

All interested parties

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Dear stakeholders,

**The Electricity (Standards of Performance) Regulations 2015 and Electricity (Connection Standards of Performance) Regulations 2015 (“the revised standards”)**

Over the past couple of years we have been working to revise the standards of performance that apply to customers that experience a supply interruption or require a connection.<sup>1</sup>

This letter is to notify you that revised standards will apply from 1 April 2015. The revised standards of performance are outlined in the:

- Electricity (Standards of Performance) Regulations 2015,
- Electricity (Connection Standards of Performance) Regulations 2015.

This letter also provides information on the process we undertook to implement these standards.

*Reasons for amendments to standards*

The reasons why the Authority proposes to revise the standards of performance are set out in various documents published on behalf of the Authority including:

- Strategy decision for the RIIO-ED1 electricity distribution price control - Outputs, incentives and innovation;<sup>2</sup> and,
- Minded to decision on changes to severe weather-related Guaranteed Standards of Performance (GSOP) following the December 2013 storms.<sup>3</sup>

*Main changes to the standards*

On 18 December 2014 we published a statutory consultation under section 40B of the Electricity Act 1989 on our proposals to introduce the revised standards. The main changes were:

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<sup>1</sup> The previous standards of performance were outlined in the:

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

<sup>2</sup> 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>

<sup>3</sup> 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/qsmindedtodecision.pdf>

a) Electricity (Standards of Performance) Regulations 2010

- i. Reducing the normal weather standard contravention period from 18 hours down to 12 hours,
- ii. Standardising treatment of customers throughout GB by removing; the separate Highlands and Islands regulation, the exemptions that applied to customers in the Highlands and Islands of Scotland, and also removing the 12 hour delay in start time when an interruption is due to a 20kV underground cable fault,
- iii. 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,
- iv. Increasing the payment values to reflect inflation (as calculated by the retail price index),
- v. Increasing the payment values and maximum threshold for severe weather related incidents to reflect the minded to decision following the December 2013 storms,
- vi. Consequential changes to the statutory instrument as a result of issuing a new version (eg amending implementation dates, regulation numbers),
- vii. 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

- 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 extension of time,
- iii. Consequential changes as a result of issuing a new version (eg amending implementation dates).

*Responses to statutory consultation*

The consultation period for the statutory consultation closed on 21 January 2015. All non-confidential responses received are available on our website. As a result of responses we made some minor revisions to the text of the statutory instrument. In Annex 1 to this letter we summarise the responses received to our statutory consultation and our proposed approach after considering the responses.

*Implementation of the revised standards*

On 13 March 2015, the Minister of State at the Department of Energy and Climate Change consented to us making the revised standards.<sup>45</sup> The revised standards will be implemented on 1 April 2015.

If you have any comments or questions in relation to this letter please contact [stephen.perry@ofgem.gov.uk](mailto:stephen.perry@ofgem.gov.uk) (tel: 0207 901 1806) or [karl.hurley@ofgem.gov.uk](mailto:karl.hurley@ofgem.gov.uk) (tel: 0207 9001 1820).

Yours sincerely,



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<sup>4</sup> The Electricity (Standards of Performance) Regulations 2015  
[http://www.legislation.gov.uk/ukxi/2015/699/pdfs/ukxi\\_20150699\\_en.pdf](http://www.legislation.gov.uk/ukxi/2015/699/pdfs/ukxi_20150699_en.pdf)

<sup>5</sup> The Electricity (Connection Standards of Performance) Regulations 2015  
[http://www.legislation.gov.uk/ukxi/2015/698/pdfs/ukxi\\_20150698\\_en.pdf](http://www.legislation.gov.uk/ukxi/2015/698/pdfs/ukxi_20150698_en.pdf)

## Appendix 1 - Summary of responses to the statutory consultation and our approach

- Respondents provided a number of detailed, relatively minor, drafting suggestions. We have incorporated most of these minor drafting changes, but have taken a view that a small number of the proposed changes are not necessary and have therefore maintained the existing drafting.

### Proposed Electricity (Connection Standards of Performance) Regulations 2015

- One respondent questioned whether the transitional provisions worked. They considered that the “applicable date” could not be before the new regulations were implemented. We consider that the transitional provisions work and that the “applicable date” refers to a regulation, this could be either the 2010 or the 2015 version of the Electricity Connection Standards of Performance Regulations.
- Northern Powergrid considered that the marked-up version of the Electricity (Connection Standards of Performance) Regulations did not clarify that delays imposed by the requirements of the New Roads and Street Works Act can be treated as an extension of time, as stated in the Notice. We agreed and added the words “or the New Roads and Streetworks Act 1999” to the end of regulation 16(4)(d).
- Following consultation, we also amended the references to the consumer body previously referred to as the “National Consumer Council” to better align with The Public Bodies (Abolition of the National Consumer Council and Transfer of the Office of Fair Trading’s Functions in relation to Estate Agents etc) Order 2014. We originally proposed to refer to “the National Association of Citizens Advice Bureaux and the Scottish Association of Citizens Advice Bureaux” or “the bureaux”; we now intend to refer to them as “Citizens Advice or Citizens Advice Scotland” or “the consumer advocacy body”.
- We did not receive any other comments on the proposed regulations.

### Proposed Electricity (Standards of Performance) Regulations 2015

- Respondents provided a number of detailed, relatively minor, suggested amendments to address typographical issues (eg formatting, and regulation numbering). We have incorporated these minor drafting changes into the finalised document.
- The Energy Networks Association (the DNO representative body), issued a collective response on behalf of the 14 electricity distribution licensees who are Distribution Service Providers. This response contained a number of issues on which they sought further clarification:
  - They considered stakeholders would be confused by the different timings of supplier and DNO changes, so wanted Ofgem to reconsider the timings of the respective changes.
    - There are two separate implementation dates for the Electricity (Standards of Performance) Regulations (which will go live on 1 April 2015) and the Supplier Standards (Summer 2015). This timing variation is unavoidable at this point. The new Supplier SI, will only be applying to particular sections of the regulations. These sections are: Charges and payments (Reg 16), Meter disputes (Reg. 17), Pre-payment meters (Reg. 18), Appointments (Reg. 19), and Payments (Reg. 21). To avoid creating unnecessary confusion for stakeholders around payment levels we have amended the Regs. 19 and 21 to have two different payment levels to apply from 1 April 2015 relating to DNOs and suppliers respectively.

- Notice of rights (supplier standards), clarity on preparation and time of sharing information required by suppliers to issue Notice of rights to customers.
  - This is a consideration for the guidance document to ensure smooth operation of the new process for issuing customers with their Notices of rights.
- Appointment standards (Supplier SI) altering the time window
  - This is for consideration in the Supplier SI.
- Distributor's Fuse – Additions to methods of contact
  - In certain instances customers may contact an employee of the DNO rather than the specified contact point (eg phone number for faults) and this would result in delays to delivering on this standard. This change has been accepted by the Authority as it provides certainty and clarity on an established practice.
- Definition of "Priority Services Register Customers". There was concern that the drafting of this definition was creating a potential risk for DNOs, whereby a customer requests to be added to the PSR list but this is not actioned by the time that the customer is subject to a qualifying standard and, as their name would not be on the list, they would not automatically receive a payment. The suggested change was to alter the definition so that only customers whose names were actually on the PSR would be entitled to compensation.
  - We disagreed and are not making this change. We think it is appropriate that all customers who qualify as PSR customers should be entitled to such compensation regardless of whether the DNO has actioned their request to be included on the register at the relevant time.
- Northern Powergrid, responded on a number of other points.
  - Definition of "Distribution Services Area" – we accepted this change.
  - Certain points were outside the scope of our statutory consultation, firstly the calculation of maximum payment under Regulation 6, and the extension of exclusions that apply to include visits arising out of the Distributed Generation standard, these were not consulted on as part of the RIIO-ED1 price control and are outside the scope of this statutory consultation on changes to the SI.
- Brookfield Utilities UK, highlighted an exemption specific to Highlands and Islands which should have been deleted.
  - This has been deleted.