



To: Electricity Distribution
Licensees, Independent
Connection Providers and other
interested parties

Ensuring choice and
value for all customers

Our Ref: SLC4F_guidance_implementation
Direct Dial: 020 7901 7255
Email: martin.crouch@ofgem.gov.uk

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Dear Colleague

Standard Licence Condition 4F. Standards for the provision of non-contestable connection services (the "Condition") – Issue of guidance in accordance with paragraph 12 of the Condition

Purpose of this letter

On the 13 July 2007 we issued a formal Electricity Act section 11A notice (modification of standard licence condition) to introduce a standards of performance regime covering non-contestable information and services provided by Electricity Distribution Network Operators¹ (DNOs)².

In accordance with paragraph 14 of the Condition we also consulted on an accompanying licence condition guidance document. This letter accompanies the attached guidance document version 1 which takes effect from 1 October 2007 and also details:

- The main representations received on the guidance document and Ofgem's consideration of these (see Appendix A).

A number of minor amendments have been made to the guidance document in light of representations. These do not alter the scope and objectives of the guidance document and are mainly minor drafting changes to align the guidance document with the Condition.

Notice in accordance with paragraph 12 of the Condition

This letter hereby introduces version 1 of the guidance document in the manner attached with effect on and from 1 October 2007.

If you wish to discuss any aspect of this work please do not hesitate to contact roger.morgan@ofgem.gov.uk on 020 7901 7346.

Yours sincerely

Martin Crouch
Director, Electricity Distribution

¹ The covering letter that accompanied the formal consultation on standard licence condition 4F (SLC 4F) explained that we do not intend to apply the licence condition to independent distribution network operators (IDNOs). We therefore intend to issue on 1 October 2007 directions to IDNOs pursuant to paragraph 10 of the Condition.

² Formerly referred to as Public Electricity Suppliers (ex PES licensees)

Appendix A

Responses to Ofgem's formal consultation on the licence condition guidance document

Set out below is a summary of the main responses to our formal consultation on the guidance document, with an explanation of Ofgem's views. Please note text in bullet point denotes views provided, with Ofgem's response to each point directly below.

- One Licensee identified an inconsistency in the drafting of the Condition and associated guidance document in respect of reporting and explained that paragraph 9(a) of the Condition is at odds with the reporting template.

The inconsistency has been rectified by amending the drafting of paragraph 9(a) of the Condition to make it explicitly clear that Licensees are to report on the number of requests for the services specified that the Licensee has responded to rather than received. This amendment aligns the Condition with the reporting template.

- Two respondents representing three Licensees noted that section 2.51 in the guidance document requires amending to align the timeframe for design approvals for extra high voltage to 20 working days as proposed in the Condition.

We have amended paragraph 2.51 of the guidance document and it is now consistent with the Condition.

- One respondent representing two Licensees identified a number of minor drafting changes to the guidance document. The Licensee also identified drafting discrepancies between the Condition and the guidance document.

We have reviewed the guidance document and made a number of changes that amend drafting discrepancies with the Condition. It is important to point out that these changes do not alter the scope and objectives of the guidance document.

- A respondent representing two licensees questioned whether the reporting period is a rolling 12 months or whether it is April to March.

Performance is to be reported to Ofgem on a quarterly basis in the template set out in the guidance document. Performance will be measured on an annual basis from 1 April to 31 March in each relevant regulatory year.

- One respondent representing two Licensees suggested that the guidance document should be amended to include a clause to the effect that it does not impose additional obligations beyond those detailed in the Condition and that in the event of any inconsistency the Condition should prevail.

We have amended the guidance document to make it clear that the guidance document is subordinate to the Condition. This amendment is detailed in paragraph 1.5 of the guidance document.

- One Licensee suggested that Ofgem's approach to numbering the receipt of requests is confusing and proposed that Ofgem amend the day of receipt as "day zero" with subsequent days counted from then. A respondent representing two licensees raised similar concerns and said that its IT systems count the day of receipt of a request as "day zero" and suggests that Ofgem amend the guidance document to make clear that the first working day after receipt of the application is day 1. A similar point was raised by another respondent on behalf of two Licensees.

During the informal consultation on the Condition and the guidance document a number of distributors requested further clarity concerning the measurement of the standards ('start/stop clock' issues). We subsequently included a number of examples in the guidance document which provided further clarity over measurement definitions. In light of representations we have amended the examples to reflect that Licensees count the day of receipt as "day zero", tables 2.2, 2.3 and 2.4 have been amended accordingly.

- A respondent representing two licensees raised concerns about the working day period. The respondent disagreed with Ofgem's views on the working day time period and believes that a 5 pm deadline is inappropriate, particularly in that information could be received as late as 5pm, which in the Licensees view means that a day will be lost on the performance timescales.

Appendix 1 of the Condition confirms that where a request is received or a service is provided by the Licensee (under the provisions of the licence) after 5pm on any working day or at any time on any other day, for the purposes of the licence it is deemed to have been received or provided on the next following working day. The receipt of a request does not mean that a day for reporting purposes has been lost. The 5pm working day confirms the treatment of services and requests received after the 5pm deadline and on non-working days.

