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Our ref
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Your ref

Date
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Dear Chris

Ofgem's proposals to implement revised standards of performance arrangements for electricity distributors.

Thank you for the opportunity to comment on the proposal to revised the standards of performance arrangements for electricity distributors.

We have the following comments on the issues raised;

(1) Cap on size of severe weather event.

Whilst an exemption in relation to the Civil Contingencies Bill is helpful, as we have no experience of the operation of these arrangements, we support a formal cap.

We support an exemption for severe weather events affecting more than 70% of exposed customers. We note the recent comments by Lord Falconer warning against the rise of the compensation culture. DNO networks are not financed on the basis of 100% resilience. In the most extreme weather events affecting a significant proportion of customers, we do not believe that it is to the benefit of customers to compensate these customers (several millions of pounds), only to raise prices to all customers the subsequent year.

(2) Extension of the standards to IDNOs and DNOs operating out of area.

We support the principle that customers of all networks should receive equal protection, including protection under the guaranteed standards. Whilst we agree that in many circumstances there may be a joint liability for failure to meet the standards, particularly supply restoration, we do not consider that IDNO customers should have to wait until the IDNO has agreed liability

with the DNO and received any payment due. It would be preferable for the IDNO as the service provider to pay the customer and then agree any shared liability with the DNO under the terms of the relevant Connection of Use of System Agreement.

(3) Highlands and Islands

Perhaps consideration could be given to including the Isles of Scilly within the definition.

Otherwise we have no comments on the drafting of the Regulations.

I hope this is helpful.

Yours sincerely

NATASHA RICHARDSON
Regulatory & Government Affairs Adviser