



To: Energy suppliers, customers, consumer organisations and representatives, academics and other interested parties.

*Promoting choice and value for all gas and electricity customers*

Ref: 05/13  
Date: 21 January 2013

Dear Colleague

## **Supplier Guaranteed and Overall Standards of Performance Review – Call for Evidence**

In June 2012 we published our Simplification Plan 2012-13 which includes a commitment to review the supplier Guaranteed and Overall Standards of Performance (GOSP)<sup>1</sup>. This open letter is a call for energy suppliers, consumers and other interested parties to comment on the supplier GOSP and to provide evidence supporting these comments.

### **Background**

Supplier Guaranteed Standards (GS) set the levels of service which must be achieved in every individual case in areas such as appointments and meter disputes. They include compensation payments for consumers where these standards are not met and impose communication and reporting requirements on suppliers. The Overall Standards (OS) set general levels of service which must be achieved across all domestic consumers, e.g. for reconnection and meter re-siting, and similarly create communication and reporting requirements.

The GOSP are set by the Gas and Electricity Markets Authority (the Authority), using enabling provisions in the Gas Act 1986 and Electricity Act 1989. The GS are set, with the consent of the Secretary of State, in Gas (Standards of Performance) Regulations 2005 and Electricity (Standards of Performance) Regulations 2010. The OS are set by way of Authority determination<sup>2</sup>.

### **Call for evidence**

We have identified a number of areas that we believe would benefit from consideration as a part of this review and that could help us decide whether, and if so how, to revise the GOSP.

The specific questions we would like to address as part of this call for evidence:

#### *Role and scope of the GOSP*

1. Are GOSP an effective tool for protecting consumers in the retail energy market?

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<sup>1</sup> There are also Guaranteed Standards applicable to electricity and gas distribution companies. We are currently in the process of reviewing the existing Guaranteed Standards that apply to Electricity Distribution Networks as part of the price control process (RIIO-ED1).

<sup>2</sup> The Authority determinations setting the Overall Standards for electricity and gas suppliers are published on Ofgem's website: <http://www.ofgem.gov.uk/Sustainability/SocAction/Publications/Pages/Publications.aspx>

2. To which groups of consumers are Guaranteed Standards (GS) relevant and useful? Are they of equal relevance and value to all consumer groups, including domestic, SMEs and large businesses?
3. Is the GS on Charges and Payments, which only applies to the previous Public Electricity Suppliers (PES), still appropriate? If so, should it be extended to all suppliers?
4. Are there any customer service areas that no longer need to be covered by the GOSP? Are there any service areas that are not covered by the GOSP, but should be?
5. Which customer service areas are appropriate for compensation approach under the GS and which service areas are appropriate for performance reporting approach under the OS?
6. Are the current levels of compensation under the GS still appropriate? Should they be different for different customer groups?

*GOSP transparency*

7. What is the overall consumer awareness of the GOSP? To what extent should consumers be aware of the GS and OS and what is the best way for achieving this?
8. What is the best way for suppliers to demonstrate that they meet and where appropriate, exceed the GOSP?

*Future market developments and GOSP*

9. To what extent will each of the current GOSP remain appropriate in light of market developments such as smart metering?

In addition to the questions above, we also welcome any additional views and evidence relating to the design and operation of the GOSP regime.

### **Next steps**

We welcome responses to this call for evidence by **28 February 2013**. Please email your response to [Andrius.Cialka@ofgem.gov.uk](mailto:Andrius.Cialka@ofgem.gov.uk). All responses will be placed on our website unless marked as confidential.

Ofgem will consider responses to the call for evidence as a part of its review of the GOSP. If we decide that changes are necessary to the GOSP we will conduct a formal consultation process.

Ofgem may consider it necessary to gather further information from energy suppliers using our formal information gathering powers if we consider the information collected as a part of this Call for Evidence insufficient to make a well-informed decision about the future of the GOSP.

If you have any further questions regarding the issues discussed in this call for evidence, please contact Andrius Cialka ([Andrius.Cialka@ofgem.gov.uk](mailto:Andrius.Cialka@ofgem.gov.uk); 020 7901 3124).

Yours faithfully,



**Philip Cullum**  
**Partner, Consumer and Demand-side Insight**