

The background features a large, semi-transparent white arrow pointing to the right, overlaid on a blurred image of interlocking gears. The gears are in shades of blue and white, with a bright light source creating a lens flare effect in the upper left. The overall aesthetic is clean and modern, suggesting industry and progress.

# **RIIO-ED1 Strategy Consultation Responses**

Proposals for Connections

## **RIIO-ED1 Strategy Consultation – key messages**

- We want the DNOs to adapt their process to customer needs, not forcing customers to accept DNO processes
- Highlighted 3 key issues
  - Quality of connections service
  - Provision of information
  - Timeliness of connections

## Proposals

- Retaining GSOP (considering inflationary uplift)
- BMCS – separate survey and financial incentive for small and large connection customers

## Responses

- Majority of stakeholders (inc all DNOs) support split between major/minor.
  - Some stakeholders consider that other connection types should also be differentiated (eg community projects or unmetered connections).
  - One DNO considers it unnecessary as existing survey achieves this.
- All DNOs support fixed targets for CSS.
  - Some DNOs suggest a mid period review.
  - One stakeholder suggested targets should be ratcheted up.
  - One DNO suggest that 50% of the reward based on annual improvement.
- Question financial value of the incentive.

## Proposals

- Retain LTDS and DG Connection Guide
- Propose to remove licence obligation to produce DG Information Strategy – if properly incentivised is this necessary?
- Considering factoring into overall performance customer satisfaction with information provided

## Responses

- All respondents support retaining LTDS and Connection Guide.
- The majority of DNOs/stakeholders support removing Information Strategy if properly incentivised elsewhere.
- Several stakeholders highlighted importance of information provision. Mixed response whether additional incentive needed to drive this.
  - Some consider that there are already incentives on DNOs to provide info to customers upfront.
  - Others consider that additional incentive is needed (possibly inc in CSS).

## Proposals

- Intro Average time to connect incentive
  - Measure average time to produce a quote & overall time to connect
  - Different targets for different networks/customers? Use of exemptions?

## Responses

- Majority of respondents supported Time to Connect for minor customers, but not for Major customers.
- DNOs support use of exemptions.
- DNOs support fixed, individual targets for each DNO (several suggested mid-period reviews).

## Proposals

- Excluded market segments – no effective competition
  - Require incentives – survey & time to connect (with reward/penalty)
- Relevant market segments that don't pass – no effective competition
  - Require incentives – survey & time to connect (penalty only)
- Relevant market segments that pass CT
  - No need for survey or time to connect incentives
  - Question whether measure needed for non-contestable services
  - GSOPs remain

## Responses

- Relevant market segments that don't pass
  - Some market segments v.small, mechanisms might not work.
  - Size of penalty should be proportionate to the approx market value of those market segments.
- Relevant market segments that pass CT
  - One DNO consider that GSOPs are admin burden. Potentially anti-competitive.
  - Generally agree that incentives should be withdrawn
  - Reward/penalties proportionately adjusted for market segments that pass the CT to reflect their market value.
  - Split support whether incentives needed for non-contestable work
    - Ongoing reduction in non con activities. SLC offer protection.
    - Others consider that BMCS or Time to Connect is needed.

The background of the slide is a composite image. On the left, there are rows of solar panels under a bright sun. On the right, a hand is shown holding a white document. In the bottom left corner, a blue gas burner is visible. The overall theme is energy and customer service.

*ofgem*

Promoting choice and value  
for all gas and electricity customers