Standard issue update

Electricity and gas distribution networks' performance against guaranteed standards between 2018/19 and 2021/22



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Executive summary

This report is an update of our previous report, 'Standard Issue' 1, which detailed the performance of gas and electricity network companies against the guaranteed standards of performance (GSOPs) between 2015/16 and 2017/18.

This new report evaluates the overall performance of network operators, excluding independent gas and electricity network companies, over a four-year period from 2018/19 to 2021/22. These network operators manage the infrastructure that distributes gas and electricity from the transmission networks to end users, including households and businesses. *Standard Issue Update* reviews the performance of network operators (excluding independent gas and electricity networks) from 2018/19 to 2021/22. The report assesses their compliance with each guaranteed standard.

Guaranteed standards set out the minimum level of performance that domestic and non-domestic customers should receive from their gas and electricity network companies in case of an interruption, when connecting them to the network, and for their customer service. For instance, Distribution Network Operators (DNOs) have 12 hours to restore the electricity if an electricity supply fails during normal weather conditions. A list of the standards can be found in Appendix A. Customers will be compensated when distribution companies fail to meet these standards or provide the expected services. There are also incentives and other mechanisms to drive network company service quality within their price controls.

In order to compare performance, we calculated the percentage of occasions on which electricity and gas distribution companies met performance standards (i.e. pass rate). Our methodology is described in detail in <u>Appendix B</u>. We also invited network companies to comment on their performance against the Guaranteed Standards to understand the factors behind their performance on specific standards.

Our analysis found the following:

- All electricity networks achieved a 98% average pass rate on their performance against interruption and customer service standards and connection standards. The level of performance was similar to 2015/16 - 2017/18. The performance on quotation accuracy was lower than other standards.
- Similar to the performance between 2015/16 and 2017/18, gas networks' performance on guaranteed standards was less consistent between 2018/19 and 2021/22 within the sector. For instance, there was a significant variation between the highest and the lowest overall performance among networks on interruption and customer service standards across 4 years, ranging from 64% by SGN-SC in 202/02021 to 98% by WWU and SGN-SC in 2018/19. Gas network companies performed better in connections standards than interruption and customer service standards.

- Electricity and gas networks paid out close to £84 million (excluding the payment under the gas GSOPs' voluntary scheme) in compensation to customers over the 4 year period, with over £25 million of mandatory payments made by electricity network distribution companies due to the category 2 severe weather conditions.
- Between 2018/19 and 2021/22, over £4.5 million in compensation that was due was not received by customers, including £2.8 million for electricity and £1.7 million for gas. This amount could be higher as no data between 2018/19 and 2020/21 is available to calculate missing compensation payments on gas standards relating to Priority Services Register (PSR) customers not receiving heating and cooking facilities following the interruption.
- The revenue adjustment mechanism deducted electricity network companies' revenue by £2.42 million between 2018/19 and 2021/22 for not paying the compensation without valid exemptions.
- The impact of automatic compensation is clear from the significant rise in customers receiving compensation for not having received advance notice of planned supply interruptions (GS13), which jumped from 3.89% in 2020/21 to 36.62% in 2021/22..

Based on our analysis, we recommend the following:

 Ofgem should explore the introduction of automatic compensation across all electricity standards. While gas payments are now automatic, electricity customers still need to claim compensation for multiple interruptions (EGS2A) and unnotified planned supply interruptions (EGS4). Extending automatic compensation to these two additional standards should be achievable, and if the benefits outweigh the implementation costs, it would be a logical and fair improvement to ensure consistency across energy services.

Revenue adjustment mechanism

Networks are incentivised to pay out compensation against the guaranteed standards. When networks fail to make a compensation payment and no valid exemption applies, a negative adjustment will be made to their revenue allowance. The negative adjustment intends to return the payments to customers in general, albeit not directly to those owed the payment. The mechanism only covers a limited number of restoration standards (i.e. EGS2, 2B, 2C, 11A, 11B and 11C), and this mechanism does not cover connection standards.

- Ofgem should explore methods to help customers who cannot receive automatic compensation and continue encouraging network companies to use all reasonable resources to identify and compensate eligible customers.
- Ofgem should consider implementing the negative incentive mechanism, which penalises the network for not paying due compensation, across all standards. Currently, this incentive only applies to 6 of the 12 electricity standards.
- Ofgem should consider providing monthly GSOP's data breakdowns to show when companies meet or fail to meet standards throughout the year, and to highlight any instances of particularly poor performance
- Reporting templates and target pass rates should be updated and reviewed periodically to align with evolving industry standards, technology, and customer expectations.

- Ofgem should consider introducing a target performance to all standards. Annual targets are only set for gas connection standards and responding to telephone calls and gas emergencies.
- Network companies should work with external parties to publicise guaranteed standards and the right to compensation to customers.
- Network companies should invest in improving data accuracy as issues with incorrect entry and formula errors hinder Ofgem's effective monitoring of guaranteed standards performance.

Automatic compensation

Automatic compensation requires energy network operators to provide financial compensation to customers automatically when they fail to meet guaranteed standards, without the need for customers to file a claim. If operators are unsure which households were affected or lack customer details, they should use "reasonable endeavors" to identify and compensate those customers ².

Networks and geographic areas covered in our standard issue update

Gas

Networks & abbreviations	Areas covered
Wales & West Utilities (WWU)	Wales South West England
Northern Gas Network (NGN)	North East England North, West, & East Yorkshire Northern Cumbria
Cadent EOE: East of England Lon:London WM: West Midlands NW: North West	Midlands East of England North West England North London
Scottish Gas Network (SGN) SC: Scotland SO: Southern	Scotland Southern England

Electricity

Networks & abbreviations	Areas covered
Electricity North West Limited (ENWL)	North West England (including Derbyshire, North Yorkshire, and parts of Cheshire)
SP Energy Networks (SPEN) SPD: SP Distribution SPMW: SP Manweb	North Wales & Chester Southern & Mid Scotland
WPD: Western Power Distribution (now NGED: National Grid Electricity Distribution) WMID: West Midlands EMID: East Midlands SWALES: South Wales SWEST: South West	South & Mid Wales East & West Midlands South West England
Scottish & Southern Electricity Networks (SSEN) SSEH: Scottish Hydro Electric Power Distribution SSES: Southern Electric Power Distribution	Northern Scotland Central Southern England (including Hampshire, Dorset, Wiltshire, Oxfordshire)
Northern Powergrid (NPG) NPGN: Northern Powergrid Northeast NPGY: Northern Powergrid Yorkshire	North East England Northern Lincolnshire Yorkshire
UK Power Networks (UKPN) SPN: South-Eastern Power Networks EPN: Eastern Power Networks LPN: London Power Networks	Eastern & South East England

Key findings and recommendations

Performance

- Each electricity network's 4-year overall average performance was at least 98% pass rate for both interruption and customer service standards and connection standards.
- Gas network companies' performance on interruption and customer service standards was inconsistent across 4 years, ranging from 64% to 98%. They performed better on connection standards. All gas networks achieved at least a 96% pass rate for connection standards in all 4 years.

Compensation payment

- Electricity network operators paid over £63 million to customers across the 4 years for failing to comply with guaranteed standards, with more than £61 million related to interruption and customer service standards (including mandatory, ex-gratia and goodwill payments). Storms like Arwen, Corrie and Malik contributed to this high level of compensation, particularly in 2021/22.
- Gas network operators paid over £21 million to customers, with over £18 million also tied to interruption and customer service standard.

• The effectiveness of automatic compensation is demonstrated by the increase in the percentage of customers receiving GS13 compensation, which jumped from 3.89% in 2020/21 to 36.62% in 2021/22.

Unpaid compensation

- £2.42 million was deducted from electricity network companies' profit for not paying the compensation without valid exemptions between 2018/19 and 2021/22.
- Electricity customers missed over £2.8 million in compensation related to outages during normal weather conditions and severe weather events between 2019/20 and 2021/22 due to networks being unable to identify them or the customers not making a claim.
- Over £1.75 million in compensation was unpaid to gas customers between 2018/19 and 2020/21. The figure could be higher as Ofgem data does not allow us to calculate the missing compensation payment on standards relating to PSR customers not receiving heating and cooking facilities following an interruption.

Data accuracy

 Inconsistencies in how network operators interpreted reporting requirements during the GD1 period, such as compensation payments to domestic customers (GS12), led to significant variations in pass rates among networks

Key findings and recommendations

 Data inaccuracy was due to data entry mistakes such as transposing numbers or entering data into the wrong field. It limits the pass rate accuracy, which affects our evaluation of whether energy customers received guaranteed services.

Based on our analysis, we propose the following recommendations to Ofgem and network companies.

For Ofgem:

- Ofgem should consider introducing automatic compensation for the remaining electricity guaranteed standards if the value to customers exceeds the cost of implementation. Gas payments are now all automatic compensation. We acknowledge that electricity network companies pay compensation automatically most of the time. However, on standards such as notice of planned supply interruption (EGS4) and multiple interruptions (EGS2A), electricity customers could still miss out on compensation if they didn't make a claim.
- Ofgem should explore an alternative solution for those customers who do not receive automatic compensation.
- Performance targets are only set for gas connection standards and responding to telephone calls and gas emergencies. Ofgem should consider introducing an annual target for all gas and electricity guaranteed standards.

- Ofgem should introduce the negative revenue mechanisms for all guaranteed standards. The mechanism penalises network companies for not paying out due compensation to their customers. Currently, this incentive only applies to 6 of the 12 electricity interruption and customer service standards. If the guiding principle is that any consumer entitled to compensation should receive it, network operators failing to adhere to this principle without a valid exemption should be penalised. This principle should apply to all electricity standards as well as gas standards where in consumers' benefit.
- The Regulatory Reporting Pack should be periodically reviewed, making it easier for stakeholders and the general public to understand.

GD1

GD1 is the price control period for the gas distribution networks. They take the gas from transmission networks and transport it to homes and businesses. GD1 ran from 2013-2021, while GD2 runs for a shorter period between 2021 - 2026.

Key findings and recommendations

- Ofgem should implement data quality assurance measures like random and regular data checks, as GSOPs data collection relies on network companies' self-reporting. Clear guidance should be published to help network operators interpret the reporting pack consistently.
- A complete set of GSOPs' data should also be available to the public to access, as it is the right of customers to know how well their network operators perform. It will create a simpler procedure for monitoring and evaluating the distribution companies' performance on guaranteed standards.
- Ofgem should require network operators to provide monthly GSOP's data breakdowns as part of their annual submission since annual reporting can hide instances of significant underperformance. It will clearly illustrate when companies are meeting or failing to meet standards throughout the year, and to identify any periods of particularly poor performance

For network companies:

- Gas network operators showed wide variations in performance on standards like supply restoration (GS1) and notification of planned interruptions (GS13). To improve consistency and minimise the times that they fail to meet guaranteed standards, companies should share best practices to enhance the delivery of guaranteed customer standards.
- Network companies should use all reasonable endeavours to identify failures and compensate their customers. No eligible customers should miss out on compensation.
- Network companies should continue to communicate guaranteed standards and the right to compensation to customers. Network companies could work with consumer groups and industry bodies to identify valuable and relevant information and the best way to communicate the information to customers.
- The accuracy of data was raised numerous times in the research. Inaccuracy was a result of transposing data incorrectly and formula errors to required Ofgem forms. Network companies should invest time and resources in quality assurance, such as data quality audits. It should significantly reduce data entry errors.

Findings of our prior Standard Issue report

Our previous report, 'Standard Issue', detailed the performance of gas and electricity network companies against the guaranteed standards of performance (GSOPs) between 2015/16 and 2017/18. It called for the following changes:

- Introduction of automatic compensation for all standards
- Using the negative adjustment revenue adjustment mechanism across all standards
- Improvement in the performance of those gas networks that are consistently low-performing
- Returning the £16.7 million misreported compensation
- Tightening and modification of guaranteed standards
- Making the network's customers aware of the guaranteed standards and how to claim compensation

Some of these recommendations have already been implemented. Since 2021/22, automatic compensation payments are issued when gas networks fail to meet gas-related standards. However, errors like incorrect contact information can result in missed payments for eligible consumers. Moreover, all networks publish information on their websites about guaranteed standards and how to claim compensation. Guaranteed standards for gas and electricity were also updated in 2021 and 2023 respectively.

The reporting templates have also been revised since the Standard Issue report. It now provides more information to the public to understand how well gas and electricity distribution companies perform against each guaranteed standard.

Ofgem has been able to definitively confirm that gas network companies returned the £16.7 million misreported compensation.

Many recommendations still have not been enacted

- Automatic compensation does not apply to all electricity standards.
- The negative revenue adjustment mechanism only applies to 6 guaranteed standards in electricity.
- The licence conditions have not included a target for all standards.

£16.7 million misreported compensation ³

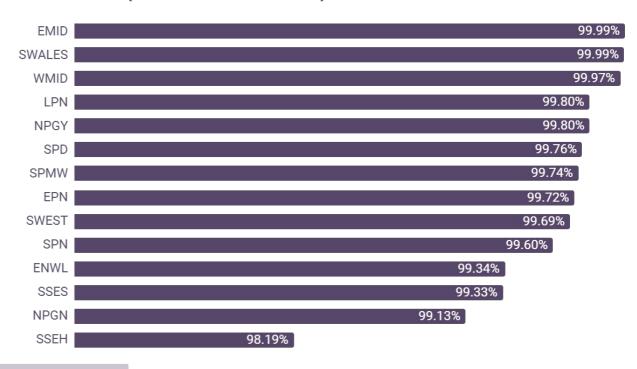
Due to the misinterpretation of the reporting procedure for GSOP-related compensation payments, £16.7 million of GSOPs' compensation payment was incorrectly included in the expense within the "totex mechanism" by gas network companies between 2013/14 and 2017/18, the revenue that Ofgem permits networks to spend on their activities. Compensation payments should come from profits to penalise companies for failing to comply with GSOPs. Thus, consumers were, in effect, subsidising their compensation payments for 5 years.

Electricity networks' performance on interruptions and customer services 2018/19 - 2021/22

Electricity interruptions and customer service standards cover both domestic and non-domestic customers. These standards cover:

- How much time network companies can take to reconnect customers in case of normal weather conditions and severe weather conditions, planned interruptions and fuse failures
- How much time network companies can take to respond to voltage complaints
- Making and keeping appointments and making payments owed under the guaranteed standards

Average network performance on interruption and customer service standards (2018/2019 - 2021/2022)*



Highest performing networks by year

2018/2019: EMID and SWales (100%) 2019/2020: SWEST and SWales (100%) 2020/2021: EMID, WMID and SWEST

(100%)

2021/2022: EMID (99.98%)

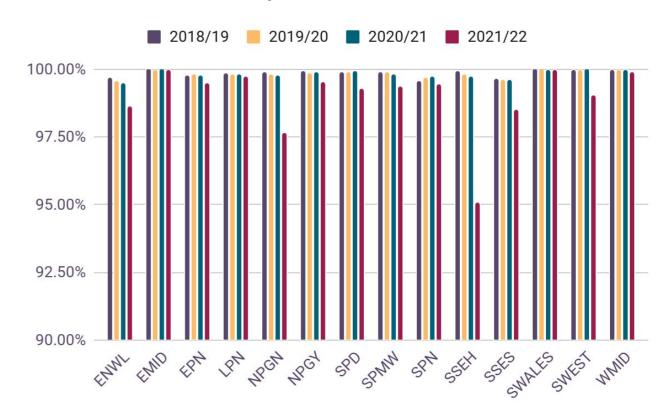
Lowest performing networks by year

2018/2019: SPN (99.58%) 2019/2020: ENWL (99.56%) 2020/2021: ENWL (99.49%) 2021/2022: SSEH (95.08) *We do not include the EGS2A (i.e. multiple interruption) because network companies do not have to report the data that we need to determine performance.

The overall network's performance on interruptions and customer service is on par with 2015/16 - 2017/18. All networks achieved a 98% or above average pass rate between 2018/19 and 2021/22 and maintained a similar overall performance level each year.

SSEH's overall performance dropped from 99.74% in 2020/21 to 95.08% in 2021/22. The dip was principally linked to a drop in performance in reconnecting customers following the Category 2 severe weather conditions of Storm Arwen, Corrie, and Malik. 85.31% of the customers' energy supply was restored within the initial 48 hours. NPGN's performance in this category (EGS11B) was also below 90% in 2021/22, lowering their average score.

Trends in overall performance on interruption and customer Service standards across all electricity networks (2018/19 - 2021/22)



Performance on electricity interruption and customer service standards 2018/19 - 2021/22

Our previous report showed that DNOs achieved at least a 94% pass rate each year against interruption and customer service standards. Networks achieved the same level of performance between 2018/19 and 2021/22. On average, networks provided consistent performance to their customers each year against 10 standards of at least 95%.

Making payments on time (EGS9) has the lowest performance in 2019/20 and 2020/21. ENWL performed worst among all DNOs in making payments within the 10 working days for 3 consecutive years, between 2019/20 and 2021/22. Less than 80% of compensation was made to customers on time in 2019/20 and 2020/21 due to a business process issue. The performance significantly improved in 2021/22. The pass rate in 2021/2022 reached 89.87%.

The performance in Category 1 and 2 severe weather conditions dropped across all networks in 2021/22 (EGS11A and 11B). The number of customers without electricity after prescribed hours in severe weather conditions Category 1 was 11 times more in 2021/22 compared to 2018/19, and Category 2 was over 150 times more. The significant increase in occasions where standards were not met was due to the number of premises affected by Category 1 and 2 storms in 2021/2022 (like Storm Arwen).

Standard most often met by year

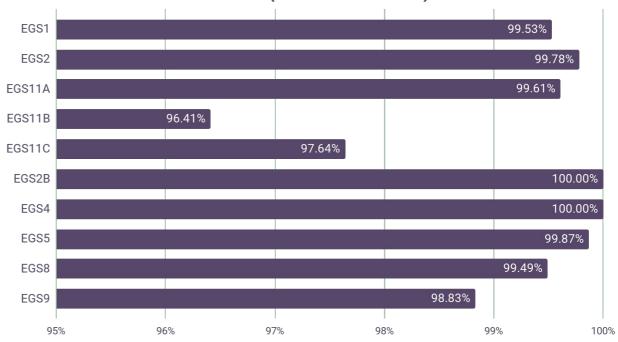
2018/2019: EGS2B,4,5 and 9 (100%)

2019/2020: EGS11B (100%) 2020/2021: EGS2B (100%) 2021/2022: EGS2B (100%)

Standard most often missed by year

2018/2019: EGS8 (99.07%) 2019/2020: EGS9 (96.05%) 2020/2021: EGS9 (95.96%) 2021/2022: EGS11B (94.83%)

Four-year average performance on electricity interruption and customer service standards (2018/19 - 2021/22)*



^{*}We do not include the EGS2C(i.e. supply restoration: rota disconnection) in the analysis of pass rates due to no rota disconnection events across 4 years and the EGS2A (i.e. multiple interruption) because network companies don't have to report the data that we need to determine performance.

Number and value of compensation for electricity interruptions and customer services 2018/19 - 2021/22

Energy customers are entitled to a set payment if network operators fail to deliver against these guaranteed standards. These payments are meant to acknowledge the inconvenience caused rather than compensate for any loss. Compensation only needs to be made if no valid exemption applies.

The number of mandatory payments made to consumers increased in 2021/22 due to the increase in payments related to severe weather conditions, where over 360,000 payments were made to consumers related to Category 2 severe weather conditions.

Network companies paid out a total of £61 million in compensation (including mandatory, ex-gratia and voluntary payments) in 4 years. The total value of payments made to customers jumped from £2.4 million in 2018/19 to £53.9 million in 2021/22. This was due to weather-related payments. Over £40 million was paid to customers because of Category 2 weather (EGS11B) events in 2021/22.

SSEH paid the most compensation to customers, over £16 million in 4 years. NPGN also paid over £10 million in the same period.



£14.6 million

Additional ex-gratia payment made to customers in 4 years

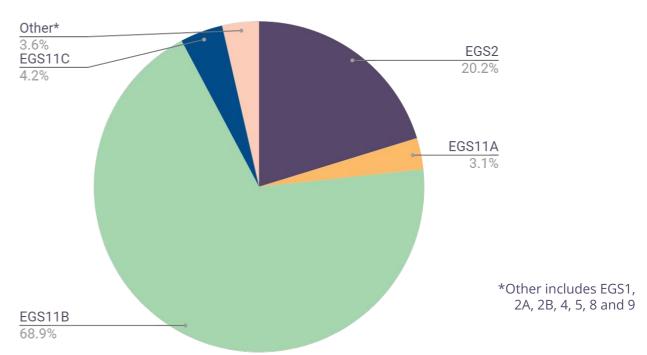
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Increase in the value of mandatory payment made to customers 2018/19 - 2021/22 (i.e. £1.4m to £31m)



Goodwill payment made to consumers that were affected by severe weather conditions in 4 years

Percentage of the number of mandatory payments made by electricity networks for interruption and customer service standard (2018/19 - 2021/22)*

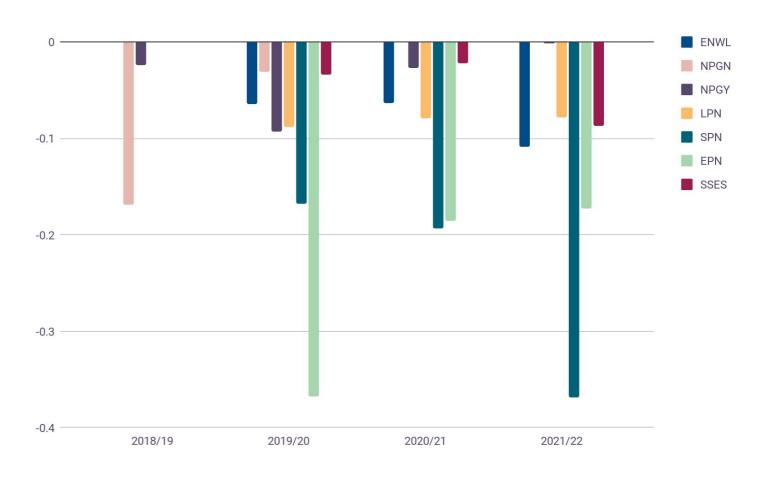


Negative revenue adjustment for electricity interruptions and customer services 2018/19 - 2021/22

Electricity network companies' revenue was deducted by £2.42 million between 2018/19 and 2021/22 due to failure to make a compensation payment, and because no valid exemption applied. The amount includes an extra penalty of 20% for not paying the compensation without valid exemptions. Therefore, we estimate that electricity networks did not pay their customers approximately £1.93 million in compensation for failing to meet the 6 specified guaranteed standards (i.e. EGS2, 2B, 2C, 11A, 11B and 11C) between 2018/19 and 2020/21.

SSEH, WMID, EMID, SWALES, SWEST, SPD and SPMW did not face a negative revenue adjustment across the 4 years. Both EPN and SPN faced nearly £0.72 million of negative revenue adjustment between 2018/19 and 2021/22, the highest of all. It means that both network companies missed over £0.5 million in compensation to customers. We are informed that UK Power Networks is aware of this situation and is working to improve in this area.

Negative revenue adjustment of each electricity networks (2018/19 - 2021/22) (in £million)



Unpaid compensation for electricity interruptions and customer services 2018/19 - 2021/22

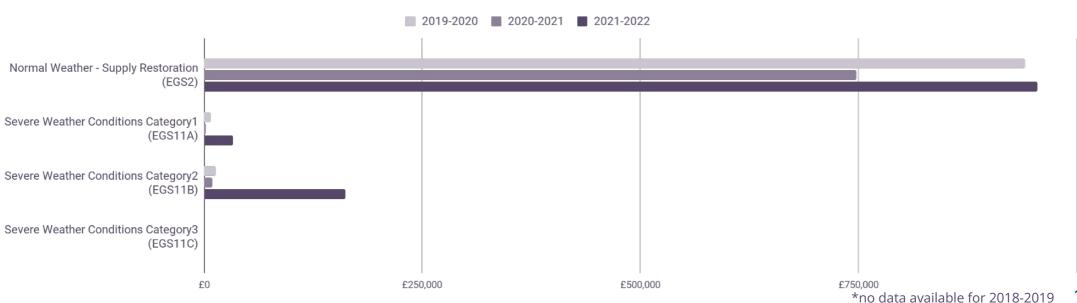
Automatic compensation has been implemented for most of the gas and electricity guaranteed standards, ensuring that eligible customers do not need to go through a claim process. Network companies are responsible for automatically compensating customers when they fail to meet these standards.

However, automatic compensation does not guarantee that all eligible consumers will receive their compensation. This system relies on accurate and up-to-date consumer data, and any errors in records, such as incorrect contact information, can result in eligible consumers missing out on their compensation.

For example, electricity customers missed over £2.6 million in compensation for outages during normal weather and over £226,000 for severe weather events between 2019/20 and 2021/22. Due to insufficient data, the missing compensation for 2018/19 could not be calculated. These missed payments occurred because networks couldn't identify affected customers or customers didn't file claims.

After all reasonable efforts to compensate these customers have been exhausted, these unpaid compensations will be recovered from the Distribution Network Operators (DNOs) in the form of a negative revenue adjustment.

Total unpaid compensation value for electricity customers (2019-2020 to 2021-2022)



Electricity networks' performance on connection standards 2018/19 - 2021/22

Electricity network companies have to meet specific standards against connection standards of performance. The standards cover both demand and generation and are split between:

Metered connection standards which cover:

- The timeframe that network companies must provide budget estimates and quotations, and to
- Schedule, commence, and complete work by agreed dates

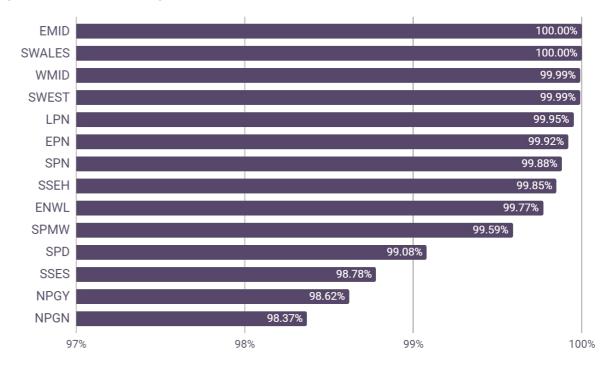
And unmetered standards, which cover:

- Connections for new streets and traffic lights
- Quotations, and to complete work by agreed dates
- How quickly network companies repair faults

All electricity network operators maintained an average pass rate of at least 98% on connection standards over four years, slightly down from 2015/16 - 2017/18, when the lowest performer achieved 99.1%.

Notably, the average performance of NPGN had a more considerable drop from 99.55% in 2018/19 to 95.53% in 2021/22. This was due to its performance on fault repairs and provision of quotations for unmetered new works in 2021/22.

Average network performance on connection standards (2018/19 - 2021/22)*



*We do not include the ECGS12 (i.e. payments for failure to make payment within 10 days) in the analysis of pass rates due to not being able to calculate

Lowest performing networks by year

2018/2019: SSES (98.26%) 2019/2020: NPGY (99.26%) 2020/2021: NPGY (98.95%) 2021/2022: NPGN (95.53%)

Highest performing networks by year

2018/2019: EMID, WMID, SWALES and SWEST (100%)

2019/2020: EMID, WMID and SWALES (100%)

2020/2021: EMID and WMID (100%)

2021/2022: EMID (100%)

Performance on electricity connection standards 2018/19 - 2021/22

Electricity network companies had an average of 99.59% for meeting connection standards between 2018/19 and 2021/22. The performance for accuracy of quotation (ECGS11A and B) was relatively poorer. However, it is partly explained by very low instances of cases (i.e. fewer than 3 cases in each year) making the data volatile.

Standard most often met by year

2018/2019: ECGS11(A-B) (100%) 2019/2020: ECGS4(B-D),5,6(B-D)&7(A-C)

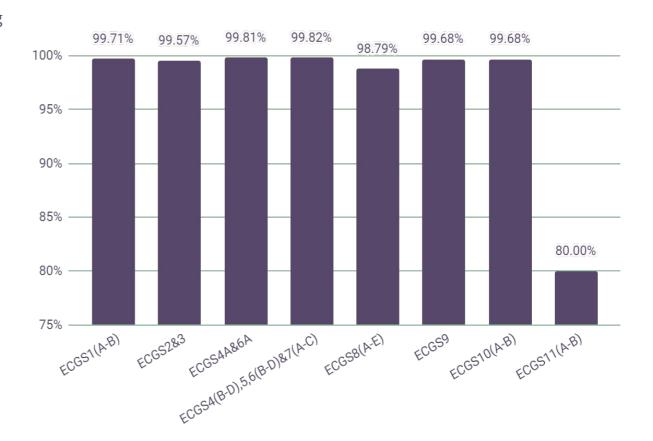
and ECGS8(A-E) (99.94%)

2020/2021: ECGS4A&6A (99.84%) 2021/2022: ECGS11(A-B) (100%)

Standard most often missed by year

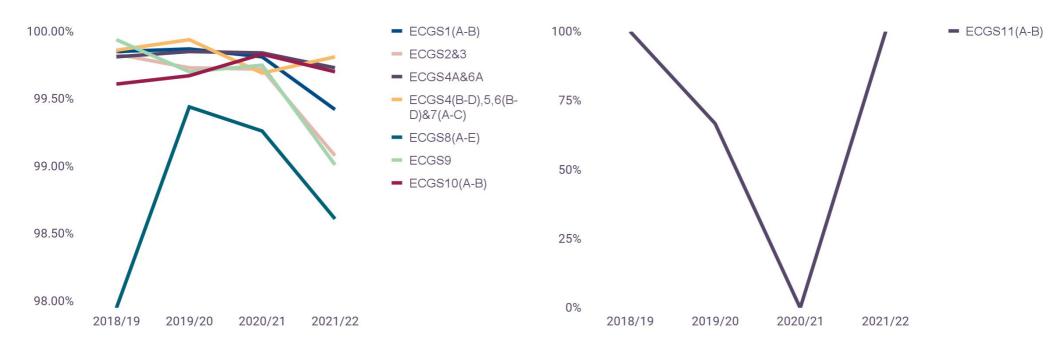
2018/2019: ECGS8(A-E) (97.95%) 2019/2020: ECGS11(A-B) (66.67%) 2020/2021: ECGS8(A-E) (99.26%) 2021/2022: ECGS8(A-E) (98.61%)

Four-year average performance on electricity connection standards (2018/19 - 2021/22)



There was a slight variation in the performance of the connection standards. Most standards experienced minor dips overall across the 4 years. For instance, the pass rate for quotations for unmetered new works dipped from 99.94% to 99.01%. The performance on unmetered fault repairs (ECGS8) and completion of unmetered new works (ECGS10) were the only standards that improved overall.

Performance trends in electricity connection standards (2018/19 - 2021/22)*



*The ECGS11(A-B) performance over the four years showed inconsistency, with 100% in 2018/19, 66.67% in 2019/20, no cases in 2020/21, and 100% in 2021/22. To avoid confusion in the chart, the ECGS11(A-B) data has been separated from the main chart.

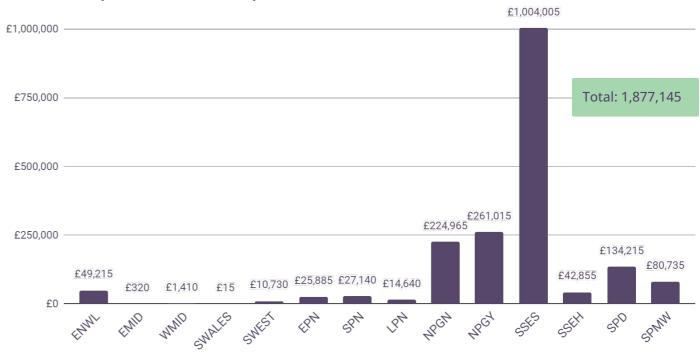
Number and value of compensation for electricity connections 2018/19 - 2021/22

Network companies paid £1.87 million in compensation to consumers between 2018/19 and 2021/22. This is more than double the compensation that was paid out between 2015/16 and 2017/18. Fault repairs (Unmetered) accounted for the greatest value of customer payments over the 4 years, which amounted to £720,000.

Over £102,000 was paid to customers in the event of failure to make payment within 10 days (ECGS12). The penalty accounted for over 5.4% of the total value of payments made to customers. EMID, WMID, and SWALES were the only networks that paid all compensation to their customers within the prescribed period. SSES had the highest number of instances where compensation was not paid within the prescribed compensation period with over 400 cases of late payment.

SSES paid the most compensation to customers. It made slightly over £1 million in payments to customers. The payments accounted for 53% of the total compensation paid by all companies. It was due to the high compensation payments on fault repairs in 2018/19. The high compensation was as a result of SSES having a sudden and large influx of requests for fault repairs from local councils. In contrast, SWALES paid only £15 compensation against all connection standards over the same period.

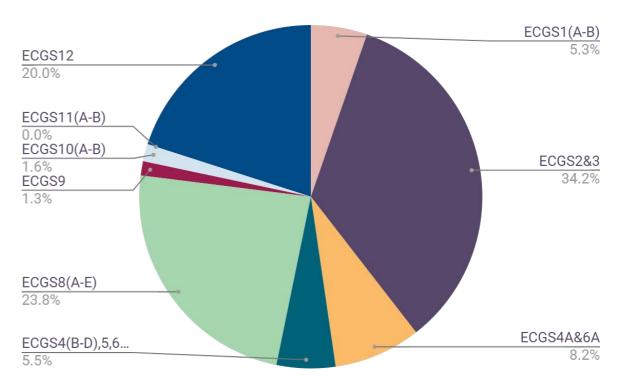
Value of compensation paid by network companies for electricity connection standards (2018/19 - 2021/22)



We have seen an improvement in the timeliness of compensation for electricity connection standards. In our previous report, over 50% of the total number of payments from 2015/16 to 2017/18 were due to delays in paying electricity connection customers within 10 days (ECGS12). However, from 2018/19 to 2021/22, this dropped to just over 20%, meaning fewer payments were needed because of networks missing the initial payment deadline.

This research can't calculate or estimate the total missed compensation payments for failure to meet connection standards because Ofgem doesn't collect the data.

Percentage of electricity connection compensation payments by standards (2018/19 - 2021/22)



Gas networks' performance on interruptions and customer services 2018/19 -2021/22

The gas interruptions and customer service standards cover how network companies should serve households and businesses. These standards cover:

- Supply restoration and reinstatement following work at your premises
- Provision of alternative heating and cooking facilities for priority domestic customers
- Response to complaints and notification of planned work where there is a requirement to interrupt the gas supply

Unlike connection, call handling and emergency response standards, gas network companies don't have to meet specific yearly pass rate targets for interruption and customer service standards. For example, the 'responses to land enquiries' standard (GS8) has a 90% target, meaning GDNs must respond to 90% of land enquiries within 5 days. No such targets exist for interruption and customer service standards.

Ofgem modified the standard and payment levels for gas distribution at the start of the new price control period, RIIO-GD2, in 2021. For instance, all payment levels and caps are doubled in RIIO-GD2 compared to RIIO-GD1 payment levels. The prescribed period for compensation payments to be made to customers is changed from 20 days to 10 days and the payment values are subject to increase annually based on the Consumer Prices Index (for further details, see Appendix A).

Average network performance on gas interruption and customers service standards (2018/19 to 2021/22)



Gas networks' performance on interruptions and customer services 2018/19 -2021/22

The previous report recorded that all four Cadent networks were ranked bottom in terms of overall average performance on interruption and customer service standards between 2015/16 and 2017/18. Three of the four Cadent networks' performance remained at the bottom between 2018/19 and 2021/22, but all Cadent networks' performance improved.

However, some gas network operators' overall average performance was poorer than in 2015/16 - 2017/18. For instance, SGN-SC's performance dropped from 98.1% in 2015/16 - 2017/18 to 89.12% in 2018/19 - 2021/22.

Highest performing networks by year

2018/19: SGN-SC (98.72%) 2019/20: WWU (97.64%) 2020/21: WWU (96.14%) 2021/22: SGN-SC (97.44%)

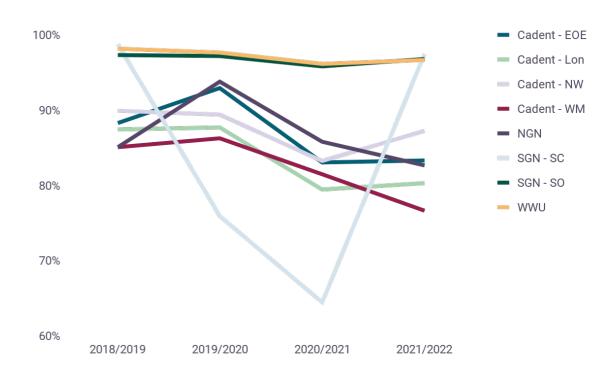
Lowest performing networks by year

2018/19: NGN (85.03%) 2019/20: SGN-SC (75.85%) 2020/21: SGN-SC (64.41%) 2021/22: Cadent - WM (75.85%) The prior Standard Issue report showed high variability in gas networks' performance each year. The issue remained in 2018/19 - 2021/22. The variation in performance between the highest and lowest-performing networks was 22% in 2019/20, 31% in 2020/21 and 21% in 2021/22.

SGN-SO and WWU's performance on interruption and customer service standards was more consistent than those of other network operators across all 4 years. They are the only gas network operators maintaining an overall average performance above 95% pass rate across all four years, reaching a 90% or above pass rate in all standards.

A dip in SGN-SC's performance in 2019/20 and 2020/21 was linked to a drop in performance on supply restoration (GS1). SGN-SC only achieved 59% in 2019/20 and 41% in 2020/21 of the pass rate in restoring domestic and non-domestic customers' premises within the prescribed period. The low pass rates were due to slamshuts (a safety mechanism) at the transmission regulator stations, which caused many homes in the SGN-SC licence area to lose the gas supply. The weather at that time also prevented SGN-SC from restoring supply within 24 hours. Its performance on this standard improved substantially in 2021/22, reaching a 98% pass rate.

Trends in overall performance of gas networks (2018/19 - 2021/22)



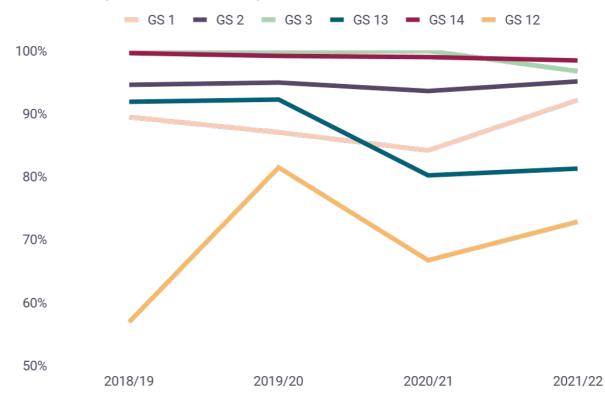
Performance on gas interruption and customer service standards 2018/19 -2021/22:

Performance in gas interruption and customer service standards was consistently strong for reinstating customers' premises, serving priority domestic customers, and responding to complaints, with all network companies maintaining at least 90% performance across all four years.

However, other standards showed inconsistent results. Notably, the on-time compensation (GS12) and notification of planned supply interruptions (GS13) standards which had fluctuating performance. For example, GS12's payment timeliness varied between 2018/19 and 2021/22, reaching 81.4% in 2019/20 but dipping to 56.91% in 2018/19 and 72.81% in 2021/22*.

Many Gas Distribution Networks (GDNs) saw declines in GS13 performance in 2020/21. Gas networks attributed this drop to COVID-19, as council-imposed restrictions led to delays in work programmes, affecting their ability to notify customers within the required timescales.

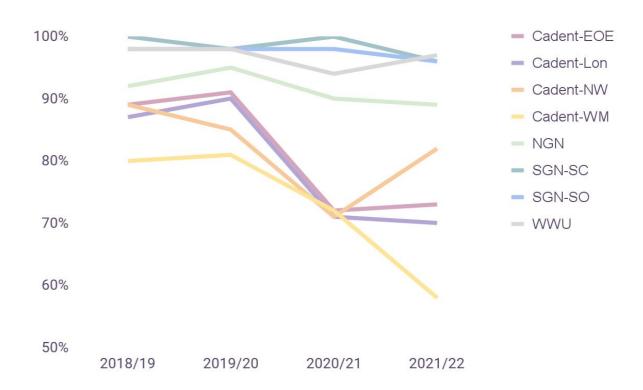
Performance trends in gas interruption and customer service standards (2018/19 - 2021/22)*



^{*}GS12 does not distinguish between making a payment late due to connection works or customer services and interruptions.

The prior Standard Issue report showed that customers on Cadent networks were less likely to receive notification of a supply interruption within the required timeframe (GS13). Cadent's customers continued to experience a poorer service than other network customers against this standard. For example, only 58% of the Cadent-WM customers received prior notification within the required timeframe in 2021/22 compared to 97% of WWU's customers. Cadent-WM explained that its poorer performance was due to system issues during the mobilisation of new contracts, late data capture, and poor systemisation of the notification sent date.

Performance trends in receiving notification of a supply interruption within the required timeframe (GS13) (2018/19 - 2021/22)



Performance on gas interruption and customer service standards 2018/19 -2021/22:

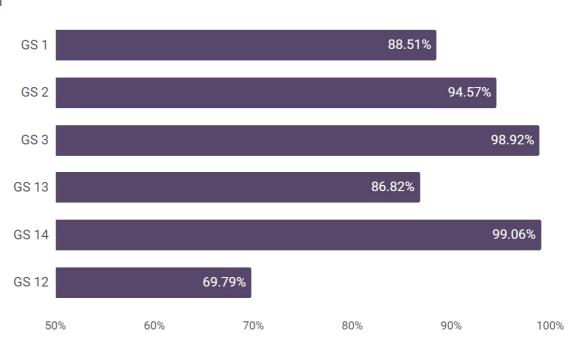
The performance on GS12 was the lowest among all standards. Compared to our previous report, the average on-time compensation performance for customers (GS12) dropped from 100.0% in 2015/16-2017/18 to 69.79% in 2018/19-2021/22. This decline was due to NGN interpreting the reporting pack differently from others between 2018/19 and 2020/21(GD1), which skewed the data and impacted overall performance.

NGN explained that its interpretation of the table differed from that of other gas distribution networks (GDNs) throughout the entire GD1 period, which caused NGN to appear as an outlier in GS12 performance. NGN believed its performance was actually in line with that of the other GDNs though in 2021/22, NGN was the only network company that did not achieve 100% compliance with the GS12 Standard.

Standard most often met by year 2018/2019: GS3 (99.67%) 2019/2020: GS3 (99.66%) 2020/2021: GS3 (99.94%) 2021/2022: GS14 (98.42%) Standard most often missed by year 2018/2019: GS12 (56.91%) 2019/2020: GS12 (81.40%) 2020/2021: GS12 (66.69%) 2021/2022: GS12 (72.81%)

Performance on other standards was similar between 2015/16 - 2017/18 and 2018/19 - 2021/22. For instance, 86.5% of customers had their power supply restored within the prescribed period (GS1) between 2015/16 and 2017/18, the performance improved slightly to 88.5% between 2018/19 and 2021/22. Meanwhile, the performance on reinstatement of customers' premises following engineering works (GS2) dropped slightly from 95.1% to 94.5%.

Four-year average performance on gas interruption and customer service standards (2018/19 - 2021/22)



Number and value of compensation for gas interruptions and customer services 2018/19 -2021/22

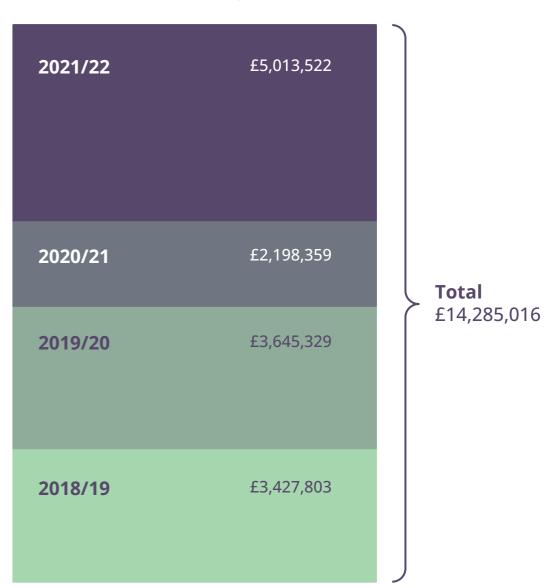
Our previous report reported that automatic compensation doesn't apply to standards relating to Priority Services Register (PSR) customers not receiving heating and cooking facilities following interruption (GS3) and the notification in advance of planned supply interruptions (GS13).

Since 2021/22, all compensation payments for failure to meet guaranteed standards for interruptions and customer services have been paid automatically. Payments will be made directly to customers or via the customers' gas suppliers, who are obligated to forward the payments to customers.

Over four years, network companies paid £18.4 million in compensation, comprising £14.28 million (78%) in mandatory payments and £4.12 million (22%) in ex-gratia payments. Of the mandatory payments, £10 million was due to gas network companies failing to restore the supply within the prescribed period (GS1) (69.4%). Additionally, £3.79 million of the ex-gratia payments were also related to GS1 (92%).

Despite a similar number of payments made to customers, the value of mandatory payments increased from £3.6 million in 2019/20 to £5 million in 2021/22. The increase in compensation was due to all compensation levels being doubled in 2021/22.

Total value of mandatory payments made (2018/19 - 2021/22)



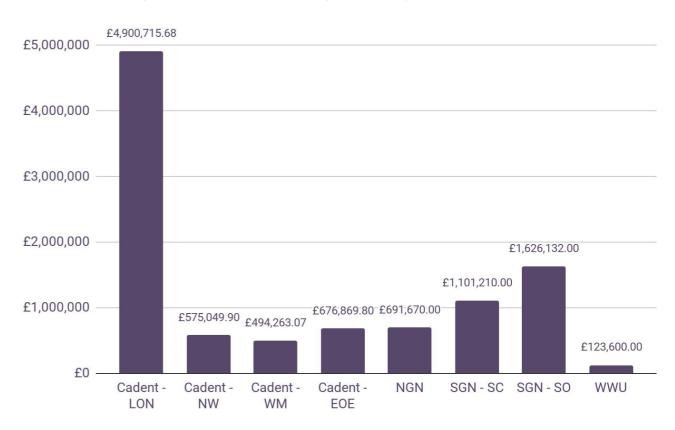
Number and value of compensation for gas interruptions and customer services 2018/19 -2021/22:

Cadent-Lon paid the highest mandatory compensation to gas customers, accounting for 38.2% of the total value for mandatory compensation, over £5.4 million over 4 years. Most of the compensation (£4.9 million) was due to the high number of customer premises not being restored in time following interruptions (GS1).

Except for 2020/21, Cadent paid over £1.2 million to customers each year for failing this standard. The high level of compensation is due to the Cadent-Lon network containing a greater degree of multi-occupancy buildings (MOBs).

Restoring gas supply in these high-rise and medium-rise buildings is much more technically challenging. Other challenges include accessing individual properties within these MOBs and gaining permission from building owners and local authorities to commence works. The physical makeup resulted in a higher level of failure in the standard of restoring the gas supply on time.

Mandatory payments for GS1 by percentage

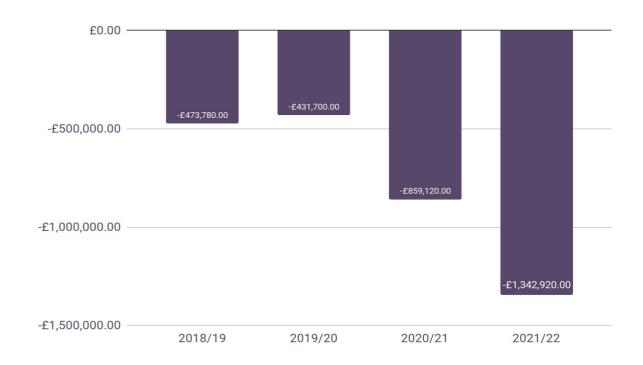


Claim Submissions for Gas Interruptions and Customer Services 2018/19 - 2021/22

Between 2018/19 and 2020/21 (within the RIIO GD1 period), customers were still required to submit a claim for compensation against standards relating to PSR customers not receiving heating and cooking facilities following interruption (GS3) and the notification in advance of planned supply interruptions (GS13). In these cases, PSR and non-PSR customers had to submit a claim within 3 months to be eligible for compensation.

In 2021/22, automatic compensation was introduced for GS13. As a result, the percentage of customers receiving compensation for GS13 jumped from 3.89% in 2020/21 to 36.62% in 2021/22, even though the total number of customers, both domestic and non-domestic, who didn't receive proper notice remained about the same. This increase in compensation received demonstrates the value of automatic compensation.

Estimated unpaid compensation for domestic and non-domestic customers due to advance notification of planned supply interruptions (2018/19 - 2021/22)*

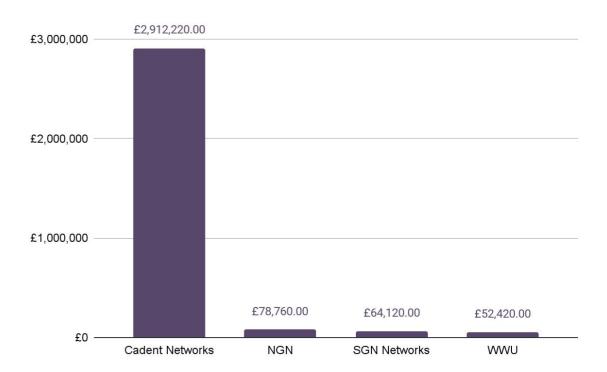


^{*}The level of compensation was being doubled in 2021/22.

Our research estimated that the unpaid compensation for GS13 was worth over £3.1 million in 4 years. Customers of Cadent Networks missed out on over £2.9 million of that compensation alone. The value of unpaid compensation was much higher for domestic customers, over £2.8 million, than for non-domestic customers, which was £ 65,400.

The total figure of unpaid compensation could be higher between 2018/19 and 2020/21, as the data collected by Ofgem was insufficient for us to determine how much compensation customers lost out on the standards related to heating and cooking facilities for interrupted priority customers (GS3).

Total estimated value of unpaid compensation for domestic and non-domestic gas customers of each network company by percentage (2018/19 -2020/22)



Gas networks' performance on connection standards 2018/19 - 2021/22

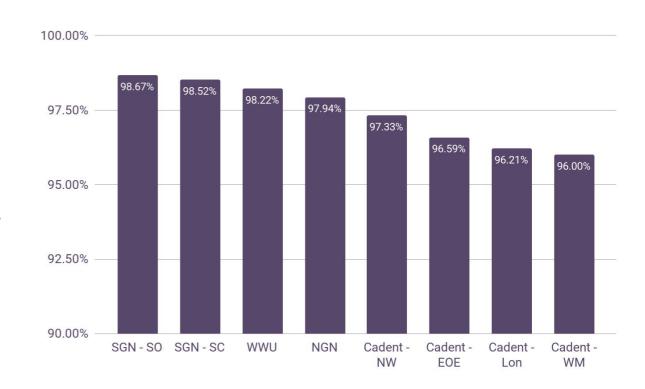
The connection standards that gas networks are required to meet for household and business customers are the following:

- Providing a quote and that quote being accurate
- Offering dates for the commencement and completion of works
- Substantial completion of works by the agreed date
- Having a licence obligation to be above 90% pass rate

Connection standards are also applied to customer groups that are not covered by regulations but via a voluntary scheme. These customer groups include gas suppliers, shippers, independent connection providers, and independent gas transporters. This research does not cover these customer groups.

Gas networks' performance in connection standards was better than interruption and customer service standards. All networks achieved at least 93.15% each year. However, nearly all networks (except NGN) experienced a drop in performance between 2019/20 and 2020/21. This was due to Covid-19 restrictions and government guidance which only allowed critical jobs to be processed. Most of these networks' performances bounced back in 2021/22.

Overall average network performance on connection standards from 2018/19 and 2021/22 (not including voluntary scheme)



Gas networks' performance on connection standards 2018/19 - 2021/22

Our previous report reported that Cadent networks were the lowest-performing networks overall on connection standards each year. All Cadent networks continued to be the lowest performing network each year between 2018/19 and 2021/22. Despite that, there was only a slight variation in performance among networks each year, with less than a 3% difference in 3 out of 4 years.

Lowest performing networks for specific years

2018/2019: Cadent-Lon (96.76%) 2019/2020: Cadent-WM (96.50%) 2020/2021: Cadent-WM (93.15%) 2021/2022: Cadent-Lon (96.38%)

Highest performing networks for specific years

2018/2019: SGN-SO (99.25%) 2019/2020: SGN-SO (99.36%) 2020/2021: NGN (98.42%) 2021/2022: SGN - SO (98.48%)

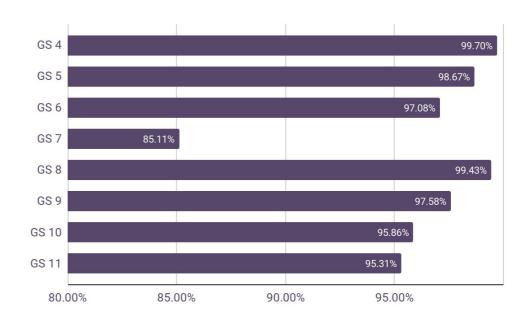
Performance on gas connection standards 2018/19 - 2021/22

A standard special licence condition, D10, is set for gas distribution network operators providing connection and alteration services. D10 applies to connection GSOP standards (GS4-11), excluding GS7, which mandates that gas networks must meet these connection standards in 90% of the cases. This 90% is a mandatory threshold that gas network operators are required to achieve.

Average performance on many individual standards across 4 years was excellent, performing better than the 90% target. For example, less than 1% of households and businesses didn't receive a standard quotation for a connection within the required timeframe and at least 94% of the work was completed on the agreed date each year.

However, accuracy of the quotation (GS7) was the worst-performing connection standard with a pass rate of about 85% among the 47 cases in 4 years. Notably, Cadent was the only network in which quotations consistently fell short of this standard

Average 4 Years Performance on gas connection standards



Standard most often met for specific years

2018/2019: GS4 (99.84%) 2019/2020: GS4 (99.57%) 2020/2021: GS8 (100%) 2021/2022: GS4 (99.63%)

Standard most often missed for specific years

2018/2019: GS7 (90.91%) 2019/2020: GS7 (60%) 2020/2021: GS7 (87.50%) 2021/2022: GS7 (86.96%)

Number and Value of Compensation for Gas Connections 2018/19 -2021/22

Gas customers are entitled to a set payment if network operators fail to deliver against connection standards. The payment will be made directly to customers.

Over four years, gas network companies paid more than £2.36 million in mandatory compensation to customers. The value of these payments increased by nearly 150% in 2021/22 driven by updated payment levels and a significant rise in the number of payments related to the provision of non-standard quotations (GS6), commencement and substantial completion dates (GS9), and substantial completion by the agreed date (GS11). Cadent's four networks accounted for 78% of the total value of mandatory payments over four years.

Of the total mandatory compensation, over £1.7 million was made due to failing the standard against substantial completion on the agreed date (GS11) over 4 years. Gas network operators explained that resource issues, legacy record issues and tighter restrictions from Highway Authorities can drive the failure of this standard. The payment increased substantially, from £223,130 in 2020/2021 to £995,425 in 2021/22, due to an increase in the value of payment and more instances. Cadent networks paid over £826,845 for failing this standard alone in 2021/2022.

Total value of mandatory payments made to customers for non compliance with connection standards each year

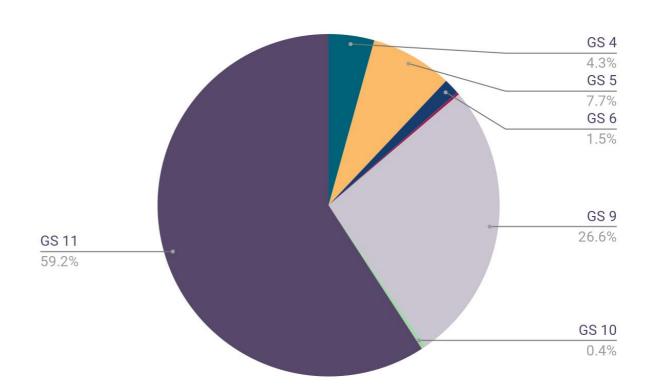


The value of ex-gratia payments increased from £117,765 in 2018/19 to £221,922 in 2019/20, followed by a decrease to £182,680 in 2020/21. It has dipped significantly since the new payment levels were adopted. Only £19,802 was made to customers in 2021/22.

No compensation payments were made to customers under the accuracy quotation standard (GS7). This is because customers will be entitled to payment(s) under GS4, GS5 or GS6 until an accurate quote is issued. Customers are also entitled to refunds of any overcharge under this standard.

This research can't calculate or estimate the total unpaid compensation payments for failure to meet connection standards because Ofgem doesn't collect the data.

Percentage of total number of mandatory compensation payments by connection standards across 4 years

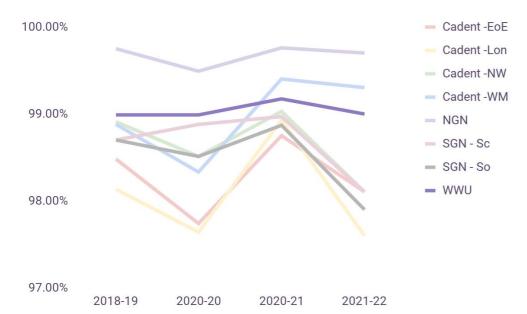


Gas Emergencies - response to controlled and uncontrolled gas escapes 2018/19 -2021/22

In addition to the guaranteed standards, gas networks are also required to comply with special licence conditions set by Ofgem. These conditions specify how quickly gas networks must respond to emergency phone calls and gas leaks, with Ofgem setting annual targets for how frequently networks must meet these requirements. Networks:

Must respond to 97% of uncontrolled and controlled gas escapes within 1 and 2 hours, respectively

Response to uncontrolled gas escapes - percentage responded within the two hour standard

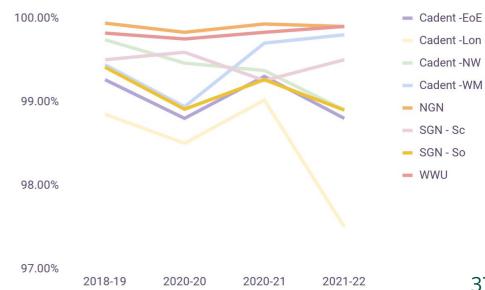


Must answer 90% of telephone calls to the National Emergency Service within 30 seconds

All gas networks met their annual emergency standards.

As there is a risk that annual performance may mask variation in performance within the year, Ofgem has recently announced that it will require company reporting to be broken down by monthly performance in RIIO-3.

Response to controlled gas escapes - percentage responded within the one hour standard



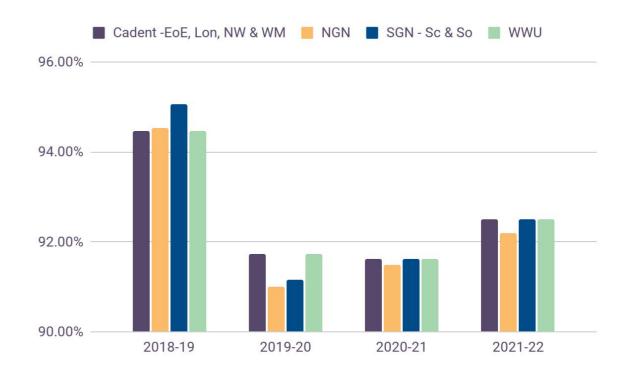
Gas networks exceeded the target for responding to controlled and uncontrolled gas escapes within the required timeframes between 2018/19 and 2021/22, hitting at least 97.5%. NGN has been the best-performing network responding to controlled and uncontrolled gas escapes since 2015/16. Its performance was above 99.49% in the last four years.

Many gas networks' performance in attending controlled gas escape within 1 hour worsened in 2021/22 compared to 2020/21. For instance, Cadent-Lon's performance dropped 1.5%, the largest among all networks, despite still achieving the 97% target. Meanwhile, all gas networks dipped in performance in responding to the uncontrolled gas escape within 2 hours. Cadent-Lon had the largest drop in performance, dropping by 1.3%.

Gas Emergencies - response to telephone calls 2018/19 -2021/22

The National Gas Emergency Service handles all gas emergency phone calls on behalf of all of the gas networks and allocates the emergencies to the appropriate GDN. The performance among networks on this standard was almost identical. The gas networks' response time for telephone calls during emergencies exceeded the target. Each year gas networks answered at least 91.01% of customer calls within 30 seconds, exceeding the licence condition. However, this performance slightly declined from the 2015/16 to 2017/18 period, when the minimum was 92%. All networks experienced a performance dip in 2019/20 and 2020/2021, but their performance improved in 2021/22.

Response to telephone calls - percentage % answered within timeframes



References

- 1. Citizens Advice (May 2019), <u>'Standard Issue'</u>
- 2. Citizens Advice (Oct 2017) Living upto the Standards? p.10
- 3. Ofgem (March 2019), 'RIIO-GD1 Annual Report 2017-18', p.8

Appendix A: List of Standards Electricity Interruptions and Customer Services Standards 2018/19 - 2021/22

Standard	Description	Compensation for failure
EGS 2: Supply Restoration (Normal Weather Conditions)	Distribution companies have 12 hours to restore the electricity if an electricity supply fails during normal weather conditions.	DNOs will arrange for customers to receive £75 if they are domestic customers or £150 if they are non-domestic customers. A further £35 will be paid for each additional 12-hour period when the supply is not restored.
EGS 2B: Supply restoration – Normal weather affecting 5,000 or more premises	Distribution companies will restore the electricity supply within 24 hours if failures occur during normal weather conditions. This standard applies if 5,000 premises or more are affected by a single fault in the distribution system.	DNOs will arrange for customers to receive £75 if they are domestic customers or £150 if they are non-domestic customers. A further £35 will be paid for each additional 12-hour period when the supply is not restored (up to a maximum of £300).
EGS 11A: Supply restoration – category 1 severe weather conditions	Distribution companies will have 24 hours to restore electricity supply if failures are due to lightning events causing at least 8 times the normal amount of higher voltage faults in 24 hours or non-lightning events causing 8 or more but fewer than 13 times the normal amount of higher voltage faults in 24 hours.	DNOs will arrange for both domestic and non domestic customers to receive £70. A further £70 will be paid for each additional 12-hour period that customers are off supply (up to a cap of £700 in total). These payments will be made as soon as reasonably practicable.

Standard	Description	Compensation for failure
EGS 11B: Supply restoration – category 2 severe weather conditions	Distribution companies will have 48 hours to restore electricity supply if failures are due to non-lightning events causing at least 13 times the normal amount of faults in 24 hours	As above
EGS 11C: Supply restoration – category 3 severe weather conditions	For severe weather conditions affecting a vast number of customers specified in the Regulations, distribution companies will restore electricity supply within a period determined by a formula based on the number of customers interrupted relative to pre-defined thresholds.	As Above
EGS 2C: Supply restoration after rota disconnection (This relates to the deliberate disconnection of customers' electricity supplies by the relevant distributor for a set duration on a rota basis so as to reduce the demand for electricity to the level of capacity that is available)	Electricity supply shortage leads to the supply being deliberately interrupted on a rota basis for available supply to be shared fairly. Customers may be eligible for compensation if they are off supply for 24 hours or longer.	DNOs will arrange for domestic customers to receive £75 and £150 if they are non-domestic customers.
EGS 2A: Supply restoration– multiple interruptions	Electricity supply is interrupted for 3 hours or more on 4 or more different occasions in 12 months due to failures of the distribution system (starting on 1 April every year).	£75 will be paid to customers. Customers must make a valid claim for this payment within three months of the end of the year to which the claim applies.

Standard	Description	Compensation for failure
EGS 1: Distributor's fuse disconnected customer	If a fuse between the incoming supply cable and your meter fails, distribution companies will attend the premises within 3 hours on weekdays or 4 hours at weekends and on bank holidays if the customers notify the distribution company during the work hours.	DNOs will arrange for domestic and non domestic customers to receive a £30 payment.
EGS 4: Notice of planned supply interruption	DNOs are required to give customers at least 2 days' notice for planned power cuts.	Domestic customers can claim £30 compensation or £60 if they are non-domestic customers (within 1 month of the failure).
EGS 5: Voltage complaints	If a customer report a problem with the voltage of the electricity coming into their premise, the distribution company will send out a written letter explaining the situation within 5 working days or offer to visit the customer's premise within 7 working days	DNOs will arrange for domestic and non domestic customers to receive a £30 payment if they fail to keep or make an appointment or send an explanatory letter
EGS 8: Making and keeping appointments	Customers will be offered an appointment during the morning or afternoon or within a two-hour time band if distribution companies need to visit customers or customers request a visit for any reason.	DNOs will arrange for domestic and non domestic customers to receive a £30 payment of they fail to keep or make an appointment.

Standard	Description	Compensation for failure
EGS 9: Payments owed under the guaranteed standards	Distribution companies will notify customers of any guaranteed standards they have failed to meet (other than those for which customers have to claim payment). Distribution companies have 10 working days to recognise the failure, except for EGS11 in which distribution companies will issue payment as soon as it is reasonably practicable.	

Electricity Connection Standards 2018/19 - 2021/22

Standard (Metered Connection)	Description	Compensation for failure
ECGS 1(A-B):Provision of Budget estimate	If a customer requests a budget estimate from an electricity distributor regarding a demand or generation connection of the customer's premises, the distributor has 10 working days (in case the requests is less than 1MVA) or 20 working (if the requests is 1MVA or more). In this budget estimate, the distributor has to describe the assumptions on which the estimate is based.	If DNOs fail, customers will receive £65.
ECGS 2(A-B) and 3(A-C): Provision of quotations	Single LV service demand connections and small project demand connections; single LV generation: A distribution company has to provide a quote to a customer i) within 5 working days in case of a single LV service demand connection request; within 15 day in case of a small project demand connection request; ii) within 45 working days for an LV generation connection	If DNOs fail on this standard, customers are entitled to i) £15 for each working day ii) £65 for each working day
	Other than single LV service demand connections, small project demand connections and LV generation connections: A distribution company has to provide a quote to a customer within i) 25 working days in case of an LV demand connection request; ii) within 35 working days in case of a HV demand connection request; iii) within 65 days in case of an EHV demand connection request; iv) within 65 working days for an HV generation connection request; v) within 65 days for an EHC generation request	i) £65 for each working day ii) £135 for each working day iii) £200 for each working day iv) £135 for each working v) £200 for each working day after the prescribed period
ECGS 4A and 6A: Post-acceptance scheduling and completion of works	After a customer accepted a quotation and has made necessary payments, the distribution company has 7 working days to contact the customer to discuss dates for carrying out the works and agree a schedule of dates for completion of works.	If DNOs fail to contact customers, customers will receive £15 for each working day DNOs are late. If DNOs fail to complete work on an agreed date, DNOs will pay customers £35 for each working day DNOs are late.

Standard (Metered Connection)	Description	Compensation for failure
ECGS 4(B-D), 5, 6(B-D), 7(A-C): Post-acceptance scheduling, commencement, completion of works and energisation relating to	After a customer accepted a quotation and has made necessary payments, the distributor has i) 7 working days in case of an LV demand or generation connection; ii) 10 working days in case of an HV demand or generation connection; iii) 15 working days in case of an EHV demand or generation connection to contact the customer to agree a schedule of dates for completion of works.	If DNOs fail on this standard, customers are entitled to: i) £65 for each working day ii) £135 for each working day iii) £200 for each working day
LV demand connection, HV demand connection, EHV demand connection, and Distributed Generation	If the distributor fails to commence works at or in relation to the premises by the agreed date, it has to pay the prescribed sum.	£25 for each working day after the agreed day
	If the distributor fails to complete the works by the agreed date, it has to pay the prescribed sum, depending on whether the works relate to i) an LV demand or generation connection; ii) an HV demand or generation connection; iii) an EHV demand or generation connection.	i) £135 for each working day ii) £200 for each working day ii) £270 for each working day after the agreed date
	If the distributor fails to energise the connection by the agreed date, it has to pay the prescribed sum, depending on whether the connection is: i) an LV demand or generation connection; ii) a HV demand or generation connection.	i) £135 for each working day ii) £200 for each working day ii) £270 for each working day after the agreed date.

Standard (Unmetered Connection)	Description	Compensation for failure
ECGS 8(A-E): Fault Repairs	Distributors are responsible for repairing faults in unmetered connections in their area. Depending on the type of fault, the following prescribed time period apply: i) emergency response – attend site within 2 hours ii) high-priority fault repair involving traffic lights – complete within 2 calendar days iii) high-priority fault repair (all but traffic lights) – complete within 10 working days iv) multiple-unit fault repair – complete within 20 working days v) single-unit fault repair – complete within 25 working day	If DNOs fail on this standard, the relevant authority will receive: i) £65 the working day after the day on which the emergency attendance should have taken place ii) £15 for each working day after the end of the 2 calendar days iii) £15 for each working day after the end of the 10 calendar days iv) £15 for each working day after the prescribed period v) £15 for each working day after the prescribed period
ECGS 9: Provision of quotations for new works	Distributors have to provide a quote to a relevant authority that requests to make a new unmetered connection within 25 working days.	If DNOs fail, the relevant authority will receive £15 for each working day after the end of the prescribed period up to and including the day the quotation is dispatched.
ECGS 10(A-B): Completion of new works	If the distributor fails to complete the works by the agreed date, it has to pay the prescribed sum,	If DNOs fail, the relevant authority will receive £15 for each working day after the end of the agreed date
ECGS 11(A-B): Accuracy of quotation	Customers can challenge their distribution company if you think it provided them with an inaccurate or incomplete quotation. If this is the case, it must refund to the customer the amount of any overpayment made by the customer. In addition it has to pay a prescribed compensation sum. You should contact your distributor for further information on their accuracy scheme.	Beyond refunding the customer any amount of any overpayment, DNOs have to pay the following in compensation: £335 if the quote related to a single LV service demand connection; £670 if the quote related to a small project demand connection.
Other	Description	Compensation for failure
ECGS 12: Payment	A distributor has to make the above mentioned payments to a customer or relevant authority within 10 working days, otherwise they have to pay the prescribed sum.	If DNOs fails this standard, the customer or the relevant authority will receive £65

Gas Interruptions and Customer Services Standards 2018/19 - 2021/22

Standard	2018/19 - 2020/21 Description (GD-1)	2021/22 Description (GD-2)*
GS 1: Supply Restoration (unplanned interruption)	If you are a domestic customer and your gas supply is interrupted as a result of a failure, fault or damage to your GTs pipeline system you will be reconnected/gas will be available at your property within 24 hours	Same as GD-1
GS 2: Reinstatement of customer's premises	If the GT initiates work on your premises, your premises will be permanently reinstated within 5 working days of the completion of the engineering work.	Customers' premises will be reinstated premises within 5 working days of the completion of the engineering work and 3 working days for PSR customers.
GS 3: Provision of facilities for priority domestic customers	If you are registered on your supplier's Priority Services Register and your gas supply is interrupted, you will be provided with alternative heating and cooking facilities within 4 hours, or if more than 250 customers are affected, within 8 hours. (8pm-8am excluded).	GDNs will provide alternative heating and cooking facilities to PSR customers, accessing to hot water and a hot meal.
GS 12: Notification and payments under the Guaranteed Standards	Where a GT has failed any of the above Guaranteed Standards or the Connections Guaranteed Standards they will write to inform you (or your supplier) and make the payment within 20 working days of compensation becoming due.	GSOP compensation payment will be made within 10 working days.

Standard	2018/19 - 2020/21 Description (GD-1)	2021/22 Description (GD-2)
GS 13: Notification in advance of planned supply interruptions	When the GT carries out planned work to replace pipes or maintain the integrity of the gas system, they may need to interrupt your gas supply, If so, your GT will inform you of the date they expect to interrupt you and the reason why your supply needs to be interrupted, at least 5 working days before the interruption occurs.	GDNs will notify customers 7 working days in advance of a planned interruption. Payments for failures made automatically
GS 14: Responding to Complaints	If you complain to a GT in writing or over the telephone, the GT will respond substantively to your complaint within 10 working days of receiving your complaint. However if a visit to your premises or additional information from a 3rd party is required to enable resolution of the complaint, the GT will issue an initial written response within 10 working days of receiving your complaint to explain this situation and will then respond substantively within 20 working days from receipt of the complaint	GDN will respond to a customer complaint within 5 working days, or 10 working days if site visit is required.

Gas Connection Standards 2018/19 - 2021/22

Standard	2018/19 - 2020/21 Description (GD-1)	2021/22 Description (GD-2)
GS 4: Provision of standard quotations (up to 275kWh)	If you request a standard quotation from your GT for a new connection or an alteration to an existing connection up to and including a rate of flow of 275kWh, the GT will issue it within 6 working days.	GDNs will provide a connection (≤275kWh) or disconnection (<2bar) quotation within 4 working days
GS 5: Provision of non-standard quotations (up to 275kWh)	If you request a non-standard quotation from your GT for a new connection or an alteration to an existing connection up to and including a rate of flow of 275kWh, the GT will issue it within 11 working days.	GDNs provide a connection (≤275kWh) or disconnection (<2bar) quotation within 11 working days
GS 6: Provision of non-standard quotations (greater than 275kWh)	If the GT fails you will receive a payment of £10 and an additional £10 for each succeeding working day up to the quotation sum or £250 whichever is lowest. GS6 Provision of non standard quotations (greater than 275kWh). If you request a non-standard quotation from your GT for a new connection or an alteration to an existing connection exceeding a rate of flow of 275kWh, the GT will issue it within 21 working days	GDNs provide a connection (>275kWh), disconnection (≥ 2bar), or diversion quotation within 21 working days
GS 7: Accuracy of quotation	If the quotation is found to be inaccurate in accordance with the GTs published accuracy scheme, the GT will reissue you with a correct quotation and any overcharge paid will be refunded.	Same as GD-1
GS 8: Response to land inquiries	If you ask for a Land Enquiry from your GT in relation to a new connection or an alteration to an existing connection the GT will issue a response within 5 working days.	Same as GD1

Standard	2018/19 - 2020/21 Description (GD-1)	2021/22 Description (GD-2)
GS 9: Offering a date for commencement and substantial completion of connection works (up to 275kWh)	If the GT receives an accepted quotation for a new connection or an alteration to an existing connection up to and including a rate of flow of 275kWh, it will offer a planned date within 20 working days for commencement and substantial completion of this work.	GDNs will offer a planned date within 17 working days for commencement and substantial completion
GS 10: Offering a date for commencement and substantial completion of connection works (greater than 275kWh)	If the GT receives an accepted quotation for a new connection or an alteration to an existing connection exceeding a rate of flow of 275kWh, it will offer a planned date within 20 working days for commencement and substantial completion of this work.	Same as GD-1
GS 11: Substantial completion on agreed date	Where the GT has agreed a substantial completion date for a new connection or an alteration to an existing connection it will meet that date. However, this does not necessarily mean that gas will be available for use inside the premises as the fitting of a meter, which will enable the flow of gas, must be arranged by you and your chosen gas supplier	Same as GD-1

GDNs Responding to Telephone Calls and Gas Emergency Standards 2018/19 - 2021/22

Standard	2018/19 - 2020/21 Description (GD-1)	2021/22 Description (GD-2)
Responding to telephone calls	Telephone calls to the National Gas Emergency Service (which operates 24 hours a day), the general enquiry line and the meter point reference number helpline (during the hours which they operate) shall be answered within 30 seconds of the call being connected.	Same as GD-1
Responding to Gas Emergency	Where the GT received a report of a gas escape or other gas emergency, including significant escape of carbon monoxide or other hazardous situations, it shall attend as quickly as possible within the following timescales: (a) All uncontrolled escapes/gas emergencies within 1 hour. (b) All controlled escapes/gas emergencies within 2 hours.	Same as GD-1

Gas Compensation Payment Level 2018/19 - 2021/22

		2018/19 - 2020/21 GD-1 compensation level			2021/22 GD-2 compensation level (GDNs are also required to index these payments against CPIH on an annual basis from 1st April 2021)			
GSOP Standards	Load/Contract value (where applicable)	Domestic	Non-Domestic	Сар	Domestic	Non-Domestic	Сар	
GS1		£30	£50	£1000	£60	£100	N/A	
GS2		£50	£100	N/A	£100	£200	N/A	
GS3		£24	£0	N/A	£50	£0	£500	
GS4		£10	£10	£250	£20	£20	£500	
GS5		£10	£10	£250	£20	£20	£500	
GS6		£20	£20	£500	£40	£40	£1000	
GS7		N/A	N/A	N/A	N/A	N/A	N/A	
GS8	<275kwh, < 2 bar gauge for disconnections	£40	£40	£250	£80	£80	£500	
	>275kwh, ≥ 2 bar gauge for disconnections	£40	£40	£500	£80	£80	£1000	

		2018/19 - 2020	/21 GD-1 compens	sation level	2021/22 GD-2 compensation level (GDNs are also required to index these payments against CPIH on an annual basis from 1st April 2021)		
GSOP Standards	Load/Contract value (where applicable)	Domestic	Non-Domestic	Сар	Domestic	Non-Domestic	Сар
GS9		£20	£20	£250	£80	£80	£500
GS10		£40	£40	£500	£80	£80	£1000
GS11	Contract value <=1k	£20	£20	£200	£40	£40	£400
	Contract value > £1k to <=£4k	£100	£100	£0	£200	£200	£0
	Contract value > £4k to <=£20k	£100	£100	£0	£200	£200	£0
	Contract value > £20k to <=£50k	£100	£100	£5000	£200	£200	£10000
	Contract value > £50k to <=£100k	£150	£150	£9000	£300	£300	£18000
GS12		£20	£20	N/A	£40	£40	N/A
GS13		£20	£50	N/A	£40	£100	N/A
GS14		£20	£20	£100	£40	£40	£200

Appendix B: Methodology Calculating Pass Rates

A key objective of the report is to understand to what extent electricity and gas customers have received guaranteed services between 2018/19 and 2021/22. It means determining how often each electricity and gas distribution network operator fulfilled each Guaranteed Standard in a given year. Therefore, we set out to calculate pass rates for all standards.

This report is built on statistical information from Ofgem and used Ofgem's practice of calculating pass rates. A pass rate is a percentage calculated by dividing the number of times a standard has been met by the number of times a standard applied in a given year.

Ofgem requires electricity and gas networks to report the pass rate for their performance against interruption and customer service standards. This report will rely on these reported pass rates for networks' performance on interruption and customer service standards.

Such a requirement does not apply to connection standards but we have applied the same formula to calculate a pass rate for connection standards is as follows: Pass rate = (total number of cases where a standard was met / total number of cases where a standard is applied)*100

There can be an occasion when the reporting template asks networks to report the number of times they did not meet a standard. Therefore, the formula is slightly adjusted and is as follows: Pass rate = ([total number of cases where a standard is applied - total number of cases where a standard was not met] / total number of cases where a standard is applied)*100

There is a list of situations where a network cannot or does not have to fulfil a standard. For example, the customers did not give an engineer access to the premises where work needed to be done. This instance counts as an exemption. Failure is only when no exception applies. These exemptions are reported and require a slightly different pass rate formula: Pass rate = ([total number of cases where a standard not met - total number of exemptions] / total number of cases where a standard applied)

We applied similar formulas across all standards to calculate a network's overall pass rate for a year. Therefore, to calculate a network's overall pass rate between 2018/19 and 2021/22, we use the total number of cases where a standard was met in 4 years and then divided by the total number of cases where a standard was applied in 4 years. The same logic applies to calculating the standard yearly and 4-year average pass rate.

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