

## Annex 6 - Response Template

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<b>Question</b>	<b>Response</b>
<i>Q1: Do you have any comments on the scope and purpose of this consultation?</i>	We welcome this consultation on the reporting of DNO performance. We believe that regular reporting will increase transparency for stakeholders.
<i>Q2: What do you think about the information we suggest including in an infographic-style report included in Table 1?</i>	<p>We believe the purpose of the reports should be to provide stakeholders with sufficient information to form their own judgement on the performance of networks. In broad terms, we believe that the following metrics should enable this:</p> <ul style="list-style-type: none"> <li>• Comparison to historical performance levels. Whether performance is improving or worsening is of interest and easy to understand.</li> <li>• Ranking of performance between networks. It is very difficult for stakeholders to evaluate performance levels in abstract. Ranking is essential to provide context.</li> <li>• The reward/penalty resulting from performance. It is important for stakeholders to understand the financial implications resulting from performance. It may also be useful to highlight performance against target although this is implied by the reward/penalty.</li> </ul> <p>For the infographic-style report, this is broadly provided by the template suggested by Citizens' Advice in Annex 1 and so we would support developing the report to incorporate the content of Annex 1. We believe this would complement the more detailed report we submitted (Annex 3), which also includes the above metrics.</p> <p>Where output categories contain multiple output measures or incentives, we believe the metrics selected must be representative of overall performance across the category to reduce the risk of a skewed assessment of performance. For example, it may be useful to include compensation payments made because of the failure to meet guaranteed standards in tandem with the customer satisfaction survey, in order to provide a more representative</p>

	<p>view of overall performance.</p> <p>We do not support the use of traffic lights to illustrate performance. We believe the report should seek to avoid guiding stakeholders towards conclusions and are concerned that traffic lights will do so. For example, if a DNO is outperforming their targets for reliability, and so are receiving a reward, but are the worst performing DNO in the industry this could be classed as either ‘green’ or ‘red’ depending on the traffic light criteria. Neither would adequately reflect the reliability performance.</p> <p>The main difference between the tables proposed by Ofgem (taken together) and requirement proposed by Citizens’ Advice (in both its example template and the <i>Beginning to see the light</i> report) is the inclusion of ranking in the Citizens’ Advice proposal. We believe the inclusion of rankings is beneficial as they will enable stakeholders to compare each individual DNO’s performance with that of the rest of the sector and will provide greater context to the performance data presented.</p>
<p><i>Q3: Are there any other metrics you would wish to see included in an infographic-style report and why? You will find more information on data collected in the RIGs on our <a href="#">website</a>.</i></p>	<p>The following should also be included, as per Annex 1:</p> <ul style="list-style-type: none"> <li>• Rankings</li> <li>• Historic performance</li> <li>• Total expenditure – actual expenditure compared to allowances (included in Annex 1 under Finance ‘How we did’).</li> <li>• Rewards/penalties for each output to which a financial incentive applies.</li> <li>• Return on regulatory equity (included in Annex 1 under Finance ‘How we did’).</li> </ul>
<p><i>Q4: Do you have any comments on the sample infographic-style report included in Annex 1 and the suggested content for an infographic-style report included in Annex 2?</i></p>	<p>We support the content of Annex 1 being incorporated into a infographic-style report.</p>
<p><i>Q5: Should an infographic provide information at DNO or DNO group level?</i></p>	<p>Information should be provided at the DNO level in order to remain consistent with the basis on which the price control settlements were determined - outputs, secondary deliverables, targets associated with incentive mechanisms, expenditure allowances and revenue allowances are all defined at the DNO level. Information may also additionally be provided at the DNO group level.</p>

<p><i>Q6: Are there any metrics included in Table 2 which you do not think are relevant or important? Why?</i></p>	<p>No</p>
<p><i>Q7: Are there any other metrics not included in Table 2 which you would also like to see reported in a mid-level report? Why? You can find more information on data collected in the RIGs on our <a href="#">website</a>.</i></p>	<p>The following should be included:</p> <ul style="list-style-type: none"> <li>• Rankings</li> <li>• Expenditure allowances and volumes associated with uncertainty mechanisms.</li> </ul>
<p><i>Q8: Would you like information and/or data published to reflect in-year performance or are you also interested in performance up to date and/or forecast or cumulative data? If so, why?</i></p>	<p>We believe that historic and future performance data must be included in each publication. Data should be published in a manner that facilitates the assessment of long term performance. We support the approach adopted by the GDNs to publish performance data covering the entire price control period (for example, see the Wales and West report at <a href="http://wwutilities.co.uk/about-us/our-responsibilities/stakeholder-engagement/">http://wwutilities.co.uk/about-us/our-responsibilities/stakeholder-engagement/</a>). The publishing of performance data for the entire price control period(s) provides context to individual years' performance and allows stakeholders to understand trends in performance. This should be replicated across the entire networks sector.</p>
<p><i>Q9: Do you have any comments on the templates provided by stakeholders in annexes 2 and 3?</i></p>	<p>We believe the example template we provided (Annex 3) serves as a good foundation for the development of an in-depth report. We recognise that not all stakeholders may be interested in this level of granularity, but it should be made available to those that wish to analyse in more detail.</p>
<p><i>Q10: Would you be interested in the bill impact of each individual incentive or is overall bill impact a more useful measure?</i></p>	<p>Both should be provided because an overall bill impact may not allow those stakeholders interested in a particular incentive to quantify its impact. Equally, we believe that the impact on allowed revenues should be included, split by each individual incentive as well as an overall revenue impact.</p>
<p><i>Q11: What additional data or information submitted in the RIGs would you like to see made publically available and why? You will find more information on data collected in the RIGs on our <a href="#">website</a>.</i></p>	<p>All data or information submitted in the RIGs should be made publicly available unless there is a reason (e.g. commercial confidentiality) not to do so. This will increase transparency amongst stakeholders and should be the default position.</p>
<p><i>Q12: Do you have any preferences on the way data and information is presented?</i></p>	<p>We prefer the publication of quantitative data in tables, accompanied by commentary that provides context to the data.</p>
<p><i>Q13: What data should the DNOs publish?</i></p>	<p>All data or information submitted in the RIGs should be made publicly available unless there</p>

	is a reason (e.g. commercial confidentiality) not to do so. As summary level data will also be provided, this should ensure that different stakeholder requirements, in terms of granularity, are catered.
<i>Q14: What are your views on what data Ofgem should publish?</i>	Generally, Ofgem should publish comparative data, such as rankings, and sector-wide data that illustrate trends across the sector. How these, in particular rankings, are combined with stand-alone DNOs metrics efficiently will require consideration, but should be manageable.
<i>Q15: Based on the examples in annexes 1 and 4, and in tables 1 and 2 above, what do you think about using ranking and/or traffic lights? What are the advantages and disadvantages? Are there any alternative systems?</i>	Ideally, reports should allow stakeholders to form their own judgement of performance. We outlined in Q2 the metrics we view are required to enable this. As part of this, we believe rankings should be used so that each individual DNO's performance can be compared with that of the rest of the sector. We do not support the use of traffic lights as we believe this is likely to place an interpretation over performance and so guide stakeholders' judgement.
<i>Q16: Are there any particular aspects of DNO performance that you are interested in and think are well-suited to ranking and/or traffic lights?</i>	We are interested in all aspects of DNO performance that form the basis of the price control settlements and so all should ideally be included in the detailed reporting. Careful consideration is required when decided which aspects should be reflected in the summary reporting, potentially led by the materiality of potential rewards/penalties (as a proxy for importance to customers).
<i>17: What information or data would you like us to publish on our website?</i>	The performance reports and the detailed supporting data tables at the lowest level of granularity.
<i>Q18: Keeping in mind the reporting requirements and timings set out in Annex 5, is there any specific data or information which you would like to see reported on more than an annual basis? If so, why?</i>	<p>We suggest Quality of Supply data, even if provisional, are published as soon as is practically possible following the DNOs' submissions in April. This data should also be published in the full report(s).</p> <p>As the network reliability incentive is high-powered, we recommend the publication of provisional monthly Quality of Supply data on a quarterly basis for each DNO so that interested stakeholders may estimate the impact of performance on allowed revenues.</p>