Note – Quality of Service Working Group 13th Meeting

Action Points

The DNOs were asked to respond on whether they will attend the Ofgem led workshops. Responses should be sent to DPCR5.reply@ofgem.gov.uk.

The deadline for responses to the first consultation document is the 23rd June 2008. Responses should be sent to DPCR5.reply@ofgem.gov.uk.

The DNOs were asked to respond to Ofgem with their views on what they believe to be the best way of splitting LV and what implications their proposed split will have both on Quality of Service and Cost Reporting.

Ofgem will make a number of comparisons of the effect of using different numbers of years in target setting. Ofgem intends to do so for the next working group.

WPD will circulate their own simplified disaggregation and target setting spreadsheets.

The DNOs were asked to provide transformer level data (transformer references) for short interruptions with the MTP. This will be used to identify worst served customers.

ENW will circulate their method of measuring faults at an LV feeder level.

Ofgem will also circulate details of an Australian scheme to improve supply reliability for worst served customers.

The DNOs were asked to provide feedback in their responses to the consultation document on whether SF6, fluid filled cables and ANOBs are better fit for other areas than Quality of Service.

Ofgem will circulate dates for all audit visits.

Date of Next Meeting – Wednesday the 23rd of July

Overview of the Consultation Document

The DNOs were asked to respond on whether they will attend the Ofgem led workshops. Workshops on Environmental Issues and Customers and on Networks and Financial Issues are held in May. Additional workshops will be held in February 2009.

DNOs expressed a wish for the dates of the workshops to be set as soon as possible.

The deadline for responses to the initial consultation document is June 23rd.

Target Setting

LV Target Setting Methodology

Ofgem asked the DNOs about their views on an overhead and underground split in setting LV targets. A potential mains and services split has previously been discussed. Since then, analysis has shown that setting benchmarks using this approach as opposed to an LV Total would make little difference. Consequently, Ofgem asked the DNOs for views on other options.

One DNO pointed out that underground faults have a longer restoration time. The London network, in particular, is all underground.

One DNO also reminded the group that there could be other possible boundaries, apart from overhead and underground. In response to this, Ofgem pointed out that keeping underground and overhead separate creates visibility in cost reporting.

Some DNOs pointed out that mains/services reporting and damage classification are not fully consistent. Some DNOs expressed a wish for definitions in the RIGs to be expanded to facilitate consistent reporting.

The DNOs were asked to respond with their views on what they believe to be the best way of splitting LV and what implications their proposed splits will have both on Quality of Service and Cost Reporting.

Non-Attributable Interruptions

Ofgem proposed that non-attributable interruptions should be benchmarked separately and split into two categories. The categories proposed are 'Loss of Infeed' and 'Misallocations.'

One DNO expressed the view that the EHV boundary should include 'Loss of Infeed' type of faults, as these are essentially busbar faults.

CML Target Setting

It is the DNOs' view that a CI performance above the benchmark results in a tougher treatment with the current CML/CI method of calculating HV CML targets. The group discussed possible solutions to this.

One possible solution would be to use the CI benchmark rather than the actual CI.

One DNO pointed out that CML targets are not that relevant to the price review but, rather, the incentive rates are what matter.

Some DNOs expressed a wish that Ofgem should reach a decision on the number of years used in the target setting. Ofgem will take this year's data into consideration and make a number of comparisons using different numbers of years for the next working group.

WPD will circulate their own simplified disaggregation and target setting spreadsheets.

HV Disaggregation

Disaggregation bands could be weighted to account for differences in network types.

There were discussions as to the most appropriate way to calculate the upper quartile with a suggestion that the upper quartile should be based on weighted (by customers) contributions to performance in each band.

Frontier Performance/Under Performance

There may be less pressure for further improvements in performance for those DNOs that are already outperforming 2015 CML targets. An option proposed by Ofgem would be to fund DNOs up front for taking a tighter target.

As for under performance, a cost allowance similar to DPCR4 would be given. The cost allowance would be based on the 2009/10 target level.

One representative from Ofgem questioned the need for an upside collar.

One DNO proposed that the incentive rate could be negotiated.

Prearranged Interruptions

The group discussed what work streams should be used for target projection. Some information on this will be collected in the new stage data template.

One DNO pointed out that no information is currently collected for prearranged work affecting zero customers.

Short Interruptions

Short interruptions have increased. Consumer research findings will determine the value that customers place on SI. The present position is that the current methodology will continue into DPCR5.

Customer Numbers

Stripping out de-energised MPANs from the connectivity model was discussed briefly. (This area was not covered by the consultation presentations.) One DNO raised the issue that its number of de-energised MPANs is increasing. This was an issue previously and DNOs had taken steps to ensure that their customer counts were as accurate as possible. There was agreement that when the RIGs are revised the appropriate way of dealing with de-energised MPANs will be formally set out.

Worst Served Customers

The group discussed methods of identifying worst served customers as a first step in improving supply reliability for the worst served. There was a general agreement that the best way of identifying these customers is by transformer level data. The DNOs were asked to provide transformer level data (transformer references) for all interruptions with the MTP.

One DNO pointed out that LV and HV faults should be kept separate. The duration of LV faults is an operational problem. The duration of HV faults is an endemic problem and tackled by network configurations.

Another DNO raised the issue that the goal –whether it is to provide worst served customers with guaranteed standard compensation payments or if it is to change the network- makes a difference to what type of information is needed.

Ofgem put forward the idea that DNOs are likely to have an already existing method of prioritising between HV lines to see which lines to target. Are there possibilities of using the analysis that is already carried out by the DNOs to locate worst served customers? One DNO replied that though DNOs do analyse circuits this is not done for worst served customers.

ENW will circulate their method of measuring faults at an LV feeder level. The issue will be further discussed at the next working group meeting.

Ofgem will also circulate details of an Australian scheme to improve supply reliability for worst served customers.

Lastly, one DNO pointed out that having a 12 hour guaranteed standard rather than the current 18 hour standard would require improvements to the network. It was also pointed out that the psychological drive to restore supply could be reduced during what are now the last six hours of the 18 hour standard if the standard is reduced to 12 hours.

Exceptional Events

Ofgem asked the DNOs whether exceptional event thresholds should be altered and proposed a materiality test. The latter would account for the relatively smaller impact of lightning events on CML, compared to other weather events. The DNOs held mixed views on lightning event removal.

Ofgem also asked for views on the criteria for excluding one off events. This was discussed in light of the potentially large financial exposure that the DNOs would face if a large event within the DNOs control should occur.

Audits

Ofgem proposed that audit accuracy for 132kV and EHV should be measured separately from HV. One DNO stated that the difference in audit accuracy between these voltages was small. Another DNO proposed that the audit accuracy threshold for HV should be decreased if 132kV and EHV were removed.

Social and Environmental

The DNOs were asked to provide feedback in their responses to the consultation document on whether SF6, fluid filled cables and ANOBs are better fit for discussion under other working groups than the Quality of Service working group. One DNO's view was that SF6 and fluid filled cables are more related to asset replacement and AONB may also fit better in another area rather than with the Quality of Service working group.

Discretionary Reward

Best practices identified could possibly be included in the licence obligations. One DNO asked if there would be a related allowance if this was the case.

A.O.B

Interruption returns – The DNOs were asked to provide reference details of the short interruptions, as part of their non-reportable element of the April return.

Audit Arrangements – Ofgem will circulate dates for all audit visits.

MTP Return – 31 May.

Date of Next Meeting – Wednesday the 23rd of July