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Our ref

Your ref

Date

23 April 2014

Dear James

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

I am writing on behalf of Western Power Distribution (South Wales) plc, Western Power Distribution (South West) plc, Western Power Distribution (East Midlands) plc and Western Power Distribution (West Midlands) plc in response to Ofgem's consultation on further changes to the guaranteed standards.

In the light of strong feedback from our stakeholders, WPD supports the additional changes to the guaranteed standards proposed by Ofgem for April 2015;

- (a) To make payments for the supply restoration standards automatic by default
- (b) To double severe weather payments from £35 to £70 with a cap of £700.

In response to stakeholder feedback, from 1 April 2014 WPD is voluntarily working to the 12 hour restoration standard during normal weather, and had already doubled all of its guaranteed standards payments.

Feedback from our stakeholders also supports Ofgem's position that payments need to strike a balance between the inconvenience of being without power for several days during widespread severe weather and the annual revenue received per domestic customer of around £90. Therefore we support the proposed payment of £70, with a £700 cap for severe weather events.

An appendix containing details of feedback from our recent Stakeholder Workshops is attached.

It is already WPD policy to make proactive ex gratia payments to customers who are without supply for over 12 hours during normal weather (without a valid exemption) and during severe weather over the 24 or 48 hour specified period (without a valid exemption), or in major incidents affecting over 5000 customers off for over 24 hours rather than expect them to make a formal claim.

There will be some circumstances where we are not aware of an individual customer affected by an extended loss of power, e.g a single HV fuse or an LV partial feeder fault. We do however agree that the onus should be on DNOs to find practical solutions to identifying customers who remain without power and to explain to Ofgem why identification was not possible in individual cases. We would be happy to share our experience with Ofgem.

The consultation letter refers to standards of performance for customers without power for prolonged periods, which we assume this means the supply restoration standards Regulations 5, 6 and 8. We look forward to the opportunity to comment on the amendments to the Statutory Instrument and the RIGs.

I hope these comments are helpful. Please contact me if you would like to discuss any of the points.

Yours sincerely

A handwritten signature in black ink, appearing to be 'AS', written in a cursive style.

ALISON SLEIGHTHOLM
Regulatory & Government Affairs Manager

Feedback From Stakeholder Workshops

Appendix 1

In February 2014 WPD ran six stakeholder engagement workshops at locations across our regions. The events attracted 205 stakeholders representing a broad cross-section of customer groups:

Domestic customer	4.5%
Business customer	7.4%
Local authority / council officer	19.8%
Parish councillor	23.3%
Developer / connections representative	10.9%
Environmental representative	5.9%

Energy / utility company	8.9%
Regulator / government	2.5%
Emergency resilience officer	0.5%
Academic / education institute	5.0%
Other	11.4%

Each event included three separate sessions:

•Workshop 1: WPD’s Business Plan

-Overview of WPD’s final submitted Business Plan, Ofgem’s initial assessment and WPD’s plans for delivery

•Workshop 2: Severe weather resilience

-Overview of recent weather events, WPD’s performance and lessons learnt

•Workshop 3: Choice of 3 ‘surgeries’

- 1.Connections
- 2.Innovation plan
- 3.Social obligations

Each session began with a presentation from a WPD senior manager. Stakeholders then participated in facilitated, qualitative round-table discussions followed by quantitative electronic voting (for their preferred option).

As part of the ‘workshop 2’ specifically on severe weather resilience, stakeholders were asked to comment on WPD’s approach and to discuss and electronically vote on a number of proposed improvement actions. This included explicitly asking customers: **“What is the appropriate level of guaranteed standards payments to customers during severe weather?”**

The vast majority support WPD’s current approach to voluntarily double the failure payments to customers. Only 17% of customers supported going further.

