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28 April 2016

Dear Marion,

**Consultation on code administration reporting metrics and performance surveys –
ELEXON Response**

We welcome the opportunity to comment on the proposed code administration reporting metrics and performance surveys arising from Ofgem's third review of industry code governance.

As you are aware, ELEXON is the code administrator for the Balancing and Settlement Code (BSC). We are responsible for managing and delivering the end to end services set out in the BSC. This includes responsibility for the delivery of settlement systems and processes. We also manage the development, assessment and implementation of changes to BSC Agent (central) systems and processes. The views expressed in this response are those of ELEXON Ltd, and do not seek to represent those of the BSC Panel or Parties to the BSC.

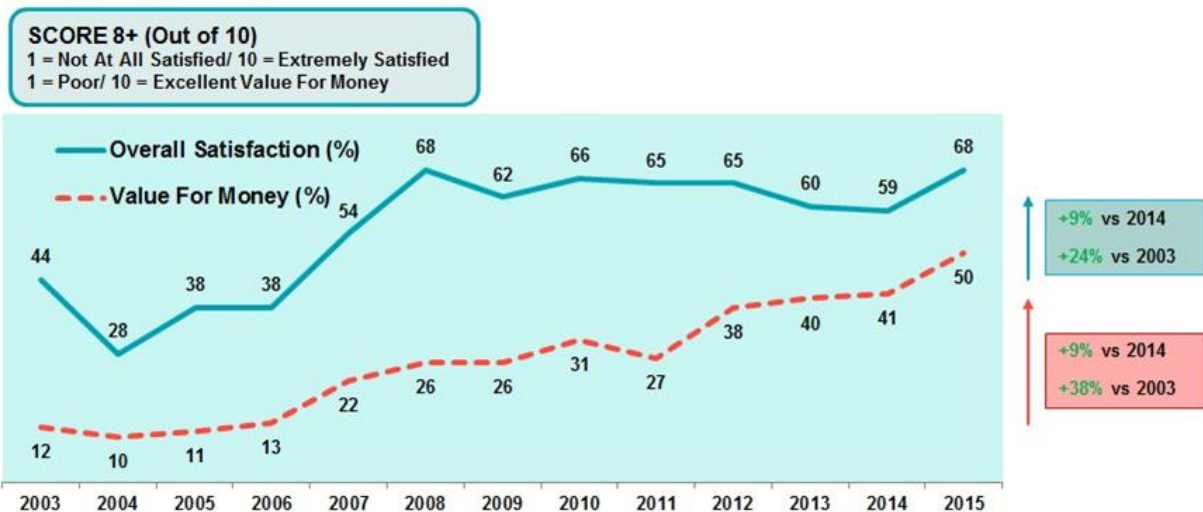
Support for customer feedback and performance measurement

We note Ofgem's view that code administrators should increasingly focus on the service they are delivering to their users. Further, that these changes should help organisations prepare for the licensing regime proposed by the CMA through which there will be more accountability over the quality of service delivered to their users.

ELEXON supports the focus on service quality and performance. We keep our services under continuous review and our commitment to customer engagement and continuous improvement is embedded in our strategic priorities (as set out in our [business plan](#)).

We are committed to measuring our performance against our customers' expectations. We monitor the metrics that are currently set out in the Code Administration Code of Practice (CACoP) on a quarterly basis. We publish these on the ELEXON website in the [Change Report](#) to the BSC Panel (as part of the public Panel papers). We also seek feedback on the services we provide through an annual customer survey.

Our survey (which we have run for more than a decade) is an important way of finding out exactly what our customers think of us, what we do well and where we need to improve. It is carried out on our behalf by Researchcraft, an independent, professional market research company. Our [2015 results](#) (which incorporated feedback from over 130 customers) were our best ever. For example, as the extract from our survey below shows, we achieved our highest overall satisfaction and value for money scores. In addition we achieved our highest net recommendation score.



The chart shows that 68% of those questioned scored ELEXON as 8, 9 or 10 out of 10 for overall satisfaction.

The survey comprises both quantitative (scores) and qualitative (free form comments) elements. It is entirely confidential and anonymous. A summary of the results is published on our website. The data is fed back to us on that basis by our independent service provider. This independent process is invaluable in helping us to maintain and improve our services.

We recognise the burden that multiple surveys can place on customers and we have continued to refine the content of our survey to make it as easy as possible for our customers to share feedback on our performance.

Mitigating the risk of perpetuating multiple surveys

We support any move to improve the way in which feedback is gathered and used which reduces the burden on customers.

We therefore believe that any centralised survey must meet the needs of code bodies for gathering and receiving feedback from their customers in relation to their services (which may, in some cases, extend beyond code administration). If not, there is a risk that code bodies will continue to commission their own surveys and the burden on customers may therefore increase as a result of the proposed, Ofgem-led central survey.

To help mitigate this risk, we believe code administrator companies should be able to provide input to the design of the survey and receive feedback on their performance via the independent company that Ofgem commissions to conduct the work.

We would be happy to discuss the content and approach we use in commissioning our annual customer survey. I attach an example of the questions we ask and the feedback we seek as appendix 1 to this letter.

Responses to consultation questions

Our responses to the specific consultation questions you raise in your consultation are set out in appendix 2 to this letter.

If you would like to discuss any areas of our response, please contact Adam Richardson, Design Authority, on 020 7380 4117, or by e-mail at adam.richardson@elexon.co.uk

Yours sincerely,

Mark Bygraves
CEO, ELEXON

List of enclosures

Appendix 1 – ELEXON's customer survey questions

Appendix 2 – ELEXON's response to specific consultation questions

Appendix 1 – ELEXON’s customer survey questions

2015 ELEXON CUSTOMER SURVEY (extracted from survey script specification)

SECTION A – SERVICE EXPERIENCE

QA1 Please tell us how you would rate ELEXON for its delivery of each of the following services on a scale of 1 to 5, where 5 means they did very well and 1 means they did not do well at all.

	Not at all well				Very well	NOT RELEVANT
BSC Service Desk	1	2	3	4	5	6
ELEXON Circulars	1	2	3	4	5	6
ELEXON website	1	2	3	4	5	6
Market entry	1	2	3	4	5	6
Modifications & Change process	1	2	3	4	5	6
Newscast	1	2	3	4	5	6
Operational Support Manager (OSM) service	1	2	3	4	5	6
Performance Assurance processes	1	2	3	4	5	6

QA2 You gave a relatively low rating for: ...

What improvements, if any, would you particularly like ELEXON to make in these areas?

SECTION B – OVERALL PERCEPTIONS

QB1 We’d like you to rate ELEXON on several attributes on a scale of 1 to 10, with 1 being poor and 10 being excellent. Just to remind you we only want you to think of your dealings with ELEXON in the last 12 months.

Poor									Excellent
1	2	3	4	5	6	7	8	9	10

1. Being flexible
2. Overall professionalism
3. Being highly efficient
4. Overall quality of communication
5. Keeping costs down as much as is practicable
6. Understanding your business
7. Providing the right level of support for the industry
8. Facilitating industry debate and decision making
9. Providing a valuable expertise resource
10. Providing services that are relevant and appropriate to your business
11. Overall helpfulness

QB2 We’d now like you to think just about any dealings that you have with ELEXON **face-to-face** in

meetings or on Committees. Which of these impressions do you get of **ELEXON's people** based on meeting them? Please indicate which apply and which do not, and again just think of the last 12 months.

1. They genuinely want to talk to you
2. They know what they're talking about
3. I'm always left feeling I've got what I needed
4. They always follow up on my queries
5. Meeting them is always worthwhile

QB2a If you could improve ONE ELEXON meeting that you attend on a regular basis, which would it be?

LIST OF MEETINGS TO BE SUPPLIED BY
ELEXON

Other (please write in)
None – I do not think ELEXON needs to improve its
meetings
I never attend any ELEXON meetings

QB2b Please tell us how, in your own words how, **<INSERT NAME OF MEETING>** could be improved. Please be as specific & detailed as possible so that ELEXON can act on the feedback you have provided.

QB3 Thinking about **all your dealings** with ELEXON, how would you rate them **overall**? Again use a scale of 1 to 10, this time with 1 being **not at all satisfied** and 10 being **extremely satisfied**. Again just think of the last 12 months.

Not at all satisfied										Extremely satisfied
1	2	3	4	5	6	7	8	9	10	

QB4 Do you feel ELEXON's service has improved over the past 12 months, stayed the same or got worse?

- Improved a lot 1
- Improved a little 2
- Stayed the same 3
- Got a little worse 4
- Got a lot worse 5

QB5 What, if anything, would you most like ELEXON to improve on?

QB6 And what do you feel overall about ELEXON in terms of the **value for money** they provide. Again use a scale of 1 to 10, with 1 being poor and 10 being excellent.

Even if you do not know much about ELEXON's costs, please give us your impressions of the value for money they provide.

Poor value for money										Excellent value for money
1	2	3	4	5	6	7	8	9	10	

QB7 We would now like you to think about ELEXON's and other industry bodies' **management of codes or agreements**.

On a scale of 1 to 10, with 1 being poor and 10 being excellent how would you rate ELEXON's **management of the Balancing and Settlement Code (BSC)?**

Poor										Excellent
1	2	3	4	5	6	7	8	9	10	

QB8 And how would you rate each of the following industry bodies on the same scale?

1. **Gemserv's** management of the Master Registration Agreement (**MRA**)
2. **National Grid's** management of the **Grid Code**
3. **National Grid's** management of the Connection and Use of System Code (**CUSC**)
4. **Electralink's** management of the Distribution Connection and Use of System Agreement
5. **The Joint Office of Gas Transporters'** management of the Unified Network Code
6. **SPAA Ltd's** management of the Supply Point Administration Agreement
7. **Gemserv's** management of the Smart Energy Code (**SEC**) on behalf of Smart Energy Code Company Ltd.

Poor										Excellent	DON'T HAVE DEALINGS WITH
1	2	3	4	5	6	7	8	9	10	11	

QB9 I'd now like you to think about all of the experiences and perceptions of ELEXON that you have.

If you were talking to a colleague about ELEXON which of these answers would best reflect your opinion of them?

- I would speak highly of ELEXON without being asked 1
- I would speak highly of ELEXON if someone asked me 2
- I would have no strong opinion either way 3
- I would be critical of ELEXON if someone asked me 4
- I would be critical of ELEXON without being asked 5

QB10 Taking everything into account about your dealings with ELEXON, are there any things that you think they **should be doing** that they do not currently?

QB11 We would just like to ask you about **your business**, rather than ELEXON.

What do you believe is the main issue or challenge that faces **your business** over the coming years?

SECTION X – CLASSIFICATION

QX1 Please indicate which of these is your main role in dealing with ELEXON?

BSC Party	1
Supplier Agent	2
Member of a Committee, Panel or group	3
Industry body	4

QX2 And which of these best describes the **main area** of your company that you work in?

Compliance	1
Finance	2
Operations	3
Regulatory affairs	4
Other (please write in)	5

Appendix 2 – ELEXON’s response to specific consultation questions

1. Do you agree that the metrics set out in Appendix 1 [of Ofgem’s consultation on metrics] will provide a useful set of data?

Yes, with caveats on how this data is used.

We welcome Ofgem’s acknowledgement that such quantitative data should be viewed as contextual information regarding code operations.

For example, the ‘number of consultations’ tells the reader something about the volume of change activity but it is not a measure of performance (of either the code panel or the code administrator). Similarly, the ‘average number of respondents to consultations’ figure does not recognise that the number of responses might be indicative of the nature of the change. Industry parties may choose not to respond to simple, straightforward changes, preferring instead to deploy their limited resources providing feedback on changes which have wide-ranging, commercial impacts. We suggest that one is neither better than the other but it would be concerning if wide-ranging commercial changes gathered little feedback. The numbers alone cannot make this distinction.

This is important in the wider context of licencing for code bodies and the potential application of sanctions in relation to underperformance. Given their status as metrics (as currently described) we strongly believe that these metrics should not, in future, be used as measures of code administrator performance. They should not be used as the basis for applying sanctions under a licencing regime.

We do, however, believe these metrics provide an informative overview of the industry code change landscape and comprise a useful set of data. We believe they could be used to target further investigation where variances in the reported metrics (both across codes and over time) may suggest the existence of issues.

2. Is there any other data that you consider should be reported on by the code administrators?

We have not identified any other data that should be reported as metrics.

3. Is there any additional guidance that is required such that the data provided is consistent across all code administrators?

In the absence of any further guidance, we assume that Metric 10 *‘Number of times assistance was requested with access and engagement to the code and the modification process in the period [X]’*, is seeking a count of each specific instance that a code administrator is contacted for help and support in relation to any aspect of its respective code. In ELEXON’s case, this could comprise support on:

- i) the operational delivery of imbalance settlement and the BSC systems;
- ii) BSC entry and exit processes;
- iii) BSC performance assurance and compliance mechanisms; and
- iv) BSC requirements and change processes.

We offer this support via a BSC helpdesk service and through our network of Operational Support Managers. Our subject matter experts also regularly field ad-hoc queries on modifications, ongoing BSC committee work and technical aspects of the BSC. We also provide a number of seminars and training activities on both a scheduled and demand-led basis.

Further, we assume that the metric is intended to focus on industry code-specific support. That is, requests for support on other services (e.g. in relation to the Contracts for Difference and the Capacity Mechanism services we provide) should not be included in this metric.

Separately, it is not clear if Metric 10 seeks to count each separate 'engagement event' or just the number of 'support requests initiated'. The first interpretation would suggest a count of every occasion that the code administrator is contacted for help, whether this is in relation to an earlier enquiry or not. The second interpretation would count only the initial enquiry rather than each, subsequent engagement as the request for support is refined/developed and resolved.

We would welcome clarification on which elements outlined above should be included in Metric 10.

4. Do you think there are any reasons why the code administrators should not continue to pay for the survey?

If code administrators are able to input to the design of the survey and subsequently receive independent analysis and interpretation of the feedback received from their customers then we believe it is reasonable that code administrators pay for the survey since they receive benefit from it.

If code administrator companies are unable to receive such benefit and need to continue to seek customer feedback on the full range of their services separately, then we believe code administrators should not be obliged to fund the survey.

5. Which of the options set out in this document do you consider is the most appropriate way to fund the independent survey between the code administrators?

We support Option 1 (*the total cost of the survey is split equally between the administrators of the 11 codes that are listed in the CACoP¹*) on the basis that the overall objective of the survey is to gather the same core information so as to compare quality of service and performance across all industry codes. This means that the benefit accrues equally in relation to each code service and the companies that administer more than one code pay for their share of feedback gathered and received in relation to the code services they provide.

6. Are there any alternatives to the options set out in this document of dividing the costs between the code administrators that you would favour?

¹ BSC, CUSC, Grid Code, STC, Distribution Code, DCUSA, SPAA, iGT UNC, MRA, SEC, UNC

If code administrators are able to input to the survey design and this results in some, non-standard, questions being included (i.e. which are not asked in relation to all codes), then we believe these elements of the survey could be charged separately.

For example, this could result in a core survey being charged out under Option 1 as outlined in our response to question 5 and an ancillary survey, or ancillary part of the survey, charged out across those code administrators that receive feedback from the questions asked.