A Consumer Perspective on DNO ED1 Business Plans

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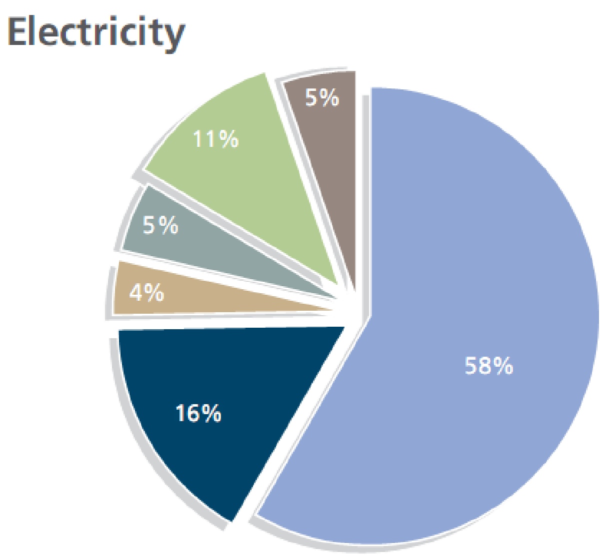
Consumer Futures

DNO costs for consumers are falling under RIIO-Electricity Distribution 1

- Current 16% of average bill, varying £85-140+
- Reductions of up to £20 pa expected under ED1, depending on area.
- Overall picture is of improving services with falling costs – so clearly positive for consumers
- Key question is the balance between costs and service: How much is enough?



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- How good were consultation processes?
- What do the plans say about:
  - Interruptions and communications with consumers?
  - Support for Priority Service Register consumers?
  - Improving experience for worst served consumers?
  - Moves to low carbon economy and connections?
  - Wider support for fuel poor consumers?
- Detailed financial analysis excluded

Consultation Process

- Comprehensive approach and common conclusions across all areas
- Recognising need for different types of communication
- Ongoing communications with both stakeholders and consumers throughout ED1 period

Building further on ‘traditional’ activities

- Customer Interruptions and Customer Minutes Lost falling in all areas, going beyond Guaranteed Standards of Performance, using smart
- Widening communications channels beyond voice
- Enhanced and proactive approaches to understanding and helping PRS and other vulnerable consumers
- Improving experience of worst served consumers

Take-up of low carbon technologies

- Uncertainty around both volumes and clustering > generally lower end predictions of take-up, but variation between GB nations
- Largely seen as separate from social issues: should be greater linkage
- Smart meters also linked to LCT's – will provide better information on connection capacity for distributed generation

Wider support for fuel poor consumers

- Lack of clarity around DNO role: '*stakeholders want us to do more, but unsure what'*
- All describe partnership working & referral mechanisms
- Some outline pilot projects using energy efficiency to reduce demand (and avoid network costs)
- Scope for taking this much further and building in demand reduction to planning

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Conclusions

- Plans represent a positive step forward: better and cheaper service for vast majority of consumers, especially vulnerable groups
- Opportunities to improve links between DNO investment, fuel poverty, smart and low carbon agendas
- Wider question around consumer electricity costs given future supply constraint: case for more DG connection work?

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