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DNOs, IDNOs and other interested parties

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Dear Colleague

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

On 26 August 2010, the Department of Energy and Climate Change consented to our proposed amendments to the Electricity (Standards of Performance) Regulations 2010<sup>1</sup> (the "Revised Standards SI"), in the form of an amendment to those regulations, and today the Office of Public Sector Information (OPSI) published the amendment regulations, the Electricity (Standards of Performance) (Amendment) Regulations 2010<sup>2</sup> (the "Amendment Standards SI").

This letter is to notify you that the Amendment Standards SI will apply from 1 October 2010. This letter also provides a background to the process we undertook to make the amendments to the Revised Standards SI.

## Background

On 1 April 2010 the Revised Standards SI came in to force. In our notification letter of 24 March 2010<sup>3</sup> we outlined two changes to the Revised Standards SI that had been proposed under a statutory consultation under section 40B of the Electricity Act 1989<sup>4</sup> which were not made. Those changes were:

- (a) 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 standard will be the subject of the Electricity (Connection Standards of Performance) Regulations 2010<sup>5</sup> (the "Connections Standards SI"); and
- (b) amending regulation 19 in the Revised Standards SI so that it does not apply to a visit arising out of the application of the Connections Standards SI when that SI comes into force, on 1 October 2010.

<sup>4</sup> This document can be found here:

<sup>5</sup> SI 2010/2088

<sup>&</sup>lt;sup>1</sup> SI 2010/698

<sup>&</sup>lt;sup>2</sup> SI 2010/2131

<sup>&</sup>lt;sup>3</sup> That letter can be found here:

http://www.ofgem.gov.uk/Networks/ElecDist/QualofServ/GuarStandds/Documents1/20100324%20Standards%20 of%20Performance%20SI%20Letter.pdf

http://www.ofgem.gov.uk/Networks/ElecDist/PriceCntrls/DPCR5/Documents1/Cover%20Letter%20Statutory%20consultation%20on%20the%20Existing%20Standards%20FINAL.pdf

As was stated in our notification letter of 24 March 2010 we did not make the relevant amendments set out above to the Revised Standards SI. Originally, the Connections Standards SI was planned to be made by the Authority at the same time as the Revised Standards SI. However this was not possible at that time because we could not refer to the New Connections SI in the Revised Standards SI as the New Connections SI was not made and registered by the time the Revised Standards SI came into force on 1 April 2010. In light of this, we stated that we intended to consult on a statutory instrument amending the Revised Standards SI to take account of the Connections SI as was proposed in due course.

On 17 August 2010 the Department of Energy and Climate Change consented to the Connections Standards SI, which will come in to force 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>6</sup>, issuing consultation documents and considering responses.

On 16 July 2010 we issued a statutory consultation under section 40B of the Electricity Act 1989 to make the above-mentioned amendments to the Revised Standards  $SI^7$ . The consultation period closed on 18 August 2010.

As a result of responses received to this consultation we made some minor clarificatory revisions to the text of the Amendment 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.

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

If you have any comments or questions in relation to this letter please contact me on 020 7901 7029 or at <u>james.hope@ofgem.gov.uk</u>.

Yours faithfully

James Hope Head of Electricity Distribution Costs and Outputs

<sup>&</sup>lt;sup>6</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 <sup>7</sup> This document can be found here:

http://www.ofgem.gov.uk/Networks/ElecDist/PriceCntrls/DPCR5/Documents1/Statutory consultation on consequ ential changes to the Revised Standards 2.pdf

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

## **General Comments**

- Most respondents did not have any comments to make other than to confirm their acceptance of the proposed changes.
- One respondent noted a number of small relatively minor, drafting suggestions which we have incorporated.
- One respondent requested a number of presentational changes to align with updated Statutory Instrument practice requirements and we have made these changes. These changes in no way alter the meaning or effect of the amendments proposed under the statutory consultation.