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Dear Colleague,

IIP: Version 3 of the Regulatory Instructions and Guidance (RIGs)

Please find enclosed version 3 of the Regulatory Instructions and Guidance (RIGs) which Ofgem is publishing today. This version amends Section 3 of the RIGs and set outs the reporting requirements that the distribution companies will be expected to meet in respect of the speed of telephone response. This version is effective from 1 November 2003. In drawing up this version we have carefully considered the written responses that we received to the draft versions, which were published in July and September 2003 respectively.

Ofgem has made these changes to the RIGs to:

- ♦ allow for DNOs to report consistently on the speed of telephone response; and
- ♦ provide further guidance in this area

Some amendments that were proposed in the July and September draft versions have been revised in the light of respondents' comments.

Incentives

Many of the responses received raised concerns with respect to the type of incentive mechanism that might be developed for the speed of telephone response. We are not proposing an incentive mechanism with these amended RIGs. The intention is to introduce reporting requirements which mean that Ofgem receives consistent information on the basis of clear definitions. Better information is an important first step for Ofgem to understand this output.

Ofgem considers that the appropriate forum for discussing the form of any incentive arrangements with respect to telephony is DPCR 4, and we will welcome discussions with all interested parties.

Exceptional events

As indicated in my letter 29 September, DNOs should report separately the speed of telephone response statistics during severe weather events. For clarity, we would like this information reported for exceptional events from 1 November to end March 2004 for the 2003/04 regulatory year, and for all subsequent regulatory years.

Derogations

Two companies have requested temporary derogations from reporting some of the speed of telephone response information as they need to implement system changes to record the information. Ofgem will be agreeing appropriate timescales for these companies to start reporting the information.

Yours sincerely,

Richard Clay
Senior Quality of Supply Manager