

Notice of proposals under section 33BAA of the Gas Act 1986 to prescribe standards of performance in regulations

The Gas and Electricity Markets Authority (the "Authority") hereby gives notice pursuant to section 33BAA of the Gas Act 1986 (the "Act") as follows:

1. The Authority proposes to prescribe standards of performance in individual cases (the "guaranteed standards") for all gas transporters each holding a licence granted or treated as granted by the Authority under section 7 of the Act with effect on and from 1 April 2008 by making the Gas (Standards of Performance) (Amendment) Regulations 2008 (annexed herewith in draft and marked 'A') in order to amend the Gas (Standards of Performance) Regulations 2005 (Statutory Instrument 2005/1135) (the "Regulations") (as marked up in Annex B herewith).
2. The Authority arranged for such research as it considered appropriate with a view to discovering the views of a representative sample of persons likely to be affected if the guaranteed standards are amended; and the results of the research are set out in '*Gas Distribution Price Control Review, Consumer Research, Final Report, Ofgem, May 2007*', (available free of charge on the Ofgem website (www.ofgem.com)) and were duly considered by the Authority in its proposals for the 2008-13 gas distribution price control.
3. The reasons why the Authority proposes to amend the guaranteed standards are set out in various documents published on behalf of the Authority including -
 - a. '*Gas Distribution Price Control Review Initial Proposals Document*' Ofgem 29 May 2007, Ref:125/07;
 - b. '*GDPCR: Initial Licence Drafting Consultation*', Ofgem 10 September 2007, Ref: 221/07;
 - c. '*Gas Distribution Price Control Review Updated Proposals Document* Ofgem 24 September 2007, Ref:226/07,
 - d. '*Open letter on Ofgem's proposals to implement revised standards of performance arrangements for gas transporters*', November 2007, Ref:279/07; and
 - e. '*Gas Distribution Price Control Review, Final Proposals Document*, December 2007, Ref:285/07,(all available free of charge from the Ofgem library (telephone: 020 7901 7003) or on the Ofgem website (www.ofgem.gov.uk)) and in summary, the reasons are to provide an appropriate level of protection to customers or potential customers of gas suppliers and enhance comparative competition between gas transporters by-
 - i. Altering, omitting from and adding to the meanings set out in Regulation 3 (Interpretation);
 - ii. Making additions to the *Supply restoration* guaranteed standard (Regulation 7) to include small non-domestic customers as well as interruptions to the conveyance of gas to customer's premises

- connected to a gas transporter's pipe-line system, which is caused by a failure in another gas transporter's pipe-line system;
- iii. Removing the exemption from the *Supply restoration* guaranteed standard (Regulation 7) for third-party and water ingress interruptions;
 - iv. Altering to five days, the period provided in the *Reinstatement of customer's premises* guaranteed standard (Regulation 8) for the reinstatement of a customer's premises following works initiated by the gas transporter;
 - v. Altering the *Priority domestic customers* guaranteed standard (Regulation 9) to clarify that compensation is payable only where the customer makes a claim within three months, and that a gas transporter is not required to provide alternative cooking and heating facilities to a priority domestic customer where that customer declines an offer of such facilities;
 - vi. Altering the *Connections* guaranteed standard (Regulation 10) by making minor textual changes;
 - vii. Adding a *Notice of planned interruption* guaranteed standard as a new regulation, Regulation 10A, that sets out the period of notice to be provided to customers by gas transporters in advance of interruptions to the conveyance of gas as well as the compensation payable on failure by the gas transporter to so notify;
 - viii. Adding a *Responding to Complaints* guaranteed standard as a new regulation, Regulation 10B, that sets out the requirements on the gas transporter for responding to customer complaints as well as the compensation payable on failure to so respond;
 - ix. Altering the *Payments* guaranteed standard (Regulation 12) by creating a mechanism structured on specific timeframes for the gas transporter to make compensation payments to customers whose premises are connected to another gas transporter's pipe-line system where an interruption on the gas transporter's pipe-line system to the conveyance of gas affects those customers;
 - x. Altering the *Exemptions* guaranteed standard (Regulation 13) by making minor textual changes;
 - xi. Omitting paragraphs 2 and 5 from and making minor textual and numbering changes to paragraphs 3 and 4 in the *Information to be given to customers about overall performance* guaranteed standard (Regulation 16); and
 - xii. Altering and adding prescribed periods and prescribed sums in the table in Part 1 (*Prescribed Periods and Prescribed Sums Applicable to all Gas Suppliers and Gas Transporters*) of Schedule 1 to the Regulations.

4. Any representations by the Gas and Electricity Consumer Council (or any successor body), any gas shipper or gas transporter, or any persons or bodies that are representative of persons likely to be affected by the regulations to any of the proposed modifications to the Gas (Standards of Performance)

Regulations 2005 (Statutory Instrument 2005/1135) must be made in writing on or before 14 February 2008 to Ayesha Uvais, Office of Gas and Electricity Markets (Ofgem) 9 Millbank, London SW1P 3GE, telephone number 0207 901 7307, or via email to Ayesha.Uvais@ofgem.gov.uk.



Joanna Whittington
Director, Gas Distribution

Duly authorised on behalf of the
Gas and Electricity Markets Authority

17 January 2008

Annex A - The Gas (Standards of Performance) (Amendment) Regulations 2008

Attached as a separate document

Annex B - The Gas (Standards of Performance) Regulations 2005 (Statutory Instrument 2005/1135)

Attached as a separate document