

Inveralmond House
200 Dunkeld Road
Perth
PH1 3AQ
Sam.torrance@sse.com

Email: RIIO.Implementation@ofgem.gov.uk

09 October 2015

Dear Clothilde,

Ofgem open letter consultation: how we report on electricity distribution company performance

SSEPD welcomes the opportunity to provide feedback on how Distribution Network Operators (DNOs) and Ofgem report on electricity distribution company performance during the current electricity distribution price control, RIIO-ED1. SSEPD has been working with Ofgem and other DNOs to try to ensure that the Regulatory Instructions and Guidance (RIGs) provide a comprehensive overview of DNO performance under the RIIO-ED1 price control. SSEPD believes that any information on DNOs performance should be driven from information which will be provided in the RIGs for RIIO-ED1. However, as we outlined in our previous response¹ to Ofgem's notice to issue RIGs under the DNO price control, as the RIIO price control is a significant change from the previous price control (DPCR5) we expect that there will be ongoing need for review and possible changes during the first year.

SSEPD is of the view that transparency is essential in order to build trust in the energy industry and ensuring that the wider stakeholder community has access to good quality information on DNO performance. In order to do so, it is essential that we fully understand what information our

¹ SSEPD response to Ofgem's Notice to issue regulatory instructions and guidance under the electricity distribution network operators price control RIIO-ED1, 21 May 2015.

stakeholders would like to see and establish a consistent set of metrics across all DNOs in order to provide this performance information.

SSEPD is supportive of Ofgem's proposals for DNOs and Ofgem to publish information on their websites in a more simple and accessible format which falls in line with stakeholder feedback, such as the citizens advice 'Beginning to see the light' report, which indicates a desire for more findable, simple and comparable information. SSEPD believes it is important for DNOs to provide information to our stakeholders in a format which helps them understand and assess how their DNO is performing. However, it is imperative that any performance reporting for electricity distribution is consistent across all DNOs and ensuring any information on performance derives from the RIGs should help ensure this.

SSEPD supports the high level points and suggestions made in the ENA response.

Answers to the specific questions set out in the consultation are provided in Appendix I.

If you have any questions on our view or would like to discuss this further then please do not hesitate to contact me.

Kind regards,
(by email only)

Sam Torrance
Regulation, Networks

Annex 1 - Response Template

Question	Response
Q1: Do you have any comments on the scope and purpose of this consultation?	No additional comments.
Q2: What do you think about the information we suggest including in an infographic-style report included in Table 1?	SSEPD supports the information which Ofgem is suggesting to include in an infographic-style report if this is information which our wider stakeholders are interested in. However, it is worth noting that providing such high level information does not highlight, or provide any information on, the challenges which we face as a DNO.
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 website .	It is essential that any information on DNO performance which is to be included in an infographic-style report is derived using a consistent methodology which all DNOs have agreed upon. SSEPD would support the inclusion of any metrics which our wider stakeholders would like to see included in an infographic-style report, as long as this information originates from the RIGs.
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?	<p>Annex 1 - Sample infographic-style report</p> <p>SSEPD agree that the sample infographic-style report included in Annex 1 would provide for a very high level and simplistic view of DNO performance. However, it does not allow for the explanation of why a DNO has performed in the way it has. Providing such simplistic information, without putting it into context, could potentially lead to a misunderstanding of the networks business or negative media interest. Therefore, we would strongly encourage that any similar infographic-style report should be put into context, this could potentially be achieved by including an additional column for a summary explanation on performance, and this would help ensure that all reporting stakeholders are aware of the basis of such</p>

	<p>performance reporting.</p> <p>Annex 2 - Sample infographic-style report</p> <p>We do have a couple of comments on the content of the connections comparator metric within the reporting template outlined in annex 2:</p> <ul style="list-style-type: none"> - Level 2 suggests reporting on “% connection segments passed competition notice” – the number of connection segments that have passed the competition notice has already been decided for all DNOs and this will not change, so there is no value in reporting this on an annual basis. - Level 3 suggests reporting the “% and # market share by segment” – this is not information which we are currently required to report on and we believe that any information which we do report on must be driven from what we report under the RIGs.
<p>Q5: Should an infographic provide information at DNO or DNO group level?</p>	<p>SSEPD is comfortable to provide information at either DNO or DNO group level and will leave this question for reporting stakeholders to respond to.</p>
<p>Q6: Are there any metrics included in Table 2 which you do not think are relevant or important? Why?</p>	<p>SSEPD would be supportive of the publication of such information, if this is information which our stakeholders are interested in.</p> <p>It is important that Ofgem ensure that DNOs are not being required to duplicate information or overlap with similar reporting requirements. A lot of the information detailed in table 2 is already required to be reported in the RIIO accounts, which is designed for investors, and will only have limited use for wider stakeholders. Therefore, we would strongly recommend that any such reporting is aligned with the reporting required for the RIIO accounts to avoid any such duplication of reporting, whilst also</p>

	<p>ensuring that there is consistency in reporting requirements across all DNOs.</p> <p>SSEPD would also encourage Ofgem to align any reporting on DNO performance with the September reporting deadline which currently exists for the RIIO accounts. This would also ensure that there is consistency with the publication of the transmission and gas distribution companies annual reports.</p>
<p>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 website.</p>	<p>SSEPD will leave it to the wider reporting stakeholders to respond on the specific metrics which they would like to see included in a mid-level report and we will report in line with stakeholder views expressed through this consultation.</p>
<p>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?</p>	<p>SSEPD would support the publication of in-year performance, where such reporting already exists. However, a lot of the data which we publish won't have context until year-end.</p> <p>We do not believe it would be an efficient use of Ofgem's or DNOs' time to start identifying and defining new sets of data for reporting DNO performance.</p>
<p>Q9: Do you have any comments on the templates provided by stakeholders in annexes 2 and 3?</p>	<p>SSEPD believes the reporting template outlined in annex 2 is more simple than annex 3 and therefore more in line with the proposals outlined in the Citizens Advice report – 'Beginning to see the light'. The more detailed a reporting template is, the more difficult it becomes for the wider reporting stakeholders to understand and interpret the information provided.</p> <p>Please see our comments outlined in our response to question 4 regarding the content of the reporting template in annex 2.</p>

<p>Q10: Would you be interested in the bill impact of each individual incentive or is overall bill impact a more useful measure?</p>	<p>SSEPD will leave this for reporting stakeholders to respond.</p>
<p>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 website.</p>	<p>SSEPD will leave this for reporting stakeholders to respond.</p>
<p>Q12: Do you have any preferences on the way data and information is presented?</p>	<p>As outlined in our response to Question 4 above, Ofgem should ensure that any data or information reported on DNOs performance is put into context and DNOs are provided with the opportunity to explain any differences or anomalies.</p> <p>SSEPD will leave this question for reporting stakeholders to outline their preferences on the way data and information should be presented.</p>
<p>Q13: What data should the DNOs publish?</p>	<p>SSEPD will leave this for reporting stakeholders to respond. However, DNOs can only publish data relating to their own performance, whilst Ofgem can provide a comparable level of performance across DNOs.</p>
<p>Q14: What are your views on what data Ofgem should publish?</p>	<p>SSEPD will leave this for reporting stakeholders to respond. However, it is worth noting that data published on Ofgem's website helps to drive consistency and it may be easier for stakeholder to compare DNO performance, rather than visiting each DNO's website individually.</p>
<p>Q15: Based on the examples in annexes 1 and 4, and in tables 1 and 2 above, what do you think</p>	<p>SSEPD supports the idea of using 'traffic light' indicators, as long as a consistent methodology is being applied by all DNOs and reporting stakeholders fully understand the context of what the</p>

<p>about using ranking and/or traffic lights? What are the advantages and disadvantages? Are there any alternative systems?</p>	<p>traffic light indicators is demonstrating. SSEPD would recommend that DNOs performance should be measured against their own targets rather than applying a performance ranking against other DNOs.</p>
<p>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?</p>	<p>SSEPD will leave this for reporting stakeholders to respond. However, it is worth noting that some aspects of DNO performance can only be measured against their own targets and therefore a ranking or traffic lights system which is based on comparison across all DNOs would not be applicable.</p>
<p>Q17: What information or data would you like us to publish on our website?</p>	<p>Please refer to our responses to questions 13 and 14 above.</p>
<p>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?</p>	<p>SSEPD would support the publication of in-year performance, where reporting already exists. However, a lot of the data which we publish won't have context until year-end.</p>