

Notice of proposals under section 40B of the Electricity Act 1989 to prescribe standards of performance in regulations

The Gas and Electricity Markets Authority (the "Authority") hereby gives notice pursuant to section 40B of the Electricity Act 1989 (the "Act") as follows:

1. The Authority proposes to prescribe standards of performance in individual cases, the "guaranteed standards", for all relevant operators holding a licence granted or treated as granted by the Authority under section 6(1) (c) and (d) of the Act with effect on and from 1 April 2015 by proposing to revise a number of the guaranteed standards currently contained in The Electricity (Standards of Performance) Regulations 2010 and Electricity (Connection Standards of Performance) Regulations 2010 (the "Regulations") (a copy of which is annexed to this Notice illustrating the changes proposed).
2. The reasons why the Authority proposes to revise the guaranteed standards are set out in various documents published on behalf of the Authority including:
 - a) Strategy decision for the RIIO-ED1 electricity distribution price control - Outputs, incentives and innovation;¹ and,
 - b) Minded to decision on changes to severe weather-related Guaranteed Standards of Performance (GSOP) following the December 2013 storms.²

All documents referred to in this Notice are available free of charge from the Ofgem Research and Information Centre (020 7901 7003) or on the Ofgem website (www.ofgem.gov.uk).

3. In summary, the reasons why the Authority proposes to prescribe the guaranteed standards are to provide an appropriate level of protection to customers or potential customers of electricity distributors by:
 - a) Electricity (Standards of Performance) Regulations 2010
 - i. Reducing the normal weather standard contravention period from 18 hours down to 12 hours,
 - ii. Aligning regulatory treatment of "one-off" exceptional events by removing certain exemptions in recognition of how such events are treated under the interruptions incentive mechanism,
 - iii. Increasing the payment values to reflect inflation (as calculated by the retail price index),
 - iv. Increasing the payment values and maximum threshold for severe weather related incidents to reflect the minded to decision following the December 2013 storms,
 - v. Consequential changes to the statutory instrument as a result of issuing a new version (eg amending implementation dates),
 - vi. Automation of payments to Priority Services Register Customers who have experienced a qualifying interruption in respect of regulations 5, 6, 7 and 8, and where no exemptions under those regulations apply.

- b) Electricity (Connection Standards of Performance) Regulations 2010

¹ Strategy decision for the RIIO-ED1 electricity distribution price control - Outputs, incentives and innovation, 4 March 2014; <https://www.ofgem.gov.uk/ofgem-publications/47068/riioed1decoutputsincentives.pdf>

² Minded to decision on changes to severe weather-related Guaranteed Standards of Performance (GSOP) following the December 2013 storms, 24 July 2014; <https://www.ofgem.gov.uk/ofgem-publications/88916/gsmindedtodecision.pdf>

- i. Increasing the payment values to reflect inflation (as calculated by the retail price index).
 - ii. Clarifying that delays imposed by a requirement to serve a notice under the New Roads and Street Works Act can be treated as an extensions of time
 - iii. Consequential changes as a result of issuing a new version (eg amending implementation dates).
4. Any representations by Citizens Advice, Citizens Advice Scotland, any electricity distributor, or any persons or bodies that are representative of persons likely to be affected by the proposed Regulations must be made in writing on or before 21 January 2015 to Karl Hurley on 0207 901 1820 or at Ofgem, 9 Millbank, Westminster, SW1P 3GE or via email to QoS@ofgem.gov.uk.

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Paul Branston

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Duly authorised on behalf of the Gas and Electricity Markets Authority
18 December 2014

**Annex – the proposed Electricity (Standards of Performance) Regulations 2015
and proposed Electricity (Connection Standards of Performance) Regulations
2015**

Attached as separate documents.