Operational Performance Regime RY2021-22

Customer Engagement

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1. Introduction

DCC exists to deliver the Smart Meter Communication Licence objectives, including delivery of the services specified in the Smart Energy Code (SEC) and Smart Metering Implementation Programme objectives as directed by the Department of Business, Energy and Industrial Strategy (BEIS) and Ofgem. Our business success, and our performance under the Ofgem Operational Performance Regime (OPR) depends on building and maintaining effective engagement with our customers.

Effective customer engagement must meet the needs of our customers in the overlapping and parallel context of both Transitional and Enduring Governance, and also satisfy the requirements of wider stakeholders including BEIS and Ofgem and the independent SEC Panel and Committee Chairs, whose opinion informs the industry OPR submission on customer engagement. This is a complex engagement environment where engagement needs and constraints are not always clear and sometimes conflict.

We engage in many ways with our customers, as outlined in the table below, and continually seek to improve both the quality of our engagement and our engagement reach beyond the formal BEIS and SEC-led forums. It is natural in a programme as wide and complex as smart metering that there will continue to be areas of disappointment or where improvement can be made, however this should not distract from the strong overall progress and positive engagement. We believe we have met the required standard for engagement this year and set in place changes that will deliver further improvement next year.

Type of Engagement	Overview of engagement in the regulatory year
SEC Panel & Sub-Committees	DCC has provided regular reporting, briefing, decision reviews, and progress updates to customers at over 100 SEC Panel and Sub-Committee meetings during RY21/22. SEC Panel chairs are engaged monthly ahead of each meeting to ensure agendas are agreed, and performance feedback including paper quality, timeliness and action completion is reviewed monthly with the SECAS team.
BEIS-led Forums	DCC works closely in collaboration with BEIS to provide briefing and updates to customers on a wide variety of topics at over 30 monthly BEIS-led forums including Smart Meter Delivery group (SMDG), Implementation Managers Forum (IMF), and Technical and Business Design Group (TBDG). Senior BEIS leads are engaged ahead of each meeting to ensure agendas and content are agreed.
DCC-led Forums and bilateral engagement	We have continued to have excellent and wide customer participation at over 50 DCC-led forums during the year, including the monthly Common Issues Forum, Customer Operations Forum, Testing Design and Execution Group and SMETS1 Enrolment and Adoption forum, and at the Quarterly Finance Forum. In addition, we offer regular bi-lateral engagement to our customers. Bi-lateral engagement has increased significantly during the year with over 60 operational service reviews, monthly bi-laterals with DNOs, and 23 executive bi-lateral meetings.
Consultations	Consultations are a key mechanism to formalise feedback and input from our customers. We have concluded and published 24 consultation responses during the year, outlining the feedback we have received and explaining how we have taken our customers' feedback on board in our decisions.
Webinars	Webinars naturally took off during the Covid lockdown. We have found increasing appetite from our customers for engagement or update by this format, so we have integrated webinars into our ongoing engagement approach. We facilitated over 20 customer webinars during the year, covering topics from the DCC strategic Business Development Plan to programme matters such as the NEP Comms Hub Transition Approach. Webinars were also used effectively to support our consultations, providing customers with an opportunity to raise any clarification questions.
Customer Satisfaction Surveys	As a more informal way of gathering feedback, we have also conducted 10 customer satisfaction surveys to gather quantitative and qualitative insights from our customers. The outcomes of customer satisfaction surveys are shared with our customers (for example at the DNO summit in September 2021), and the actions and learnings are integrated into our improvement plans.
Social Media and Website updates	We are also increasingly making use of our website and social media as mechanisms to engage and communicate with our customers. We provided over 170 LinkedIn posts during the regulatory year with nearly half a million views and over 9,000 interactions. In addition, our website provides a range of information for our customers about what we are doing, when and why, and a near real-time feed of key operational statistics.

During RY2021/22, we have increased our focus on Distribution Network Operators (DNOs) and device manufacturers while maintaining engagement with our Energy Retail customers. This has resulted in positive feedback from DNOs, as evidenced in bilaterals and feedback at the DNO summit we held in September 2021. Overall, we are pleased to note many areas where we have received positive feedback from customers and other DCC stakeholders, which we will continue to build on for the year ahead.

Organisationally, we have made a strategic commitment to ensure customer engagement is at the core of everything we do. This includes the creation of a Chief Customer Officer role at the DCC Executive Committee, consolidation of resource into a Customer Engagement function, and progression of plans to transform our customer engagement capability and performance through an improved operating model and standardised customer engagement processes. We look forward to continuously improving our engagement performance through the next regulatory year.

This document contains our question responses and proposed scoring. A separate document contains the case studies and supporting evidence.

2. OPR Assessment Questions

2.1. Q1: Timing and Frequency | Enabling customers to feed in views

1. Has DCC enabled customers to feed in views at appropriate points and with appropriate frequency in decision-making cycles?

It is critical for DCC to receive customer views to inform decisions and hence we have established a series of mechanisms to provide customers with sufficient opportunity to feed in views at an appropriate frequency and in a timely fashion. This response will consider engagement related to decision making, focusing on the following areas: decisions related to programmes, specific consultations and the development of our Business and Development Plan (B&DP).

Programmes - Our Change Delivery Methodology (CDM) defines the processes and artefacts to be produced during the lifecycle of our programmes. The methodology ensures that we seek customer feedback at appropriate points during each stage of programme delivery. In particular, the engagement plan, which is listed as one of the key artefacts that make up the backbone of our CDM methodology, is regularly reviewed with customers at multiple stages during the programme lifecycle.

In RY21/22, we shared and jointly agreed engagement plans with our customers for 8 major programmes, detailing the various engagement activities that would take place. Each engagement plan was reviewed with customers at each delivery lifecycle stage and detailed the issues we intended to engage customers on as the programme developed. By jointly agreeing these plans and allowing customers to provide their views, we ensured that we were able to establish the appropriate frequency and cadence of engagement activity for the programme. We took this joint approach when we shared our Distribution Network Operator (DNO) Transformation programme engagement plan (see case study 2). This outlined the specific types of engagement that would occur, making it clear when we would seek customers' views and involved over 10 bilateral meetings, multiple customer surveys, engagement at the monthly DNO-led DCC Interaction Group (DIG), and the DCC-led DNO Summit in September 2021. During this programme, engagement plans were updated and shared with customers monthly at the DIG to enable them to contribute to planning. This example will be used to continue to improve the consistency and quality of our engagement plans, taking on the lessons learnt and using this to standardise approaches that have been well received.

Consultations – Consultations are typically conducted for a significant customer-impacting change or where an alteration to the Smart Energy Code (SEC) or its appendices may be required. The SMETS1

Migration, case study 4, is a prime example of how we have enabled customers to feed in views, running 17 consultations across RY21/22 to determine customer views on how new device-specific behaviours should be incorporated. During these consultations, we received feedback from 72 respondents on 65 consultation questions. These consultations can often be the start of further engagement if there is a lack of a consensus. For instance, there was no overwhelming support for any proposed option during our SMETS1 consultation published on 27th July 2021, and so, we raised a SEC modification to allow all interested parties to provide input to the modification. In this case it was appropriate to enable customers further chance to respond and to develop a modification that would meet the needs of the industry.

Business and Development Plan – Our B&DP sets out the plans and priorities for the coming five years and so it is important and appropriate to provide customers with opportunities to provide views to shape this strategic plan. We achieved this in RY21/22, by seeking customers' views at key points during the plan's creation. For example, we captured initial insights at our customer workshop where we discussed their views, inputs, areas of concern, and thoughts on how we should prioritise. We concluded by issuing a B&DP consultation in July 2021 asking for any final customer input or comments on the draft of the plan.

We have made concerted efforts to enable customers to feed in their views at appropriate points and with appropriate frequency and assess we have met the required standard. We propose a score of 2 for this question.

2.2. Q2: Timing and Frequency | Appropriate notice and sufficient time

2. Has DCC provided appropriate notice and allowed sufficient time for customers to contribute views?

We recognise that it is important to provide our customers with both appropriate notice and sufficient time so that they can engage and contribute their views meaningfully. We engage with our customers in a variety of ways and will consider our performance in relation to the following areas where our customers contribute views: consultations, key programmes and engagement with SEC Panel and its sub committees. We will also discuss cases where we have moved events or extended deadlines to maximise customer views or attendance.

Consultations - A key example of where we provide both notice and sufficient time for customers to contribute views is through our consultations. We provide notice of our regulated consultations via the consultation page on our website, which displays open consultations as well as a forward look of upcoming consultations. We ensure that our customers have a minimum 20 days to contribute their views, greater than the 10-day minimum requirement indicated by our customers, and with a reduced response time only in exceptional situations. During RY21/22 we provided parties with an average of 24 days to respond to consultation, with only one regulatory consultation that fell below the 20-day threshold due to urgency on changes to programme implementation timescales. In the case of DCC Boxed we provided customers with 6 weeks to respond.

Programmes – As previously noted, we provide appropriate notice to customers by sharing our programme engagement plans which outline upcoming activities and provide opportunities for customers to share their views. For the Great British Companion Specification (GBCS) change programme, we provided customers with an 18-month plan which provided an overview of key dates including when we expected User Integration testing (UIT) to begin. Customers had four weeks to provide feedback on this plan and, once agreed, we proceeded to review the plan at the monthly Implementation Managers' Forum (IMF). For example, during the bi-weekly engagement during the UIT phase, we provided an update to all customers on 10th June 2021. The IMF continued to serve as a routine checkpoint to remind customers of upcoming activity and to provide any updates on identified defects during RY21/22. We are going to build on the foundation of sharing programme engagement plans in RY21/22 by sharing a three month

forward look-ahead of key change activities in Q3 2022/23. This will provide our customers with further improved notice of key DCC activities.

Another example where we provided appropriate notice can be found in engagement concerning the Joint Industry Plan (JIP) change request for Fylingdales. In this case, we provided participants with 5 weeks' notice of the approval date having introduced the discussion at the IMF on 25th March 2021 with the approval date set for 30th April 2021. We provided customers with 3 weeks to review and comment on the change request, and in addition sent reminders prior to conclusion. In follow up we ran a further 9 bilateral meetings with customers to build confidence before the approval date.

SEC Panel & Sub-committees - We have worked closely with SEC Panel and various sub committees to improve performance by reviewing SECAS' performance dashboard which monitors the timeliness and quality of our paper submissions as well as the overall quality of meetings. During RY21/22, we received positive scores with 93% SEC Panel papers submitted on-time or ahead of time, and 90% for all other Sub-Committees. By submitting these papers before 'paper day', we provide those involved in the committee with appropriate notice of the content to be discussed so that participants could effectively provide their views. It should be noted that we achieved significant progress in our sub-committee timeliness performance with a 15% increase from the previous regulatory year. This has been well received as shown by the feedback from September's TABASC meeting: "Meeting materials provided by the DCC are well informed which supports engaged discussions and decision-making". This was seconded by the Security Sub Committee (SSC) who noted in February 2022 that "DCC is maintaining a strong level of paper timeliness and quality." There was equally strong performance in the Testing Advisory Group (TAG) where we submitted 100% of our 121 papers on time.

Adapting to Customer Needs - There have been several occasions during RY21/22 where we have taken steps to ensure that our customers have had sufficient time to provide views. For example, when organising the first DNO Summit, we rescheduled the event originally set for the summer. In this case, we received feedback that this would be too soon given the recent bilateral engagement activity and that the summer holidays would likely impact attendance. As a result, we moved the event to the autumn to ensure we achieved maximum attendance leading to 18 total attendees with representatives from all 6 DNOs, BEIS and the Energy Networks Association. We have continued this approach during the current regulatory year as demonstrated by our extension of the B&DP consultation to allow parties an extra 5 days to respond.

We assess that we have met the required standard and propose a score of 2 for this question.

2.3.   Q3: Timing and Frequency | Information in a timely manner

3. Has DCC provided general information to customers in a timely manner and with sufficient frequency? (Including general updates, reactive engagement on unplanned issues)

During RY21/22, we have provided general information to our customers in a timely manner with sufficient frequency and have made improvements when compared against RY20/21. We provide this general information as part of our regular engagements and programme updates, and also reactively in response to operational incidents and general queries from customers.

Reactive Operational Engagement - We engage with our customers in a variety of ways as part of day-to-day operations including responding to reactive queries through the production and communication of operational reports which cover various aspects of DCC's operations. This includes 55 tailored reports that provide customers with information specifically relevant for them and which can be summarised to provide daily, weekly, monthly, and quarterly views. Our service management function also plays a key role in engaging with our customers, responding to general queries or escalations. We track engagement across 7 operational customer journeys on a monthly basis, adopting the Gartner industry-standard

scheme and scoring format. For RY21/22 DCC achieved a 12-month average score of 5.7 out of 7, improving upon our score of 5.4 for the previous year.

We take a proportionate approach when dealing with reactive engagements and as such flex the frequency, timeliness, and manner of our engagement as appropriate. This is demonstrated by our varying approach towards different categories of incident as specified in SEC. Our most serious incidents, categories 1 and 2, trigger our Major Incident Management Communication Process (MIMCP) where we create and send customer communications at four stages: prioritised, investigating, restored, and resolved. This ensures timely communications by providing updates for each stage of the incident lifecycle. This process also ensures that we provide frequent updates with guidelines established for each category; category 1 receive updates every hour at a minimum or when new information is available and category 2 every 2 hours. We achieved a strong performance during the regulatory year for these major incidents, with 95% of our communications being delivered within SLA. We continuously seek to improve and have built this into our process, undertaking post incident reviews to capture actions taken, timelines and any lessons learnt. A more detailed account of our incident performance is presented in case study 5.

General Updates - We provide four examples below where we have shared timely general updates with sufficient frequency.

- Wider DCC updates – At our broadest level of engagement, we post regular updates on both social media and our website to keep our customers informed about DCC activity. Please see the table in our Introduction for a summary of our LinkedIn activity.
- Consultations – We provide general updates on our consultations in four ways. First, our website consultation page displays a list of open consultations and a forward look of upcoming consultations. Second, we send out email reminders to our customers informing them of the opportunity to respond and the deadline. Third, we run supporting webinars which communicate the content of a consultation and allow parties to ask any questions. We undertook this approach in December 2021 during our OPR consultation described in case study 1. Finally, we publish conclusions on our website for our regulated consultations which provide a summary of the number of respondents, their feedback, the outcome, and rationale.
- Programme updates – We provide regular programme updates as part of agreed engagement plans which we establish with our customers. For example, at the Implementation Managers' Forum (IMF), the SMETS2 programme produced monthly slide packs providing updates on progress made against the plan, complemented with RAID logs. These were all published on time during the regulatory year, allowing this wider group to keep track of activity. A similar approach was taken for case study 7, CSP North, where we provided regular and timely updates on our progress as part of our remediation plan to the SEC Operations Group (OPSG) sub-committee. We also use DCC led governance such as our Quarterly Finance Forum to provide updates on the financial performance of programmes including variances and share programme updates through regular newsletters such as those sent for the ECoS programme, included as supporting evidence.
- Operational updates – We conduct proactive service reviews with our customers where we review business and infrastructure services and provide an overview of current performance and where potential improvements can be made. We conducted over 60 service reviews in RY21/22 with 20 customers.

We assess that we have met the required standard and have demonstrated progress in our performance from the previous OPR. We propose a score of 2 for this question.

2.4.   Q4: Quality of Information | Feed into decision making

4. Has DCC provided its customers with sufficient quality of information to allow them to feed into a decision-making process? (e.g., clear costs and benefits and/or consequences of decisions)

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In this answer, we set out our provision of high-quality information with regards to: SEC Panel and subcommittees; consultations; major programmes, our B&DP and general sessions. We also set out improvements we are making to the provision of business case information.

SEC Panel and Sub-committees - SECAS provide regular monthly feedback to DCC on 'Paper & Provision Quality' to SEC Sub-Committees indicating whether our papers had clear purpose and recommendations or included any errors. SECAS rated DCC with an average quality score of 94% for RY21/22 across all Sub-Committees. SECAS scores for DCC papers submitted to SEC Panel were 95% for the same period. This indicates that the inputs we have provided to the subcommittees and the Panel were of highest quality and enabled them to feed into decision-making.

As noted in our response to Question 2; The TABASC meeting in September 2021 noted "Meeting materials provided by the DCC are well informed which supports engaged discussions and decision-making", and the Security Sub Committee (SSC) noted in February 2022 that "DCC is maintaining a strong level of paper timeliness and quality."

Consultations - We have previously outlined our general approach for consultations. As a specific example, following discussion with Ofgem we proactively established an OPR Working Group (WG), inviting 72 customers to be involved. There were four WG sessions organised and attended by our customers, SECAS and Ofgem between May 2021 and July 2022. During the engagement, DCC planned the meetings and shared pre-reads in a timely manner. Ahead of each OPSG (which was followed after WG level engagement), DCC met with SECAS to give early visibility of material, and in addition, met with SECAS after each OPSG to allow for further feedback. Information was tailored specifically for different forums (covering topics such as how networks function and constraints) to help inform decision making.

Programmes - During the RY21/22, we have undertaken several major programmes aimed at improving and developing service for our customers (e.g., ECoS, Network Evolution). SEC Mod 104 is a good example of where we have provided SEC Panel and subcommittees with quality information which summarised the potential impact of a decision. This modification was raised by the Security sub-committee (SSC) as a security improvement and required users to introduce a new XML security certificate. Information would not be shared if these certificates were not in place which represented the greatest risk to parties with prepayment customers. In April 2022, we established a process and daily reporting to monitor the progress of certificate uptake focusing specifically on those with pre-payment customers. We provided evidence to the SEC Panel and subcommittees to make them aware of these risks and the potential implications of the update. SEC Panel were able to assess the risk and gave approval to proceed. We also supported this by providing information of mitigations we had put in place such as a feature switch that could allow an option to opt out and changes to scripts in the service centre so we could more effectively support customers. Whilst the concerted engagement and updating of reporting took place in April 2022, falling slightly outside the regulatory year, engagement began within the period with SECAS running a consultation in August 2021. Due to this overlap, we believe that the case should be considered as evidence for this regulatory year.

As part of our programme engagement with customers, we regularly seek both quantitative and qualitative feedback to monitor the quality of information we have provided and improve accordingly. For example, in a survey conducted during the 15th September 2021 summit session with DNOs, our key stakeholders gave us a rating of 4.2 out of 5 in terms of our responses to questions raised by stakeholders, thus providing a clear indication of the quality of our response.

Improving the quality of our business cases - We have received a number of comments from our customers about insufficient cost benefit information supporting our business cases. We note this concern, but at times we are constrained by our 'commercial confidentiality' restrictions and are unable to provide a full picture in relation to commercially sensitive details. We note an example when we had been

asked to share the KPIs and Service measures in the Service Provider contracts, and we were unable to do this due to commercial sensitivities.

We have listened to our customers and have sought to begin to address this issue where we can. This led us to sharing as much information as we can (even where sensitive) with the SEC panel at lowest level of classification, with more than 50% of our papers now rated green. The Panel was positive about this, noting in one of the meetings[1] that it "was great to have a Green DCC paper which takes into account feedback from the Panel on downgrading colour classifications." We will continue to do this in the next regulatory year.

Further, we continue to seek to improve the overall quality of our business cases and have created a specialist team focused on authoring business cases. A modelling function has also been set up within our finance department to support the business case team with required expertise. All this has already improved the quality of information that our stakeholders received during RY21/22, and we will continue building on this by, for example, undertaking cross-organisation training on the Treasury five case method and sharing business cases with customers, as presented at the QFF in July 2022.

We believe there is strong evidence of the quality of information we have provided, while we also recognise the need to respond to our customers' challenge for greater transparency and disclosure. We propose a score of 2 for this question.

2.5. Q5: Quality of Information | Broader engagement

5. Has DCC provided sufficient quality of information in its broader engagement (e.g., general updates, reactive engagement etc) for customers to understand the issues and the actions DCC is taking?

We undertake a wide variety of broader engagement activities, each delivering information on specific issues or actions that DCC is taking, or proposing to take, covering both general updates and in response to reactive events.

General Updates - We undertook broader engagement at BEIS' monthly IMF forum where we provided updates on the SMETS2 programme. We reviewed all material with BEIS a week in advance, taking BEIS direction and feedback into account, so these could be distributed to participants enabling ease of access for this wider community. Additionally, we gave key updates at our forums and summits with the QFF providing general financial updates and the DNO summit providing wider programme updates. The quality of these engagements is displayed by our feedback scores we received at the DNO Summit achieving 4.4/5 for the quality of information provided and 4.3/5 for how well-informed participants felt about DCC's wider programmes. We are committed to continually improving the quality of these engagements and undertake customer satisfaction surveys to understand how we can improve. We sought feedback through 10 customer satisfaction surveys in RY21/22, with feedback and improvement actions integrated into our engagement plans.

As previously mentioned, we also have been working with SECAS to ensure that we provide information of a consistently high quality. This is monitored by two metrics, paper quality, as defined in Q4, and the quality of meeting participation, both of which are tracked via dashboards. Our score for paper quality at SEC Panel was 95% and 94% for subcommittees, indicating that the majority of our papers were readable and comprehensible. Similarly, the quality of meeting metric also indicates equally strong performance with 100% of SEC Panel meetings being awarded Green and 91% across sub-committees. A green rating is awarded if there are no cases where agenda items have been deferred due to missing information or poor-quality presentations. These scores indicate that our presentations were of sufficient quality to be

[1] Feedback from SEC Panel 96 1709

effectively discussed in the majority of cases. We will continue to work with SECAS to resolve any remaining concerns and further improve upon the quality of information we provide.

Reactive Engagement - Outside of our programmes, we also undertake a significant amount of business-as-usual activity where we provide customers with information in response to unplanned events such as incidents and market changes.

As mentioned in question 3, our category 1 and 2 incidents trigger our MIMCP with associated communications. These are crafted by our dedicated incident management team who attempt to strike the balance between technicality and simplicity: sufficiently technical such that it has substance, but simple enough that a service user can understand them and take away the key messages. These communications are reviewed internally prior to release to ensure they are of sufficient quality.

We also undertook this reactive broader engagement in relation to Virgin Media O2's (VMO2) request for price support in response to the increased costs they were facing when trying to secure components. This was driven largely by the 2021 silicon wafer shortages that were impacting the global supply chain. In this case, we made the decision to engage outside of SEC governance as it was clear that there would be significant customer interest due to balancing the potentially increasing costs associated with granting support, compared to the risks of supply chain disruption if the request was not granted. We hence engaged broadly with a wider group of customers at Energy UK in February 2022. To ensure customers had the information they needed to inform the discussion, we provided participants with a detailed paper in advance of the meeting so they could contextualise the material and come prepared with any questions. We reinforced the messaging through a presentation in the meeting to support a two-way discussion, providing reassurance to customers on the approach and actions being recommended by DCC.

This example of extending beyond SEC governance and seeking broader engagement is also reflected in case study 1, OPR, where we engaged with the OPR working group when defining new measures. In this case, we provided several technical details to provide parties with a contextual understanding of system constraints.

We assess that we have met the required standard and have consistently produced information that is of sufficient quality for broader engagement. We propose a score of 2 for this question.

2.6.   Q6: Quality of Information | Tailoring information

6. When engaging with customers, has DCC ensured to engage with relevant audiences, and tailored information appropriately?

When engaging with our customers we take steps to ensure that we are engaging with the relevant audiences and provide due consideration to ensuring that our materials are tailored, balancing the level of technical detail and format as appropriate. We will address how we undertake each of these in turn.

Engaging with the relevant audiences -The principal method by which we communicate with our relevant audiences is through our Nominated Contact List (NCL) which is used for general communications, incidents, and SMETS engagements. It provides a list of 'Lead' and 'Back up' contacts nominated by our customers who will then receive our mass communications. We conduct a monthly audit to ensure the accuracy of this information by requesting that parties complete a Nominated Contact form to detail any additions, modifications, or deletions to the list. The onus is on the relevant parties to respond to this monthly audit to maintain the accuracy of their contact data for their organisation. We will extend these lists to our strategic programmes in RY22/23.

As outlined in our response to question 5, we chose to engage with a wider group of customers concerning VMO2's request for price support deeming this group to be relevant due to the significant customer interest. Engagement around this VMO2 price request also included tailoring our individual communications to support the wider discussion at SEC Panel. This tailoring was differentiated depending on the different supplier groups – larger suppliers were typically more focused on commercial analysis, whereas smaller suppliers were concerned about keeping the smart meter roll out going.

Tailoring information to relevant audiences - We regularly tailor the information we present as part of SEC governance with items coming to SEC Panel typically containing less technical detail than material discussed at sub-committee level. For instance, as part of the DCC's technical refresh programme in February 2022, the material presented at TABASC contained two options with details of a phased approach as opposed to the SEC Panel paper published on the 18th February 2022 which provided an overview and requested endorsement of a specific recommendation.

Our continued engagements as part of the peer-to-peer Exco bilateral programme also demonstrate how we tailor the level of technical and company relevant detail in discussions. During RY21/22, we undertook 23 senior bilaterals with major suppliers arranging sessions with Chief Financial Officers (CFOs), Chief Technology Officers (CTOs), and Corporate Directors. The detail of these conversations naturally varied with CTO sessions being more technical in comparison with other Director sessions.

As mentioned in Question 3, our proactive service reviews and reporting packs are also tailored to provide an overview of a specific customer's performance against relevant measures and highlight customer specific improvement opportunities (e.g., identifying one customer with more Comms Hub with incorrect DNO certificates than other providers). These new tailored insights provide points of focus and have been well received with one customer providing verbal feedback that these sessions were "great, so far, especially the service metric reports". As a result of these tailored insights, we are seeing customers wanting to have more frequent service reviews with many moving from a quarterly to monthly cadence.

During RY21/22, we also tailored the format of our engagements depending on the need. For example, as part of the SMETS1 consultations, see case study 4, we typically chose to have bilateral conversations rather than webinars as part of our follow up process. This allowed us to dive deeper when both answering questions and clarifying respondents' positions.

We propose a score of 2 for this question.

2.7. Q7: Taking Customer Views into Account | Informing decision-making

7. Has DCC ensured its customers understand on which issues their views will inform decision-making?

In our engagement with customers, we adopt three assessment criteria to determine which activities we should engage on and where customer views will inform decision-making:

- **Cost**: where an activity has a lifetime cost that is above £1m

- **Service Impact**: where activity will have a direct impact on DCC service to its customers

- **Service Risk**: where an activity introduces or changes risk for DCC service to customers

This approach was introduced in the October 2021 Quarterly Finance Forum session and in discussion with SEC Panel Chair and Operations Sub-Committee Chair in Jan 2022. We have also utilised multiple engagement channels to help stakeholders understand on which issues they are able to contribute views.

For example:

- Throughout the year we have facilitated several workshops and summits where we both communicated our current position and sought additional views from our stakeholders – see case study 2 for the DNO Summit example.

- During RY 21/22, we held 38 regulated and non-regulated consultations, where we explicitly and formally expressed our position and sought views from our stakeholders to further refine it.

For our interactions with the SEC, we have adopted signposting for papers, indicating which papers are 'for information', 'for discussion' or 'for review'. This has ensured that the SEC committees are clear on the purpose of information that is being shared with them.

Our B&DP consultation process began with a customer workshop where we sought engagement and feedback on a number of potential projects and initiatives which we believed were required to enable us to deliver our medium-term business objectives. This was followed with a draft B&DP which captured a programme of activity and was shared with customers for their further comments during May. A separate deck titled "You Said, We Listened" was produced capturing points that were raised during the meetings and our response to these. For example, our stakeholders were keen to know more about whether we would collaborate with third parties to align with industry trends. We provided a formal positive response with the "You said, We Listened" publication and invited them to reach out to us on an individual basis for further discussion. More explicitly, during our breakout session we sought views on key energy sector trends and their impact on customer demand over a 5-15 year horizon.

DCC Boxed is a product that DCC developed internally to enable end-to-end testing across the entire DCC ecosystem, from DCC User Interface Gateway to the device being set. Over the course of customer engagement, we have sought views from stakeholders across a range of topics, starting from customer demand (e.g., using surveys to gather data) to consulting on technical detail. A range of engagement channels were utilised to provide and receive feedback and seek clarification, such as TAG, TABASC, QFF such that customers with relevant skills and expertise could attend and participate. During the engagement, specific items were discussed, and input sought, with the majority of views being taken onboard and feeding into DCC's activities. In particular, we have sought targeted views on a proposed approach for access to DCC Boxed, explored views on the attractiveness of the proposed price and charging methodology and requested views on SEC MOD draft legal wording. Subsequently, we reflected upon feedback received and issued our response and reason with our feedback summary report.

A final example of where we have clearly articulated to our customers whether approvals are required (i.e., where customers can influence a decision) have been in our SMETS2 forums, held on a weekly and monthly basis. We communicate the purpose before and during the meeting, for example, when sending out the meeting invitation. We capture feedback at forums, anonymise it and report it back to customers thus enabling open and honest discussions. We consider that these steps help to facilitate collaborative working, where communication is clear and transparent.

Overall, during RY21/22 we have made significant improvements in the way we include our customers in our decision-making process. We have implemented organisation-wide process change, provided our customers with a number of ways to provide their input and seek clarification and facilitated a number of forums and summits that received positive overall feedback. Additionally, during the previous regulatory year we have introduced Feedback Summary reports, and this year we have adopted and expanded their use in our business (which we discuss further under question 9).

We assess that we have met the required standard and propose a score of 2 for this question.

2.8.   Q8: Taking Customer Views into Account | Demonstrating that views have been taken into account

8. Have DCC's decisions demonstrated that customer views have been taken into account?

As an organisation, we remain committed to ensuring that our customer views are taken into account in all relevant aspects of the business and improvements continue to be made. We record all actions and views shared by customers and collate them in our central action log to ensure no action is missed. Since March 2022 we have set up a monthly review process for these actions to review key risks, continuously working with the action owners to ensure actions are closed properly and on time.

We outline some of the changes we sought to make and have made during RY 21/22 below, noting how we followed recommendations we received from customers, and outlining key reasons for divergence (if any).

CSPN - As detailed in our case study on the CSPN area, the PM2 service level had fallen short of an acceptable performance for some time, bottoming out at 11% success in October 2020; this was clearly not delivering for our customers. We listened to customer frustrations and recognised that a transformation in performance was needed. Our team developed a Committed Improvement Glidepath approach and also took ownership of engagement by taking over the presentation to the OPSG from Arqiva. The team listened to what our customers wanted and committed to being transparent, measuring everything before, during and after implementing a solution. Significant improvement has been made to the CSPN PM2 performance measure and consistent, predictable, and sustainable performance has been delivered to the industry.

OPR Approach – As detailed in our OPR Approach case study, DCC proposed a number of specific measures for use within the OPR in early 2022. One issue of particular concern to our customers was prepayment. It was problematic to identify a suitable metric and hence we proposed to introduce the Test HAN Command as a proxy. During the stakeholder engagement process we provided all the information available and organised a call for our customers to discuss the technical details of this metric with service providers directly. These meetings helped in resolving concerns that some of our customers had around the robustness of the data to support the use of the system. After further considering the points made by our customers, we agreed that the evidence for introducing Test Han Command as a measure for the Prepayment business area was not sufficiently robust at this time.

Another specific measure discussed was the inclusion of SRV8.11 within the Install & Commission business area of the OPR, as proposed by customers. Previously we had noted to our customers that the SRV8.11 update does not meet our internal OPR principles and as such we considered it was not an appropriate measure. More explicitly, these principles were established in consultation with our customers beforehand and were aimed at ensuring that the measure itself would be within the boundaries of DCC control. The OPSG's view at the time was that SRV8.11 was an important measure to be included. Before releasing our recommendation, we listened to our customers (for example, by organising a number of workshops) and took on board all feedback. We also looked at possible alternative ways of reflecting these views in our recommendation to Ofgem. However, Ofgem did not agree with our recommendation to not include the measure, noting that the reasons outlined for not including the measure were not strong enough, and suitable adjustments could have been agreed (for example, by exempting relevant periods of underperformance). Given this, we are keen to continue working with customers and our service providers on making the SRV8.11 metric work under the OPR.

Consultations - On 24th of September 2021 DCC issued a consultation seeking stakeholder views on proposed changes to the following SEC Subsidiary Documents required for the Enduring Change of Supplier (ECoS) arrangements. In this consultation, we proposed to increase Target Response Times for the 'Update Security Credentials' service requests from 30s to 35s where the Target Device is SMETS2+, and 16s to 21s where the Target Device is SMETS1. Of the six organisations who responded to the document, two agreed, one indicated they had no objection, two provided no comment and one did not

agree. The last respondent stated that they did not support the increase to Target Response Times and expressed concern that this would downgrade performance resulting in costs with no benefit to DCC users. We met with the respondent to understand their concerns in more detail and outline the rationale for the proposal. This was accepted by the respondent and on that basis, we recommended that BEIS proceed with making the amendments proposed.

Section H10.11 of the SEC placed an obligation on DCC to periodically test the Business Continuity and Disaster Recovery (BCDR) arrangements in order to assess whether the BCDR procedures remain suitable for achieving the objectives described in Section H10.9 and to report the results to the SEC Panel. On 8th November 2021, we issued a consultation to seek the views of SEC Parties. In particular, we sought views from stakeholders on our proposal to undertake Disaster Recovery Testing on Sundays from 09:00 to 17:00, with a 4-hour expected recovery time objective and 4 hours contingency. We worked internally with stakeholders and with multiple service providers to agree the optimal time to run the 2022 BCDR schedule with as little downtime as possible. Three respondents did not object to our proposal, with one disagreeing and suggesting other windows which they considered to be less impactful. We communicated back to that organisation that we had worked with multiple service providers to produce the most efficient schedule of testing and that it had generally been accepted. We indicated that we would continue working on this to reduce future downtime.

We have always sought to ensure that customer views (both positive and negative) have been accurately and transparently represented in our consultation responses, SEC meetings and discussions with Ofgem.

We assess that we have met the required standard and propose a score of 2 for this question.

2.9. Q9: Taking Customer Views into Account | Explaining how views have informed decision making

9. Has DCC clearly explained how customer views have informed its decision making, and where relevant why DCC has disagreed with customer views?

As an organisation, we regularly seek feedback from our customers to inform our decisions. This feedback is captured, reflected upon, and shared with our customers to close the 'feedback loop'. During this regulatory year, we published 24 consultation decisions which covered regulated and non-regulated areas of our work.

We have constantly listened to the feedback customers have provided to us and reflected it in our decisions. For example, to formalise this, in RY20/21 we introduced 'feedback loop and summary reports' as a widespread process improvement in how we communicate outcomes to our customers. Before implementing the change, we shared report structures with our customers and gathered and listened to their feedback. We rolled out this change in RY21/22, issuing 8 reports which captured feedback received and our response across our major programmes of work. Following a review in March 2022, we will be making improvements for RY22/23, ensuring the process is less time-consuming and the outputs continue to meet our customers' needs.

Additionally, we have tracked our performance in this area by continuously collecting feedback provided by subcommittees and the SEC Panel. Specifically, we have used a 'Quality of Meeting Participation' metric defined in Question 5. During the last regulatory year, we have received excellent scores of 91% and 100% from subcommittees and SEC Panel respectively, indicating that the majority of feedback was reflected by the time papers reached these forums and little to no further deferrals were required. This is further demonstrated by feedback from the SSC sub-committee in September 2021 – "As in previous

months, the DCC is maintaining a strong performance at SSC, delivering quality papers and presentations in a timely manner."

We list three examples below based on their importance and materiality which we consider provide evidence of how customers' views have informed our decision-making, closing the 'feedback loop'.

In our September 2021 consultation we sought views from suppliers to establish whether DCC should develop a solution that would allow for the upgrade of firmware to third party Prepayment Meter Interface Devices that are attached to secure installations. We received seven responses, three supporting the change and four not, with reasons cited around the limited benefit and additional costs involved. We reflected on feedback received and agreed not to recommend the solution at this time. We communicated this to our stakeholders via regular communication channels and through our official response to the consultation.

During our February 2022 consultation on the DSP programme, we asked stakeholders whether it would be appropriate that DCC users should not have obligations to undertake testing for the DSP replacement, as part of our 'shift-left' strategy. Our overarching view at the time was that high standards for testing should be in place and there should be a balance between prompt delivery and the need for thorough testing. In response, the majority of our customers were supportive of us proposing that users should not be obliged to participate in PIT/SIT testing. A number of them said that this could create potential risks with interoperability and interchangeability. We reflected and further considered the topic and feedback received, and decided it was premature to ask for this at this stage. Our decision was to defer this until a later date, and we communicated this to our customers via formal (e.g., consultation) and informal channels.

Finally, during our active engagement on DCC Boxed (as introduced under Q7), our stakeholders questioned whether the tool could be used beyond its intended primary use, such as for the development of Elective Communications Services. We have taken feedback onboard and committed that we will explore wider use of this product internally. We communicated our decision back to our customers via the feedback summary report on DCC Boxed and via regular engagement channels.

Naturally, there were instances where we have disagreed with feedback provided by our customers (such as in the case of the SRV8.1 metric covered under Question 8). In such instances, DCC provided verbal and written rationale to both customers and Ofgem ensuring that they were informed of the outcome of engagement.

We assess that we have met the required standard and propose a score of 2 for this question.

3. Appendix A – List of Supporting Evidence

The following table provides a list of evidence items referred to, and support the narratives provided in both Part 1, the main submission, and the case studies included in Part 2.

Evidence Item Number	Evidence Item Description	Area Referenced
1	Example engagement plan - DNO Transformation plan on a page	Q1, Q2 Case Study 2
2	DNO enduring engagement plan	Case Study 2
3	Example engagement plan - ECoS	Q3
4	Example communication - NCL update reminder	Q6
5	ECoS newsletter (January, February, and March 2022)	Q3
6	Example Consultation Response – 27th July SMETS1 PPMIDs	Q1 Case Study 4
7	Summary of DCC performance at SEC Panel & Sub-committees (Timeliness, Quality of Meetings & Paper Quality)	Q2, Q3, Q4, Q5, Q9
8	Example of customer survey results - DNO Summit	Q4, Q9 Case Study 2
9	Example of customer survey results – SMETS1	Case Study 4
10	B&DP response extension email	Q2
11	Example programme plan - SMETS2	Q2
12	B&DP "You said, we listened" report	Q7
13	Example Feedback Summary Report – DCC Boxed	Q7 Q9
14	Extracts from SECAS dashboards	Q2, Q4, Q5

15	Approach to Customer Engagement as presented at QFF	Q7
16	Extract from Ofgem OPR guidance decision letter	Case Study 1
17	Detailed incident review	Case Study 5