



Consumers and their representatives, gas distribution networks (GDNs), the national transmission system (NTS), independent gas transporters (IGTs), gas shippers and gas suppliers and other interested parties

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Dear Colleague

### **The Gas (Standards of Performance) (Amendment) Regulations 2008**

On 10 March 2008 the Department for Business, Enterprise and Regulatory Reform (BERR) consented to our proposed amendments to the Gas (Standards of Performance) Regulations 2005 and on 14 March 2008 the Office of Public Sector Information (OPSI) published the amended regulations, the Gas (Standards of Performance) (Amendment) Regulations 2008<sup>1</sup>. This letter is to notify you that the amendment regulations will apply from 1 April 2008. The letter also provides a background to the process we undertook to make the amendments to the Gas (Standards of Performance) Regulations 2005.

#### *Introduction*

On 17 January 2008 we published a statutory consultation under section 33BAA of the Gas Act 1986 (as amended) on our proposals to introduce revised standards of performance in individual cases ("guaranteed" standards) that will apply to gas transporters (GTs) from 1 April 2008. The main changes that we proposed were:

- To introduce guaranteed standards for responding to customer complaints and notifying customers of planned interruptions;
- To tighten the guaranteed standards for reinstatement of customers' premises to 5 days;
- To revise the guaranteed standards for supply restoration to include smaller non-domestic customers and compensation for third-party damage and water ingress incidents; and
- To introduce a mechanism by which customers receive compensation when they are interrupted as a result of a failure on a network other than the network that they are connected to.

Ofgem proposed to retain the existing standards for gas suppliers. The revised standards for GTs are set out in a new statutory instrument that amends the Gas (Standards of Performance) Regulations 2005.

#### *Process*

The policy behind the proposals to revise the standards has been consulted on as part of the gas distribution price control review. Our process has included commissioning

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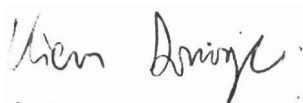
<sup>1</sup>Ref: 2008 No. 696

customer research and considering the results of the research;<sup>2</sup> issuing consultation documents and considering responses; establishing a quality of service working group and publishing draft and final impact assessments.

The consultation period for the statutory consultation closed on 14 February 2008. As a result of this consultation we made some minor revisions to the texts of the revised standards. In particular some respondents sought to ensure that the GTs are able to pay shippers for onward transmission to customers under Regulation 12 (Payments). Regulation 12 now refers only to the method of payment rather than the recipient of the payment and therefore provides flexibility in the way GTs pay compensation. The amendment regulations can be found on the OPSI website at [http://www.opsi.gov.uk/si/si2008/pdf/uksi\\_20080696\\_en.pdf](http://www.opsi.gov.uk/si/si2008/pdf/uksi_20080696_en.pdf).

If you have any comments or questions in relation to this letter please contact Ayesha Uvais on 020 7901 7307 or email her at [Ayesha.Uvais@ofgem.gov.uk](mailto:Ayesha.Uvais@ofgem.gov.uk)

Yours sincerely,



**Kieran Donoghue**  
**Head of Gas Distribution Regulation**

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<sup>2</sup> This research satisfies the requirement under section 33BAA(1)(a) of the Gas Act 1986 (as amended) to undertake appropriate research prior to making any changes to the guaranteed and overall standards of performance. Details regarding the research and its key findings have been published in a separate report. See Gas Distribution Price Control Customer Research Final Report (ref 126/07).