the specified time.
- (2) Where this regulation applies and the electricity supplier in respect of a request by-
 - (a) a domestic customer fails within the prescribed period from the commencement date to make an appointment to visit during a specified time, the electricity supplier shall, except in any of the circumstances described in paragraph (4), pay to the customer the prescribed sum;
 - (b) a non-domestic customer to whose premises the supply will be given through and the quantity of electricity ascertained by a whole current meter fails within the prescribed period from the commencement date to make an appointment to visit during a specified time, the electricity supplier shall, except in any of the circumstances described in paragraph (4), pay to the customer the prescribed sum; or
 - (c) any other non-domestic customer fails to make an appointment to visit during a part of a day as requested by the customer, the electricity supplier shall, except in any of the circumstances described in paragraph (4), pay to the customer the prescribed sum.

^(a) S.I. [2001/?????].

- (3) If the electricity supplier fails to visit during the specified time or, where sub-paragraph (2)(c) applies, during the part of the day as requested in accordance with the sub-paragraph, he shall, except in any of the circumstances described in paragraph (4), pay to the customer the prescribed sum.
- (4) The circumstances described in this paragraph are-
 - (a) each of the circumstances described in regulation 16 provided that, in relation to paragraph (6) of that regulation, the electricity supplier gave the customer not less than one working day's prior warning (whether or not in writing) that he would be unable to make the visit or the circumstances referred to in that paragraph occurred at a time when it was not reasonably practicable to give such a warning;
 - (b) in relation to sub-paragraph (2)(c), that the customer requested the visit during a part of the day less than two hours or that it was otherwise reasonable that the electricity supplier was unable to agree to make the visit as requested by the customer; and
 - (c) that the electricity supplier reasonably believed that the maximum period for which the meter is required by the customer does not exceed three months.

Meter disputes

- 9. (1) This regulation applies where an electricity supplier is informed by a customer -
 - (a) that the customer considers that an appropriate meter is or may have been operating outside the margins of error; or
 - (b) that circumstances exist which an electricity supplier might reasonably expect to have been caused by the meter operating outside the margins of error.
- (2) Where this regulation and paragraph (3) apply, and the electricity supplier fails within the prescribed period from the commencement date to offer to visit the customer's premises to investigate the matter during a specified time the electricity supplier shall, except in any of the circumstances described in paragraph (5), pay to the customer the prescribed sum.
- (3) This paragraph applies where the electricity supplier is reasonably satisfied that he is unable to provide an explanation to the customer of the probable reason for the matters notified under paragraph (1) without visiting the customer's premises.
- (4) Where this regulation applies and the electricity supplier-
 - (a) where paragraph (3) applies, fails to visit the customer's premises during the specified time he shall pay to the customer the prescribed sum; or
 - (b) where paragraph (3) does not apply, fails to dispatch to the customer an explanation of the probable reason for the matter notified under paragraph (1) within the prescribed period from the receipt of the notice he shall pay to the customer the prescribed sum;
 except in either case in any of the circumstances described in paragraph (5).
- (5) The circumstances described in this paragraph are each of the circumstances described in regulation 16 provided that, in relation to paragraph (6) of that regulation, the electricity supplier gave the customer not less than one working day's prior warning (whether or not in writing) that he would be unable to visit during the specified time or the circumstances in which that paragraph applied occurred at a time when it was not reasonably practicable to give such a warning.

Pre-payment Meters

10. (1) This regulation applies where an electricity supplier is informed (other than by post) during working hours by a customer who takes his supply through a pre-payment meter either that the pre-payment meter is not operating so as to permit a supply to the customer's premises in the manner in which it is designed to do, or of circumstances suggesting that the pre-payment meter is not so operating.
- (2) For the purposes of paragraph (1), where information is received by an electricity supplier outside working hours it shall be deemed to have been received at the commencement of the next following period of working hours.
- (3) Where, within the prescribed period from the commencement date, an appropriate person fails to attend at the premises where the pre-payment meter is installed in order to repair or replace the pre-payment meter so as to permit a supply in the manner in which it is designed to do the electricity supplier shall, except in any of the circumstances described in paragraph (4), pay to the customer the prescribed sum.
- (4) The circumstances described in this paragraph are:
 - (a) each of the circumstances described in regulation 16;
 - (b) that the customer did not request the electricity supplier to attend the premises;
 - (c) that the customer did not request the electricity supplier to restore the supply; and
 - (d) that the pre-payment meter was found to be operating in the manner in which it was designed to do.
- (5) In this regulation, 'appropriate person' means a person employed or authorised by an electricity supplier to repair and replace pre-payment meters.

Estimate of charges for repositioning a meter

11. (1) This regulation applies where-
 - (a) a customer gives a notice requesting that the position of the appropriate meter should be altered and requests that the electricity supplier provides an estimate;
 - (b) the supply is to be provided at low voltage; and
 - (c) the electricity supplier receives from the customer the information relating to the proposed new position of the meter which is or could reasonably be expected to be within the knowledge of the customer and is reasonably required by the electricity supplier to enable him to provide the estimate.
- (2) Where this regulation applies and the electricity supplier fails to dispatch an estimate to the customer within the prescribed period from the commencement date, the electricity supplier shall, except in any of the circumstances described in regulation 16, pay to the customer the prescribed sum.
- (3) The circumstances described in this paragraph are-
 - (a) each of the circumstances described in regulation 16; and
 - (b) that the electricity supplier reasonably believes that the premises referred to in the notice form or will form part of a development scheme comprising five or more premises.

- (4) In this regulation-
- ‘estimate’ means a statement in writing of the amount which the electricity supplier reasonably expects he will require the customer to pay having regard to the information which is known or ought reasonably be known by the electricity supplier in relation to the carrying out of that work including-
- (i) where the electricity supplier reserves the right to vary the amount stated having regard to the actual costs incurred by him in carrying out the work, a reference to any matters which the electricity supplier considers may cause the amount to be varied significantly; and
 - (ii) the terms for payment of the amount stated and any variation of that amount; and

‘low voltage’ means a nominal voltage not exceeding 1,000 volts.

Charges and payments

12. (1) This regulation applies where a customer informs an electricity supplier-
- (a) that the customer requests a change in the method by which he makes payment to the electricity supplier in respect of the supply; or
 - (b) of a query as to-
 - (i) the correctness of an account relating to the supply presented to the customer by the electricity supplier (other than in circumstances in which regulation 9 applies); or
 - (ii) whether, in relation to the matter or matters described by the customer, any payment ought to be made to the customer and the matter is one to which these regulations apply or appear to apply.
- (2) Where this regulation applies the electricity supplier shall, except in any of the circumstances described in paragraph (3), pay to the customer the prescribed sum if the electricity supplier fails-
- (a) in the case of a request under sub-paragraph (1)(a) and where the electricity supplier does not expect to be able to approve the request, to dispatch a substantive reply to the customer within the prescribed period from the date of receipt of the information;
 - (b) in the case of a query under sub-paragraph (1)(b), to dispatch a substantive reply to the customer within the prescribed period from the date of receipt of the information; or
 - (c) in the case of a query under sub-paragraph (1)(b)(i) to which the electricity supplier’s reply states that the customer is entitled to a payment from the electricity supplier, to make payment by cash, cheque, bank transfer or postal order to the customer of the amount due within the prescribed period from the date of dispatch of the electricity supplier’s reply.
- (3) The circumstances described in this paragraph are-
- (a) each of the circumstances described in regulation 16; and
 - (b) in respect of a query under paragraph (1)(b)(ii) that the electricity supplier has previously dispatched a notice under regulation 16(2) relating to the matter.

Common individual standards of performance

Appointments

13. (1) This regulation applies where-
- (a) the customer informs the relevant operator that the customer wishes the relevant operator to visit the customer's premises, or
 - (b) the relevant operator informs the customer that the relevant operator wishes to visit the customer's premises,
- being in either case a visit in connection with the activities which the relevant operator is required or authorised to carry on under his licence which requires access to be afforded to his representative or for which it would otherwise be reasonable to expect the customer to be present.
- (2) Where this regulation applies and the relevant operator fails within a reasonable period from the commencement date to offer a timed appointment, the relevant operator shall, except in the circumstances specified in paragraph (5), pay to the customer the prescribed sum.
- (3) Where this regulation applies and the relevant operator fails to keep a timed appointment, the relevant operator shall, except in the circumstances described in paragraph (5), pay to the customer the prescribed sum.
- (4) Where a timed appointment is made for more than one purpose, the relevant operator shall not be required to pay more than one prescribed sum under paragraph (3) in respect of that timed appointment.
- (5) The circumstances described in this paragraph are-
- (a) each of the circumstances described in regulation 16 provided that in paragraph (6) of that regulation, the relevant operator gave the customer not less than one working day's prior warning (whether or not in writing) that he would be unable to keep the timed appointment or the circumstances in which the paragraph applied occurred at a time when it was not reasonably practicable to give such a warning;
 - (b) that the visit is for the purpose of responding to information received under regulations 3, 7, 9, or 10 (or a notice under regulation 8); and
 - (c) that the visit is wholly or mainly in connection with the disconnecting the premises in exercise of the power contained in sub-paragraph 2(1) of Schedule 6 to the Act.
- (6) In this regulation, 'timed appointment' means an appointment to make a visit to a customer's premises commencing-
- (a) unless sub-paragraph (b) applies, during a part (specified by the relevant operator) of a day (also specified by the relevant operator) within a reasonable period from the commencement date, having regard to the purpose of visit, being either a part which falls either wholly before one o'clock in the afternoon or wholly after noon, or a part not exceeding two hours; or
 - (b) during such part of a day as is requested by the customer and agreed with the relevant operator, such agreement not to be unreasonably withheld, provided that the relevant operator shall not be obliged to agree a part of a day less than two hours.

Disputes

14. (1) Where a dispute is referred to the Authority for determination under sub-section 39B(1)(a) of the Act, the parties shall furnish to the Authority or, if the Authority so notifies the parties, to a person prescribed by the Authority pursuant to sub-section 39B(1)(b) of the Act, such evidence in such form and at such time as it or the person so directs that it or the person may reasonably require to enable determination of the dispute.

- (2) Where a dispute is determined by an order requiring an electricity supplier to make a payment to the customer and the relevant operator fails to make that payment, the customer may set off the amount so ordered to be paid against any charges that are owed by the customer to the electricity supplier.
- (3) An order determining a dispute-
 - (a) may include a provision requiring the relevant operator or the customer to pay a sum in respect of the costs or expenses incurred by the person making the order; and
 - (b) shall not (whether the customer is more than one person) determine who is beneficially entitled to any payment required to be made by the order.
- (4) A person making an order under paragraph (2) shall include in the order reasons for reaching the decision with respect to the dispute.
- (5) An order under paragraph (2) shall be final and shall be enforceable –
 - (i) in England and Wales, as if it were a judgement of a county court, and
 - (ii) in Scotland, as if it were an extract registered decree arbitral bearing a warrant for execution issued by the sheriff.

Payments

15. (1) This regulation applies where a relevant operator is obliged to make a payment to a customer under any of regulations 3 to 13 (inclusive) or under any of regulations 3 to 11 (inclusive) of the Electricity (Standards of Performance) Regulations 1993^(a).
- (2) Where this regulation applies and the relevant operator fails within the prescribed period from the commencement date to dispatch a notice to the customer advising that the payment is due to the customer and to make payment to the customer of the sum to which he is entitled, the relevant operator shall, except in any of the circumstances described in paragraph (3), pay to the customer the prescribed sum.
- (3) The circumstances described in this paragraph are-
 - (a) each of the circumstances described in regulation 16; and
 - (b) that there is a genuine dispute between the relevant operator and the customer as to whether the relevant operator is obliged to make the payment.
- (4) Where a relevant operator is required to make a payment under these regulations-
 - (a) in relation to any premises of which more than one person is a customer, a payment to any one or more of the customers of those premises shall be a complete discharge of the obligation of the relevant operator to make the payment to all the customers of those premises;
 - (b) nothing in, or done by a relevant operator in consequence of, these regulations shall determine who is beneficially entitled to any payment made in pursuance of these Regulations;
 - (c) a relevant operator shall not be required to make a payment other than to a customer; and
 - (d) nothing in these Regulations shall permit a relevant operator to make a payment other than by means of-
 - (i) a cheque or cash; or

^(a) S.I. 1991/1344.

- (ii) a credit to the account of the customer for charges incurred or to be incurred in respect of the supply or the provision of any electricity meter, electric line or electrical plant.

Exemptions

16. (1) The circumstances contained in paragraphs (2) to (4) and (6) to (8) are the circumstances described in this regulation.
- (2) The customer informs the relevant operator before the contravention time that the customer does not wish the relevant operator to take any action, or any further action in relation to the matter.
- (3) The customer agrees with the relevant operator that the action taken by the relevant operator before the contravention time shall be treated as the taking by the relevant operator of the action required by the regulation and, where the action taken by the relevant operator includes a promise to perform any action (whether before or after the contravention time), the relevant operator duly performs that promise.
- (4) Where information is or is required to be provided by the customer to the relevant operator, the information is provided to an address or by use of a telephone number other than the address or telephone number which the relevant operator has advised the customer is appropriate for receipt of information of that type or, in the case of information given by telephone for the purpose of regulations 7(1), 9(1) or 11(1), was given outside such reasonable hours as the relevant operator has advised the customer are the hours during which the telephone number will be available for the receipt of information of that type.
- (5) For the purposes of paragraph (4) the relevant operator may advise the customer by publishing the address, the telephone number or the hours in such a manner as may be appropriate for the purpose of bringing the advice to the attention of customers likely to be affected by it.
- (6) It was not reasonably practicable for the relevant operator to take the action required by the regulation before the contravention time as a result of-
- (a) severe weather conditions;
 - (b) industrial action by the employees of the relevant operator;
 - (c) the act or default of a person other than an officer, employee or agent of the relevant operator, or a person acting on behalf of an agent of the relevant operator;
 - (d) the inability of the relevant operator to obtain any necessary access to any premises;
 - (e) the existence of circumstances by reason of which the relevant operator could reasonably expect that if he took the action he would or would be likely to be in breach of an enactment; or
 - (f) other circumstances of an exceptional nature beyond the control of the relevant operator;
- and the relevant operator had taken all such steps as it was reasonable to take both to prevent the circumstances from occurring and to prevent them from having that effect.
- (7) The relevant operator reasonably considers that the information given by the customer was frivolous or vexatious.

- (8) The customer has-
- (a) committed an offence under paragraph 6 of Schedule 6 or paragraph 11 of Schedule 7 to the Act, or
 - (b) failed to pay any charges due to the electricity supplier after receiving a notice under sub-paragraph 2(2) of Schedule 6 to the Act, and the action taken or not taken by the relevant operator was in exercise of his powers under the relevant paragraph or sub-paragraph.
- (9) In this regulation, ‘contravention time’ means-
- (a) in relation to regulation 4, the expiry of the relevant period referred to in sub-paragraph 2(a) and (where applicable) of each period referred to in sub-paragraph 2 (b) of that regulation;
 - (b) in relation to regulation 6, the time at which the supply was discontinued; and
 - (c) in relation to any other regulation, the time at which, if this regulation did not apply, the relevant operator would become liable to pay the prescribed sum to the customer.

Timing of notification

17. For the purpose of regulations 5, 7, 8, 9 and 12, where the requirements of paragraph (1) of any of those regulations are satisfied after 4pm on a working day or at any time on any other day, they shall be deemed to have been satisfied on the next following working day.

Notice of rights

- 18.(1) In respect of the rights prescribed for the benefit of customers under regulations 3 to 7 and 14 to 17 (inclusive) an electricity distributor shall prepare and from time to time revise a statement describing those rights and the effect of section 39A(4) of the Act in a form and having a content which an electricity distributor could reasonably expect would be within the understanding of domestic customers and shall –
- (a) give a copy of the statement, and of any revision of the statement to the Authority and to the Consumer Council, before he sends it to the electricity supplier;
 - (b) at least once in any period of 12 months dispatch to each electricity supplier which supplies electricity to premises in the electricity distributor’s distribution services area for onward transmission to the electricity supplier’s customers a copy of the statement (in the form current at the time it is provided);
 - (c) make a copy of the statement (in its current form) available for inspection by any person at any premises of or occupied by the electricity distributor open to the public in the normal course of the electricity distributor’s business during the normal opening hours of the premises; and
 - (d) dispatch a copy of the statement (in its current form) to any person who requests it.
- (2) In respect of the rights prescribed for the benefit of customers under regulations 8 to 17 an electricity supplier shall prepare and from time to time revise a statement describing the rights prescribed for the benefit of customers under these Regulations and the effect of section 39(4) of the Act in a form and having a

content which an electricity supplier could reasonably expect would be within the understanding of domestic customers and shall—

- (a) give a copy of the statement, and of any revision of the statement to the Authority and to the Consumer Council, before he makes it available to customers;
 - (b) at least once in any period of 12 months dispatch to each domestic customer of the electricity supplier a copy of the statement (in the form current at the time it is provided) and a copy of any statement sent to him by an electricity distributor pursuant to paragraph (1), provided that where in relation to any premises more than one person is a domestic customer, the obligation shall be satisfied by dispatching a copy of each such statement to any one of them;
 - (c) make a copy of the statement (in its current form) available for inspection by any person at any premises of or occupied by the supplier open to customers in the normal course of the supplier's business during the normal opening hours of the premises; and
 - (d) dispatch a copy of the statement (in its current form) to any person who requests it.
- (3) A relevant operator may prepare a separate statement for domestic and non-domestic customers
- (4) An electricity supplier may satisfy his obligation under sub-paragraph (b) or (d) of paragraph (2) by dispatching the statement he has prepared to the class of customer to whom it relates.

Overall standards of performance

Information to be given to customers about overall performance

- 19.(1) In respect of the overall standards of performance determined by the Authority under section 40A of the Act an electricity distributor shall prepare and from time to time revise a statement describing those standards and the levels of performance achieved as respects those standards in a form and having a content which an electricity distributor could reasonably expect would be within the understanding of domestic customers and shall –
- (a) give a copy of the statement, and of any revision of the statement to the Authority and to the Consumer Council, before he sends it to the electricity supplier;
 - (b) at least once in any period of 12 months dispatch to each electricity supplier which supplies electricity to premises in the electricity distributor's distribution services area for onward transmission to the electricity supplier's customers a copy of the statement (in the form current at the time it is provided);
 - (c) make a copy of the statement (in its current form) available for inspection by any person at any premises of or occupied by the electricity distributor open to the public in the normal course of the electricity distributor's business during the normal opening hours of the premises; and
 - (d) dispatch a copy of the statement (in its current form) to any person who requests it.

- (2) In respect of the overall standards of performance determined by the Authority under section 40 of the Act an electricity supplier shall prepare and from time to time revise a statement describing those standards and the levels of performance achieved as respects those standards in a form and having a content which an electricity supplier could reasonably expect would be within the understanding of domestic customers and shall—
- (a) give a copy of the statement, and of any revision of the statement to the Authority and to the Consumer Council, before he makes it available to customers;
 - (b) at least once in any period of 12 months dispatch to each domestic customer of the electricity supplier a copy of the statement (in the form current at the time it is provided) and a copy of any statement sent to him by an electricity distributor pursuant to paragraph (1), provided that where in relation to any premises more than one person is a domestic customer, the obligation shall be satisfied by dispatching a copy of each such statement to any one of them;
 - (c) make a copy of the statement (in its current form) available for inspection by any person at any premises of or occupied by the supplier open to customers in the normal course of the supplier's business during the normal opening hours of the premises; and
 - (d) dispatch a copy of the statement (in its current form) to any person who requests it.
- (3) A relevant operator may prepare a separate statement for domestic and non-domestic customers
- (4) An electricity supplier may satisfy his obligation under sub-paragraph (b) or (d) of paragraph (2) by dispatching the statement he has prepared to the class of customer to whom it relates.

General

Transitional provisions

20. Where, in relation to any occasion upon which a regulation would otherwise apply, the commencement date falls before the date on which these Regulations come into force the Electricity (Standards of Performance) Regulations 1993^(a) shall continue to apply to the exclusion of these Regulations.

Revocation

21. Subject to regulation 20, the Electricity (Standards of Performance) Regulations 1993 are revoked.

Made this [] of [] [2001] by the Gas and Electricity Markets Authority

The seal of the Gas and Electricity Markets Authority
here affixed is authenticated by the signature of

.....
the Chairman of the Authority

[date made by the Authority]

I Consent

[date]

.....
Secretary of State for Trade and Industry

SCHEDULE

Regulation 2(1)

PART I

Prescribed periods and prescribed sums applicable to all relevant operators

(1)	(2)	(3)	(4)
<i>Regulation</i>	<i>Prescribed period</i>	<i>Prescribed sum domestic customer</i>	<i>Prescribed sum non-domestic customer</i>
3(3)	3 hours on a working day	£20	£20
3(3)	4 hours on any other day	£20	£20
4(2)(a)	18 hours	£50	£100
4(2)(b)		£25	£25
5(2)	5 working days	£40	£40
5(3)	15 working days	£40	£40
6(2)	2 days	£20	£40
7(2)	7 working days	£20	£20
7(4)(a)		£20	£20
7(4)(b)	5 working days	£20	£20
8(2)(a)	2 working days	£20	
8(2)(b)	4 working days		£20
8(2)(c)			£20
8(3)		£40	£100
9(2)	7 working days	£20	£20
9(4)(a)		£20	£20
9(4)(b)	5 working days	£20	£20

10(3)	3 hours on a working day	£20	£20
10(3)	4 hours on any other day	£20	£20
12(2)		£20	£20
12(2)(a)	5 working days		
12(2)(b)	5 working days		
12(2)(c)	5 working days		
13(2)		£20	£20
13(3)		£20	£20
15(2)	10 working days	£20	£20

PART II

7.00 am and 7.00 pm on each working day and 9.00am and 5.00pm on any other day.

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations re-enact the Electricity (Standards of Performance) Regulations 1993 with amendments. They prescribe the sum which an electricity supplier or an electricity distributor must pay to a customer by way of compensation for failure to meet specified standards of performance in respect of the services to be provided by such electricity suppliers or electricity distributor. The sum payable differs between domestic and non-domestic customers, and between standards.

Regulation 18 provides for information to be given to customers in relation to the rights prescribed by these Regulations.

Regulation 19 provides for information to be given to customers in relation to the overall standards of performance determined by the Authority under sections 40 and 40A of the Act.

The Electricity (Standards of Performance) Regulations 1993 are revoked (regulation 21) subject to the transitional provisions in regulation 20.

Annex B

OVERALL DISTRIBUTION STANDARDS OF PERFORMANCE

The Gas and Electricity Markets Authority, in accordance with the powers contained in section 40A of the Electricity Act 1989 ("the Act") and after the consultation and research required by that section, hereby determines the standards of overall performance in connection with the provision of electricity distribution services to be achieved by [...Y Limited...] ("the electricity distributor") as follows-

1. (1) Unless the context otherwise requires words and expressions used in Part I of the Act shall bear the same meaning as in this determination.

(2) The following words and expressions shall have the meaning attributed to them in the standard conditions of electricity distribution incorporated in the electricity distributor's licence granted to the electricity distributor under section 6(1)(c) of the Act:

customer

domestic customer

domestic premises

non-domestic customer

(3) In this determination-

"distribution services area" has the meaning given in the electricity distributor's electricity distribution licence;

"ex-PES distributor" means the electricity distributor in relation to its distribution services area;

"low voltage" means a nominal voltage not exceeding 1000 volts; and

"relevant year" means 1 August 2001 – 31 March 2001 and each succeeding period of 12 months thereafter.

2. The overall standard of performance to be achieved by the ex-PES distributor in respect of each service described in column 1 is that, of the occasions during each relevant year upon which he is requested or required to perform the service, he shall provide the service within the

time specified in column 1 in no less than the percentage of such occasions specified in column 2 opposite that service.

3. The overall standards hereby determined shall apply on and after [] to the exclusion of those determined on [March 2000].

Column 1

Column 2

Service 1

Where the supply to the premises of a customer is discontinued for more than 3 minutes as a result of a failure of, fault in or damage to the ex-PES distributor's distribution system (other than where the discontinuance is caused solely by the operation of the ex-PES distributor's fuse), the supply to the premises shall be restored within –

- (a) three hours
(b) 18 hours

[] per cent
[] per cent

From the time at which the ex-PES distributor is made aware that a discontinuance has or could reasonably be expected to have occurred.

For the purpose of Service 1 –

“premises of a customer” means any premises which received a supply directly through the ex-PES distributor's distribution system; and

“ex-PES distributor's fuse” means the fusible cut-out or automatic switching device of the ex-PES distributor for disconnecting the supply to the customer's premises situated nearest to the ex-PES distributor's side of the meter at the premises.

Service 2

Where it is established that the supply given by the ex-PES distributor to any one or more premises has been given at a voltage outside the permitted variation, the ex-PES distributor shall, within six months of it being so established, take any necessary steps (including carrying out works) to secure that the supply to those premises is given at a voltage which, save in exceptional circumstances, is within the permitted variations.

[] per cent

Provided that the ex-PES distributor shall not be in breach of this standard where the necessary steps require the exercise of the powers contained in Schedule 3 or paragraph 6 of Schedule 4 to

the Act or the obtaining of consent under section 37 of the Act or planning permission and the ex-PES distributor uses all reasonable endeavours to complete the necessary steps without delay.

For the purpose of Service 2 “permitted variations” has the same meaning as in regulation [x?] of the [Electricity Supply, Quality and Continuity Regulations [2001]].

Service 3

Where -

- (i) the ex-PES distributor has received a notice under section 16A(1) of the Act , or is otherwise notified of circumstances which will require the provision by the ex-PES distributor of an electric line or electrical plant;
- (ii) the person requiring the supply has made such payments as have been requested by the ex-PES distributor or determined as payable by the Authority;
- (iii) the person requiring the supply has accepted the terms for the provision of an electric line or electrical plant proposed by the ex-PES distributor or (if appropriate) determined by the Authority or is deemed to have accepted the terms by requesting the ex-PES distributor in writing to proceed with the necessary works to provide the supply; and
- (iv) the consent of any third party to the installation of any necessary electric line or electrical plant has been obtained.

the ex-PES distributor shall –

- (a) where the supply is to be provided to domestic premises and only requires the installation of a service line and any appropriate meter, provide the supply within 30 working days of the date upon which the last of sub paragraphs (i) to (iv) is satisfied; and [] per cent
- (b) in the case of supply to a non-domestic customer to which the supply is to be given at a low voltage

and which only requires the installation of a service line and any appropriate meter, provide the connection within 40 working days of the date upon which the last of subparagraphs (i) to (iv) is satisfied,

[] per cent

Provided that the ex-PES distributor shall not be in breach of this service where-

- (a) the person requiring the supply fails, having regard to any timetable proposed by the ex-PES distributor, either to complete any works which he had agreed or is deemed to have agreed to carry out or to allow any access to that person's premises necessary to carry out the works; or
- (b) the ex-PES distributor reasonably believes that the maximum period for which the supply is required to be provided to the premises does not exceed three months.

For the purpose of Service 3-

"service line" means any low voltage electric line or electrical plant which provides a supply only to one premises.

Service 4

Where the ex-PES distributor receives a written communication from a domestic or non-domestic customer relating to the manner in which the ex-PES distributor carries out its activities (being a communication relating to the provision of ex-PES distribution services by the ex-PES distributor to that customer) to which it would reasonably appear that the customer would expect a response, the ex-PES distributor shall give to the customer a substantive response (either written or oral) within 10 working days of the receipt of the communication

[] per cent

Dated [date]

.....
Duly authorised for that purpose by
the Gas and Electricity Markets Authority.

Annex C

OVERALL SUPPLY STANDARDS OF PERFORMANCE

The Gas and Electricity Markets Authority, in accordance with the powers contained in section 40 of the Electricity Act 1989 ("the Act") and after the consultation and research required by that section, hereby determines the standards of overall performance in connection with the provision of electricity supply services to be achieved by [... X limited...] ("the electricity supplier") as follows-

2. (1) Unless the context otherwise requires words and expressions used in Part I of the Act shall bear the same meaning as in this determination.

(2) The following words and expressions shall have the meaning attributed to them in the standard conditions of electricity supply incorporated in the supplier's licence granted to the supplier under section 6(1)(d) of the Act:

customer

domestic customer

domestic premises

non-domestic customer

(4) In this determination-

"ex-PES supplier" means the electricity supplier in relation to its supply services area;

"low voltage" means a nominal voltage not exceeding 1000 volts;

"relevant year" means 1 August 2001 to 31 March 2002 and thereafter each succeeding period of 12 months from 1 April 2002; and

"supply services area" has the meaning given in the electricity supplier's electricity supply licence.

4. The overall standard of performance to be achieved by the ex-PES supplier in respect of each service described in column 1 is that, of the

occasions during each relevant year upon which he is requested or required to perform the service, he shall provide the service within the time specified in column 1 in no less than the percentage of such occasions specified in column 2 opposite that service.

5. The overall standards hereby determined shall apply on and after [] 2001 to the exclusion of those determined on [28 March 1998].

Column 1

Column 2

Service 1

Where the ex-PES supplier has cut off the supply to any premises in consequence of any default on the part of a domestic [or non-domestic] customer and the provisions of paragraph 2(2) of Schedule 6 to the Act, the supplier shall visit the customer's premises before the end of a period of 24 hours beginning at 00.01 am on the working day following the day on which the requirements are satisfied.

[] per cent

Provided that

- (i) any agreement or payment required to be made shall have been delivered to an address, in a manner and at a time which the customer has been advised is appropriate for the receipt of any agreement or payment of that nature; and
- (ii) the ex-PES supplier does not in exercise of a statutory power refuse to restore the supply.

Service 2

Where, in relation to a whole current meter,

- (a) the ex-PES supplier has received from a domestic or non-domestic customer who is supplied at a low voltage –
 - (i) a notice requesting that the meter be resited; and
 - (ii) such payments as may reasonably be required or (if appropriate) as may be determined by the Authority to be paid prior to the resiting of the meter, and
- (b) the customer has accepted the terms and conditions proposed by the ex-PES supplier in response to the notice or is deemed to have accepted the terms by requesting

the ex-PES supplier in writing to proceed with the work,

the ex-PES supplier shall within 15 working days of the date upon which the last of sub-paragraphs (a) and (b) is satisfied attend at the customer's premises for the purpose of resiting the meter. [] per cent

Service 3

Where-

- (i) a domestic customer has requested that the basis on which he is charged for the ex-PES supply is changed;
- (ii) the ex-PES supplier has no reasonable grounds for refusing that request; and
- (iii) it is necessary to change the meter at the customer's premises to enable the ex-PES supplier to comply with the request,

the ex-PES supplier shall (unless otherwise requested by the customer) within 10 working days of the receipt of the request attend at the customer's premises for the purpose of changing the meter. [] per cent

Service 4

Where the ex-PES supplier receives a written communication from a domestic or non-domestic customer relating to the manner in which the ex-PES supplier carries out its activities (being a communication relating to supply or to the provision of ex-PES supply services by the ex-PES supplier to that customer) to which it would reasonably appear that the customer would expect a response, the ex-PES supplier shall give to the customer a substantive response (either written or oral) within 10 working days of the receipt of the communication [] per cent

Dated [...]

.....
Duly authorised for that purpose by
the Gas and Electricity Markets Authority.

Annex D

Amerada

Aquila Energy

BP Gas Ltd

British Gas Trading

East Midlands Electricity plc

Energywatch

GPU Power UK plc

London Electricity plc

NEDL

Northern Electric plc

Npower Ltd

Powergen

Scottish & Southern Energy

Scottish Power plc

SEEBOARD plc

Siemens Metering Services

Statoil

Transco plc

TXU Europe plc

United Utilities plc

Western Power Distribution plc

Yorkshire Electricity plc (Distribution)