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30th October 2013

Dear James,

### **RIIO-ED1 Customer Service and Connection Incentives**

In reference to your consultation dated 4<sup>th</sup> September 2013, seeking views on proposed RIIO-ED1 Customer Service and Connection Incentives, please find below response from Wales & West Utilities (WWU). Our response is not confidential. We welcome the opportunity to comment on the proposals and have responded to the questions in Appendix 1 and Appendix 2.

#### Appendix 1

#### **Q1. Do you agree with setting a common target for all DNOs? If not, why do you consider that we should introduce separate targets for different DNOs?**

We agree a common target should be set for all DNOs based on the performance of the leading DNOs in customer satisfaction. This would ensure consistently high levels of service are delivered to customers cross the UK in this respect. This mechanism we believe is preferable to the existing annual "moving mean". With set targets for all categories of customer, DNOs will be motivated to share best practice to improve service, where in a competitive environment they may be discouraged from doing so. DNO individual strategies and associated investment decisions will be focused on reaching a targeted "good" level of service rather than potentially over investing to "beat" the performance of the other DNOs which consumers may unnecessarily pay more for.

#### **Q2. Should we set common targets for all customer categories?**

This is not the case for GDNs as each of the three service categories have different targets based on upper quartile performance in each area. We are not aware of any compelling reasons why this should be any different for electricity. The gas connections service which traditionally scores lower than the other 2 categories assumed to be because it is a "paid for" service has a lower target satisfaction score. For consistency across the industry, we feel this should be reflected in electricity distribution.

#### **Q3. How should we calculate the target and the maximum reward/penalty score?**

Agree with Ofgem's "minded to" position

24 hour gas escape number  
Rhif 24 awr os bydd nwy yn gollwng

**0800 111 999\***

\*calls will be recorded and may be monitored  
caiff galwadau eu recordio a gellir eu monitro

**Q4. How should we calculate the incentive rate?**

Agree with Ofgem's "minded to" position

**Q5. What level of influence should we place on calls that are unable to reach a DNO?**

Agree with Ofgem's "minded to" position

*Appendix 2*

**Q6 How should we calculate the target maximum penalty score**

Agree with Ofgem's "minded to" position

**Q7. Do you agree with our proposed approach to calculate the incentive rate?**

Agree with Ofgem's "minded to" position.

If you would like to discuss this response in more detail please do not hesitate to contact me.

Yours sincerely,



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