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**Responses to our RIIO-ED1 Customer
Service and Connection Consultation**

Overview

We consulted on the detailed designs of four incentives:

- Customer Satisfaction
- Complaints Metric
- Time to Connect Incentive
- Incentive on Connections Engagement

We received 11 responses, from a range of organisations:

All responses were broadly supportive of our proposals. However some had comments on specific aspects of our proposed arrangements.

Customer Satisfaction Survey - Consultation

We consulted on:

- Common targets for all DNOs and all customer categories
- The incentive rate
- The approach used to calculate the target and maximum reward/penalty score.
- The weighting placed on calls to the DNO that are unsuccessful.

CSS - Responses

The majority of respondents agreed with our proposals. There were some exceptions:
•One GDN did not support different targets for different categories of customer (to ensure consistency with RIIO-GD1).
•One DNO considered that the proposed maximum penalty score was "soft".
•One DNO considered that different incentive rates for reward and penalty may undermine certainty for investment.

All respondents supported the level of influence placed on unsuccessful calls.
Several comments about what would be defined as a "unsuccessful call".
> •Several DNOs considered that they should not be penalised for unsuccessful calls that are outside their control.
> •One DNO suggested excluding unsuccessful calls during storm events if the customer hears a message before being flushed from the queue.

Two DNOs suggested reviewing the unsuccessful call matrix if the number of telephone calls decreases during the period.

CSS – our current thinking

- Common targets for all DNOs. Consistent across GB.

- Common targets across different categories of customer.

- Retain the targets and maximum reward/penalty score proposed in consultation. We consider package is fair, but challenging. Our proposed approach should ensure that DNO customer service is good compared to other competitive industries.

- Straight line incentive rate between target and maximum reward or penalty score (whichever relevant). We do not consider that different incentive rates for reward or penalty will undermine investment.

- DNOs penalised 0.02 per cent of base revenue for each 1 per cent of total calls that are unsuccessful
    - Work with DNOs to improve consistency of reporting and develop definition of an "unsuccessful call".
    - We may review the appropriateness of the unsuccessful call mechanism if the number of calls falls dramatically.

Maximum Penalty Score	Target	Maximum Reward Score
6.8	8.2	8.9

Complaints Metric

We consulted on two aspects of the Complaints Metric design:
•The value of the target and the maximum penalty score
•The incentive rate

The majority of respondents supported our proposals.

One DNO noted that the proposed approach exposes DNOs to a much greater level of penalty and suggested that maximum penalty score could be based on the average worst performing DNO for 11-12 and 12-13.

We are "minded to" maintain the target (8.33), maximum penalty score (14.84) and incentive rate that we consulted on.
We note that this does increase likely exposure, but we consider that this will drive the worst performing DNOs to improve.

Next Steps

- We will issue a decision shortly.
- The decisions will be incorporated into the RIIO-ED1 licence.

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