

All domestic gas and electricity suppliers, including the SMICoP Governance Board who represent SMICoP members

Dear Sir/Madam,

REQUEST TO REVIEW SMICOP PURSUANT TO SLC 35 & 41 OF THE SUPPLY LICENCES

We are minded to direct a change to the Smart Meter Installation Code of Practice¹ (SMICoP) that would require publication of the results of the SMICoP customer surveys.

Therefore, on behalf of the Gas and Electricity Markets Authority, Ofgem is requesting that all domestic gas and electricity suppliers, including the SMICoP Governance Board who represent SMICoP members, review the features of the Domestic Installation Code, also known as SMICoP, as specified in Annex 1 to this review request.

This request for Review is being compelled pursuant to standard licence condition (SLC) 35 of the gas and SLC 41 of the electricity supply licences. Relevant extracts from SLC 35 and 41 are set out in Annex 2 below. In accordance with SLC 35 and 41, Ofgem considers it reasonable to require the Domestic Installation Code to be reviewed as specified in Annex 1.

Background to this request

SMICoP aims to ensure that consumers receive a high standard of service throughout the smart meter installation process, and sets out the minimum standards suppliers must follow in relation to customer facing aspects of installations. Once an energy supplier is installing smart meters above a defined threshold, SMICoP requires that an independent company surveys a sample of customers on their install experience.

We expect that improved transparency on supplier performance, through the publication of these customer survey results, will make suppliers more accountable for their actions and decisions, and lead to an overall improved consumer experience during the smart meter installation process. We also expect to see improvements in the quality of data through the introduction of additional scrutiny. Publication of this data is in keeping with the Energy Data Taskforce recommendations² and general direction of travel towards increased data transparency.

On the basis of Gas SLC 35 and Electricity SLC 41, we request the licensee, together with all other licensed gas and electricity suppliers of domestic premises, to review the sections of SMICoP that details customer surveys. We consider that improved transparency through the publication of customer survey results will further the objectives³ of the SMICoP, and in particular objective 41.2 (b) to ensure that all activities undertaken by the licensee are conducted in a fair, transparent, appropriate and professional manner.

The review will inform the content of a subsequent Direction that will define the modifications required to the SMICoP, and we expect that it will be for the SMICoP Governance Board to implement publication of the customer survey results.

Subject to the findings of the review, we expect customer survey results to be published from early 2020, which would allow sufficient time to implement the appropriate processes, and for any current data quality issues to be resolved.

¹ <https://www.smicop.co.uk/code-of-practice/>

² <https://es.catapult.org.uk/news/energy-data-taskforce-makes-five-key-recommendations/>

³ See Standard Licence Conditions 35 for gas, and 41 for electricity

Your response

We are inviting responses from domestic gas and electricity suppliers, including a response from the SMICoP Governance Board who represent SMICoP members.

Your response should be delivered to Ofgem by **30 August 2019** and emailed to the following email address smartmetering@ofgem.gov.uk.

Any queries should be directed to raymond.elliott@ofgem.gov.uk

Yours faithfully,

Jacqui Russell
Head of Metering and Market Operations
22 July 2019

Annex 1: SMICoP review

Gas SLC 35 and Electricity SLC 41 provides for the Authority to request a review of SMICoP, and specify the features of the review request ('specified features'), in this case relating to customer surveys. We therefore invite licensees to focus their review on the specified features that are listed below. If you consider additional aspects of SMICoP to be relevant, please identify these in your response.

Section B (Code Governance)

ROLES AND RESPONSIBILITIES

SMICoP section B para 1.3 - SMICoP Governance Board

- to consider the role of the Board with respect to publishing the results of customer surveys. We think the Board should be responsible for publishing the results of customer surveys, alongside their existing responsibilities for the efficient operation and governance of processes, being custodians of the live version of the Code, making decisions on Change Requests, owning and managing the reporting and monitoring process, providing overall assurance of robustness of the Code and prioritising and considering issues for resolution.

Question 1 - Do you agree that the Board be responsible for oversight and ownership of publication of the customer survey results?

SMICoP section B para 1.5 - Code Administrator

- to consider the role of the Administrator with respect to delivering publication of the customer survey results. We think the Administrator should be responsible for publishing the results of customer surveys, alongside their existing general responsibilities for change management and monitoring, providing secretariat for the SMICoP Governance Board and any sub-groups, maintaining documentation and baseline products, publishing outputs from the change management and reporting processes, and procuring and contract managing contracted parties.

Question 2 - do you agree that the Administrator be responsible for delivering publication the customer survey results?

SMICoP section B para 3.4 - Customer Surveys

- A.** to review what data is to be published
- B.** the timing of publication
- C.** how data is to be represented
- D.** where data is published

The following are questions to consider when reviewing para 3.4:

A. What data is to be published

Question 3 - should all suppliers' customer surveys results be published, including those who submit annually⁴?

⁴ Annual or quarterly submission of customer surveys depends upon the number of planned installs. Where a supplier plans to deliver between 5,000 and 20,000 installs per year, then customer survey results must be submitted annually. Where over 20,000 installs are planned per year, customer survey results must be submitted each quarter. The sample size for each customer survey submission is a minimum of 500 customers.

Our minded to position is that all customer survey results of all eligible suppliers should be published including those who submit customer surveys annually rather than quarterly.

Do you agree with this proposal? If you do not agree, what disadvantages are you able to identify in publishing all eligible suppliers' results? Do you have a preference on which suppliers' results are published?

Question 4 – Should all data within customer surveys be published?

We are of the opinion that all survey data that is submitted to the SMICoP administrator under existing arrangements should be published in the interests of transparency, and can see no case for excluding, for example, selected questions (subject to sample size considerations – see question 5).

Do you agree with publishing all data? If you do not agree, what benefits are there in publishing only partial data? If only partial data is published, what criteria do you use to determine what data is selected?

Question 5 - how should questions where there is a low sample size be treated?

On some survey questions, especially those with subset questions, the sample size can diminish and result in low numbers. We see risks that survey results from a low sample size could be misinterpreted as being meaningful when they may not be. We therefore consider it appropriate to not publish, or to caveat such results.

Do you agree with this proposal, and if so would you prefer such results not published or to be caveated? What would you consider the appropriate minimum sample size to be for results to be published or caveated?

B. Timing of publication

Question 6 - should publishing commence with the Q4 2019 results in the first quarter of 2020?

Our minded to position is that publishing should commence with the Q4 2019 results in the first quarter of 2020, both because that allows adequate time for the new publishing arrangements to be implemented, and because suppliers will be incentivised to improve their performance figures before publication starts.

Do you agree and, if not, when do you think publication should commence and why?

Question 7 - should customer surveys be published every quarter from commencement?

Our minded to position is that publication should reflect the frequency of the reporting of customer surveys i.e. quarterly. This would enable access to the most up to date and therefore accurate picture of supplier performance.

Do you agree with quarterly publication, and if not what publishing frequency would you opt for instead, and why would you choose that over quarterly?

C. How data is represented

Question 8 - should a time series that covers the previous four quarters of data be published?

An evolving time series could aid understanding of the data through providing context and making it clear where performance had improved, or not. We are of

the opinion that a time series covering the previous four quarters, but not historical data before Q4 2019, should be published.

Do you agree that a time series will be helpful for comparative purposes? If you disagree, what factors should we consider in coming to a decision? Do you have a preference on how long the time series should be?

Question 9 - should all results be published as raw data in spreadsheets, accompanied by a report that provides an accessible presentation of data on the performance questions?

The publishing of raw data would meet the objective of improved transparency.

There is however a case for providing additional context and interpretation to make the data more accessible and to reduce risks that data could be misinterpreted.

We are of a view that an accompanying report should be published alongside the raw data, which would:

- Describe how and why the data is collected
- Present data on those survey questions that are related to supplier performance against the SMICoP obligations (which is a subset of the questions) in an accessible way, for example using tables and graphs.
- Provide a factual description of the data and any trends, to aid interpretation.

The report would not make judgements about the compliance of suppliers with their licence obligations.

Do you agree that both raw data and a report should be published?

If you do not agree, in what format should the data be presented? What should the accompanying narrative to the data cover?

D. Where data is published

Question 10 – should customer survey results be published on the SMICoP website?

All customer surveys need to be published in one place which is accessible to those with an interest in the data. We are minded to consider that the most appropriate place is the SMICoP website where other related data is published.

Do you agree that the SMICoP website is the most suitable location for customer surveys results to be published? If you do not agree, why not and where do you think customer surveys should be published instead?

The following are consequential changes that should be given consideration in your response.

SMICoP Section B (Code Governance)

SMICoP section B para 3.1 - Monitoring and Compliance Techniques

- To add reference to publishing results of monitoring and compliance

SMICoP Section C (Monitoring and Compliance Customer Survey Specification)

Customer Survey Specification Overview

SMICoP Section C Para 2.2 and 2.3 - Roles and Responsibilities

- To omit requirement for anonymity

SMICoP Section C Para 5.7 - Reporting

- To omit requirement for anonymity

Appendix C: Code Administrator Responsibilities

Code Administrator responsibilities

- To omit requirement to anonymise and require publication of results and accompanying narrative in the format and location specified

Annex 2

Relevant extracts from SLC 41.14(c) and 35.14(c) of the electricity and gas supply licence⁵

Content of the Domestic Installation Code

(c) the Authority:

(i) at any time to require the licensee, together with all other licensed electricity and gas suppliers of Domestic Premises, to review such features of the Domestic Installation Code as it may specify ('the specified features');

(ii) following such a review, to issue a direction requiring the licensee and all other licensed electricity and gas suppliers of Domestic Premises to make such modifications to any of the specified features as it may direct.

⁵ The wording of both SLC is the same.