

James Hope
Head of Electricity Distribution Costs & Outputs
Ofgem,
9 Millbank,
London,
SW1P 3GE

30th May 2014

Dear James,

Open letter consultation on potential changes to severe weather related Guaranteed Standards of Performance (GSOP) following the December 2013 storms

Thank you for the opportunity to comment on the above matter.
This response is not confidential and can be published on the Ofgem website.

Amending the 2010 Guaranteed Standards of Performance by making payments automatic for all standards covering power loss

We support this initiative and would be comfortable moving to an automatic payment covering all power loss guaranteed standard payments from April 2016. We would have difficulty implementing this for all categories by April next year due to the system changes required to generate these payments however we would be happy to move to this if we are able to plan and implement system changes to ensure we have a robust process. In reality we already pay all severe weather payments automatically to customers following a period of manual validation to ensure we are paying the correct customer, however system changes would need to be made to allow us to move this to all guaranteed standard payments relating to power loss.

Increasing payments for customers for power loss following severe weather events from £35 to £70

We do not support this initiative. However we recognise that customers who are off supply for extended periods during severe weather events are inconvenienced and we work hard to minimise any impact to our customers and support them during this time.

Ochil House, 10 Technology Avenue, Hamilton International Technology Park, Blantyre, G72 0HT

Telephone: 0141 614 0008

www.spenergynetworks.com

We currently reimburse customers for hot meals during these events up to £10 per person per meal and up to three meals per day. Therefore an individual customer in a household is receiving up to £30 per day in recognition of the inconvenience caused. Whilst we recognise this is not paid to all customers, it is open to all and is paid to those who accept this offer of assistance. In addition to this we also offer hotel accommodation to vulnerable customers from day one and all customers if they will be off supply on day two of an event. We feel it is important to have a targeted approach to ensure customers who feel they would benefit from this payment receive it and customers have highlighted in research that this is more important to them than increased overall payments.

In addition to the ongoing welfare arrangements outlined above, following the December 2013 storms and the DECC Severe Weather - Christmas 2013 review, we are working with our DNO colleagues across mainland UK to develop best practice support and welfare arrangements for customers during storms. We believe the original ED1 amendments to the severe weather Guaranteed Standard payments, coupled with the targeted support of customers who most benefit from that support is more effective than the proposed increase in the payment value.

It is important to note we experience more severe weather resulting in significant extended events than any other DNO, due to the geography of our licence areas. In our view it is important that any changes made with regard to Guaranteed Standards payments do not impact the amount customers pay to their local distribution company and at present we feel we are able to target customers most in need to a much higher value, whilst still ensuring we do not increase charges to all customers. This delivers a benefit to both the customers in need, by supporting them through the period of the event, whilst also ensuring the charges to all of our customers are kept as low as possible in line with the customer feedback we receive.

We trust this letter provides helpful and constructive feedback.
Please do not hesitate to contact us should you have any queries.

Yours sincerely,



.....
Susan Bradshaw
SP Energy Networks

Ochil House, 10 Technology Avenue, Hamilton International Technology Park, Blantyre, G72 0HT

Telephone: 0141 614 0008

www.spenergynetworks.com