

DETERMINATION PURSUANT TO SECTION 33BA OF THE GAS ACT 1986

WHEREAS

In accordance with section 33BAA of the Gas Act 1986 (the "Act") the Gas and Electricity Markets Authority (the "Authority") gave notice on 21 February 2008 on the Ofgem website (www.ofgem.gov.uk) (the "Notice") that it proposed to determine (in order to cease their force and effect) all the extant standards of overall performance (the "overall standards") which ought to be achieved by every holder of a gas transporter's licence (a "licence") granted or treated as granted by the Authority under section 7 of the Act and the Authority specified that any representations or objections to the proposals must be made on or before 20 March 2008.

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)), obliging every gas transporter 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. Consistent with the Authority's duty under section 4AA(5A) of the Act to have regard to best regulatory practice, the reasons for the decision of the Authority to determine the overall standards (and cause them to cease in force and effect) 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:
 - a. 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;

- b. 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;
- c. 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;
- d. 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
- e. 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.

- 4. Further details of the reasons are set out in various documents published on behalf of the Authority including –

- f. *'Gas Distribution Price Control Review Initial Proposals Document, 29 May 2007, ref: 125/07;*
- g. *'GDPCR: Initial Licence Drafting Consultation', 10 September 2007, ref: 221/07;*
- h. *'Gas Distribution Price Control Review Updated Proposals Document Ofgem 24 September 2007, ref: 226/07;*
- i. *'Open letter on Ofgem's proposals to implement revised standards of performance arrangements for gas transporters', November 2007, ref: 279/07;*
- j. *'Gas Distribution Price Control Review', Final Proposals Document, December 2007, ref: 285/07; and,*
- k. *GDCPR: Second Licence Drafting Consultation', 11 December 2007, ref: 290/07,*

all available free of charge from the Ofgem library (telephone: 020 7901 7003) or on the Ofgem website (www.ofgem.gov.uk).

5. In accordance with section 33BAA(1)(c) of the Act the Authority sent a copy of the Notice to the Secretary of State, gas transporters, Health and Safety Executive and the Consumer Council, and did not receive by 20 March 2008 or at all, a direction from the Secretary of State not to make any modification.
6. By 20 March 2008 the Authority received 12 representations to the proposal to determine the standards of overall performance in order to cease their force and effect.
7. The Authority has duly considered all the representations and has decided to determine that the standards of overall performance will cease their force and effect.

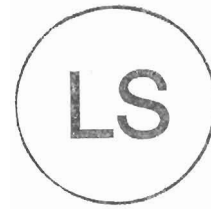
NOW THEREFORE

In accordance with its powers under section 33BA and consistent with section 33BAA of the Act the Authority **HEREBY DETERMINES** all the standards of overall performance **WITH EFFECT** on and from 1 April 2008.

Dated the 31st day of March 2008

The official seal of the Gas and Electricity Markets Authority here affixed is authenticated by the signature of

Steve Smith

A handwritten signature in black ink, appearing to be 'SS', written over a light grey rectangular background.

Managing Director, Networks

Authorised on behalf of the Gas and Electricity Markets Authority

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 gas distribution network 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.

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 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.

.....

Duly Authorised by the Authority
1 May 2005

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 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

97 per cent

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.

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

GAS TRANSPORTER OVERALL STANDARDS OF PERFORMANCE

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 gas distribution network 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,

90 per cent

in each case within 30 seconds

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 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

97 per cent

(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

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.

.....

Duly Authorised by the Authority
1 May 2005