



National Change

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Date

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Dear Metering and Market Operations Team

OPR Guidance Consultation January 2021

I am writing on behalf of Western Power Distribution (South Wales) plc, Western Power Distribution (South West) plc, Western Power Distribution (East Midlands) plc and Western Power Distribution (West Midlands) plc in response to the above consultation.

This response is not confidential.

Yours sincerely

Gemma Slaney
National Change Manager

Consultation Questions

Question 1: What are your views on our proposals for the level of MPL and TPL?

We agree with the proposal to set the TPL and MPL equal to the TSL and MSL as set by the SEC Panel.

Question 2: What are your views on our proposals for the values of x and y?

We support the proposal of decreasing the value of y to 50%. This will provide a stronger incentive for the DCC to reach the TPL. We also support the proposal of setting the value of x at double the distance between MPL and TPL as this will ensure that the DCC reach the lowest negative point at the lowest level of performance.

Question 3: Do you have any comments on the drafting of the OPR Guidance for the Customer Engagement Incentive?

The Draft OPR Guidance appears to have a suitable level of detail whilst not being too prescriptive. Table 4.3 states scores of 0 – 3 can be given for each question, however Figure 4.2 has half figures. We wonder if there is guidance required on what values can be awarded, i.e. whole or part values.

Question 4: What are your views on the proposed submission requirements?

We note that there is detail provided around the length of the submission and details that should be included which seem to be appropriate, however we also note the comment within the consultation document that further amendments to the submission requirements could be amended following the trial of the customer engagement incentive and support this.

Question 5: What are your views on the timeline and process for the auditor assessment?

We agree with the proposed timeline and process for the auditor assessment.

Question 6: Question 6: What are your views on the scope of the assessment?

The proposed scope of the assessment appears suitable and we appreciate the specific references to the SEC Modification process.

Question 7: What are your views on the draft Terms of Reference?

On page three it states that all documents are to be sent via email. This is quite prescriptive and we feel that there might be benefit from using a secure platform, such as Egress, in the same way our annual SEC audits are conducted. All document is available to restricted parties so not only is it secure, it avoid large files potentially being emailed and taking up space in recipient's systems. It is also easy to see when revised documentation has been uploaded.

Question 8: What are your views on the proposed 6 month grace period (option 1)?

Whilst we appreciate that there has been some work with the SEC Operations Sub Group and SEC Modifications 122A and B regarding the DCC system performance, we believe that generally the

expectation of the service provided by the DCC remains the same, and the main changes are around the reporting. We also challenge why the PMM will not be updated until February 2022. As a result we are supportive of the proposed six month grace period as this will give the DCC a bigger incentive to address industry concerns around system performance.

Question 9: What are your views on the direction required to implement the 6 month grace period (option 1)?

No comment.

Question 10: What are your views on the proposed 1 year grace period (option 2)?

Whilst we understand the benefit of a year grace period, allowing DCC more time to assess the costs, we feel that the DCC should already be performing as expected or working towards this expected level and therefore would not be incentivised during RY21/22 to make the necessary improvements.

Question 11: What are your views on the direction required to implement the 1 year grace period (option 2)?

No comment.

Question 12: Which is your preferred approach to the system performance transition year, option 1 or option 2?

We support the approach detailed in option one.

Question 13: What are your views on the customer engagement and contract management trial run?

We agree with the proposal to implement a trial run for RY20/21. This will ensure full implementation for RY21/22 and incentivises the DCC to address both these areas promptly.