



Making a positive difference
for energy consumers

Gwneud gwahaniaeth gwirioneddol
i ddefnyddwyr ynni

To - all stakeholders

Email: RIIOED2@ofgem.gov.uk

Date: 21 February 2024

Dear Stakeholders,

Consultation on proposed changes to the Major Connections Incentive Governance Document

We are inviting views on our proposals for retaining the current target for the Major Connections Customer Satisfaction Survey (MCCSS), alongside proposed changes to the Major Connections Incentive (MCI) Governance Document to give effect to our proposal.

We introduced the MCI as part of our RIIO-ED2 Final Determinations.¹ The purpose of this incentive was to ensure Distribution Network Operators (DNOs) deliver high quality service to customers seeking major connections in RIIO-ED2. We published our MCI Governance Document on 17 February 2023, which outlined the scope of the incentive, reporting requirements, submission process and our assessment.

The MCI Governance Document, consistent with our RIIO-ED2 Final Determinations, stated our position that “Following Regulatory Year 1, Ofgem will set targets for Regulatory Years 2 to 5 as soon as is practical, considering data

¹ [RIIO-ED2 Final Determinations | Ofgem](#)

gathered in Regulatory Year 1". We have now received data regarding the performance of DNOs against the MCCSS since the MCI was introduced in April 2023.

Major connections typically represent larger projects than, for example, domestic connections, but, as a result, tend to be fewer in number. As this data has been received before the end of the first year of RIIO-ED2, the sample size was small. Small sample sizes can result in data which is unrepresentative and therefore any conclusions drawn from these samples can be inaccurate. Given the low amount of data received at this stage, and considering this against the statistical robustness test set out in the Major Connections Governance Document, we are not satisfied that the data received forms a satisfactory basis for modifying the target at this time. We believe that changing the target based on this limited data runs the risk of arriving at an inappropriate revised target. We also believe that the Connections Action Plan provides an appropriate means to review all connections-related incentives, ensuring a coordinated regulatory approach to connections on the whole.²

We therefore propose to retain the target set for regulatory year 1 of RIIO-ED2 given insufficient evidence to change the target. Our proposal does not preclude Ofgem from changing the target in future years of RIIO-ED2.

We propose to modify the Major Connections Governance Document to give effect to this proposal. These changes are set out in a tracked change version of the document published alongside this consultation. The effect of these changes is to remove the reference to reviewing the target ahead of the second regulatory year, retaining the current MCCSS target of 7.41/10.

Responses can be sent via email to RIIOED2@ofgem.gov.uk by 20 March 2024.

Yours sincerely,

David McCrone

² [Ofgem and DESNZ announce joint Connections Action Plan | Ofgem](#)

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