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Submitted by email to smartmetering@ofgem.gov.uk

12 Jan 17
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Dear Robyn,

SSE response to DCC Operational Performance Regime – Final Proposals

SSE welcomes the opportunity to respond to Ofgem's Final Proposals, with which we are generally supportive. We have provided responses to your specific questions in the attached Annex. If you have any questions or comments, please do not hesitate to contact me.

Yours sincerely,

Paul Clark
Regulation and Smart Technology Lead
Metering and Smart Transformation

Annex 1: SSE response to DCC Operational Performance Regime – Final Proposals

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?

SSE agrees with the proposed measures but not with the suggested weightings. Whilst we agree that all measures are important we feel greater emphasis should be applied to management of performance in the ‘Core Service Requests’ and the ‘Service/System Availability’ area as these are critical to our performance at the customers’ premises. We propose the following weightings:

	Measure	Area of reporting	Weighting
1	Service User Measure 1	DCC service desk	20% 15%
2	Service User Measure 2	Communication hubs	10% 5%
			5%
			5%
3	Service Delivery Measure 1	DCC WAN coverage	20% 10%
4	Service Delivery Measure 2	Core service requests	20% 30%
5	Service Delivery Measures 3	Service/System Availability	20% 30%

SSE agrees that the performance levels for each measure should be consistent with the SEC and service provider contracts in the enduring regime.

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

SSE supports your proposals for the interim regime as we also believe the DCC will struggle in the early period of rollout to provide system stability and attain the enduring minimum service levels. During this period we support the introduction of a further taper to a lower ‘minimum interim performance level’ such that DCC is not unduly penalised and retains an incentive to improve its performance.

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.

SSE believes 40% to be an appropriate proportion. Given the significant variation between the target and minimum performance levels for many of the measures, coupled with the relatively low targets for some, it is important that the regime strongly incentivises DCC towards the attainment of the target performance levels rather than providing a significant reward for merely achieving the minimum performance levels.



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

We believe Table 1 should be amended to reflect our proposed weightings as detailed in our response to question 1.

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

SSE supports the new reporting metrics and believes they will be relatively easy to define. We look forward to critiquing the proposals in due course.