

DCUSA DCP 297 CHANGE DECLARATION**VOTING END DATE: 18 JANUARY 2018**

DCP 297	WEIGHTED VOTING				
	DNO	IDNO	SUPPLIER	DISTRIBUTED GENERATOR	GAS SUPPLIER
CHANGE SOLUTION	Reject	n/a	Accept	n/a	n/a
IMPLEMENTATION DATE	Reject	n/a	Accept	n/a	n/a
RECOMMENDATION	<p>Change Solution – Reject.</p> <p>In respect of each Party Category that was eligible to vote, the sum of the Weighted Votes of the Groups in that Party Category which voted to accept the change solution was not more than 50% in all Categories.</p> <p>Implementation Date – Reject.</p> <p>In respect of each Party Category that was eligible to vote, the sum of the Weighted Votes of the Groups in that Party Category which voted to accept the implementation date was not more than 50% in all Categories.</p>				
PART ONE / PART TWO	Part One – Authority Determination Required				

PARTY	SOLUTION (A / R)	IMPLEMENTATION DATE (A / R)	WHICH DCUSA OBJECTIVE(S) IS BETTER FACILITATED?	COMMENTS
DNO PARTIES				
Electricity North West	Reject	Reject	In line with the majority view of the working group we believe that	This change proposal is unusual in that it is trying to base a mechanism on the accuracy of Suppliers

			<p>the implementation of this change will not better facilitate the DCUSA Objectives.</p> <p>DCUSA General Objective 1 – the change report advises that the minority view of the working group was that this objective would be better facilitated by this change by ensuring that network issues reported to the network companies are rectified within agreed timescales therefore contributing to the efficiency of the network, however the intent of the change is not amending any prescribed periods and simply changes an intervention percentage rate release trigger in favour of one that is more closely linked to Supplier forecasts and therefore we believe this change does not positively impact DCUSA General Objective 1.</p> <p>DCUSA General Objective 3 - the change report advises that the minority view of the working group was that this objective would be better facilitated by this change as DNOs are required to facilitate the roll out of smart meters together</p>	<p>smart meter roll out forecasts when those particular forecasts are not measured by or linked to any SLAs and have proved consistently inaccurate. DNOs have prescribed periods under Schedule 24 of DCUSA in which to respond to defects reported by Suppliers together with service levels contained within Clause 30.5D.2, so it is inequitable for DNOs to have to work to SLAs without a reciprocal arrangement being in place for Suppliers, particularly when you consider the Suppliers drive the work the DNO has to complete.</p> <p>There is no evidence to suggest customers are receiving a poor service, consequently this change proposal seems premature and seeks to resolve a problem that does not exist.</p> <p>One issue that was clearly drawn out in the consultation responses is the need for steps to be taken to address the stage before the DNO receives meter installation forecasts and reports of defects at the service position.</p> <p>In essence, DNOs need to be provided with accurate and granular forecasts for future roll out volumes by geographic area by Supplier, at least 12 months in advance, so that they can appropriately resource for the expected demand, and Suppliers' agents need to accurately report defects so that DNOs' resources are efficiently</p>
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			<p>with being required to operate a safe, reliable and efficient distribution network, so by amending the release clause to ensure networks are only released from their obligations to meet the SLAs where Suppliers have not accurately forecast their roll out of smart meters will ensure more customers benefit from the actual SLAs.</p> <p>It seems strange that the release trigger is only linked to when a Supplier provides the DNOs with inaccurate under forecasts and does not include when they provide over forecasts. From a DNOs perspective, Suppliers not achieving their forecasts is just as bad as exceeding their forecasts, as DNOs have resourced for a level of activity that does not materialise. This can leave DNOs with stranded costs that customers should not have to bear through DUoS charging.</p> <p>We believe there could be unintended consequences of this change proposal as tying the SLA even more closely to Supplier forecasts (which are widely</p>	<p>deployed. Without these two reporting requirements being fulfilled by the other responsible industry parties DNOs are unable to efficiently deploy resources. Indeed, there is a risk that DNOs will incur additional costs for unnecessary resources which could ultimately result in higher bills for customers.</p> <p>The change report quotes DCP 153 and in rejecting this change Ofgem stated <i>“We expect Suppliers to provide data of sufficient granularity to allow DNOs to ensure they have sufficient resources in place to respond to issues identified by Suppliers or their agents. This means that the level at which DNOs are released from their obligations needs to be set so that DNOs have an efficient level of resources in place and Suppliers are incentivised to provide an accurate forecast of roll out. Ofgem went on to say “We welcome the development of the SLAs. However, based on our understanding of the circumstances we consider that the level of staff and equipment that DNOs would need to have in place to comply with the 115% threshold would not be efficient. We also consider that the threshold does not sufficiently incentivise Suppliers to provide an accurate forecast of the number of meters they expect to exchange. For these reasons we do not consider the proposed modification better achieves this objective.”</i></p> <p>As a consequence DCP 195A was raised and implemented in February 2015, but there are elements of Ofgem’s observations that are still</p>
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			<p>accepted to be inaccurate) is likely to drive network companies to unnecessarily increase resources to these higher forecast volumes.</p> <p>Analysis from BEIS of reasons for Suppliers being unable to complete their Smart Meter installations show DNO work required as a very small percentage. Further, the change report does not provide evidence to suggest there is any issue with the current SLA from a customer perspective therefore it is very difficult to see how the amendments would better facilitate this objective in any way. It is also interesting that only two other Suppliers responded to the consultation, one of which noted that the implementation of this change wouldn't provide any additional benefits to customers.</p> <p>It is important to note that within our distribution services area Suppliers are at best achieving 80% of their forecasted volumes and more recently only 71%, so using 102% as the trigger to release DNOs from the SLA together with removing any link to an</p>	<p>valid:</p> <ol style="list-style-type: none"> 1. The introduction of a mechanism to incentivise Suppliers to provide an accurate forecast of the roll out of smart meters. 2. The introduction of a mechanism to incentivise Suppliers to provide accurate reporting of service position defects. <p>Once these elements have been introduced it would then seem reasonable to use the experience the industry has from the foundation stage of the smart meter roll out to take the opportunity to revisit and potentially update the current 2% intervention threshold.</p>
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			<p>intervention rate seems a backward step and risks the unintended consequence as explained earlier of driving DNO inefficiencies as resources would be to 102% of forecast when the reality is showing 70-80%.</p> <p>The table below evidences, within our distribution services area, the variance from the initial forecast we use to base our resource plans on (provided 12 months in advance) compared to those being provided in later quarters and crucially the actual installations being carried out.</p> <p>Taking the quarter Oct-17 to Dec-17, it can be seen the initial volumes forecasted in Jan-17 were 92,702, this increased to 97,483 with the forecast provided in Apr-17, then decreased to 89,120 with the forecast provided in Jul-17, decreased further to 88,673 based on the forecast provided in Oct-17, but only 66,114 smart meter installations were subsequently completed (ie only 71% of the initial forecasted volumes were achieved):</p>	
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			<table><tr><th>Date of Forecast</th><th>Apr - Jun 16</th><th>Jul - Sept 16</th><th>Oct - Dec 16</th><th>Jan Mar 17</th><th>Apr - Jun 17</th><th>Jul - Sept 17</th><th>Oct - Dec 17</th></tr><tr><td>Jul-15</td><td>42,122</td><td></td><td></td><td></td><td></td><td></td><td></td></tr><tr><td>Oct-15</td><td>51,017</td><td>59,548</td><td></td><td></td><td></td><td></td><td></td></tr><tr><td>Jan-16</td><td>41,664</td><td>52,737</td><td>61,038</td><td></td><td></td><td></td><td></td></tr><tr><td>Apr-16</td><td>41,157</td><td>49,939</td><td>72,198</td><td>69,088</td><td></td><td></td><td></td></tr><tr><td>Jul-16</td><td></td><td>46,075</td><td>65,141</td><td>63,869</td><td>72,378</td><td></td><td></td></tr><tr><td>Oct-16</td><td></td><td></td><td>73,999</td><td>65,056</td><td>66,412</td><td>88,795</td><td></td></tr><tr><td>Jan-17</td><td></td><td></td><td></td><td>53,486</td><td>84,449</td><td>81,516</td><td>92,702</td></tr><tr><td>Apr-17</td><td></td><td></td><td></td><td></td><td>68,622</td><td>81,537</td><td>97,483</td></tr><tr><td>Jul-17</td><td></td><td></td><td></td><td></td><td></td><td>75,680</td><td>89,120</td></tr><tr><td>Oct-17</td><td></td><td></td><td></td><td></td><td></td><td></td><td>88,673</td></tr><tr><td>Actual</td><td>30,535</td><td>47,489</td><td>51,563</td><td>54,567</td><td>53,797</td><td>63,149</td><td>66,114</td></tr><tr><td>% Achievement</td><td>72%</td><td>80%</td><td>84%</td><td>79%</td><td>74%</td><td>71%</td><td>71%</td></tr><tr><td colspan="8">Considering all of these points, we believe this change proposal will have a negative effect on DCUSA General Objectives 1 and 3 and a neutral effect on the remaining DCUSA General Objectives. It is concerning that this change will:<ul style="list-style-type: none">Place the release triggers in the control of SuppliersPlace all responsibility for rectifying defects onto the DNOs without taking into consideration the standard of reporting from the Supplier Agents.</td></tr></table>	Date of Forecast	Apr - Jun 16	Jul - Sept 16	Oct - Dec 16	Jan Mar 17	Apr - Jun 17	Jul - Sept 17	Oct - Dec 17	Jul-15	42,122							Oct-15	51,017	59,548						Jan-16	41,664	52,737	61,038					Apr-16	41,157	49,939	72,198	69,088				Jul-16		46,075	65,141	63,869	72,378			Oct-16			73,999	65,056	66,412	88,795		Jan-17				53,486	84,449	81,516	92,702	Apr-17					68,622	81,537	97,483	Jul-17						75,680	89,120	Oct-17							88,673	Actual	30,535	47,489	51,563	54,567	53,797	63,149	66,114	% Achievement	72%	80%	84%	79%	74%	71%	71%	Considering all of these points, we believe this change proposal will have a negative effect on DCUSA General Objectives 1 and 3 and a neutral effect on the remaining DCUSA General Objectives. It is concerning that this change will: <ul style="list-style-type: none">Place the release triggers in the control of Suppliers Place all responsibility for rectifying defects onto the DNOs without taking into consideration the standard of reporting from the Supplier Agents.							
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Northern Powergrid (Yorkshire) Plc	Reject	Reject	No DCUSA Objectives have been selected because we are voting to reject this change.	Northern Powergrid always aims to provide the same high level of service to all customers. It has never changed its behaviour towards any of its customers under the current SLA release trigger																																																																																																															
Northern Powergrid (Northeast) Ltd	Reject	Reject																																																																																																																	

				<p>arrangements irrespective of whether the 2% cap has been hit. As a result Northern Powergrid does not believe that its customers will notice any difference if this Change Proposal is adopted.</p> <p>That said, in our opinion Customers would be better served if this Change Proposal focused on addressing the misreporting of defects by Suppliers' and their agents.</p> <p>If Suppliers do believe that some customers are currently being disadvantaged, the best way to help these customers would be for Suppliers and their agents to eliminate the misreporting of defects. This would avoid the unnecessary dispatch of DNO fast-response resources to 'false alarms' arising from misreported defects. This would in turn help ensure that DNO resource was available to be deployed to resolve true defects to the benefit of all parties involved in the roll-out.</p> <p>Furthermore, to propose that the mechanism for triggering the release from SLAs should be solely based on whether Supplier installations exceed forecast is fundamentally flawed given the recognised inaccuracies of Supplier forecasts. An SLA relating to defect interventions should include defect counts or rates as part of the release mechanism.</p> <p>If this change is adopted it would increase the</p>
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				<p>obligations on the DNOs. Northern Powergrid believes that an increase in DNOs' obligations should be counterbalanced by the placing of an obligation on Suppliers and their agents to accurately report Category A and B defects.</p> <p>As it currently stands, this proposal lacks a reciprocal incentive on Suppliers and their agents that will encourage appropriate defect reporting behaviours from these parties. Such an incentive would help avoid a potentially 'one-sided' obligation where Suppliers and their agents have succeeded in increasing the load on DNOs, without making their own contribution to resolving a problem that the DNOs don't really recognise.</p> <p>I.e. this proposal does not support the delivery of a balanced outcome for both DNOs and Suppliers.</p>
SP Distribution plc	Reject	Reject	<p>We do not agree that the DCUSA objectives are better facilitated by this change. As per our response to the consultation:</p> <p>The DCUSA General Objective 1 states: The development, maintenance and operation by the DNO Parties and IDNO Parties of efficient, co-ordinated, and</p>	None.
SP Manweb plc	Reject	Reject		

			<p>economical Distribution Networks. Currently DNOs are being significantly hampered from being “efficient and co-ordinated” in terms of interventions workload and resourcing because of inaccurate supplier roll out forecasting and high levels of inaccurate interventions reporting by some suppliers. DNOs would support a proposal that drives improved behaviours from suppliers in this respect and would be happy to commit to more stringent SLAs in return.</p>	
Southern Electric Power Distribution plc	Reject	Reject	<p>In our view, this CP would not better facilitate any of the DCUSA General Objectives and would instead negatively impact on General Objectives 1 and 4.</p> <p>We believe that this CP would increase costs and inefficiencies in the area of response to service termination faults, and also increase the complexity of administration of the SLA.</p>	<p>We are concerned that this is an ill-conceived CP which would increase inefficiencies in DNO resourcing in planning for and actually responding to service termination faults, would increase costs and would detrimentally affect customer experience of the smart meter rollout programme. We are therefore unable to support it.</p> <p>The CP has been raised against a background of widespread (and, in our experience, growing) misreporting of ‘faults’ by Meter Operators acting on behalf of Suppliers. Despite efforts to engage with the relevant Parties, in the most recent quarter more than 30% of reported Category B faults in our networks have been incorrectly reported. The CP does nothing to address or</p>
Scottish Hydro Electric Power Distribution plc	Reject	Reject		

				<p>reduce this fundamental and known inefficiency but instead is likely to require DNOs to deploy even greater resource, largely to address such phantom 'faults'.</p> <p>This situation is compounded by continuing patchy and inaccurate forecasting of future meter installations by the Suppliers, which do not themselves provide a meaningful basis for DNO resource planning. The CP also does nothing to address this known deficiency in the SLA arrangements or to incentivise performance improvement.</p> <p>In our view, this CP misses the opportunity to focus on more effective and productive working between the industry parties, with the common aim of delivering more efficient smart meter rollout arrangements. Regrettably it instead presents an unhelpful and non-collaborative alternative with negative overall consequences to the programme and, more importantly, to customers.</p>
Eastern Power Networks	Reject	Reject	We do not believe any of the DCUSA objectives are better facilitated by this change.	<p>We are supportive of the principles that drive for improvements in the levels of service provided to customers. However, we do not believe that the proposal as currently worded achieves a viable solution.</p> <p>The consultation responses provided little support for the proposal, which is borne out by</p>
London Power Networks	Reject	Reject		
South Eastern Power Networks	Reject	Reject		

				<p>the comments in the change report, such that few suppliers joined in the consultation, inferring the proposer holds a minority view. The unintended consequences of the proposal will include increasing the cost of DNO support inefficiently (ultimately resulting in higher bills to customers than necessary) and we believe that there are other areas of the interface between suppliers and DNOs which warrant focussing time and effort on.</p> <p>The original intent of the Service Level Agreement (SLA) covered three areas:</p> <p>Firstly, emergency attendance – the intention was to attend within 3 or 4 hours where emergency situations required meter operators to remain on site. This has developed to, in most cases, meter operators making the site safe so that follow-up action can be planned. The current 2% threshold is more than adequate to cover real emergency situations where meter operators will stay on site and emergency attendance is required.</p> <p>By removing the current 2% cap, suppliers have little motivation or incentive to seek initiatives to reduce DNO intervention requests. It is noted that the proposer is an outlier with high levels of emergency reporting across all DNOs in proportion to other suppliers and this already impacts unfairly on smaller suppliers.</p>
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				<p>Secondly, there is a customer appointment SLA included where the best practice developing involves suppliers making appointments from site with DNOs, to improve the customer experience and line of sight to a smart meter installation.</p> <p>The same is experienced where a DNO's emergency attendance requires follow-up. For good customer service, the appointment follow-up should be arranged at the time that the incident is found which would benefit from more supplier focus instead of an SLA handoff.</p> <p>This would result in meter operators taking more end-to-end control, coordinating with DNO attendance to provide the follow-up meter installation. If suppliers enable this facility, customer service would be significantly improved.</p> <p>Thirdly, the 40 day completion SLA for a category B intervention – without a fixed intervention rate DNOs cannot forecast the workload with any confidence and have little confidence in suppliers' aggregated forecasts and appropriate reporting of intervention requirements.</p> <p>The current structure allows the DNOs some protection in resourcing to the 2% as a licence condition with additional intelligence to seek to fulfil 100% of suppliers' requests with changing</p>
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				<p>profiles, developing closer relationships and enabling joint solutions.</p> <p>A key concern is the lack of certainty around the aggregated supplier forecast, where actuals have consistently undershot forecasts by 30% or more.</p> <p>The individual supplier forecasts which feed the aggregation have also been out significantly, providing incorrect numbers of connected customers each supplier has over the total programme and now includes expected churn that can only overestimate the programme with all suppliers expecting to target an increase in customers.</p> <p>The lack of certainty in the forecasts is further compounded by the scale of errors in identifying if an intervention is actually required. We believe that there must be motivation for suppliers to improve on this matter.</p> <p>Even if the forecast was accurate, the volume of installs is unlikely to exceed the forecast by 2% as there will be a number of reasons why meters do not get installed as per the forecast, including: interventions themselves; customer behaviour around appointments; and other technical considerations.</p> <p>We believe that the aggregated forecasts are unlikely to have an appropriate accuracy level to</p>
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				<p>support accurate resource forecasting) and that linking them to a licence condition requirement without the fixed intervention rate can only be inefficient.</p> <p>The current SLA release mechanism is based on the proportion of forecast smart meter installations that require an actual intervention. The intent of this is to recognise that DNOs have finite resources to deal with this work, as well as uncertainty around the volumes of interventions that may be required at any time, and so may be unable to meet SLAs in periods of excessive forecast volume. This does not remove the underlying obligation up to the 2% intervention rate and in practice, given this release from the SLA is ultimately assessed after the event, we seek to achieve the SLA in all cases.</p> <p>In conclusion, the proposal adds costs, distracts from efficient delivery and does not appropriately improve the customer journey so should be rejected.</p>
Western Power Distribution (South West) plc	Reject	Reject	No DCUSA Objectives have been selected because we are voting to reject this change.	<p>We support the principle of improving the levels of service that are provided to customers. In our view, it would be in Customers' better interest if the Change Proposal focused on addressing the misreporting of defects by Suppliers' Agents.</p> <p>Our reservations with DCP 297 are as follows:</p> <p>a) Existing Clause 30.5E.1 requires DNOs to</p>
Western Power Distribution (East Midlands) plc	Reject	Reject		
Western Power	Reject	Reject		

Distribution (South Wales) plc				<p>prioritise defects where the service level has not been met over new Category B reports. This effectively means that these defects have to be resolved promptly in order to prevent them from compromising the ability to meet the service levels for any subsequently reported defect.</p>
Western Power Distribution (West Midlands) plc	Reject	Reject		<p>b) The legal text as currently drafted means that once the 110% threshold has been exceeded a DNO is released from the service level for all customers. At present a DNO is released from its obligations only for interventions beyond the 2% cap.</p> <p>c) One of the difficulties with the proposal is that a DNO requires knowledge of the actual number of attempted (i.e. both successful and failed) smart electricity meter installations in order to gauge whether or not it can be released from its service level obligations. This information is not reported by Suppliers, and DNOs are only able to estimate the likely quantities through the use of a proxy, namely, by counting D0150 data flows (non-half-hourly meter technical details) i.e. the number of successful smart electricity meter installs.</p> <p>d) The biggest obstacle to meeting the</p>

				<p>service levels (and hence to meeting the customers reasonable expectations) is the excessively high levels of misreporting by Suppliers' Agents (Meter Operators). For example, in our East Midlands licence area around 1 in 3 Category A situations are misreports, and in our West Midlands licence area over 1 in 4 Category B situations are misreports. Analysis of the Category A & B misreports received in our East Midlands area over a one year period revealed that there was no defect present in 70% of the cases.</p> <p>Misreporting by their Agents is a matter that Suppliers do have some control over. The high level of misreporting has been sustained since Q2 2015 (when DNOs first started reporting this information) which suggests the current process does not offer an incentive on Suppliers to tackle this issue.</p>
IDNO PARTIES				
N/A				
SUPPLIER PARTIES				
British Gas	Accept	Accept	The development, maintenance and operation by the DNO Parties and IDNO Parties of efficient, co-ordinated, and economical Distribution Networks	The DNOs have argued consistently through the Interventions Working Group that this modification is not required and that it is looking to solve a problem that does not exist.

			<p>Positive</p> <p>The Change Proposal better meets DCUSA General Objective One by ensuring that network issues reported to the network companies are rectified within agreed timescales therefore contributing to the efficiency of the network.</p> <p>Networks are fully funded for intervention rates up to 10% (and partly funded beyond this). It cannot be efficient for customers to fund this without any requirements, on most occasions, for how quickly interventions are resolved. This proposal improves this by removing the link to intervention rates.</p> <p>The efficient discharge by the DNO Parties and IDNO Parties of obligations imposed upon them in their Distribution Licences</p> <p>Positive</p> <p>DNOs are required to facilitate the roll-out of smart meters. DNOs are also required to operate a safe, reliable, and efficient distribution</p>	<p>We disagree with this assertion. The DCUSA SLA reports received from the DNOs would appear to indicate that not all DNOs are meeting their SLAs in all respects. This is despite Suppliers actual installation rates being below those originally forecast (mainly due to DCC implementation delays). Once DCC is fully implemented and mass roll out commences we have serious concerns that the intervention rate will continue to run at a level between 3% and 7% and DNOs will rely on the 2% contractual cap where they continue to fail to meet the SLA.</p> <p>During the development of modification proposal DCP 297 a number of issues were raised by parties which we do not believe have been adequately addressed in the final change report. As a member of the working group we suggested that these were summarised together with a working group response in the final change report. Unfortunately, a majority of the working group felt this was unnecessary. We have therefore added below our summary of the issues raised together with our response as proposer of this change for consideration by Ofgem when determining this modification.</p>
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		<p>network. By amending the release clause to ensure networks are only released from their obligations to meet the SLA's where suppliers have not accurately forecast their roll out of smart meters will ensure more customers benefit from the actual SLA's.</p> <p>The promotion of efficiency in the implementation and administration of this Agreement and the arrangements under it.</p> <p>Positive</p> <p>Networks are generally released from their obligations under the current SLA. This means the current SLA is of limited practical value and so the administering of the SLA harms the efficiency of the overall agreement i.e. considerable effort (such as performance reporting) is made for little or no practical benefit. By having a meaningful SLA this effort would then bring more practical benefit and so improve efficiency.</p>	<table><tr><th>DCP 297 consultation responses</th><th>Response from proposer</th></tr><tr><td>DNOs will endeavour to meet SLA for all customers irrespective of volumes therefore customers will notice no difference from the implementation of DCP 297</td><td>This is a voluntary arrangement. The current SLA reports show that some DNOs are not meeting the SLA. However, the reports are based on all Cat A and B interventions and it is therefore not possible to monitor if the SLAs are being met for the 2% cap. This is something that may need to be addressed in a future change proposal.</td></tr><tr><td>Suppliers "misreporting of Interventions" causes more detriment to consumers than the 2% cap on interventions</td><td>Alleged misreporting of Cat A and B interventions has been raised by DNO's as a reason for 2% cap to remain in place. Suppliers require evidence of alleged misreporting to be able to investigate and feedback to meter operators. We do not believe the level of misreporting is as high as DNOs claim.</td></tr></table>	DCP 297 consultation responses	Response from proposer	DNOs will endeavour to meet SLA for all customers irrespective of volumes therefore customers will notice no difference from the implementation of DCP 297	This is a voluntary arrangement. The current SLA reports show that some DNOs are not meeting the SLA. However, the reports are based on all Cat A and B interventions and it is therefore not possible to monitor if the SLAs are being met for the 2% cap. This is something that may need to be addressed in a future change proposal.	Suppliers "misreporting of Interventions" causes more detriment to consumers than the 2% cap on interventions	Alleged misreporting of Cat A and B interventions has been raised by DNO's as a reason for 2% cap to remain in place. Suppliers require evidence of alleged misreporting to be able to investigate and feedback to meter operators. We do not believe the level of misreporting is as high as DNOs claim.
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				The legal text as currently drafted means that once the 110% threshold has been exceeded a DNO is released from the service level for all customers. At present a DNO is released from its obligations only for interventions beyond the 2% cap.	Legal drafting has been amended to only release the DNO from obligations to meet the SLA for customers beyond 2% of forecast smart meter installations.
				2% cap adequately covers the volume of "real" emergencies	DNO responses indicate that the level of interventions is above the 2% cap. (see responses to question 9.) As a result a significant number of customers are not covered by the SLA
				By removing the 2% cap suppliers have no motivation to seek initiatives to reduce intervention requests	Suppliers have no incentive or motivation to abort smart meter installation jobs or unnecessarily report Cat A and B interventions. Meter workers are rewarded for completed smart meter

					installations.
				Request that Suppliers set up a triage clinic	We are willing to work with DNOs on a bi-lateral basis to improve the customer experience
				Without a fixed intervention rate DNOs cannot forecast workload with any confidence	We recognise that the actual intervention rate is unpredictable for any given geographic region. However, capping the intervention rate means significant numbers of customers could fall outside of the SLA.
				Lack of Supplier's ability to forecast accurately	By modifying the SLA to focus on roll-out forecasts Suppliers will be incentivised to make their forecasts as accurate as possible
				DNO's need time to recruit and train resources to meet higher intervention rate	DNOs already claim that they are meeting the SLA for the higher intervention rates being reported. It could be argued that the DNOs are using other information alongside the Supplier forecasts to make recruitment decisions

				Clause 30.5E.1 requires DNO's to prioritise defects where SLA has not been met. This means DNO's are incentivised to resolve defects promptly so as to not compromise ability to meet service level for subsequently reported defects	The current SLA reports do not make it possible to monitor how the SLA is operating for those that fall above the 2% cap. This may need to form part of a subsequent DCUSA change request
				DNO's need to be able to validate the accuracy of smart forecasts under the new proposal	Agree that DNOs need to be able to validate any proposed forecast to monitor the SLA release mechanism. Legal drafting has been amended to focus on actual meters installed as this will be easier for DNO's to monitor.
				Suppliers forecasts do not include non-smart. DNO work volumes relate to both smart and non-smart	Non-smart volumes will quickly reduce as SMETS2 become available and New and Replacement obligation takes effect in 2018.

				To address misreporting suggest an SLA on Suppliers to report accurately 90% of Cat A and B interventions	Suppliers already have an obligation to report as per DCUSA definitions of cat A and B and C. This would need to be raised as a separate DCUSA modification as this not covered by intent of DCP 297
				Support from some DNO's to increase the intervention rate cap	The intent of DCP 297 is not to increase the intervention cap but to replace the release trigger with an SLA on Supplier rollout forecasts. This would need to be raised as separate DCUSA modification.
				Support the removal of a cap for Cat A interventions where the MOP stays on site	The current drafting of MOCOPA Guidance for Service Termination issues provides the flexibility for meter operatives to leave site where the site has been made safe. Suppliers view the "make safe" as temporary and still require urgent action by the DNO
				Defects should be reported strictly in accordance with MOCOPA	We agree with this and where MOCOPA guidance has not been followed evidence of misreporting

				Guidelines	needs to be provided by the DNO
				Suppliers to review MOP practices and ensure MOCOPA guidelines are being followed	We agree that all meter operatives should be working to MOCOPA guidance
				Blanket embargoes on certain service termination equipment ceases	Suppliers need to ensure that meter operatives are working to MOCOPA guidance
				Forecasts need to be issued at correct time	All Suppliers are required to submit forecasts as per DCUSA obligations. Noncompliance should be followed up bi-laterally with Suppliers
				Forecasts need to be provided by all Suppliers	All Suppliers are required to submit forecasts as per DCUSA obligations. Noncompliance should be followed up bi-laterally with Suppliers
				Having excess resources in place due to over forecasting by Suppliers will not be acceptable to Ofgem	DNOs need to take into consideration a range of factors when planning their resources to support the smart rollout. These include the rollout forecasts themselves, the

					known state of their network, their mix of in house and outsourced resource.
				2% cap represents funded baseline established by Ofgem	The 2% figure approved by Ofgem under DCP 195A related to the volume of smart meters rolled out by Suppliers when compared to their forecast not to a cap on intervention rates. This will be addressed in the legal text by amending the drafting to reflect the 102% figure approved by Ofgem in the DCP 195A decision letter. 3.7 DNOs are fully funded for interventions up to 10% as per Special Licence Condition 3E (Smart-Meter Roll-out costs) and the policy has been implemented in the Strategy Decision para 3.7 as follows "This is set at the lower end of current DNO forecasts of intervention rates, but given the limited number of smart meters installed to date, we believe it is a

					prudent level. The volume driver will apply if actual volumes of call-outs are higher or lower than this. There will not be a dead-band for this mechanism.”
				Only a limited pool to draw resources from - takes 2 years to recruit and train before they are effective	DNOs claim that they are taking reasonable endeavours now to meet the SLA even though intervention rates are well above the 2% cap in place and it is claimed that Suppliers have been over forecasting their smart meter installations
				Not comfortable with 110% limit	This will be addressed in the legal text by amending the drafting to reflect the 102% figure approved by Ofgem.
				The proposed release mechanism provides no incentive for Suppliers to report accurately	Suppliers have no incentive or motivation to abort meter installation jobs or unnecessarily report Cat A and B interventions. Meter workers are rewarded for completed smart meter installations.

				Separate CP to penalise suppliers for forecasting inaccuracies	This would need to be raised as a separate modification to DCUSA as not covered by the original intent of DCP 297
Electricity Plus Supply Ltd	Accept	Accept	<p>General Objective One is better facilitated by ensuring that network defects reported are rectified within agreed timescales, which will contribute to the effective operation of the network.</p> <p>General Objective Three is better facilitated as ensuring that network defects are rectified within agreed timescales will contribute to the running of a safe, reliable and efficient distribution network.</p>	<p>We agree that all consumers who require a network intervention should have a reasonable expectation of when the DNO will attend, and the current cap on the number of interventions that benefit from the SLA does not provide suitable protection for consumers</p> <p>In our view, issues with misreporting should not prevent the benefits of this change being realised. There are clear incentives for Suppliers to address instances of misreporting and these are already being looked at. We believe this change compliments the ongoing work to reduce instances of misreporting, and will improve the experience for consumers when dealing with network interventions.</p>	
E.ON Energy	Accept	Accept			
npower	Accept	Accept	3 and 4.	n/a	
ScottishPower Energy Retail Ltd	Accept	Accept	Agree with those listed in the CP	We agree with the intent of this CP. However, we also recognise the comments regarding the quality and issues with supplier smart metering reporting. We would recommend SIG (or a similar Issues Group) looks into this further.	

So Energy Trading Ltd	Accept	Accept	DCUSA objective 1 – The proposal encourages suppliers to provide more accurate forecasting for their smart electricity meter installations. This allows the DNOs to allocate resource efficiently, allowing a more effective response to issues reported by the suppliers and their agents.	
SSE Energy Supply Limited	Accept	Accept	SSE believes that DCUSA General Objectives 1 and 3 are better facilitated by this change as it will create a more resilient arrangement for the resolution of network issues, which will in turn aid the efficiency of the smart roll-out.	SSE support any initiative that seeks to maximise the number of successful smart meter installations, which is why we are in support of this change. While Suppliers endeavour to provide accurate forecasts, the workgroup has acknowledged that the number of interventions reported cannot be guaranteed – this change will ensure that in the event of this, there is no detrimental effect on customers and the resolution of reported issues.
Spark Energy	Accept	Accept		
DISTRIBUTED GENERATOR PARTIES				
N/A				
GAS SUPPLIER PARTIES				
N/A				