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Date
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Dear James,

Changes to the Stakeholder Engagement Incentive Guidance Document

We thank you for the opportunity to comment on the proposed changes to the Stakeholder Engagement Incentive Guidance Document.

Key points:

- We welcome the introduction of a process to allow Ofgem to ask questions after submission
- Using the same guidance for all network companies does not help in differentiating the role of a Transmission network company from a Distribution network company
- The reference to vulnerable customers/stakeholders in the guidance does not readily apply to Transmission network companies

Questions post submission

We welcome the introduction of a process to allow Ofgem to ask questions after the submission deadline, yet prior to deciding whether the submissions have met the minimum criteria. This provides a useful check-point in the process to address any question or uncertainties that Ofgem has before the crucial assessment on Part 1 of the submission is made.

Differentiating between Transmission and Distribution

We welcome the opportunity to comment on the revisions to this Guidance; however, we would like to highlight concerns with regards to the issuance of the same guidance for both Transmission and Distribution. In the trial year for Transmission network companies, it was evident that the panel did not appreciate the difference between transmission and distribution, for example, millions of individuals connected to the Distribution network but only organisations connected to the

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Transmission network, which leads to a different group of stakeholders with less of a focus on individuals.

Whilst we are very mindful of the cost component of the transmission network in a customer's bill, engagement activity is predominately organisation to organisation and we feel that comparing the engagement activities and outcomes of distribution and transmission network companies does not always make for a helpful comparison. We strongly believe that the combined guidance does not help address this differentiation and one example in particular that highlights this sufficiently is the reference to stakeholders representing vulnerable customers, which is a particular concern for distribution licensees but not in the same way for transmission licensees.

Vulnerable customers / stakeholders

On page 7 of the guidance, it states "*We expect network companies to pay particular attention to stakeholders that represent the interests of vulnerable customers*". It would be useful for clarification that this is trying to include "*stakeholders that represent vulnerable customers*" in addition to vulnerable customers and is not intended to exclude engagement with vulnerable customers.

Supplementary information

The consultation states that more guidance is provided on the amount of supplementary information. The guidance states that "*consideration should be given to the purpose and length of any supplementary information provided*". If the intention is to receive better sign-posting to the supplementary information and the rationale for its inclusion, it would be helpful to specify this in the guidance.

On page 8 of the Guidance, the minimum criteria remain unchanged and therefore assume that there is no increase in the level of minimum requirements year on year. We support the current minimum requirements; however, it would be useful to have clarity that the interpretation of minimum requirements will not change between years.


We are very keen to obtain information specifying the conversion of scores to reward and would be grateful if this could be provided at a later date.

Submission deadlines

We note that the deadline for submission will be the last Friday of May each year. It is our assumption that there will be more than one panel session as in previous years, and that the panels will take place on different days (and probably in different weeks) and that this could be used to stagger the submission deadlines. We would propose a staggered submission date so that companies with both Transmission and Distribution licensees can better manage resources involved in the submission process.

Please do not hesitate to contact me should you have any queries.

Yours sincerely,



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