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Ofgem
9 Milbank
London
SW1F 3GE
FAO: Robyn Daniell
Sent via: smartmetering@ofgem.gov.uk

Dear Robyn

Re: DCC Operational Performance Regime: Final Proposals

Octopus Energy started supplying energy to domestic homes and businesses in Great Britain this year. We are backed by the Octopus Investments Group, who have become the third largest investor into UK renewable generation and the largest in solar generation.

Octopus Energy is a technology-led supplier that believes in delivering long-term consumer value and the highest customer service levels through consumer-oriented digital communications. We therefore believe that smart meters, if correctly implemented, offer a significant opportunity to improve the engagement between suppliers and customers, thereby providing long-term value for the customer.

In responding to these Final Proposals we recognise that many perspectives have already been considered during earlier consultations. In particular, we endorse previous concerns that the proposed Operational Performance Regime (OPR) is not sufficiently focused on the final consumer outcome such as the successful installation of a smart meter and/or the successful switching of supplier.

We believe the current OPR focus on infrastructure elements (communication hubs, WAN and system availability) combined with service desk metrics that focus on issue 'resolution' from the perspective of DCC responsibility, rather than installation success, will promote 'pass-the-buck' type behaviours. It is likely that the resolution of many installation problems, particularly in the early months of rollout, will require a collaborative, detective approach between parties. It appears that the incentive to close incidents as being unrelated to DCC responsibility will place the DCC in the invidious position that such deeper collaboration (requiring raised 'tickets' to stay open longer) will cost them money, whereas finding reasons to pass the issue to a third party will be rewarded.

In discussing this matter with yourselves we understand the constraints you feel under to utilise existing DCC reporting mechanisms and that these metrics are seen as an interim solution. For this reason we propose that an online customer satisfaction solution (such as TrustPilot) is utilised to collect feedback on the support received from DCC by suppliers and their agents. This would also allow recurrent issues (and discovered solutions) to be shared by suppliers with a view to focused and earlier resolution. Such reviews may also provide insight for the construction of the final long term OPR.

Our detailed responses to the questions raised in your consultation are therefore as follows:

Question 1: Do you agree with our proposed measures and weightings, and proposal that the performance levels for each measure should be consistent with the SEC and service provider contracts in the enduring regime?

As stated in our introduction above, we believe that the measures are not sufficiently oriented toward customer outcomes such as successful smart meter installation and supplier switching. We also believe that they may incentivise behaviours which will inhibit successful resolution of issues, particularly more complex ones.

Question 2: What are your views on our proposals for the interim regime?

As stated in our introduction above, we believe that the measures are not sufficiently oriented toward customer outcomes such as successful smart meter installation and supplier switching. We also believe that they may incentivise behaviours which will inhibit successful resolution of issues, particularly more complex ones.

In order to avoid additional DCC reporting investment at this stage, we recommend the use of an online feedback environment such as TrustPilot in order to capture overall experiences and identify recurrent issues. We believe that issues identified here may contribute to improvement of the OPR.

Question 3: What proportion of its margin DCC should be able to retain for reaching minimum performance levels under the enduring regime? Please provide justification / evidence to support your view.

We support Ofgem's current perspective as, per our introduction, we believe that any further performance tightening will just further incentivise closure of DCC responsibility instead of deeper problem resolution.

Question 4: Do you have any specific comments on the draft direction which will implement our proposals included in the supplementary annex?

No.

Question 5: Do you have any suggested methodologies for the 'new' reporting metrics for DCC?

As per our introduction, we recommend the use of an online feedback environment such as TrustPilot in order to capture qualitatively and quantitatively the performance of DCC and to highlight recurrent issues for resolution and potential inclusion in future OPR metrics.

Thank you for the opportunity to contribute to this consultation. If you have any questions on our response we would be pleased to discuss.

Yours sincerely



Ralph Baxter

Octopus Energy