

# Presentation to the DISG

**Gas Connections – Standards of Service**

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# Background

- 1999 Gas Act Enforcement Order imposed standards of service with compensation payments for ICPs, IGTs and shippers requesting connections from Transco.
- April 2004 – Ofgem consulted on replacement of Order due to DN sales and need for modernisation.
- May 2004 – Authority imposed £1m penalty on Transco for poor connections performance.

# April 2004 consultation document

- The document identified a probable need for:
  - Guaranteed Standards i.e. payment by the GT for every failure in respect of effective monopoly work.
  - Standards in respect of timely siteworks.
  - Application to all customers.
  - Improved incentive in respect of accuracy of quotations.
  - More effective auditing of quotations.

# April 2004: Consultation document

- Responses generally supported:
  - Application to all customers
  - Guaranteed standards
  - Simpler standards regime
  - More emphasis on accuracy

However, some disagreement on level of payments!

# The New Standards

- Provision of quotations for new/altered connections.
- Provision of Point of Connection information.
- Approval of ICP designs.
- Timely site-works.
- Minimum information requirements to be approved by Ofgem.

# Proposed way forward

- Guaranteed standards (with payments) for end customers that approach GTs direct for connections to be introduced via Statutory Instrument (SI) under S.33AA of Gas Act.
- Overall standards for ICPs, IGTs and shippers via a new Licence Condition (LC) – No vires to require payments.
- Accuracy challenge scheme and audit requirements via SI and LC.
- Voluntary application to ICPs, IGTs and shippers.
- Exclusions - > 7 bar, new build > 6 dwellings, complex jobs.

## Next Steps

- New LC in DN sales 25 November 2004 consultation.
- Concurrent Ofgem consultation on new standards regime and replacement of Order with LC and SI together with voluntary arrangements. This document will consider appropriate details relating to time allowed to do work and levels of payment
- Possible replacement of Order in March 2004 with new regime in advance of formal LC/SI implementation.

# Contact

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Promoting choice and value for all  
gas and electricity customers