

Mohamed Khalif
Ofgem
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E14 4PU

05 April 2019

Dear Mohamed,

Electricity Time to Connect Incentive Targets consultation for Regulatory Years 2019/20, 2020/21, 2021/22 and 2022/23

SSEN welcomes the opportunity to respond to this consultation on Ofgem's minded to position (under Parts B to E of Special Licence Condition CRC 2F (Time to Connect Incentive)) on setting the Time to Quote and Time to Connect minimum reward score for Regulatory years 2019/20, 2020/21, 2021/22 and 2022/23 and the Time to Quote and Time to Connect incentive rate (the rate) for the same period.

Having considered Ofgem's proposed methodology and targets for the remaining four years of the price control, SSEN are broadly satisfied with the proposed arrangements for both Time to Quote (TTQ) and Time to Connect (TTC) and agree these targets are reasonable and proportionate; they maintain a strong incentive to ensure distribution network operators continue to provide quotations and connect customers in a timely and efficient way. SSEN agrees with Ofgem that the previous methodology for setting the minimum reward score would result in targets being disproportionate and run the risk of introducing perverse incentives, driving the wrong or inefficient behaviour. However, we would also like to reiterate our view that for the Time to Connect incentive, further consideration should be given to introducing exemptions for situations that are outside the DNO's control. We are concerned that without such arrangements, results give a false impression of distribution networks actual performance.

There are several factors that can significantly influence the time it takes for a customer's connection to be completed, several of which distribution network operators have extremely limited or no control over. These include connections jobs where:

- There are difficulties in securing wayleaves, which more importantly can take several months to resolve;
- A customer has an accepted offer but has not completed the prerequisite works, required to complete the connection;
- Or where a permit is required from the local Council to complete works in the highway (the standard notice period for which is 25-30 days).

Whilst we make every effort to resolve these issues as quickly and efficiently as we can for the customer, our ability to reduce the timescales in these scenarios can be very limited or non-existent.

In instances such as those, SSEN believes, as with other incentives or standards, an exemption from the Time to Connect incentive should be available.

Further comments in response to Ofgem's questions are provided in the appendix attached.

Yours sincerely

Susanne Laing

Networks Regulation (Electricity Distribution)

Appendix 1 – Response to Ofgem Questions

Question 1: Do you agree with the methodology we propose to use to set the new targets?

SSEN agrees with the proposed methodology to use average DNO performance data to set the minimum reward score and to keep the previous method of setting the maximum reward score at 30% below the average level.

Question 2: Do you agree that it is beneficial to maintain a good range between the minimum and maximum reward scores to ensure the incentive is effective?

SSEN agrees that it is beneficial to maintain a good range between the minimum and maximum reward scores to continue to drive the right behaviours.

Question 3: Do you agree with our minded-to position in setting these targets?

SSEN agrees with Ofgem's minded-to position in setting the Time to Connect and Time to Quote targets for Regulatory years 2019/20, 2020/21, 2021/22 and 2022/23.