



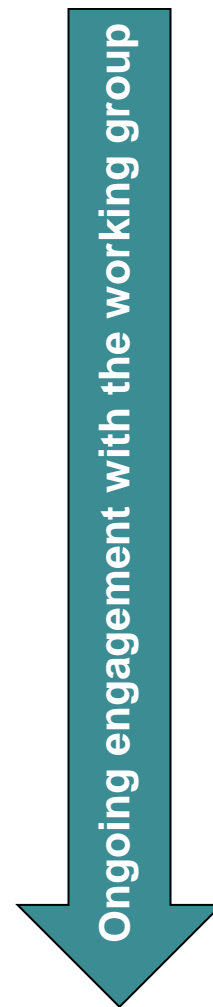
Promoting choice and value  
for all gas and electricity customers

# ED1 Connections Working Group

PM 26 March 2013

## RIIO-ED1 Timetable

| Phase   | Year | Month   | Milestone   |
|---|------|---|---|
| <b>Strategy Development</b>                             | 2012 | February  | Open letter consultation published                    |
|   |      | September   | Strategy consultation published                       |
|   | 2013 | March   | Strategy decision published                           |
| July  |      | DNOs submit & publish business plans  |   |
| October   |      | Initial assessment of business plans and Fast-track Draft Determination published |   |
| <b>Business Plan Assessment and Fast-Track Decision</b> | 2014 | February  | Fast-track Final Determination published              |
|   |      | March   | Non-fast-track DNOs resubmit & publish business plans |
| <b>Non Fast-Track Draft and Final Determination</b>     | 2014 | July  | Non-fast-track Draft Determination published          |
|   |      | November  | Non-fast-track Final Determination published          |
|   |      | December  | Statutory Consultation on licence modifications       |
|   |      | 2015  | April   |



# RIIO-ED1 Strategy Decision - Connections

## Outputs

- Connect customers in a timely and efficient manner.
- Respond to different customers' specific needs, whilst facilitating competition.

## Incentives

- a customer satisfaction survey (for minor connections customers)
- a time to connect incentive (for minor connections customers)
- an Incentive on Connections Engagement (ICE) (for major connections customers with no effective competition)

## Licence Conditions

- Connections Guaranteed Standards of Performance
- Publication of a Long Term Development Statement
- Publication of a Distributed Generation (DG) Connections Guide
- Remove obligation to publish a DG Information Strategy

## Outstanding Issues

- Minor Customers:
  - Time to Connect
  - Customer Satisfaction Survey
- Major Customers
  - Incentive on Connection Engagement

## Minor Customers (1) Time to Connect Incentive

Max reward 0.4 per cent of base revenue.

It will measure and incentivise DNOs to reduce the:

- i) time from application received to connection quotation
- ii) time from connection acceptance to connection completion

### To be decided:

- Calculation of the target and max reward score
  - The data that will be used to calculate the target/max reward score
  - Methodology used to calculate target/max reward score
  - How we will ratchet targets/max reward score across the period
  - Whether targets/max reward score are set per licensee or industry wide
  - Whether targets/max reward score should be split by LVSSA/LVSSB
- The weighting placed on (i)time to quote (ii)time to connect
- The incentive rate

## Minor Customers (1) Time to Connect - data

- DNOs provided historic 'time to connect' data



- Not all DNOs have common historic data for "Application Received"
  - "Application received" – date when the DNO receives an application form from the customer.

|                   |   |
|-------------------|---|
| WPD, SSE and NPG  | Measure from 'new connection'                         |
| SP, UKPN and ENWL | Start measure connections from 'application received' |

### To be decided:

- Do we need to collect new data going forwards?
- or can we use existing data from those DNOs that are able to provide it?

## Minor Customers (2)

# Customer Satisfaction Survey – Connections

- The survey will only apply to minor connections during ED1
- Current data collection levels are adequate to provide a target

### To be decided:

- Calculation of target and max penalty/reward score
  - The data that will be used to calculate the target/max penalty/max reward score
  - The methodology used to calculate the target/max penalty/max reward score
  - Whether we will ratchet target/max penalty/ max reward score across the period
  - Whether targets/max penalty/max reward score are set per licensee or industry wide
- The penalty/reward incentive rate

## Incentive on Connections Engagement

DNOs will submit evidence of how they meet our minimum requirements for each market segment including how they have;

- i) Engaged with broad range of customers
- ii) Responded to the needs of their customers
- iii) Set relevant forward looking performance indicators
- iv) Developed forward looking work plan to improve performance
- v) Subsequently report actual performance against performance indicators and work plan.

**Max Penalty – 0.9 per cent of base revenue**

### To be decided:

- Minimum criteria used to assess performance
- Frequency of assessment and associated timelines
- The approach to scaling the penalty between the nine market segments



## Next working groups

| Date            | Location         |
|-----------------|------------------|
| PM 05 June 2013 | Ofgem HQ, London |
| PM 16 July 2013 | Ofgem HQ, London |

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*

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