

DNOs, IDNOs and other  
interested parties

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Dear Colleague

### **The Electricity (Standards of Performance) Regulations 2010**

On 8 March 2010, the Department of Energy and Climate Change consented to our proposed amendments to the Electricity (Standards of Performance) Regulations 2005, in the form of new regulations, and today the Office of Public Sector Information (OPSI) published the new regulations, the Electricity (Standards of Performance) Regulations 2010<sup>1</sup> (the "Revised Standards SI").

This letter is to notify you that the Revised Standards SI will apply from 1 April 2010. This letter also provides a background to the process we undertook to make the amendments to the Electricity (Standards of Performance) Regulations 2005.

#### *Introduction*

On 26 January 2010 we published a statutory consultation under section 40B of the Electricity Act 1989 on our proposals to introduce revised standards of performance that will apply to electricity distributors from 1 April 2010. The main changes to the Electricity (Standards of Performance) Regulations 2005 that we proposed were:

- (a) creating a new standard for incidents that interrupt 5,000 or more premises (see regulation 6 of the Revised Standards SI);
- (b) creating a new standard where a rota disconnection policy is employed to share out available load (see regulation 8 in the Revised Standards SI);
- (c) providing greater clarity to the existing planned interruption standard, to make it explicit when notice is required and under which situations it is not required (see regulation 14 in the Revised Standards SI);
- (d) updating all payment levels to reflect inflation over the period April 2005 to November 2009 and to ensure that where a standard is capped, the cap equates to an addition of the relevant payments;
- (e) updating the thresholds for normal and severe weather conditions;
- (f) time limiting the application of regulation 13 in the Revised Standards SI, the 'Estimate of charges for connection' standard, to until 30 September 2010 as after that date that

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<sup>1</sup> SI 2010/698

standard will be the subject of the Electricity (Connection Standards of Performance) Regulations 2010 (the "Connections Standards SI"); and

(g) amending regulation 19 in the Revised Standards SI so that it does not apply to a visit for a purpose that is the subject of the Connections Standards SI when that SI comes into force, currently expected to be on 1 October 2010.

### *Process*

The policy behind the proposals to revise the standards has been consulted on as part of the electricity distribution price control review. Our process has included commissioning customer research and considering the results of the research<sup>2</sup>, issuing consultation documents and considering responses.

The consultation period for the statutory consultation closed on 23 February 2010. As a result of responses received to this consultation we made some minor revisions to the text of the Revised Standards SI. In Annex 1 to this letter we summarise the responses received to our statutory consultation and our proposed approach after consideration of those responses.

In particular, please note that we have not amended the Revised Standards SI to time limit the application of regulation 13, the 'Estimate of charges for connection' standard, to until 30 September 2010, as after that date that standard will be the subject of the Connections Standards SI. Further, we have not amended regulation 19 so that it does not apply to a visit for a purpose that is the subject of the Connections Standards SI when that SI comes into force, currently expected to be on 1 October 2010.

Originally the Connections Standards SI was planned to be made by the Authority at the same time as the Revised Standards SI. However as this is not possible now we cannot refer to the New Connections SI in the Revised Standards SI because the New Connections SI will not have been made and registered by the time the Revised Standards SI comes into force on 1 April 2010. In light of this, we intend to consult on a statutory instrument amending the Revised Standards SI to take account of the Connections Standards SI as was proposed in due course.

The Revised Standards SI can be found on the OPSI website at:

[http://opsi.gov.uk/si/si2010/uksi\\_20100698\\_en\\_1](http://opsi.gov.uk/si/si2010/uksi_20100698_en_1).

If you have any comments or questions in relation to this letter please contact me on 020 7901 7029 or at [james.hope@ofgem.gov.uk](mailto:james.hope@ofgem.gov.uk).

Yours faithfully

**James Hope**  
**Head of Incentives and Network Performance**

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<sup>2</sup> The results of the research are set out in 'Expectations of DNOs and Willingness to Pay for Improvements in Service, Final Report, July 2008':  
[http://www.ofgem.gov.uk/Networks/ElecDist/QualofServ/Documents1/1704rep04\\_final.pdf](http://www.ofgem.gov.uk/Networks/ElecDist/QualofServ/Documents1/1704rep04_final.pdf)

## **Annex 1 – Summary of responses to the statutory consultation and our approach**

### **General Comments**

- Respondents provided a number of detailed, relatively minor, drafting suggestions covering both the proposed changes to the Electricity (Standards of Performance) Regulations 2005 and also to those standards where no changes have been proposed. We have incorporated most of these minor drafting changes, but have taken a view that a small number of the proposed changes are not necessary and have therefore maintained the existing drafting.
- A respondent brought to our attention that the non-domestic prescribed sum in respect of Regulation 14(6) was incorrect. We have corrected this error.
- We have updated the format of the Revised Standards SI, being the preamble, contents, footnotes and explanatory note, in line with updated Statutory Instrument practice requirements.

### **Regulation 5: Supply restoration: normal conditions**

- One respondent raised a concern that, by providing a minimal level of supply following an interruption, an electricity distributor could avoid failing this standard. We will consider clarifying in the guidance for reporting on the existing standards of performance what constitutes supply restoration.

### **Regulation 6: Supply restoration: normal conditions - 5,000 or more customers' premises interrupted**

- Respondents provided suggestions for drafting changes to ensure clarity of this new standard which we have reflected in Regulation 6. In particular, we now refer to "customers' premises" as opposed to "premises" in the heading and content of this standard, to clarify the standard.
- Respondents suggested that Regulation 6 is amended to explicitly make it clear that Regulation 5 and 6 are mutually exclusive. However, we believe Regulation 5(3)(a) makes it clear that Regulation 5 does not apply where Regulation 6 does.
- In respect of the 5,000 or more customers' premises threshold, a respondent raised a concern that this would unlikely relate to their area unless the entire local area was to be blacked out. We consider that the aim of the standard is to target large scale blackouts and this 5,000 or more customers' premises threshold was set to align with reporting under paragraph 1(c) of Regulation 32 of the Electricity, Safety Quality and Continuity Regulations 2002.

### **Regulation 8: Supply restoration: rota disconnection**

- A number of respondents suggested revised drafting to clarify how interruptions would be evaluated under this standard. We have incorporated the suggested drafting that we believe provides the greatest clarity.
- One respondent requested further detail on how and when this standard would apply, for example, by defining a 'rota disconnection event'. We intend to provide this detail in the guidance for reporting on the standards of performance.
- One respondent highlighted that the drafting of this standard omitted that the rota disconnection had to be associated with a problem on the distributor's network. We have corrected this omission so that the wording for this standard now aligns with other similar standards.

**Regulation 13: Estimate of charges for connection**

- We have removed the drafting to time limit this standard, intended to ensure that it did not apply once the Connections Standards SI came into force. This is because the New Connections SI will not have been made and registered by the time the Revised Standards SI comes into force on 1 April 2010. In light of this, we intend to consult on a statutory instrument amending the Revised Standards SI to take account of the Connections Standards SI in due course.

**Regulation 19: Appointments**

- We have removed the drafting to carve-out connections related appointments from this standard, intended to ensure that they were only covered by the Connections Standards SI once that SI came into force. Again, this is because the New Connections SI will not have been made and registered by the time the Revised Standards SI comes into force on 1 April 2010. Therefore, we intend to consult on a statutory instrument amending the Revised Standards SI to take account of the Connections Standards SI in due course.