



# Quality of Service for DNs

Ofgem's intended approach

# Introduction

- August consultation paper on quality of service
- New licence condition for assessing quality
- Amendments to Overall Standards of Performance

# August consultation on quality of service

- Ofgem consultation in August 2004 on quality of service issues in gas distribution
  - Respondents generally supported intention not to introduce financial incentives on non-contractual interruptions
  - energywatch concerned that quality may deteriorate post sales without explicit incentives/monitoring
- Ofgem intends to keep broadly with existing regulatory framework for remainder of price control period (i.e. RIGs reporting, Standards of Performance etc.)
- But...

## ...intention for new licence condition on quality

- Ofgem proposing to introduce new licence condition to assess quality of service provided by DNs
- Condition will require DNs to carry out regular customer survey to achieve this objective
- Transco already undertakes similar surveys for internal management purposes
  - Intention is to formalise this approach through the licence
  - Requirement for DNs to report results only – no revenue exposed

# New quality licence condition contd...

- Why survey approach?
  - Provide information to Ofgem and wider stakeholders on customers' satisfaction with quality of service on an ongoing and consistent basis across DNs
- Survey to cover customers' satisfaction with range of attributes following planned or unplanned interruptions including:
  - (i) communication; and (ii) inconvenience caused by interruption
- Drafting completed this week and will be presented at next DISG (16 November)
  - Licence condition will be consulted upon in November DN Sales consultation

# Overall Standards of Performance

- At a minimum, the OSOPs will need re-determining by the Authority for each new DN owner
- Ofgem has become aware that some 'technical' changes are necessary to the OSOPs
  - For example, OSOP1 on call answering may need changing to reflect Transco only operating the national emergency number
- Ofgem intends to consult on these amendments later this year



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