

STORM ARWEN COMPENSATION

Frequently Asked Questions (FAQs)

As at 13 May 2022

1. How are Storm Arwen compensation payments calculated?

Compensation payments are paid in line with industry [guaranteed standards](#), set by the energy industry regulator Ofgem. These standards apply to all electricity network operators in the UK.

Compensation is determined by:

1. Weather band, which depends on the severity of the weather at the time that power is lost and the band sets the rules for when compensation becomes due and the value of potential payments (see table below); and
2. Duration of the power cut, which is used to calculate how much compensation is due based upon the weather band. The longer off supply, the more compensation is due.

There are three weather bands which are set by Ofgem. These are determined by the number of faults the weather caused on the electricity network.

1. **Normal Weather Conditions:** Where the number of faults on the network are at a level at that could be experienced in normal circumstances (business-as-usual).
2. **Severe Weather Conditions – Category 1:** Where the weather causes the number of faults on the network to rise above the threshold we would expect under business-as-usual circumstances.
3. **Severe Weather Conditions – Category 2:** Where the weather conditions are so severe that we experience unprecedented levels of faults on the network.

The table below indicates the value of the payments for compensation based on weather band and when compensation becomes payable.

Weather band	Initial payment value	Initial payment due after...	Subsequent payments	Subsequent payments due every...
Normal Weather Conditions				
Domestic Customers	£100	12 hours	£35	12 hours
Enhanced Priority Services Customers- <i>where certain eligibility criteria apply</i>	£200	12 hours	£35	12 hours
Commercial Customers	£150	12 hours	£35	12 hours
Severe Weather Conditions - Category 1				
All Customers	£70	24 hours	£70	12 hours
Severe Weather Conditions - Category 2				
All Customers	£70	48 hours	£70	12 hours

The table below indicates the dates where each of these bands applied for Storm Arwen, for both our licence areas (North East and Yorkshire).

Category	Applicable dates for Storm Arwen
North East	
Severe Weather Conditions – Category 2	26/11/2021 18:00 – 28/11/2021 07:00
Severe Weather Conditions – Category 1	28/11/2021 07:00 – 30/11/2021 10:00
Normal Weather Conditions	30/11/2021 10:00 – 08/12/2021 06:00
Yorkshire	
Severe Weather Conditions – Category 2	26/11/2021 18:00 – 28/11/2021 06:30
Severe Weather Conditions – Category 1	28/11/2021 06:30 – 28/11/2021 11:00
Normal Weather Conditions	28/11/2021 11:00 – 08/12/2021 06:00

The majority of customers were affected by power cuts that started during the *Severe Weather Conditions – Category 2* period so compensation is not due until after 48 hours and it then increases every complete 12 hour period after that.

We understood how difficult the impact of Storm Arwen was for our customers, which is why we took the decision to voluntarily pay over and above the regulated guaranteed standards cap of £700 to those customers who were off the longest.

We know that some customers experienced multiple interruptions, where power was restored but then went off again. Under the regulations, these would count as separate power cuts so any compensation would be calculated beginning and ending when power goes off and on each time. Due to the severity of Storm Arwen and the impact on customers, in most cases, we have taken the full start and end period of customers being off supply, which results in a higher payment being made (if due).

2. I have been told by another advice source that I am due an extra £30 because my compensation was not paid within 10 working days?

In severe weather events, such as Storm Arwen, within the industry regulations there is an exemption against the £30 late fee.

Regulation 7, Electricity (Standards of Performance) Regulations 2015, relating to 'Supply restoration: severe weather conditions'.

3. What is the 90-day claim window?

Under Ofgem's regulations, we have 90 days to make reasonable endeavours to identify customers impacted by the storm and issue payments under guaranteed standards, after which date no further payments need to be made.

Customers are not due additional compensation after the 90-day window has passed.

Reflecting the nature and impact of Storm Arwen on our customers, we extended the window to claim compensation in relation to Storm Arwen from the standard three months (90 days) to six months.

This means customers can still make new compensation claims up to 30th June 2022.



4. What is the difference between compensation payments and welfare support payments?

Compensation payments are paid in line with industry [guaranteed standards](#), where customers receive statutory compensation for being off supply. Further details are contained in question 1.

Welfare payments are discretionary financial assistance payments which we chose to offer to pay in exceptional circumstances where customers were without power for long periods of time to cover costs including food and hotels. Welfare payments are above and beyond support for customers; they are not part of regulatory industry guaranteed standard payments to compensate customers.

5. Why did Northern Powergrid pay customers by cheque?

Our payments are made by cheque as it is a regulatory requirement that we must adhere to and it helps avoid the risk of fraud.

6. What do I do if my cheque is in the wrong name?

We issue cheques to the named customer we hold on our records, which is the bill payer and is typically provided by your energy supplier.

If you have received a cheque and the name is incorrect or you need it to be made payable to someone else, [click here](#) so you can tell us. We will cancel the cheque you received and issue a new one to the same value within 10 working days.

7. Why am I not eligible for compensation?

The most common reasons for claims being rejected are:

- The circumstances of your power cut do not meet the criteria for duration, when the power cut started (weather band) or both. The majority of cases where customers have made a claim but are not eligible for compensation are where their power supply was off for less than 48 hours and their weather band was '**Severe Weather Conditions - Category 2**'.
- The property is served by a sub-meter, which is not directly connected to the Northern Powergrid network but instead linked to a main electricity meter, which is eligible for compensation.
 - Sub-metered properties do not pay for use of the electricity network
 - These are most common in caravan parks, holiday estates with multiple properties on site and commercial estates
- The electricity meter at the property has been disconnected from the network so was not live at the time of the power cut
- The claim is not related to Storm Arwen, e.g. Storm Malik in January
- The claim was for reimbursement of welfare costs, such as food and hotel
- The property is outside of our region and is not served by Northern Powergrid
- The property is served by an Independent Distribution Network Operator (IDNO) who manage a private network outside of Northern Powergrid's control

8. Why have I received a different amount of compensation to my neighbour?

Some properties in the same postcode, and even the same street, are connected to different power lines and cables that link to the same substation. Depending on the nature of the fault that has occurred, some properties will be affected by a power cut whereas others are not or they will have their supply restored at different times.

In cases where customers have provided us with times off supply and it has been unclear about the outage times, we have acted in good faith and paid out compensation using the times provided. Sometimes, further information about the fault has later come to light that confirms a different outage time and we will make payments (or not) based on our verified fault time. This can lead to discrepancies in what customers receive but in most situations, we have not sought to reclaim overpayments of compensation.

9. What do I do if I believe I am due more compensation or you have rejected my claim?

If you want to dispute the outcome of your compensation claim then please email us at Compensation-queries@northernpowergrid.com outlining the times you were off supply and providing any evidence to support your claim.

10. Why don't you know what time I went off and came back on?

Our network spans thousands of square miles and not all areas are automated so we do not receive notifications from some sites and rely on customer information in the first instance. In particular, the more localised (low voltage) parts of our network, like the local substations in your street and power lines that feed homes and businesses, have lower levels of automation.

On some parts of our network, a customer may have been part of wide area (high voltage) fault caused by the storm and then when fixed, were also found to be part of a more localised fault. In situations like this, we need to confirm with customers what they experienced to ensure they are properly compensated.

We invest millions of pounds each year in automating more parts of our network that is helping to improve the level of information we receive.

11. Why did it take so long for me to receive my compensation?

The vast majority of affected customers received the correct amount of compensation due to them in December 2021. Since then, our focus has been on making top-up payments where additional compensation was owed, or paying customers for the first time who we identified through our own fault investigations and/or where customers had contacted us to make a claim.

Verifying the correct outage times (duration of power cuts), on which compensation payments are calculated, took much longer than usual due to the very high number of incidents caused by Storm Arwen.

This involved clarifying details of complicated situations where multiple incidents were repaired at different times, to make sure we had the full length of the power cut recorded. Our engineering teams have investigated over 1,000 incidents.

This process was hindered further by Storms Malik, Eunice and Corrie in January and February. We had to divert our teams to manage those major incidents to restore power for our customers and ensure the network was safe and operational.



Wherever we have been able to make swift payments to customers with verified fault information and details provided by customers, we have done so. Where there was differing information, this has required us to investigate further to establish the correct outage duration, which has occurred in thousands of cases. In addition, we had to assess multiple claims logged by the same customers, sometimes with conflicting information. This, unfortunately, created a backlog of cases to work through, adding further delay for some customers to be compensated or for us to confirm that they were ineligible for compensation.

We thoroughly understand and apologise for the frustration this has caused those customers who have had to wait a number of months to hear the outcome of their claim.

12. What are you doing to improve how you pay compensation in the future?

We are implementing a series of improvements to how we administer compensation payments for power cuts to make the process simpler and quicker for our customers, in the event they are affected in the future.

As we have seen, extreme weather events are sadly becoming more common and we are investing billions of pounds in our network in the coming years to make it more resilient against the impact the extreme weather causes on our network, but where customers are affected we want to make sure that you are compensated quickly.