

Notice of proposals under section 33BAA of the Gas Act 1986 to determine standards of overall performance for gas transporters

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 determine (in order for them to cease in force and effect) all the extant standards of overall performance (the "overall standards") set out in generic forms in Schedules 1, 2 and 3 hereto and which ought to be achieved by every holder as described in paragraph 2 of this notice, of a gas transporter's licence (a "licence") granted or treated as granted by the Authority under section 7 of the Act.
2. The extant overall standards were determined (and so given force and effect) under section 33BA (Overall standards of performance: gas transporters) of the Act by the Authority on –
 - a. 1 May 2005 each gas transporter that has 'Standard Special Conditions Applicable to All DN Licensees: Part D' in effect its licence (each, a retained (RDN) or independent (IDN) "Distribution Network operator"); and
 - b. 28 April 2005 for every gas transporter that has standard conditions in 'Section C. Transportation Services Obligations' in effect in its licence through a Transportation Services Direction issued by the Authority on or after 18 January 2006 (each, an "independent gas transporter" (IGT)),and each of these relevant gas transporters currently has a duty under section 33BA of the Act to conduct its business in such a way as can reasonably be expected to lead to its achieving the overall standards.
3. 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 overall standards are determined (and thereby cease to exist); 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 next gas distribution price control.

4. The reasons why the Authority proposes to determine the overall standards (and cause them to cease in force and effect) are set out in various documents published on behalf of the Authority including –
- a. *'Gas Distribution Price Control Review Initial Proposals Document*, 29 May 2007, ref: 125/07;
 - b. *'GDPCR: Initial Licence Drafting Consultation'*, 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;
 - e. *'Gas Distribution Price Control Review', Final Proposals Document*, December 2007, ref: 285/07; and,
 - f. *GDCPR: Second Licence Drafting Consultation'*, 11 December 2007, ref: 290/07,


(all of which are 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 enhance comparative competition between the relevant gas transporters, promote efficiency and economy on the part of the relevant gas transporters and protect the interests of customers of gas suppliers by –

- i. determining (in order to cease its force and effect) the overall standard for every Distribution Network operator to cause to be answered by an individual, each telephone call to the National Gas Emergency Service, the general enquiry line and the meter point reference number helpline, etc, - Overall Standard 1 ("OS1") and in its stead; adding to Standard Special Condition D10 (Quality of service standards) of each Distribution Network operator's licence, an obligation on every Distribution Network operator to cause an individual to answer such telephone calls;
- ii. determining (in order to cease its force and effect) the overall standard for every relevant gas transporter to provide each customer with prior written notification of planned interruptions to the gas supply ("OS2") and in its stead; prescribing in Regulations made pursuant to sections 33BAA and 33AA of the Act, a new individual standard of performance – Regulation 10A (Notice of Planned Interruptions) – for all relevant gas transporters in that regard;

- iii. determining (in order to cease its force and effect) the overall standard for every relevant gas transporter during unplanned interruptions ("OS3"), to notify customers of the expected programmed for reconnection, provide public announcements and provide a progress report, and in its stead; assessing each Distribution Network operator's performance of those requirements through customer satisfaction surveys under amended Standard Special Condition D9 (Distribution Network transportation activity incentive scheme and performance reporting) of its licence; and assessing every independent gas transporter's performance through a new standard licence condition to provide information during unplanned interruptions to its customers;
 - iv. determining (in order to cease its force and effect) the overall standard for every relevant gas transporter to issue on the receipt of a complaint, a written or verbal response within 5 working days and or a substantive response within 10 working days ("OS4"); and in its stead; prescribing in Regulations, a new individual standard of performance – Regulation 10B (Responding to complaints) – for every relevant gas transporter; and
 - v. determining (in order to cease its force and effect) the overall standard for every Distribution Network operator to attend any reported gas escape or emergency within specified timeframes ("OS5") and in its stead; adding gas escape and emergency obligations to an amended standard Special Condition D10 (Quality of service standards) of each Distribution Network operator's licence.
5. Any representations by the Gas and Electricity Consumer Council (or any successor body) or any gas shipper or gas transporter or any persons or bodies that are representative of persons likely to be affected by the determination (and the consequential cessation of the force and effect) of the overall standards, must be made in writing on or before 20 March 2008 to Ayesha Uvais, Office of Gas and Electricity Markets (Ofgem) 9 Millbank, London SW1P 3GE (0207 901 7307) or via email to Ayesha.Uvais@ofgem.gov.uk and if a respondent does not wish its response to be made public, the response should be clearly marked as not for publication.
6. Subject to the consideration of –
 - a. any representations to these proposals from interested parties;

- b. any representations on related proposals to prescribe individual "guaranteed" standards of performance in regulations (published on behalf of the Authority on 17 January 2008 by notice under section 33BAA of the Act which is available free of charge on the Ofgem website); and
- c. any representations or objections to related proposals to amend various conditions in the relevant gas transporters' licences (published on behalf of the Authority on 21 February 2008 by various notices under section 23 of the Act and under Standard Special Conditions A2 and D2 which are available free of charge on the Ofgem website),

it is intended that the proposed determination will take effect on 1 April 2008, on which date the overall standards (which were determined and given force and effect on 28 April 2005 and 1 May 2005) for the relevant gas transporters will cease in force and effect.



Joanna Whittington
Director, Gas Distribution

Duly authorised on behalf of the
Gas and Electricity Markets Authority

21 February 2008

SCHEDULE 1

GAS TRANSPORTER OVERALL STANDARDS OF PERFORMANCE **GENRIC IDN VERSION**

The Gas and Electricity Markets Authority ("the Authority"), in accordance with the powers contained in section 33BA of the Gas Act 1986 ("the Act") and after the consultation and research required by section 33BAA of the Act, hereby determines the standards of overall performance in connection with the provision of gas transportation services to be achieved by [*insert IDN name*], a company registered in England and Wales with company number [*insert IDN company number*], ("the Company") as follows:

1. (1) Unless the context otherwise requires, words and expressions used in this determination shall bear the same meaning as in Part I of the Act.

- (2) The following words and expressions shall have the meaning attributed to them in the conditions of the gas transporter licence ("the licence") granted to the Company under section 7 of the Act:

customer

primary sub-deduct premises

secondary sub-deduct premises

transportation business

In this determination:

"Distribution Network" ("DN") means the relevant Distribution Network operator defined with reference to its constituent Local Distribution Zone, as defined in special condition E2A ('Revenue Restriction definitions in respect of the Distribution Network') of the licence;

"premises" shall include primary sub-deduct premises and secondary sub-deduct premises; and

"relevant period" means the period 1 May 2005 – 31 March 2006 and thereafter each succeeding period of 12 months starting on 1 April.

For the purpose of this determination:

- (a) where more than one person is a customer in respect of a particular premises, a notice given by the Company to one person who is a customer in respect of those premises shall be a sufficient notice to any other person who is a customer in respect of those premises at the time the notice is given;
 - (b) where a person is a customer in respect of more than one premises, a reference in this determination to "customer" is a reference to that person in respect of each of the premises of which that person is a customer to which the determination applies;
 - (c) any reference to a customer shall include any person having apparent authority to represent the customer; and
 - (d) "customer" includes any person whom the Company reasonably believes to be the customer of the premises in relation to which the service relates.
3. The overall standard of performance to be achieved by the Company in respect of Services 1-5 (inclusive) described in column 1 is that, of the occasions during each relevant period upon which he is requested or required to perform the service, he shall provide the service in no less than the percentage of such occasions specified in column 2 opposite that service.

Column 1

Column 2

Service 1

In respect of telephone calls to:

- (a) the telephone service which the Company operates or procures the operation of pursuant to standard special condition A8 of the licence, each telephone call will be answered by an individual; and

- (b) the dedicated enquiry line and meter point reference number helpline, to the extent, and during such hours that, the Company operates or procures the operation of such lines, each telephone call will be answered,

in each case within 30 seconds.

90 per cent

For the purpose of Service 1, where the Company operates or procures the operation of the services in (a) and (b) in a manner which is shared with other gas transporters, performance shall be measured by aggregating all calls relating to those services.

Service 2

Where the Company proposes to carry out maintenance or replacement work to the pipe-line system to which the licence relates which will require it to interrupt the conveyance of gas to customers, the Company will provide a written notification of the need for the interruption to each customer likely to be affected not less than 5 working days before the expected interruption.

95 per cent

Service 3

Where:

- a) the conveyance of gas to customers' premises is interrupted as a result of an emergency or other unplanned cause; and
- b) the Company expects that the interruption will continue for more than 24 hours,

the Company shall:

- (i) where 250 premises or less are affected, inform each customer (either orally or by means of an appropriate written notification delivered to the customer's premises) of the expected programme for (including the expected date of) restoration of supply and the means by which the Company will comply with paragraph (iii) within 12 hours of the time at which the Company is made aware that an interruption has or could reasonably be expected to have occurred; 97 per cent
- (ii) where more than 250 premises are affected, provide public announcements (including by means of local public address announcements, local radio or other equivalent means) throughout the area affected describing the expected programme for (including the expected date of) restoration of supply and the means by which the Company will comply with paragraph (iii) within 12 hours of the time at which the Company is made aware that an interruption has or could reasonably be expected to have occurred; and 97 per cent
- (iii) Upon the expiry of each succeeding period of 24 hours from the notification or announcement under (i) or (ii) above, provide, (including, where appropriate, but not limited to, by means of

the telephone enquiry service provided under standard special condition A8 of the licence) a progress report and revised information on the expected date of restoration of supply unless the customer or customers have already been made aware of the current progress and current expected date of restoration by such means.

97 per cent

Service 4

Where the Company receives an oral or written complaint relating to its transportation business to which it would reasonably expect that the customer would anticipate a response, the Company shall in respect of a written complaint provide an oral response or despatch a written response to the customer within 5 working days of receipt of the complaint (including an indication of any further action that the Company considers to be required, including but not limited to the date by which the substantive response is to be despatched). Where a response to a written or oral complaint is not a substantive reply then the Company shall (other than in exceptional circumstances) provide the substantive response within 10 working days of receipt of the complaint.

90 per cent

Service 5

Where a report of a gas emergency including a gas escape, a significant escape of carbon monoxide, fumes or other hazardous situation relating to the Company's DN is received on the telephone service operated by Transco plc under standard special licence condition A8 of the licence, or by any other means, the Company shall attend or procure the attendance of an emergency service provider at

the site of the incident as quickly as possible and in any event:

(a) in respect of an uncontrolled gas escape or other uncontrolled gas emergency, within 1 hour of the full emergency details being received on the telephone service operated by Transco plc, or by any other means; and 97 per cent

(b) in respect of a controlled gas escape or other controlled gas emergency, within 2 hours of the full emergency details being received on the telephone service operated by Transco plc, or by any other means. 97 per cent

For the purpose of Service 5:

"emergency service provider" shall have the same meaning as in the Gas Safety (Management) Regulations 1996; and

"controlled gas escape or other controlled gas emergency" means a gas escape or other gas emergency where the person reporting the escape or other emergency, after carrying out (or causing to be carried out) the actions required by the telephone operator, advises the operator that the escape of gas or other emergency appears to have ceased.

4. Upon commencement of the relevant period, this determination shall replace the overall standards of performance which were introduced on 1 April 2002 following a previous determination by the Authority under section 33BA of the Act.

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Duly Authorised by the Authority

1 May 2005

SCHEDULE 2

GAS TRANSPORTER OVERALL STANDARDS OF PERFORMANCE **GENERIC RDN VERSION**

The Gas and Electricity Markets Authority ("the Authority"), in accordance with the powers contained in section 33BA of the Gas Act 1986 ("the Act") and after the consultation and research required by section 33BAA of the Act, hereby determines the standards of overall performance in connection with the provision of gas transportation services to be achieved by Transco plc, a company registered in England and Wales with company number 2006000, ("the Company") in relation to the Distribution Networks it holds as follows:

1. (1) Unless the context otherwise requires, words and expressions used in this determination shall bear the same meaning as in Part I of the Act.

- (2) The following words and expressions shall have the meaning attributed to them in the conditions of the gas transporter licence (in relation to Distribution Networks) ("the licence") granted to the Company under section 7 of the Act:

customer

primary sub-deduct premises

secondary sub-deduct premises

transportation business

In this determination:

"Distribution Network" ("DN") means the relevant Distribution Network operator defined with reference to its constituent Local Distribution Zones, as defined in special condition E2A ('Revenue Restriction definitions in respect of the Distribution Network') of the licence;

“premises” shall include primary sub-deduct premises and secondary sub-deduct premises; and

“relevant period” means the period 1 May 2005 – 31 March 2006 and thereafter each succeeding period of 12 months starting on 1 April.

2. For the purpose of this determination:
 - (a) where more than one person is a customer in respect of a particular premises, a notice given by the Company to one person who is a customer in respect of those premises shall be a sufficient notice to any other person who is a customer in respect of those premises at the time the notice is given;
 - (b) where a person is a customer in respect of more than one premises, a reference in this determination to “customer” is a reference to that person in respect of each of the premises of which that person is a customer to which the determination applies;
 - (c) any reference to a customer shall include any person having apparent authority to represent the customer; and
 - (d) “customer” includes any person whom the Company reasonably believes to be the customer of the premises in relation to which the service relates.
3. The overall standard of performance to be achieved by the Company in respect of Service 1 is that, of the occasions during each relevant period upon which he is requested or required to perform the service, he shall provide the service described in column 1 in no less than the percentage of such occasions specified in column 2 opposite that service.
4. In addition to the overall standard of performance to be achieved under paragraph 3, the Company shall also, in respect of each of the Services 2 – 5 (inclusive) described in column 1, during each relevant period secure that the

service is provided separately in relation to each of the Company's DNs within the time specified in column 1 in no less than the percentage of such occasions specified in column 2 opposite that service.

Column 1

Column 2

Service 1

In respect of telephone calls to:

- (a) the telephone service which the Company operates or procures the operation of pursuant to standard special condition A8 of the licence, each telephone call will be answered by an individual; and

- (b) the dedicated enquiry line and meter point reference number helpline, to the extent, and during such hours that the Company operates or procures the operation of such lines, each telephone call will be answered,

in each case within 30 seconds

90 per cent

For the purpose of Service 1, where the Company operates or procures the operation of the services in (a) and (b) in a manner which is shared with other gas transporters, performance shall be measured by aggregating all calls relating to those services.

Service 2

Where the Company proposes to carry out maintenance or replacement work to the pipe-line system to which the licence relates which will require it to interrupt the conveyance of gas to customers,

the Company will provide a written notification of the need for the interruption to each customer likely to be affected not less than 5 working days before the expected interruption.

95 per cent

Service 3

Where:

- a) the conveyance of gas to customers' premises is interrupted as a result of an emergency or other unplanned cause; and
- b) the Company expects that the interruption will continue for more than 24 hours,

the Company shall:

- (i) where 250 premises or less are affected, inform each customer (either orally or by means of an appropriate written notification delivered to the customer's premises) of the expected programme for (including the expected date of) restoration of supply and the means by which the Company will comply with paragraph (iii) within 12 hours of the time at which the Company is made aware that an interruption has or could reasonably be expected to have occurred;
- (ii) where more than 250 premises are affected, provide public announcements (including by means of local public address announcements, local radio or other equivalent means) throughout the area affected describing the expected programme for (including the expected date of) restoration of supply and the means by which the Company will comply with paragraph (iii) within 12 hours of the time at which the Company is made aware that an interruption has or could reasonably be

97 per cent

97 per cent

expected to have occurred; and

- (iii) upon the expiry of each succeeding period of 24 hours from the notification or announcement under (i) or (ii) above, provide, (including, where appropriate, but not limited to, by means of the telephone enquiry service provided under standard special condition A8 of the licence) a progress report and revised information on the expected date of restoration of supply unless the customer or customers have already been made aware of the current progress and current expected date of restoration by such means. 97 per cent

Service 4

Where the Company receives an oral or written complaint relating to its transportation business to which it would reasonably expect that the customer would anticipate a response, the Company shall in respect of a written complaint provide an oral response or despatch a written response to the customer within 5 working days of receipt of the complaint (including an indication of any further action that the Company considers to be required, including but not limited to the date by which the substantive response is to be despatched). Where a response to a written or oral complaint is not a substantive reply then the Company shall (other than in exceptional circumstances) provide the substantive response within 10 working days of receipt of the complaint. 90 per cent

Service 5

Where a report of a gas emergency including a gas escape, a

significant escape of carbon monoxide, fumes or other hazardous situation relating to the Company's DNs is received on the telephone service operated under standard special licence condition A8, or by any other means, the Company shall attend or procure the attendance of an emergency service provider at the site of the incident as quickly as possibly and in any event:

(a) in respect of an uncontrolled gas escape or other uncontrolled gas emergency, within 1 hour of the full emergency details being received on the telephone service or by any other means; and

(b) in respect of a controlled gas escape or other controlled gas emergency, within 2 hours of full emergency details being received on the telephone service or by any other means. 97 per cent

97 per cent

For the purpose of Service 5:

"emergency service provider" shall have the same meaning as in the Gas Safety (Management) Regulations 1996; and

"controlled gas escape or other controlled gas emergency" means a gas escape or other gas emergency where the person reporting the escape or other emergency, after carrying out (or causing to be carried out) the actions required by the telephone operator, advises the operator that the escape of gas or other emergency appears to have ceased.

5. Upon commencement of the relevant period, this determination shall replace the overall standards of performance which were introduced on 1 April 2002 following a previous determination by the Authority under section 33BA of the Act.

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Duly Authorised by the Authority

1 May 2005

SCHEDULE 3

GAS TRANSPORTER OVERALL STANDARDS OF PERFORMANCE GENERIC IGT VERSION

The Gas and Electricity Markets Authority ("the Authority"), in accordance with the powers contained in section 33BA of the Gas Act 1986 ("the Act") and after the consultation and research required by section 33BAA of the Act, hereby determines the standards of overall performance in connection with the provision of gas transportation services to be achieved by [*insert company name*], a company registered in England and Wales with company number [*insert company number*], ("the Company") as follows:

1. (1) Unless the context otherwise requires, words and expressions used in this determination shall bear the same meaning as in Part I of the Act.

- (2) The following words and expressions shall have the meaning attributed to them in the standard conditions incorporated in the Company's gas transporter licence ("the licence") granted or treated as granted to the Company under section 7 of the Act:

customer

primary sub-deduct premise

secondary sub-deduct premises

transportation business

In this determination:

"premises" shall include primary sub-deduct premises and secondary sub-deduct premises; and

"relevant period" means the period 1 May 2005 – 31 March 2008 and thereafter each succeeding rolling period of 36 months starting on 1 April 2006 and 1 April in each subsequent year:

2. For the purpose of this determination:
 - (a) where more than one person is a customer in respect of a particular premises, a notice given by the Company to one person who is a customer in respect of those premises shall be a sufficient notice to any other person who is a customer in respect of those premises at the time the notice is given;
 - (b) where a person is a customer in respect of more than one premises, a reference in this determination to "customer" is a reference to that person in respect of each of the premises of which that person is a customer to which the determination applies;
 - (c) any reference to a customer shall include any person having apparent authority to represent the customer; and
 - (d) "customer" includes any person whom the Company reasonably believes to be the customer of the premises in relation to which the service relates.
3. The overall standard of performance to be achieved by the Company in respect of each Service described in column 1 is that, of the occasions during each relevant period upon which he is requested or required to perform the service, he shall provide the service described in column 1 in no less than the percentage of such occasions specified in column 2 opposite that service.

Column 1

Column 2

Service 1

[not used]

Service 2

Where the Company proposes to carry out maintenance or replacement work to the pipe-line system to which the licence relates which will require it to interrupt the conveyance of gas to customers, the Company will provide a written notification of the need for the interruption to each customer likely to be affected not less than 5 95 per cent working days before the expected interruption.

Service 3

Where:

- a) the conveyance of gas to customers' premises is interrupted as a result of an emergency or other unplanned cause; and
- b) the Company expects that the interruption will continue for more than 24 hours,

the Company shall:

- (i) where 250 premises or less are affected, inform each customer (either orally or by means of an appropriate written notification delivered to the customer's premises) of the expected programme for (including the expected date of)

restoration of supply and the means by which the Company will comply with paragraph (iii) within 12 hours of the time at which the Company is made aware that an interruption has or could reasonably be expected to have occurred; 97 per cent

(ii) where more than 250 premises are affected, provide public announcements (including by means of local public address announcements, local radio or other equivalent means) throughout the area affected describing the expected programme for (including the expected date of) restoration of supply and the means by which the Company will comply with paragraph (iii) within 12 hours of the time at which the Company is made aware that an interruption has or could reasonably be expected to have occurred; and 97 per cent

(iii) upon the expiry of each succeeding period of 24 hours from the notification or announcement under (i) or (ii) above, provide, (including, where appropriate, but not limited to, by means of the telephone enquiry service provided under standard condition 6) a progress report and revised information on the expected date of restoration of supply unless the customer or customers have already been made aware of the current progress and current expected date of restoration by such means. 97 per cent

Service 4

Where the Company receives an oral or written complaint relating to its transportation business to which it would reasonably expect that the customer would anticipate a response, the Company shall in respect of a written complaint provide an oral response or despatch a

written response to the customer within 5 working days of receipt of the complaint (including an indication of any further action that the Company considers to be required, including but not limited to the date by which the substantive response is to be despatched). Where a response to a written or oral complaint is not a substantive reply then the Company shall (other than in exceptional circumstances) provide the substantive response within 10 working days of receipt of the complaint. 90 per cent

Service 5

[not used]

4. Upon commencement of the relevant period, this determination shall replace the overall standards of performance which were introduced on 1 April 2002 following a previous determination by the Authority under section 33BA of the Act.

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**Duly Authorised by the Authority
28 April 2005**