

Jon Parker
Head of Electricity Network Access
Ofgem
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London
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5 April 2019

Dear Jon

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

Thank you for the opportunity to respond to the above consultation. This response is on behalf of UK Power Networks' three distribution licence holding companies: Eastern Power Networks plc, London Power Networks plc, and South Eastern Power Networks plc. We are the UK's largest electricity Distribution Network Operator (DNO), dedicated to delivering a safe, secure and sustainable electricity supply to 8.3 million homes and businesses.

The introduction of the Time to Connect Incentive at the beginning of the RIIO-ED1 period has been successful in providing focus for this important area of service to domestic customers and small businesses. This increased focus has encouraged the introduction of new ways of working and better systems to ensure that customers looking to connect to the network can do so in a quicker and easier manner.

Since the beginning of RIIO-ED1, we have introduced multiple initiatives specifically targeted at reducing the time taken to issue quotes and connect new customers to the network. While doing this we have also worked hard to make sure the process is as simple, informative and efficient as possible for our customers – helping to ensure we provide a high level of customer service.

The speed of providing quotes and connections is not the only factor that is important to customers. Through our engagement with our domestic and small business customers looking to connect to the network, we understand that accuracy, support and great customer service are also important. Every customer and every connection is different. Therefore, we welcome these new targets which, while stretching, will allow us to provide the service and support our customers expect, whilst delivering their connections as quickly as possible.

We will continue to find and implement new ways to provide excellent service to our customers while minimising the time it takes to issue accurate quotes that meet users' requirements and connect them to the network.

We have provided specific answers to your consultation questions in the appendix. If you have any questions on this response, please do not hesitate to get in touch.

Yours sincerely

A handwritten signature in black ink, appearing to read 'James Hope', with a stylized flourish at the end.

James Hope
Head of Regulation
UK Power Networks

Copy Paul Measday, Regulatory Returns & Compliance Manager, UK Power Networks
Ross Thompson, Regulatory Performance Manager, UK Power Networks

Appendix – Answers to specific consultation questions

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

We agree that applying the methodology chosen produces targets that achieve a good balance between continuing to incentivise improvements to quotation and connection processes while allowing companies to meet the varying needs of individual customers.

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?

We agree. Maintaining a good range between minimum and maximum reward scores ensures that the incentive continues to reflect customer expectations. A mechanism that operates over a greater range will incentivise companies to continue to improve across this greater range rather than disproportionately valuing small improvements beyond the level that customers value such improvements.

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

For the reasons given above, we agree with your minded-to position in setting these new but stretching targets.