

Information Note

22 October 2010

OFGEM WELCOMES EDF ENERGY NETWORKS' GOODWILL PAYMENTS TO DARTFORD CUSTOMERS

Ofgem has today welcomed the decision by EDF Energy Networks to offer goodwill payments to customers and to make a donation to the community affected by power cuts in the Dartford area in July 2009.

The power cuts were caused by a fire at a cable bridge, and resulted in 94,000 customers losing supply, with almost 20,000 customers being off supply for more than 24 hours. The extent of the incident caused significant local concern which Ofgem shares. Ofgem welcomes the fact that EDF Energy Networks has responded to these concerns by making further payments in line with the regulatory requirements.

Ofgem has regarded the event as exceptional and has concluded that there is no evidence that any actions (or lack of actions) by EDF Energy Networks caused the event to happen.

The company took appropriate steps following the event to limit the number of customers that had their supplies interrupted, and to restore supplies quickly and efficiently. However, the incident has highlighted aspects of EDF Energy Networks' performance which appear to fall short of best practice. Ofgem will be reviewing the regulatory framework to ensure companies have an incentive to keep under review the measures they are taking to protect the integrity of critical parts of their network.

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Notes to editors

1. More information and advice for customers that were affected by the incident is available on this section of the Ofgem website:

<http://www.ofgem.gov.uk/Consumers/CI/Pages/Dartfordpowercut.aspx>

2. EDF Energy Networks will offer a further £700,000 across all customers that are eligible for payments in line with the regulatory requirements. This means that 12,000 customers, some of whom may not have previously entered a claim, will have the opportunity to receive a payment. This new offer will be on top of the £1.1 million the company has already paid to customers. In addition, the company will donate a further £750,000 to the local community.

3. Electricity distribution networks have to meet targets to reduce the number and length of power cuts under Ofgem's Interruptions Incentive Scheme (IIS). After careful consideration, Ofgem has concluded that the Dartford incident was an exceptional event and no penalty has been imposed. The relevant decision document can be found in this area of Ofgem's website: <http://www.ofgem.gov.uk/Networks/ElecDist/QualofServ/QoSIncent/Pages/QoSIncent.aspx>

4. Ofgem is the Office of the Gas and Electricity Markets, which supports the Gas and Electricity Markets Authority, the regulator of the gas and electricity industries in Great Britain. The Authority's powers and duties are largely provided for in statute, principally the Gas Act 1986, the Electricity Act 1989, the Utilities Act 2000, the Competition Act 1998, the Enterprise Act

2002, the Energy Act 2004 as well as arising from directly effective European Community legislation.

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