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## Major Connections Governance Document

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The Major Connections Incentive drives DNOs to provide good customer service to larger connection customers. Under this incentive DNOs will undertake the Major Connections Customer Satisfaction Survey and produce a Major Connections Annual Report. Performance against the Major Connections Customer Satisfaction Survey is subject to a penalty. This guidance document outlines the scope of the incentive, the reporting requirements, the submission process and our assessment process.

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## **1. Introduction**

### **Purpose of the Major Connections Incentive**

1.1. The aim of the Major Connections Incentive ('MCI') is to drive Distribution Network Operators ('licensees') to deliver quality services to customers seeking major connections in RIIO-ED2. We want to see an improvement in customers' overall satisfaction when licensees are providing major connections to their networks.

1.2. Specifically, the MCI is intended to evaluate performance against the Major Connections Principles that are set out in Appendix [x], (which were originally set out in our Business Plan Guidance). See Chapter 2 for further information.

### **Purpose of this document**

1.3. The Major Connections Governance Document ('the guidance') provides detail on the processes and requirements associated with the MCI, in particular how the incentive would operate.

1.4. This document may be revised and reissued in accordance with Part [X] of Special Condition [X].

### **Compliance**

1.5. Licensees are required to comply with the guidance in accordance with Special Condition [X]. However, we have also attempted to make this document accessible and informative to a range of stakeholders.

1.6. For the avoidance of doubt, this document is subordinate to the licence. This document does not change any definition or obligations contained within the licence and in the event of any ambiguity over the guidance, the licence will take precedence.

## 2. Major Connections Incentive framework

### The Major Connections Baseline Principles

2.1. Connecting customers' premises to the network is a critical function of licensees that delivers benefits both to individual customers and society more broadly. We want the MCI to drive a good connection service that aligns with customers' needs.

2.2. The aim of this incentive is to ensure that licensees understand and meet the needs of larger connection customers. This involves improving overall customer satisfaction by enhancing customer experience, improving timeliness of connections, and improving the provision of information to consumers.

2.3. The incentive should drive improved outcomes from the major connections process, such as:

- High customer satisfaction in the quality and timeliness of service received,
- Improved coordination with other utility connection providers and between connection customers; and
- the introduction of new technologies that reduce connection charges for customers.

2.4. To drive licensees towards achieving the outcomes above, as outlined in paragraph [1.2/X], the MCI framework is designed to evaluate performance against the Baseline Principles for major connections service provision. The Baseline Principles ensure that major connections customers receive an appropriate minimum level of service.

2.5. The major connections Baseline Principles are set out in full in Appendix [x], and correspond to three key aspects of the connections process for major connection customers, summarised in Table [X] below.

**Table [x]: Major connections Baseline Principles**

<b>Principle</b>
Principle 1: Support connections stakeholders prior to application by providing accurate, comprehensive, and user-friendly information.
Principle 2: Deliver value for customers by ensuring simplicity and transparency through the applications process.
Principle 3: Facilitate the delivery of timely and economical connections that meet customers' needs.

## Scope of the incentive

2.6. The MCI will consider performance in the nine Relevant Market Segments ('RMS') of the local connections market as outlined in Table 1, although not all RMS will be applicable to all DNOs to the same extent.<sup>1</sup> The nine RMS are listed in Table 1.

**Table 1: Summary of the RMS**

<b>RMS</b>	
<b>Metered Demand Connections</b>	Low Voltage (LV) Work - LV connection activities involving only LV work, other than in respect of the Excluded Market Segments.
	High Voltage (HV) Work: LV or HV connection activities involving HV work (including where that work is required in respect of connection activities within an Excluded Market Segment).
	HV and Extra High Voltage (EHV) Work: LV or HV connection activities involving EHV work.
	EHV work and above: extra high voltage and 132kV connection activities.
<b>Metered Distributed Generation</b>	LV work: low voltage connection activities involving only low voltage work.
	HV and EHV work: any connection activities involving work at HV or above.
<b>Unmetered Connections</b>	Local Authority (LA) work: new connection activities in respect of LA premises.
	Private finance initiatives (PFI) Work: new connection activities under PFIs.

<sup>1</sup> The local connections market is defined as the market that exists for the procurement and provision of Connection Activities within the licensee's distribution services area.

RMS	
	Other work: all other non-LA and non-PFI Unmetered connections work.

2.7. The MCI assesses performance in relation to both contestable<sup>2</sup> and non-contestable connection activities<sup>3</sup> through the Major Connections Customer Satisfaction Survey ('MCCSS') and the Major Connections Annual Report ('MCAR').

2.8. [Performance in relation to MCCSS will be subject to a financial penalty which will apply to RMS where the licensee is not able to earn an unregulated margin. In these RMS, we will assess performance in relation to both contestable and non-contestable activities.

2.9. For RMS where the licensee is able to earn an unregulated margin, we require the MCCSS to be conducted on a reputational basis, to assess DNO performance relation to the provision of specific non-contestable activities only. For more detail on the MCCSS, please see Chapter [x].

2.10. Further clarity on scope as required]

2.11. The MCI does not capture performance in the Excluded Market Segments of the Local Connections Market (which is measured and incentivised under the RIIO-ED2 Time to Connect incentive and Customer Satisfaction Survey).

2.12. Please see table [x] below for an overview of which RMS are able to charge an unregulated margin on contestable activities.

[placeholder for a table showing which RMS are applicable for each licensee]

<sup>2</sup> Contestable activities are activities comprising or associated with the provision, modification, or retention of a connection to the licensee's Distribution System that may, in accordance with the licensee's Connection Charging Statement, be undertaken by persons other than the licensee, where those activities are fully funded by the customer.

<sup>3</sup> Non-contestable activities are activities comprising or associated with the provision, modification, or retention of a connection to the licensee's Distribution System that may not, in accordance with the licensee's Connection Charging Statement, be undertaken by persons other than the licensee.

### 3. Major Connections Customer Satisfaction Survey

3.1. The aim of the MCCSS is to encourage licensees to provide a high level of service to all major connections stakeholders, and become more responsive to their stakeholders' needs and improve service levels.

3.2. We expect that each licensee will use this feedback to inform their current service provision and decision making.

3.3. The MCCSS will survey stakeholders, who have completed a connection with the DNO, against the three Baseline Principles outlined in Table 2.

3.4. Each baseline principle will have its own survey script, including a 'key question', measuring satisfaction on a scale of one to ten. The licensee's performance against the key question at each survey point, will be aggregated and averaged to produce the licensee's final score.<sup>4</sup>

#### **Non-contestable services surveyed through the MCCSS**

3.5. As stated previously in paragraph [x], non-contestable activities will be surveyed:

- (i) in RMS where the licensee is not able to earn an unregulated margin, on a financial basis; and
- (ii) in RMS where the licensee is able to earn an unregulated margin, on a reputational basis.

3.6. The non-contestable activities that must be surveyed through the MCCSS are captured under Standard Licence Condition 15 (Standards for the provision of Non-Contestable Connection Services).

3.7. These activities are:

- providing quotations (including Point of Connection information)
- responding to design submissions in relation to connections

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<sup>4</sup> See full survey script in Annex []



- completing Final Works and Phased Energisations as Non-Contestable Connection Services.

3.8. For the assessment of the activities set out in paragraph [above], the survey must be conducted in line with the survey script set out in [X], for Independent Connection Providers (ICPs) and Independent Distribution Network Operators (IDNOs) only.

3.9. The provision of all other non-contestable services must be reported through the MCAR, as set out in the licensee's Major Connections Strategies.<sup>5</sup>

### **Minimum survey threshold**

3.10. [Detail on survey threshold – will add once finalised].

### **Appeal mechanism**

3.11. [Detail on appeals mechanism].

### **[Sub title]**

3.12. Licensees are required to commission surveys from a common, independent, reputable market research company and surveys should be undertaken over the course of the regulatory year.

3.13. Licensees will have a common MCCSS survey satisfaction target as set out in Part [x] of Special Condition [x], where the methodology for calculating the penalty is also defined.

3.14. Licensees are required to report their MCCSS survey results in their Major Connections Annual Report ('MCAR'). For more detail see Chapter [x].

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<sup>5</sup> See Chapter [x].

## 4. Major Connections Annual Report

4.1. Under the MCI, each licensee is required to produce a Major Connections Annual Report. This reporting is to enable stakeholders to track licensees' performance over the course of the regulatory period. The MCAR must include the licensees':

- Performance in relation to the MCCSS
- Performance in relation to timeliness of connections
- Delivery of their Major Connections Strategy.

4.2. See below for more detail on each of the specific reporting requirements.

### **Reporting licensee performance in relation to the MCCSS**

4.3. Chapter [x], sets out the manner in which the licensees are required to undertake the MCCSS. Under the MCI, we require licensees to report the performance in the MCCSS within the MCAR.

4.4. For the RMS where the licensee is not able to charge an unregulated margin, it must report its MCCSS performance in relation to both contestable and non-contestable activities.

4.5. For the RMS where the licensee is able to charge an unregulated margin, it must report its MCCSS performance in relation to non-contestable service provision only.

### **Reporting on timeliness of major connections**

4.6. The outturn performance metrics that licensees are required to report annually against are the:

- Major Connections Time to Quote ('MCTTQ'): the time from the DNO receiving the initial application to issuing a quotation; and
- Major Connections Time to Connect ('MCTTC'): [tbc: the time from the customer accepting the quotation to the connection being completed. Licensees will calculate the average time in working days, measured between 'site ready' and the connection being made in the RMS in the relevant regulatory year. 'Site

ready' would include the premise's access to site being possible in a safe and secure way, and with all land rights and consents agreed.]

4.7. We require licensees to report against these outturn performance metrics for all RMS.

4.8. For RMS where the licensee is able to charge an unregulated margin, it must produce data against the outturn performance metrics stated in paragraph 4.6, for SLC 15 quotes and connections.

4.9. For RMS where the licensee is not able to charge an unregulated margin, it must produce data against the outturn performance metrics stated in paragraph 4.6, for all quotes and connections.

4.10. Licensees can publish additional commentary on performance in relation to Connections Guaranteed Standards of Performance ('GSoP'), or other relevant data to mitigate any misunderstanding in the interpretation of MCTTQ and MCTTC figures by interested stakeholders.

### **Major Connections Strategy reporting**

4.11. Within the MCAR, licensees must provide information on their progress against the achievement of milestones and commitments made in their Major Connections Strategy submitted in their RIIO-ED2 Business Plans.

4.12. The information provided must demonstrate how the licensee has:

- Implemented its strategy for major connections service provision to its connection stakeholders. If not, then reasons must be provided.
- Undertaken its comprehensive workplan of activities (with associated delivery dates) to meet the requirements of its connection stakeholders. If not, then reasons must be provided.
- Delivered its relevant outputs (e.g. key performance indicators, targets etc). If not, then reasons must be provided.

## **Format of the MCAR submission**

4.13. Where a DNO has multiple licensees, it can make their MCAR submission on a company or an individual licensee basis. Where the MCAR submission is made on a company basis, then it is the company's responsibility to demonstrate how the submission is relevant to all licence areas or how relevant sections apply to specific licensees.

4.14. Licensees must make one MCAR submission for all RMS. [tbc for lines on format / structure]. There is no restriction on the font sizes used for the MCAR (however the submission must be legible).

4.15. There is no limit on the length of any submission. However, consideration should be given to the purpose and audience of the submission.

4.16. The MCAR submission should be easy to read for all stakeholders and published on their websites. Interested parties should be able to easily understand the licensee's performance in the past regulatory year.

4.17. Where material amendments are made to any information reported, these amendments are clearly communicated to stakeholders and Ofgem and are clearly identified.

4.18. Where a DNO identifies that inaccurate information is being reported, we must be notified, and corrections made as soon as practically possible.

## **Timescales for reporting submissions**

4.19. The deadline for providing MCAR submissions is [X] of each Regulatory Year starting on [DATE].

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## **Appendix 1 – Major Connections Baseline Principles**

## **Appendix 2 – MCCSS survey script**

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## Appendix 3 - Glossary

Table X: Glossary of key terms used in the...