

## **RIIO-ED2 Customer Service, Connections and Vulnerability Working Group – Connections Session**

From: Ofgem

Date: 15 October 2020

Location:

Time: 10:00-15:00

Teleconference

### **1. Present**

Ofgem

UK Power Networks (UKPN)

Western Power Distribution (WPD)

Northern Powergrid (NPG)

Scottish Power Energy Networks (SPEN)

Electricity North West (ENWL)

Scottish and Southern Energy Networks (SSEN)

UCSM Ltd

Citizens Advice

Sustainability First

Agility Eco

NEA

### **2. Customer Satisfaction Survey Update (SPEN)**

#### *Survey Methodology Research*

2.1. SPEN provided an update on the DNOs' actions in regards to Customer Satisfaction

Survey and the research being undertaken with Explain. There was discussion over what outputs are necessary ahead of the SSMD and how the SSMD can ensure appropriate options remain on the table to accommodate different outputs.

#### *Target Setting*

2.2. SPEN provided an overview of a proposal for target setting for the CSS using benchmarking against the Institute of Customer Service league table, rather than

mirroring the process in GD2. They suggest the mechanism should drive excellent service, rather than beating previous scores.

2.3. SPEN noted differences in the characteristics between GDNs and DNOs, primarily the higher volume of unplanned interruptions DNOs have to manage.

2.4. Ofgem noted that it would want to make use of historical performance data now that this has been compiled through RIIO-ED1, but to also take account of ICS data if and where appropriate. **Action: SPEN to bring back a proposal for target setting from the DNOs that uses historical performance data. SPEN also to consider how rewards and penalties could be calculated in a way that would drive performance improvements.**

#### *Capturing LCTs in the Customer Satisfaction Survey*

2.5. SPEN presented an update on the DNOs' actions considering how to incorporate LCTs into the customer satisfaction survey and some of the implications of the various ways in which this could be done. The absence of a reference to advice services in the SSMC was queried and Ofgem noted it was less about measuring the quality of advice provided and instead the satisfaction with the services delivered to LCT customers beyond a connection to the network. Ofgem noted the progress on this action had come a long way, especially in driving comparability.

### **3. Vulnerability – review of the baseline standards (NEA and Citizens Advice)**

3.1. NEA outlined their views on how the baseline standards could be enhanced for the SSMD.

3.2. NEA outlined five key areas for enhancements regarding accessibility, affordability, data sharing regarding the PSR, DSO capabilities and the smart meter rollout.

3.3. Regarding specifying Braille in the standard, WPD noted it may be more useful to phrase it as 'provision for those with sight loss' to ensure it's not limited to Braille, based on their work with RNIB. This could also be applicable to specifying 'provision for those with hearing loss' too.

- 3.4. With regards to a suggested PSR financial flag, NEA noted that this proposal is also ongoing regarding industry needs codes through the NEA liaising with the ENA so hopefully will be in place ahead of ED2.
- 3.5. WPD noted that the suggestions were welcome, but in some cases it may need to seen whether these are suitable for the baseline or examples for Ofgem to use in assessing the ambition, especially for some of the more complex areas. The group discussed the implications specifically in regards to incorporating a financial flag.
- 3.6. Regarding more specificity on DSO capabilities, ENWL, SPEN and WPD considered this was already reflected in the standards and this is an area where the delivery isn't yet defined so the baseline standards would need to be high level. Agility ECO considered the reference should be more explicit. Ofgem noted in drafting the standards, the necessary level of granularity was considered but will consider whether there is a way to enhance explicitness when redrafting. NEA noted a risk that if vulnerability is omitted from baseline standards for DSO ODI, it could remain a bolt on activity.
- 3.7. On the suggestion for more detail on the roll of DNOs in the rollout of smart meters, WPD and ENWL suggest these activities could be prompted already by the standards but queried whether this needs to be explicit. ENWL noted that baseline standards shouldn't require DNOs to carry out activities that should be undertaken by suppliers. Sustainability First considered that this would be hard to turn into a baseline standard and also noted that the licence obligation on suppliers is currently only in place until 2023 and how the rollout will be managed going forward is still uncertain.
- 3.8. Citizens Advice outlined their views on how the baseline standards could be enhanced for the SSMD.
- 3.9. Citizens Advice suggested that references to supporting those in fuel poverty could be added in principle 4. SPEN noted that this is captured under principle 3 regarding partnerships. The group discussed the extent to which fuel poverty should be made explicit throughout the baseline standards, and Citizens Advice suggested that this could be captured in the wider guidance in the business plan guidance for the vulnerability strategy.

3.10. The group discussed the potential impact of covid19 on vulnerable customers and that this should be captured within the scope of the ED2 vulnerability strategy.

3.11. Citizens Advice noted that it should be made more explicit within the baseline standards regarding contact to PSR that the expectation is for this service to be 24/7. They also noted a need for clarity on the reference to ED1 service provision.

**Action: Ofgem to redraft the vulnerability principles and baseline standards and circulate a draft to the group ahead of the 5<sup>th</sup> Nov.**

#### **4. Social Value Framework Update (Sia Partners)**

4.1. Sia Partners provided an update on the development of the common Social Value Measurement Framework being developed for the DNOs and the key decisions which are outstanding. Sia Partners will circulate the draft methodology and decisions to the group following the session.

4.2. Sustainability First queried whether it would be possible to see the draft methodology and ensure wider stakeholders can provide feedback. The DNOs noted they have yet to see the full draft. Sia Partners will share the current overview slides that provide a high level run through of the methodology components to the wider group.

#### **5. Connections – review of the baseline standards (ENWL and Citizens Advice)**

5.1. ENWL outlined work done by the DNOs to review the baseline standards, highlighting where greater clarity may be needed and also whether the standards are applicable to all connection customers.

5.2. It was noted that in some areas it may be useful to have a checklist of activities to better understand what baseline looks like in practice. It was also noted that conducting a piece of work, as done regarding vulnerability, to list all the activities being done by the DNOs. SPEN noted that structuring this via segments would enable a clear view of what standards apply.

**5.3. Action: DNOs to identify the activities being done currently for each market segment, to understand where these are common and where they vary. DNOs to suggest where baseline standards could be amended to reflect this. Ofgem to work with DNOs to ensure necessary input provided to redraft the baseline standards.**

5.4. Citizens Advice presented views on how the connections principles and baseline standards could be enhanced.

5.5. On the suggestion to require DNOs to uphold industry-agreed standards such as for queue management, SSE noted that this process likely to be codified and that it should not need to be included in the baseline standards. Also noted that this is a complex process that is not relevant for smaller connection customers.

5.6. Citizens Advice noted how the ICE feedback can inform the principles and Ofgem noted the importance of this was highlighted in consultation responses also.

5.7. It was proposed to use the 5<sup>th</sup> November WG to discuss progress on the DNOs' action and to review an iterated draft of the connections baseline standards.

## **6. Assessing Competition**

6.1. ENWL presented a proposed way for assessing competition in connections market segments, which would classify the segments into low, medium and high levels of competition. Ofgem noted that the proposal would need to be considered internally with subject matter experts. **Action: Ofgem to come back with a view on the proposed competition test at the 5<sup>th</sup> November WG.**

## **7. AOB and Next Steps**

7.1. Ofgem outlined the proposed focus of the 5<sup>th</sup> November group. Ofgem will circulate the invite to the upcoming OAWG on the Strategy Delivery ODI to interested parties.

## **Appendix 1 – Summary of Actions**

Action	Allocated to	Due date
<p><b>Customer Satisfaction Survey</b></p> <p>SPEN to bring back a further proposal for how RIIO-ED2 targets could be set, using historical performance data, and how rewards and penalties could be calculated.</p>	<p>DNOs, SPEN to coordinate</p>	<p>For 5 November WG, to be shared with Ofgem by 30 October</p>
<p><b>Vulnerability – baseline standards</b></p> <p>Ofgem to redraft the vulnerability principles and baseline standards and circulate a draft to the group ahead of the 5<sup>th</sup> Nov.</p>	<p>Ofgem</p>	<p>For 5 November WG</p>
<p><b>Vulnerability – social value framework</b></p> <p>Sia Partners to circulate material with the working group and to offer follow up conversation with interested stakeholders regarding the development of the social value framework.</p>	<p>Sia Partners</p>	<p>As soon as practicable</p>
<p><b>Connections – baseline standards</b></p> <p>DNOs to identify the activities being done currently for each market segment, to understand where these are common and where they vary. DNOs to suggest where baseline standards could be amended to reflect this as well as other proposed drafting changes. Ofgem to work with DNOs to ensure necessary input provided to redraft the baseline standards.</p>	<p>DNOs, ENWL to coordinate</p>	<p>For 5 November WG, to be shared with Ofgem by 30 October</p>
<p><b>Competition Test</b></p> <p>Ofgem to come back with a view on the proposed competition test at the 5<sup>th</sup> November WG.</p>	<p>Ofgem</p>	<p>For 5 November WG</p>