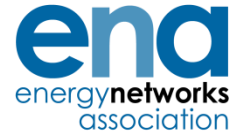


Time to Connect Incentive



Initial thoughts for discussion at CONWG

Brian Hoy

CONWG – 24 October 2012

What we need to think about

- What is the scope of the incentive
- Issues that need consideration
- How is it measured?

What is the scope of the incentive?

Some options for what it would cover:

- Average time to produce a quote
 - Include all new connections
 - Include any existing customers increasing capacity which require a quotation
 - Exclude service alterations where no change of load
 - Note this would exclude connection of some low carbon technology by existing customers where no requirement to notify DNO
- Average time taken from quotation acceptance to completion of works
 - Include all new connections which require some physical work
 - Include all increases in capacity which require some physical work
 - Exclude service alterations where no change of load
- Note this would exclude connection of some low carbon technology by existing customers where no work required

- There are other issues that need consideration as to how they are treated in the calculation of the average, for example
 - DNO identifies additional information required and has to wait for customer to provide
 - Customer accepts but doesn't want connection work to start or extended period
 - Sites that are built over extended period, when are they deemed completed
 - Projects that need wayleaves with third party
 - Site not ready when customer accepts
 - Range of activities within same segment can vary between DNOs and within DNO over time
- There may need to be different approaches for Minor and Major customer segments
- Segments where there are low volumes may need different treatment

- Any new incentive should seek to use existing classification of activities
 - Existing market segments/GSoP categories could be utilised
- GSoP criteria can provide a basis for measurement
 - Average time to produce a quote
 - Start -Receipt of minimum information
 - End – Issue of quote
 - Average time taken from quotation acceptance to completion of works
 - Start -Receipt of acceptance (including payment if applicable)
 - End – Completion of work to connect
- Targets should be set at each level of classification rather than one overall average
- Targets should be absolute not relative
- Application of exemptions and extensions of time needs consideration

How is it measured?

- Option 1 – “End to End”
 - Simple measure of elapsed time eg
 - Time from application received to quote issued
 - Time from acceptance and payment to work done
- Simple
- But performance can be outside DNO control
- May need mechanism to exclude some situations eg customer wants connection long time in future
- Option 2 – “Task time”
 - Measures the time within the DNOs control eg
 - Time waiting for customer to provide additional information excluded from calculation
 - Time when site not ready or waiting from wayleaves excluded from the measure
- Better reflects the underlying DNO performance
- Removes delays caused/requested by the customer from the calculation of the average
- Challenge is to ensure objective assessment of those delays

How is it measured?

- Option 1 – DNO specific
 - Reflects improvements for customers within DNO area
 - Not affected by difference between DNO-specific factors eg network, systems, recording
- Option 2 – common DNO
 - Relies on comparability of data in setting targets but currently no common reporting standards
 - Doesn't take account of different work mixes (even in same category) across DNOs
 - Unduly tight targets effectively removes the incentive
 - Doesn't reflect a number of DNO specific factors
 - Network utilisation (degree of reinforcement required)
 - Network congestion (access, streetworks, planning notices etc)
 - Regional economic factors
 - Other local factors eg Lane Rental schemes