

# RIIO-T2 Policy Working Group

**13:00 – 16:30**



**Transmission Policy Team  
17 June 2019**

- Introductions
- Housekeeping

- In the following section, we want to provide an opportunity for you to discuss the successful delivery of large capital projects policy area, as detailed in our Sector Specific Methodology Decision (SSMD) document.
- Quality of Connections Survey will be covered in the session later on this afternoon.

# Successful delivery of large capital investment projects

13:10 – 15:00



Fraser Glen

- In our Sector Specific Methodology Decision (SSMD) document, we agreed that further information on our proposals in December would be helpful and, **through consultation with stakeholders**, would **continue to develop options**.
- We also identified **an area of potential further development**. This relates to the potential introduction of a mechanism to address consumer detriment relating to output failures after a project has been delivered. This **had not previously been consulted on**.
- Today's workshop, is an outcome of our decision to **engage further with stakeholders** on further developing options in the run-up to Draft and Final Determinations.

**Opportunity to discuss policy area with key stakeholders and further develop policy options as detailed in large capital investment projects 'Upcoming Decisions' and 'Next Steps' sections in our SSMD.**

# Background

### **Summary of Issue**

- Large transmission capital investment **projects that are delayed and / or not successfully delivered** to the required level of quality can **cause significant detriment to consumers**, for example an **increase in system constraint costs** or **security of supply implications**.

### **Policy objective and intended effects**

- For RIIIO-ET2, we want to **simplify and clarify the price controls**.
- **Companies should not benefit from delay in delivery** or failure to deliver a Price Control Deliverable (PCD).
- **Reduce the detriment to consumers** resulting from delayed or unsuccessful delivery.
- These types of projects are, by nature, bespoke. We want a **range of regulatory tools and options** that reflect this.
- We also recognise the need to achieve the **right balance** between ensuring our regulatory framework **protects consumers** and continuing to **ensure TOs deliver these types of projects in an economic and efficient manner**.

### **Proposals from December consultation**

- In December, we sought views on the introduction of **specific consequences for failure** to deliver outputs on large capital investment projects on the two following areas:
  - Ensuring that there is **no benefit to companies from delay** and / or **poor quality delivery**; and
  - Ensuring that **consumer detriment is minimised** and/ or **shared** with TOs.

### **Ensuring TOs do not benefit from delay and/or poor quality delivery**

#### **1. Re-profiling allowances:**

- We propose to introduce a mechanism whereby allowances are automatically re-profiled to reflect any delays and match actual spend, removing all timing gains while preserving changes in overall costs.
- This mechanism would not look to reward early delivery.
- This is in line with proposals and the approach signalled in our RIIO-T1 Mid-Period Review (MPR) Parallel Decision.

#### **2. Introducing a milestone-based approach:**

- Introduction of a milestone-based approach to recovery of allowances, whereby recovery of allowances not permitted until TO demonstrates successful delivery against reward criteria set out for specific milestones.
- TOs have flexibility to set appropriate, effective and meaningful milestones to incentivise efficient delivery.
- This approach would be as an alternative to the re-profiling approach.

**Minimising consumer detriment**

- 1. Introduction of a penalty** which could be reflective of either:
  - i. Forecast reduction in constraint costs not realised as a result of delayed project delivery
  - ii. Actual constraint costs incurred by consumers as a result of late project delivery.
  
- 2. Introduction of an up-front pre-defined 'day rate' type penalty** to be made by TOs to consumers in the event of a delay and / or poor quality delivery.

**Questions from December consultation**

<b>ETQ57</b>	Do you agree with our proposed approach for ensuring TOs do not benefit financially from delays in delivering large capital investment projects?
<b>ETQ58</b>	We invite views on the suitability of the milestone approach, the types of milestones or delivery criteria we should be considering and any potential challenges associated with implementing such an arrangement.
<b>ETQ59</b>	Are there are alternatives which we should also consider?
<b>ETQ60</b>	We invite views on the circumstances we should consider options for minimising consumer detriment and/or sharing consumer detriment with consumers.
<b>ETQ61</b>	We are seeking views on these two options, including ways in which we could measure and reflect consumer detriment.
<b>ETQ62</b>	Are there any alternatives not identified here which you think we should be considering?

- In total ten stakeholders responded to our proposals.

### **Ensuring TOs do not benefit from delay and / or poor quality delivery**

- Majority of respondents in agreement, including two TOs, with the principle that TOs should not benefit financially from delay and / or poor quality delivery.
- One TO did not believe that it was accurate to portray TOs as benefitting from delay.

### **Reprofiling of allowances**

- Majority in support of our proposed re-profiling approach.

## **Areas requiring further consideration and development**

### **Characteristics of large capital investment projects**

- Additional clarity required. How would they be defined (value, capacity, duration or another metric)?

### **Introducing a milestone-based approach**

- Better **reflects the decision-making process**, and aligns well with the typical release of funds in the delivery of capital projects.
- Reinforces the need for TOs to build **robust and efficient forward delivery plans**.
- Concerns around the **practicalities of implementing this approach**, such as the timeline for setting milestones.
- Consideration should be taken as to whether **penalties or sanctions are applied for failure to meet milestones**. They argue that this will increase the complexity of the process, but may better reflect risk on TOs.

## Areas requiring further consideration and development (continued)

### Minimising consumer detriment

- Some respondents **supportive** of our view, with one respondent commenting that the use of PCDs for the delivery of large capital investment projects is of **benefit to consumers**, and allows for **TOs to be held responsible for successful delivery**.
- One of the TOs agreed that there was a case for some form of consumer detriment sharing in addition to removing any benefits of late delivery but noted a **number of associated risks**.
- One of the TOs argued that there is **no effective measure of consumer detriment**. Opposition to penalties based on constraint payments on the basis that this would **expose TOs to significant risk and increase costs**. Consider in context of **cost of capital**.
- Several respondents highlighted that a penalty should only be applied where it is clear that the **TO is responsible for delay**.
- Argument that passing the actual constraint costs on to the TO, **disincentives the SO**.
- **Penalty reflective of forecast constraint costs** or a day rate penalty would allow the TOs to **understand their potential exposure**.
- They also suggest that the TO, working with the ESO, could **propose detriment payments** to Ofgem at the same time it proposes milestones, close to the start of the project.
- One of the DNOs argued that Ofgem should not expose companies to penalties on account of factors that are **beyond reasonable control**.

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## Areas requiring further consideration and development (continued)

### Alternative proposals

- One of the TOs suggested that we consider an approach where a **penalty is reflective of the benefits identified in the CBA for the scheme**, while also considering a **reward for early delivery**.
- Another respondent suggested a **milestone approach linked with appropriate mitigation measures**, including delays to financial allowances, in the event that key elements of projects were delivered late.

### **Decisions**

*Ensuring TOs do not benefit from delay and / or poor quality delivery*

- Our view remains that TOs should not benefit financially from delays.
- As such, we have decided to introduce an automatic re-profiling mechanism in the relevant licence conditions, where we do not apply a milestone-based approach.
- Re-profiling mechanism would re-profile allowances on an annual basis not on a month-by-month basis, in line with the way allowances are set at present.
- We recognise that there may be some situations where a project delay is right for consumers. We note that the proposed re-profiling mechanisms, does not penalise for delays to delivery

*We also outlined other areas, where we will continue to develop our thinking. This is covered in our Upcoming Decisions slides later on.*

### **Interaction with other policy areas**

- We have identified a number of areas where our proposals in this space interact with other components of the price control. The main interactions that we have identified to date include the Stakeholder Satisfaction Output, Timely Connections Output, TIM and licence obligations.
- We will consider the introduction of mechanisms on a case-by-case basis, and will take into consideration concerns over a double-penalty or double-reward. We do not intend to introduce a mechanism where an existing mechanism is already in place and addressing the issue.

**Do you have any questions on the decisions that we have made in the SSMD document?**

**Electricity  
Transmission**

**Incentives for the  
successful delivery of  
large capital  
investment projects**

Jon Ashley  
Regulatory Policy Manager

**Ofgem RIIO-ET2 Policy Working Group  
17 June 2019**

**nationalgrid**



# Automatic reprofiling of allowances

**Ofgem decision:** Ofgem will introduce a mechanism for the automatic re-profiling of allowances to ensure TOs do not benefit financially from delay and/or poor quality delivery.

The re-profiling mechanism would re-profile allowances on an annual basis not on a month-by-month basis, in line with the way allowances are set at present.

**Our view:** We suggest that the re-profiling of TOs' allowances should be carried out **month-by-month** to avoid the following perverse incentives:

- as an annual deadline approached we would be incentivised to incur high costs to avoid triggering a whole year's deferral of allowance – this behaviour might not be in the best interests of consumers.
- if you postponed our allowance for a whole year then we would have a limited financial incentive to complete the project before the end of the following year.

# The milestone-based approach

**Ofgem approach:** Ofgem will work with stakeholders to develop options for introducing a milestone-based approach.

**Our view:** We should **define the milestones close to the start of the project** when there is clarity over the key stages.

We do not think you need to define the milestones in the transmission Licence. The Licence could provide a framework under which Ofgem and the TO can agree, and if necessary subsequently amend, an appropriate set of milestones, but the milestones themselves do not need to be written into the Licence.

# Rewards for early delivery

**Ofgem approach:** We are not currently considering a reward for early delivery.

**Our view:** You should **consider rewards for early delivery** where a TO can show this provides benefits to consumers.

You risk TOs diverting resources to other projects if there is no benefit to a TO of delivering early, when there could be benefits to consumers from delivering early.

# Minimising consumer detriment (1)

**Ofgem approach:** We will work with stakeholders to further develop options for minimising consumer detriment.

**Our view:** We agree there is a case for some form of consumer detriment sharing for late delivery in addition to removing any benefits of late delivery.

You need to be careful **to strike a balance** between, on the one hand, the size of the incentive to deliver on time and, on the other hand, the potential benefits of delay to consumers in some cases and the risk of creating perverse effects when penalties are too high.

A TO could present evidence about why consumer detriment sharing for delay was not appropriate because it was in consumers' best interests. A TO would have to prove that the delay led to lower costs being passed onto consumers and/or that it allowed TOs to improve the service quality during delivery.

## Minimising consumer detriment (2)

**Our view (continued):** When setting the level of consumer detriment sharing you need to take account of the possible perverse effects, which could be detrimental to consumers, of a sharing factor for TOs which is too high. Requiring TOs to pay **too high a level** of consumer detriment sharing could:

- **discourage TOs from taking innovative approaches** that are lower cost or deliver better service quality because they are new and subject to a greater risk of delay;
- **result in contractors increasing their prices** to reflect TOs seeking liquidated damages in the event of delays;
- **encourage TOs to reduce risk** and keep down insurance costs by using conservative delivery timescales;
- **increase the cost of capital** as the sector is perceived by investors to have become riskier; and
- **encourage TOs to spend inefficiently to achieve the deadline** with consumers picking up a share of these costs through the TIM sharing factor (especially as the TIM sharing factor for consumers is likely to be higher in the T2 period).

# Measuring consumer detriment

**Ofgem approach:** We will continue to work with stakeholders to develop the two options for measuring consumer detriment.

**Our view:** You need to calibrate carefully any consumer detriment sharing. With regard to the two (really three) options:

1a) **Forecast constraint costs** –TOs will know their potential exposure to consumer detriment sharing in advance and can build these into their operations and contracts. It might be best for the TO, working with the ESO, to propose consumer detriment payments to Ofgem at the same time as it proposes milestones, close to the start of the project.

1b) **Actual constraint costs** – these are unacceptable because they are unpredictable, uncontrollable and potentially very large. This will increase insurance costs for TOs and/or their contractors or cause them to reduce risk by increasing their project delivery times. In addition, passing all the actual constraint costs onto the TO means the SO will have no incentive to minimise the costs that are being passed on to the TO.

2) **Day rate** – An option for calculating the day rate could be the benefits identified in the original cost benefit analysis for the scheme. The consumer detriment payments would be known in advance and consistent with the business case for the scheme. It will not always be the case that the cost of a delay is the same at all times of the year. You could vary the day rate clearly in advance to help ensure that the contractual arrangements and mitigation of risk are structured as efficiently as possible.

# Upcoming Decisions

### Upcoming decisions

We will continue to develop our thinking in consultation with stakeholders in the run-up to Draft and Final Determinations on:

- Options for a **milestone-based approach** to ensuring TOs do not benefit financially from delay and/ or poor quality delivery;
- Options for **minimising consumer detriment** during the delivery of large capital investment projects; and
- Confirmation of the **characteristics of 'large capital investment projects'**.

We have also identified an area of potential further development:

- Introduction of a **mechanism to address consumer detriment** relating to output failures **during the operation phase**.

### **Milestone-based approach**

Our current view, subject to consultation, is that the milestone-based approach may be appropriate in the context of some projects.

We note that a milestone-based approach would be as an alternative to the automatic re-profiling of allowances.

Milestones could be agreed closer to the start of the project i.e. at the funding decision stage. This would allow TOs to set clear, relevant and project specific milestones. Under this approach, specific milestones could be included in the licence.

TOs would be required to provide evidence that they have met the successful delivery criteria for that specific milestone. The type of evidence would be set in setting milestones. Once this evidence has been assessed, a decision would be made as to whether or not the milestone had been successfully delivered.

Initial questions for consideration in this workshop for the development of this option:

- What type of project would benefit most from a milestone-based approach?
- How would we assess whether a milestone had been achieved?
- How would TOs evidence successful delivery against a milestone?
- Should penalties or sanctions be applied to specific milestones?
- What are the regulatory risks and benefits (including regulatory risk) associated with this approach?

**What are your thoughts on the design of and the practicalities of implementing a milestone-based approach? What are the additional benefits of this approach compared to re-profiling mechanism?**

### **Minimising consumer detriment during delivery**

Our current view is that there is a need to introduce a mechanisms that will minimise consumer detriment and / or share consumer detriment in the event of unsuccessful, delayed or poor quality delivery.

We accept that consumer detriment is not the same at all times of the year, and that for example constraint costs may be higher in winter than in summer.

Working with the ESO, and taking into account different energy scenarios, we would expect the penalty to reflect consumer detriment in the round.

Initial questions for consideration in this workshop in the development of this option:

- How should we measure consumer detriment? Does this have to be project specific?
- What is the ESOs role in defining consumer detriment?
- Is there an interaction with the initial TO cost benefit analysis (CBA) which supports the funding justification?
- What is the benefit of a penalty based on detriment over a fixed pre-agreed penalty, which is closer aligned to common commercial practice.
- What are the risks and benefits (including regulatory risk) associated with this approach?
- If delayed / unsuccessful delivery is beyond the control of the TOs, what evidence would we expect to receive?

**What are your thoughts on the design of and the practicalities of implementing a mechanism to minimise or share consumer detriment?**

### Characteristics of 'large capital investment' projects

Our current view is that we will use the 'high-value' criteria that we have established for competition in onshore electricity transmission (£100m).

We also note that this should not preclude TOs from proposing similar arrangements for projects below that threshold as part of their business plans.

Initial questions for consideration in this workshop:

- Should we apply this 'high-value' criteria for 'large capital investment projects'?
- How would this work with a mechanism like SWW?
- Do you agree with the high value threshold of £100m?
- Do you agree that for ET, we can broadly divide the identification during the price control of projects into three types:
  - a) Those projects related to connecting a specific generator or demand customer;
  - b) Those projects related to the relief of constraints or other issues on the system; and
  - c) Those projects related to the refurbishment or replacement of existing assets for e.g. asset health reasons, visual impact allowances.
- Should we introduce an additional criteria that considers projects where the consumer detriment is 'high'?

**What are your thoughts on the characteristics and criteria of 'large capital investment projects'?**

### **Minimising consumer detriment after the project has been delivered**

We want to explore options for minimising consumer detriment relating to output failures during the operation phase of large capital investment projects.

#### *Example*

- How do we deal with a project, which is delivered to relieve the system of constraint, that is under-delivered compared to the output specified in the licence?
- The availability of this asset will have a direct impact on constraint costs, which could cause significant consumer detriment.

Initial questions for consideration in this workshop in the development of this option:

- Do we have an appropriate mechanism to capture availability of these types of projects?
- What sort of projects should we be considering in this context?
- What lessons can we learn from OFTO and interconnectors?
- How would this mechanism interact with other areas of the price control?

**What are your thoughts on a mechanism to minimise or share consumer detriment post delivery?**

- Further development of policy area following today's discussions.
- There will be further opportunities for engagement through bilaterals and additional working groups.
- We plan on publishing a further consultation on this policy area.
- We will provide additional information on how to get involved in due course.
- Is there anything else that you would like to discuss, related to this policy area, that has not been discussed today?

# Break

15:00 – 15:15



# Quality of Connections Survey

15:15 – 16:15



Dale Winch / Eilidh Alexander

- Summary of our May decision
- Outline of how we see the survey being developed for T2
- Presentations from SHE-T and SPT
- Discussion on proceeding with a Quality of Connections survey.
- Next steps

### Summary of the May Decision:

- To move away from the existing stakeholder/customer satisfaction survey under the SSO.
- To introduce two targeted surveys, including a Quality of Connections survey which captures the relevant customers involved in the connections process. We want to emphasise the importance of the quality of service that the TOs deliver to their connections customers in RIIO-ET2.
- To remove the financial weighting of the Stakeholder KPIs and External Assurance.

### Summary of TO bilateral calls:

We held bilateral calls with all of the TOs to understand their perspective, and that of their customers, in developing this survey. We identified the following points that were consistent across the TOs:

- Capturing the relevant pinch points in the customer journey.
- Leaving room for flexibility in the question set, where possible, to meet the priorities of specific customers.
- Real-time receipt of the survey data is key.
- Trying to reduce survey fatigue insofar as possible.

### How we see the Quality of Connections survey developing:

- Create consistency between the TO's surveys, where possible, whilst allowing for some flexibility in the questions. Benefits of this approach:
  - Similar process, with similar customer expectations.
  - Improves comparability of the scores.
  - Increases transparency of the performance scores.
  - Increased assurance of the survey methodology.
- Capture the full end to end customer journey.
- At this stage, we think there are benefits to one survey company issuing this survey, for assurance purposes. We will also consider whether the survey requires further formal assurance.
- The survey would need to make clear the separate roles of the TO and ESO.
- We would expect the TOs to work together, with a chosen survey company, to develop the questions that can be standardised, and test these questions with their customers.
- Having had the survey tested, and assured by all parties, we would expect the survey to be trialled in the final year of T1.

### Points of discussion:

#### Survey Content:

- How can the TOs develop a question set that is relevant to their customers at each stage of the customer journey, and when can this be achieved by?
  - Where the pinch points are?
  - What we mean by the full end to end process?
  - How we distinguish the ESO's role from the TO's role in the connections process?

#### Baselines:

- Discuss how and when we can roll out a pilot survey, that will help to develop evidenced baselines?
  - What do you think are appropriate timescales for introducing a pilot survey?



Scottish & Southern  
Electricity Networks

TRANSMISSION

# RIIO – T2 Connections Workshop

19 June 2019  
Ofgem offices- London

# Stakeholder led proposal

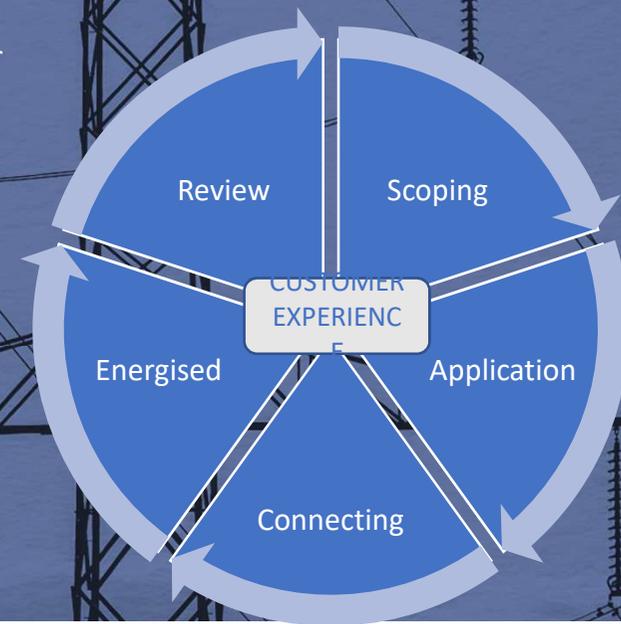
Targeted events for connections customers:

- interactive in person events at Cumbernauld HVDC
- National Grid (ESO) customer seminars and RIIO T2 seminar, OC2 forum, All Energy
- Online Skype webinar
- Targeted emails and calls
- 80+ pieces of feedback from connections stakeholders have shaped our plans so far
- Internal, other network companies, ESO, User Group

## Defining our customers (stakeholder engagement strategy\*)

As a transmission system owner, our direct customers are the:

- electricity generators,
- large demand customers and
- distribution network owners that are directly connected to our network.
- A significant proportion of the generators feeding on to our network are directly connected to the distribution network, so we also class some customers of the distribution network as our own customers.



\*to be confirmed in the context of quality of connections survey

# MEASURING SUCCESS: A QUALITY OF CUSTOMER EXPERIENCE INCENTIVE

## Why do we need an incentive?

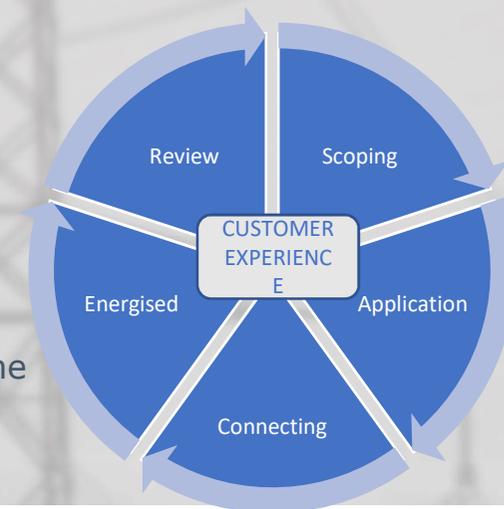
- We agree with the *principle* to introduce a 'quality of connections' incentive. There is a tangible 'network user' and consumer benefit as outlined in RIIO output categories;
- To encourage continuous improvement to meet customer's expectations which are **high and fluctuating**;
- **Adaptability** to customers' needs *above and beyond* the licence/code
- Solutions will increase in **complexity** (requiring innovation and whole system thinking)
- Prioritising this in our business decisions; ensure the customer is centric to our focus
- **This is not BAU** this is a **behavioural change for TOs** incentivise (rather than PCD);
- This requires a business and **cultural** change

# PROPOSAL: A QUALITY OF CUSTOMER EXPERIENCE INCENTIVE

How will we measure success?

Placement survey questions:

- a short (3 questions) survey will **automatically** be issued to each customer following **completion** of each stage of the customer experience; questions would be tailored dependent on the stage
- Clear distinction between the role of the ESO and SHE-Transmission
- The quickness and simplicity of the survey will encourage customer responses
- Scores measured annually on the average rating across the experience [Ofgem submission]
- Targeted data in real time will **increase business focus** on every stage of the experience
- Feedback from customers on the connections team's performance



- Aligns with our stakeholder objective 1: 1- build intelligence on the needs, priorities and experiences of our customers and stakeholders to better anticipate their expectations

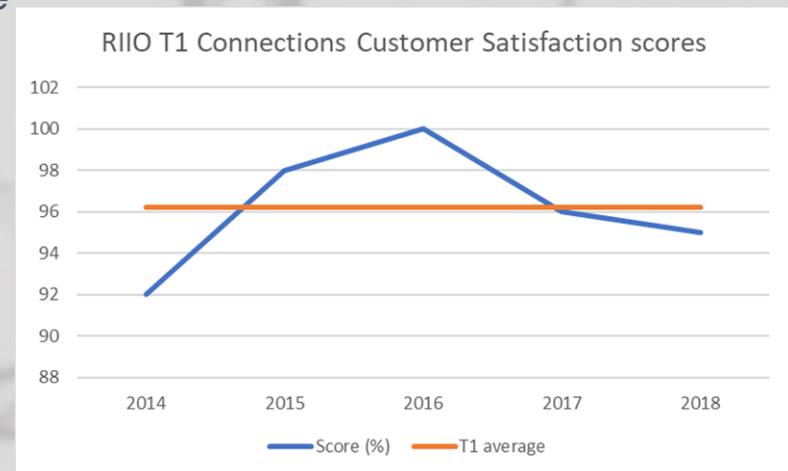
# Proposal for RIIO T2 baseline

## Connections in the T1 Stakeholder Satisfaction Survey (SSS)

- Connections customer make up on average 36% of respondents
- The SSS is a generic stakeholder survey we would propose reviewing the connections question from the survey
- There is only **one connections question** in the SSO "*How satisfied are you with the connections service?*" - we scored **95%** satisfaction rating last year
- **T1 average – 96.2% currently (up to 2018)**

## Baseline line data– dynamic targets

- *Survey all* connections customers on completion of each stage of the customer experience
- Our preference is to build up data as customer expectations are changing which we can Pilot in T1 (20/21)
- Review targets throughout T2
- T2 target – TBC



# Stakeholder feedback on incentive

**Do you agree with the principle of Ofgem introducing an incentive for TOs to continually improve their service for connections customers?**

- 82% of stakeholders agreed
- 13% neutral
- 4% disagreed

*"You've got to be able to deliver it, but still demonstrate what the customer wants. This helps justify the money you are allowed to spend so that Ofgem allows it, it legitimises it."*

*"If it's not said by your stakeholders, then it's not done because shareholders won't spend money on something if they don't know it's wanted."*

**Do you agree with our proposed placement survey question to measure customer satisfaction?**

- 48% of stakeholders agreed
- 44% neutral
- 8% disagreed

*We need to work with market research experts  
And stakeholder on the survey questions*

*"It's easier to get the feedback after each stage progressively. Sometimes it's a month afterwards, and you've forgotten ..."*

*"...There should be more specific, technical questions. If we've got a problem, we just go to the key account manager to sort it"*

# Conclusion

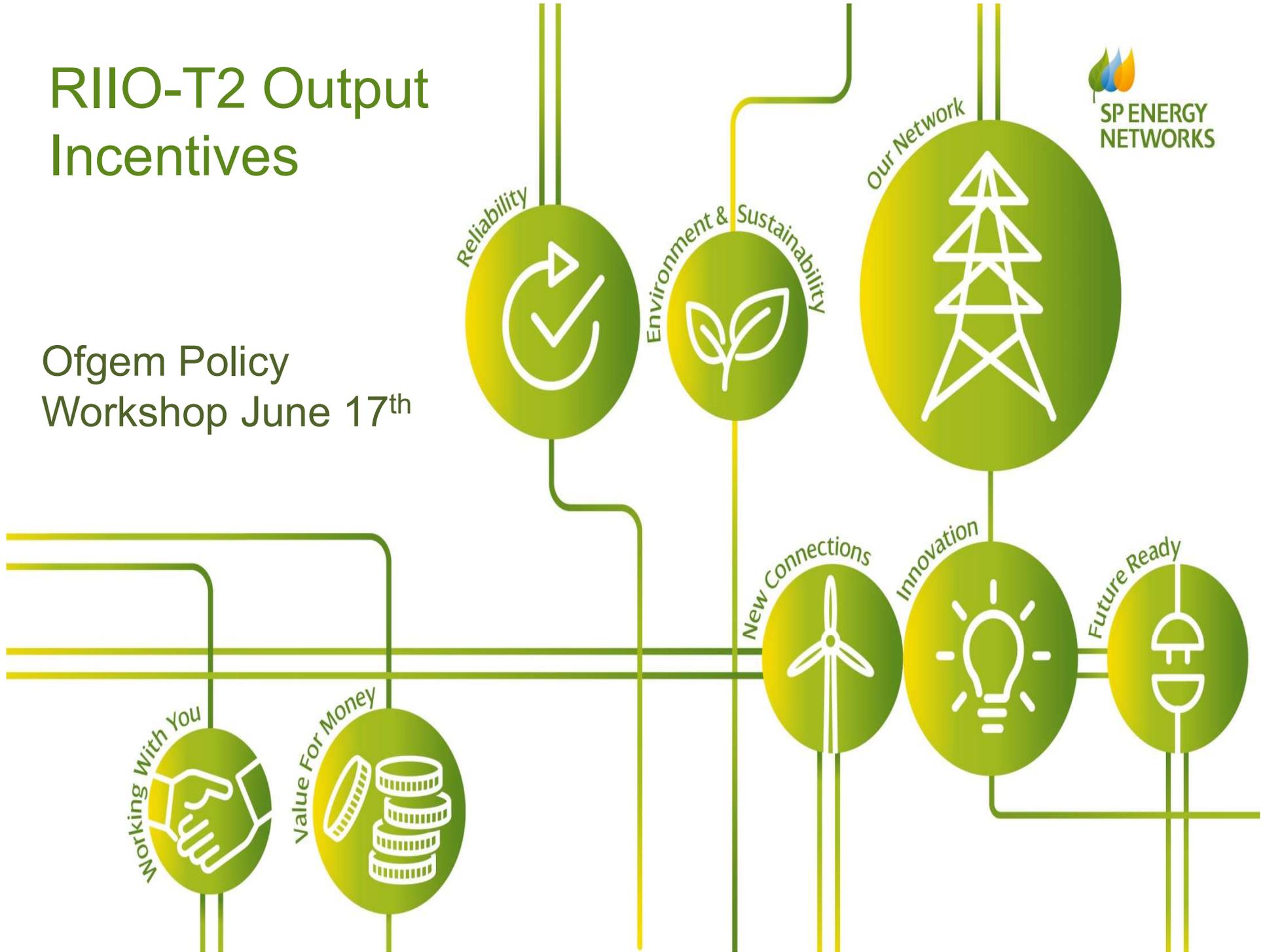
- Led by stakeholder feedback our RIIO T2 connections ambitions focus on delivering solutions and services which work for every customer throughout the customer experience
- Our ambition focuses on the quality of connections service provided **beyond** how quickly our customer expect their connection offers; **regulatory incentives should reflect, measure and drive this behavioural change**
- Positive feedback and support from stakeholders and our RIIO T2 user group on our plans and proposal for customer experience incentive

## Next steps:

- Design survey questions with stakeholders and market research experts [subject to Ofgem decision]
- Pilot survey in 2020 [subject to Ofgem decision] timeline

# RIIO-T2 Output Incentives

Ofgem Policy  
Workshop June 17<sup>th</sup>



# Our Incentive Proposals



Informed by our stakeholder engagement, and building on our experience, we've developed a package of output incentives. These will drive the changes we need to make to support the low carbon energy system transition between 2021 and 2026.

## Meeting the Needs of Consumers and Network Users

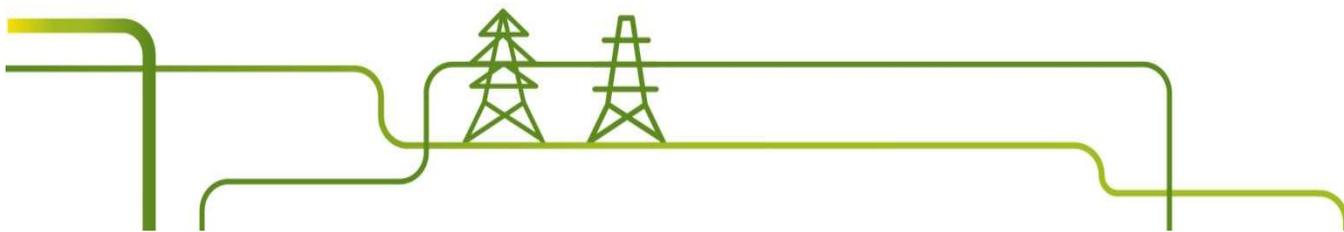
Proposed enduring role for our User Group to put connection customers and stakeholders at the heart of our plans

## Maintaining a Safe and Resilient Network

We will target reliability and constraint costs associated with our network outages, and report annually on the health and safety initiatives we are delivering

## Delivering an Environmentally Sustainable Network

We will mitigate our environmental impacts and increase low carbon generation volumes through early connection, and more.

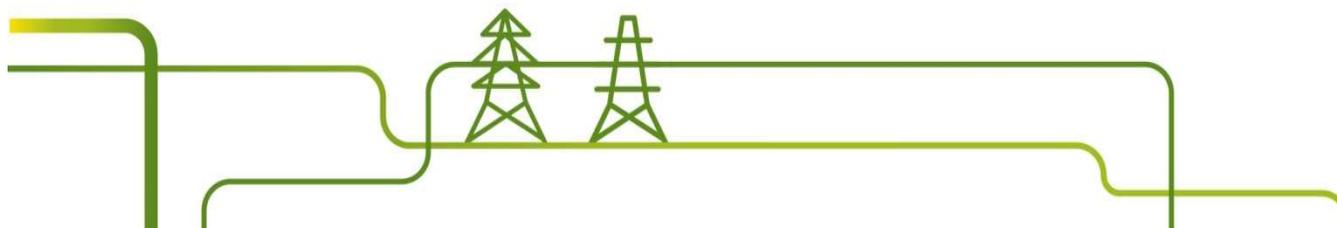


# RIIO-T2 Sector Specific Methodology Decision: Considerations

The overall incentive package for the outputs is very weak. It is not clear how they are building on the lessons from RIIO-T1

## Meeting the Needs of Consumers and Network Users – the Quality of Connection Survey

- An enduring role for the User Group in assessing performance annually is welcomed
- The focus on the connection process is positive but considered with the ESO incentive mechanism
- The symmetrical incentive arrangement from RIIO-ET1, proposed at +/-1% of the Base Revenue could be reduced. If target is not set accurately the incentive becomes a penalty only mechanism as incremental improvement will be difficult from T1 performance levels.
- We propose a more qualitative assessment is required to effectively measure our performance and create a strong incentive. Is this options still available as a bespoke ODI?
- The pilot survey prior to RIIO-T1 was beneficial as it allowed us to develop a process, identify suppliers and gain some experience for the start of the price control. Previously we were not carrying out surveys in any form.
- For RIIO-T2 adding a pilot survey in the mix of our on-going T1 surveys could be confusing and create stakeholder fatigue. The proposals for T2 should build on T1 and we should be able to test any new questions of timing as part of T1 if this can be done without diluting the process
- We support the introduction of guidelines for a common methodology and criteria for TO's to develop their surveys for T2 but would like flexibility in the actual question construction to allow us to adapt the questions and build on learning and feedback year on year



- Do we all recognise the touchpoints in the customer journey that SHE-T have identified? If not, where do the differences lie?
  - What does the full end to end customer journey mean for your customers?
  - What connections customers do you think the survey should capture? Do you think this survey should also capture embedded generation?
  - How do you think the survey should distinguish the ESO's role from the TO's role in the connections process?
- Do you have any views on all TOs using the same survey company to develop and issue the surveys?
- What role do you think the User Groups could have in the survey development, if retained?
- What do you think would be a reasonable timescale to develop and align the survey content amongst the TOs?
- How and when do you think the pilot survey should run?

We will arrange for follow up meetings/discussions on how the Quality of Connections survey is progressing.

Still to cover in future sessions:

- Developing evidenced baselines.
- Timescales for issuing the pilot survey.
- The strength of the incentive.