

DCP 297 Consultation – Collated Responses

Company	Confidential / Anonymous	1. Do you understand the intent of DCP 297?	Working Group Comments
<p>Response Summary:</p> <p>Eight respondents understood the intent of DCP 297, with one respondent stating that the intent is not entirely clear as there is a mismatch between the title, the purpose, the summary and the legal text.</p>			
Ecotricity	Non-Confidential	The Renewable Energy Company (Ecotricity) understands the intent of DCP 297.	Noted
British Gas	Non-Confidential	Yes	Noted
UKPN	Non-Confidential	The <u>intent</u> of the change being proposed is to improve the service to customers for DNO intervention response, which is currently capped at 2%. The proposal's intent is to increase the SLA coverage for all and any intervention requests at any volume as long as the suppliers do not exceed aggregated forecasts by over 110%. When and where UKPN are called upon to intervene, we already endeavour to achieve the SLA against all volumes	Noted
WPD	Non-Confidential	<p>Yes. We understand that the intent of the change proposal is to enable all customers to receive a similar level of service from DNOs and not just those customers which fall within the current 2% cap.</p> <p>For the record WPD has always endeavoured to provide the same level of service to all customers. It has never adapted its response, nor adjusted the figures in the reports it produces (in accordance with Part 3 of Schedule</p>	Noted

		24), when the 2% cap has been exceeded. Consequently WPD does not envisage that its customers will notice any difference with the Change Proposal	
E.ON	Non-Confidential	Yes	Noted
Northern Powergrid	Non-Confidential	Yes. The intent of the change is to increase the number of defect interventions covered by the SLA described within the appropriate sections of the DCUSA agreement. That said, we believe that the statement made within the change proposal that the current arrangements are "harmful to customers" where defect notifications have reached the SLA release level is unfounded and not evidenced. If Suppliers do believe that some customers are disadvantaged by the current arrangements, then the best way to help these customers would be for Suppliers 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 much clearer benefit of customers in the roll-out (for whom the current arrangements are alleged by the change proposer to be harmful).	Noted
SP Distribution	Non-Confidential	Yes - we understand that the current 2% intervention level coupled with what appears to be regularly inconsistent quality in relation Smart Metering install forecasts renders the SLA as relatively meaningless, and that the intent of the modification is to ensure that the end consumer receive a consistent service level	Noted
Southern Electric Power	Non-Confidential	We fully understand the intent of DCP297 but we do not feel that this proposed Change would deliver a better	Noted

Distribution		<p>level of service to our customers.</p> <p>Our companies strive to provide service to our customers to a higher level than the performance required by the SLA.</p> <p>However, by focussing solely on DNO SLA performance, this Change would fail to improve levels of service as it does not consider all of the key influences on service termination defect correction. In particular, it does not consider how DNO performance is impacted by inaccurate Supplier agent (MOp's) reporting and Supplier smart meter installation forecasting.</p> <p>We will provide further information regarding these issues throughout our response to this consultation.</p> <p>It is also important to note that we report our performance for this SLA against the actual number of defects reported by MOp's rather than against the 2% intervention rate that is permitted in the SLA.</p>	
Electricity North West	Non-Confidential	The intent is not entirely clear as there is a mismatch between the title, the purpose, the summary and the legal text.	The Group agreed to review the Change Report in light of this comment.

Company	Confidential/Anonymous	2. Are you supportive of the principles of the DCP 297? If not, why not?	Working Group Comments
<p>Response Summary:</p> <p>Seven respondents agreed that they were supportive of the principles of providing better customer service, with supporting comments being provided for consideration by most respondents with specific reference to the way in which DCP 297 seeks to improve customer service.</p>			

Ecotricity	Non-Confidential	The Renewable Energy Company (Ecotricity) are supportive of the principles of DCP 297 and wish to witness its implementation.	Noted
British Gas	Non-Confidential	<p>We are supportive of the principles of DCP 297. Current information provided by the DNOs indicates that intervention rates are running somewhere between 3% and 7%.</p> <p>The current SLA regime introduced by DCP 195A means that DNOs are released from their obligation to meet the SLA if actual number of category A and B interventions exceeds 2% of the aggregate smart meter forecasts in any DNO area.</p> <p>“30.5D.2 The obligations of the Company that are subject to the Service Levels shall be construed as obligations to use reasonable endeavours to comply with each Service Level on 90% of occasions within each Quarter; provided that (where the Company is a DNO Party) if the sum of the notified Category A Situations and Category B Situations during that Quarter across all Supplier Parties in respect of the Company’s Distribution Services Area, exceeds 2% of the aggregate Smart Meter Installation Forecasts across all Supplier Parties in respect of that Quarter and the Company’s Distribution Services Area, then the Company shall be released from its obligation to use reasonable endeavours to</p>	Noted

		<p>meet the Service Levels for obligations beyond that 2% level.”</p> <p>The effect of clause 30.5D.2 means that given the current intervention rate DNOs are generally being released from their obligations each quarter. The intent of this change proposal is to revert to the original SLA regime proposed by DCP 153 whereby DNOs are only released from their SLA where an inaccurate smart meter forecast has been submitted.</p>	
UKPN	Non-Confidential	<p>We are supportive of the principles that drive for improvements in the levels of service that are provided to customers. However, we do not believe that the proposal as currently worded achieves a viable solution.</p> <p>The original intent of the SLA covered three areas: Firstly: Emergency attendance - the intent was to attend within 3 or 4 hours where emergency situations required meter operators to remain on site which has developed in most cases to meter operators making the site safe so that follow up can be planned. The current 2% is more than adequate to cover the real emergency situations where meter Operators will stay on site and emergency attendance is required.</p> <p>The majority of meter operators, even with the current arrangements, are operating around the 2-3% interventions levels with outliers heavily over reporting and impacting on the service that DNOs can provide to smaller meter operators.</p> <p>By removing the 2% cap, suppliers have little motivation</p>	<p>The Group considered the comments made in this response and noted the below:</p> <ul style="list-style-type: none"> • Excluding meter operators making sites safe, real emergency attendance reported via A Codes would be covered by the current 2% cap. • Significant misreporting occurring that needs to be addressed. • Meter Operators are not consistently reporting as a huge variance has been witnessed. • Meter Operators should not be looking for DNO defects with mirrors. • ENWL noted that 60% of exchanges are occurring after a

		<p>to seek initiatives to reduce intervention requests.</p> <p>Secondly: a requirement to make contact with the customers within 10 days to make appointments. Experience of the current flow reporting process highlights that best practice in appointment arrangements is at the time interventions are found. A proactive supplier has shown us that by installing a triage clinic, customers can be provided with a line of sight to the meter installation, by arranging appointments with the customer at the time the issue is highlighted while on site.</p> <p>The same is experienced where a DNO's emergency attendance requires follow up. For good customer service, appointment follow up should be arranged at the time the incident is found.</p> <p>This will require meter operators to enable clinic functions, arranging DNO attendance and the follow up meter installation. If suppliers enable this facility customer service would be significantly improved.</p> <p>Thirdly: the 40 day completion – without a fixed intervention rate DNOs cannot forecast the workload with any confidence and have little control over the intervention rate.</p> <p>We believe the key point is the lack of certainty around the suppliers' ability to forecast accurately and the significant time constraints to recruit, train and authorise competent resources – whether direct employees or contractors. The lack of certainty in the forecasts is further compounded by the scale of errors in identifying if an intervention is actually required.</p>	<p>Cat A has been reported.</p> <ul style="list-style-type: none"> • Requirement to make contact within 10 days is for Cat B / Cat A made safe. In principle, supportive of proactive approach for Suppliers and DNOs to work together to arrange. • NPG noted that most DNOs don't stop at 2% intervention rate. • Resourcing constraints noted. • Major concerns with Supplier accuracy of reporting. • Could result in an endless default rate without a cap, outside of the control of the DNO. • NSAP needs to be involved in the training of Meter Operators <p>A member suggested that photos of specific instances of interventions are reviewed to determine how a Supplier, Meter Operator and DNO would deal with it.</p>
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		<p>We believe the only changes required in this process are around improved accuracy in supplier forecasting and better accuracy in the reporting of interventions and their categorisation. The current mechanism should drive these out while the proposed change may lead to a worsening of both.</p>	
WPD	Non-Confidential	<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> <ul style="list-style-type: none"> a) Existing Clause 30.5E.1 requires DNOs to 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. 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. 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 	<p>The Group reviewed this response and agreed:</p> <ul style="list-style-type: none"> • Point c) useful point to note, D0150 doesn't include attempted installs. From a DNO perspective, you need to know how many were successful and how many were aborted due to interventions. The change talks about attempted installs. Need a more accurate forecast to help with planning. • % of interventions rate is based on successful installs, regardless of whether they are smart or not. • How do we get a forecast and installation number that covers everything (installed and aborted). • 70% of metering work relates to smart meters at present. • ACTION – Consider introduction of obligation on Supplier to improve accuracy – in relation to Point E. Forecast and report defects accurately.

		<p>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 Suppliers forecasts are purely based on “smart” installations, however, they continue to progress “non-smart” meter changes in reasonable quantities. DNO workload relates to both smart and non-smart interventions.</p> <p>e) The biggest obstacle to meeting the 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> <p>Since the proposed change to the service levels will increase the obligations on the DNOs, WPD is of the view that this should be counterbalanced with an obligation on Suppliers and their Agents to use reasonable endeavours to accurately report Category</p>	
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		<p>A and B situations on 90% of occasions within each quarter. Accordingly, the DNO resources that are currently wasted dealing with misreports could be more efficiently employed meeting the increased obligations and customer's reasonable expectations.</p> <p><i>[A 90% figure has been proposed because this would result in parity of the service level obligations on DNOs and Suppliers].</i></p>	
E.ON	Non-Confidential	<p>We are supportive of the principles of DCP 297 for category B and C fault reports as these are resolved by dataflow exchanges and shouldn't pose an immediate health and safety risk. However, we have concerns for category A faults as these tend to be an immediate safety concern that requires the MOP technician to report the fault to the DNO and remain at site until the DNO attends the site to remedy the fault.</p>	Noted
Northern Powergrid	Non-Confidential	<p>We would always support sensible cost-efficient proposals that will improve the service provided to our customers. However, we do not believe that the proposal's intent or the current draft delivers a sensible improvement to the service provided for the customers that we and Suppliers are jointly responsible for.</p>	Noted
SP Distribution	Non-Confidential	<p>We are not supportive of the changes included in DCP297.</p> <p>We support the principle of changing the 2% intervention rate. We do not support basing it on a 110% Smart Metering install forecast alone. For the DNOs to plan resourcing levels we require both an intervention rate and an accurate Smart Metering forecast install volume.</p> <p>We further support the removal of any ceiling for genuine</p>	The Group noted this response and the DNO respondents were supportive of the comments made.

		<p>emergency calls (i.e. those where the MOP stays on site) we will endeavour to attend all of these within the 3-4 hours window. However when the MOP/Supplier misreport the severity at site, or the MOP does not remain to ensure access, then the result is a misuse of resource that would have been better utilised in serving other customers.</p>	
Southern Electric Power Distribution	Non-Confidential	<p>We set out to provide very high levels of service to all of our customers. However as detailed in our response to question 1 we do not feel that this CP will positively affect this aim and we cannot support this CP.</p> <p>Any change to the SLA must consider how the customer is impacted by all elements of Supplier, MOP and DNO performance associated with the rectification of service termination defects that are reported to DNOs.</p> <p>Whilst the Proposer has identified that the overall volume of defects being reported is in the range of 5% to 7% our experience is that the rates vary significantly between different Suppliers. In our case, the defect rate reported for individual Suppliers ranges from around 3% to 12% with an average of around 4.5%, however the reported defect rate trend is increasing.</p> <p>We are concerned that this increasing trend may be associated with an increase of new meter operatives working for existing MOP's and "new MOP's" working in our licence areas for the first time.</p> <p>It is clear to us that the most appropriate way for customer disruption to be minimised is to ensure that:</p> <ul style="list-style-type: none"> changes are made to the SLA for cases where the MOP has installed the meter but left site 	<p>The Group reviewed this response and noted that company policies to not work on metal clad cut outs should not be reported. Suggested that HQ audit should cover service termination guidance document and their adherence to it. Action – feed back to MOCOPA regarding HQ audit and it covering service termination.</p> <p>Discussed whether forecasts should include smart and legacy metering, to which it was noted that it is customer driven so forecasts would not be able to be provided. NRO will come into effect in August 2018, which will reduce legacy metering work.</p> <p>Discussed whether SLA should only relate to smart metering work, from a customer service perspective this would not be feasible and customers should be treated equally and fairly.</p>

		<p>having reported a defect to the DNO;</p> <ul style="list-style-type: none"> defects are only reported to DNOs strictly in accordance the MOCOPA guidelines. Where this is not the case, any incorrectly reported service termination defects should be excluded from the SLA; Suppliers review the activity of their MOP agents and check their working practices to ensure that the MOCOPA guidelines are being followed; blanket embargoes on the operation of certain types of service termination equipment by some Mop organisations ceases and those MOps follow the MOCOPA guidelines. <p>Additionally the inaccuracy of Supplier forecasts has had a significant impact upon our ability to plan use of resources effectively. One of the original intentions of the 2% "cap" was to encourage Suppliers to forecast their meter installation activity accurately.</p> <p>Changing the value to 110% will mean that Suppliers will not improve the accuracy and quality of their forecasts; this in turn will affect our ability to plan resources effectively and meet future SLA commitments.</p> <p>It is clear to us that there are a number of issues that need to be resolved by Suppliers associated with the forecast information that is provided. These issues are:</p> <ul style="list-style-type: none"> Forecasts should accurately reflect all planned meter installation work, not just the work that is associated with smart meter installations (given that the SLA applies equally to all reported defects 	
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		<p>not just those associated with smart metering installations)</p> <ul style="list-style-type: none"> • Forecasts need to be issued at the correct time as often they are issued late • Forecasts need to be provided by all Suppliers. To date there are a significant number of Suppliers that have never submitted a meter installation forecast. <p>Suppliers need to resolve these outstanding issues in order to enable DNOs to plan their resourcing requirements effectively. Until these outstanding issues are resolved then changing the SLA is not appropriate</p>	
Electricity North West	Non-Confidential	<p>We are supportive of principles that deliver improvements in the levels of service provided to customers. However, we are unsure of the principles of DCP 297 because the title, the purpose, the summary and the legal text are not fully aligned and hence we are currently unable to fully support this DCP.</p>	Noted

Company	Confidential/ Anonymous	3. The proposer has suggested the DNOs should only be released from their obligations to meet the service level where Supplier's volumes of attempted smart meter installations exceeds 110% of their forecast. Do you agree that 110% is a reasonable limit for DNO's to be released from their obligation?	Working Group Comments
<p>Response Summary:</p> <p>Three respondents agreed that 110% was a reasonable limit for DNO's to be released from their obligation, with some respondents disagreeing and others providing comments for consideration.</p>			
Ecotricity	Non-Confidential	110% is an acceptable limit for DNO's to be released from their obligations based on the research and findings in the modification report.	Noted
British Gas	Non-Confidential	<p>The proposed SLA release clause is:</p> <p>30.5D.2 On receipt of notification of a Category A Situation in accordance with Clause 30.5A.1 or of a Category B Situation in accordance with Clause 30.5B.1, the Company shall use reasonable endeavours to comply with the Service Level on 90% of occasions within each quarter; provided that (where the Company is a DNO Party) if the quarterly volumes of attempted (meaning both successful and failed where the site has been visited) smart electricity meter installations across all Users within the Company's Distribution Services Area (as reported in accordance with Part 4 of Schedule 23) exceeds [110%] of Users' forecast volumes, then the Company shall be released from its obligation to have met such Service Level.</p>	The Group noted that 110% was inserted in square brackets and is to be determined and that the response suggested that the limit could remain at 102%.

		<p>The key element of our proposal is to change the release clause to relate only to the supplier roll-out forecast, in line with our original intent and the basis on which Ofgem states it approved DCP195A¹. The limit can be considered separately to this.</p> <p>Potentially, the modification could be restricted to changing the release clause to relate to the supplier roll-out forecast i.e. leave the limit at 102%, making the release exactly in line with Ofgem's DCP195A decision letter. The limit could subsequently be addressed by future modifications if required.</p>	
UKPN	Non-Confidential	<p>No – this is requesting that DNOs resource with an additional 10% capability:</p> <ol style="list-style-type: none"> 1) Additional factors include - aggregation inaccuracies, checking supplier connected customers by DNO, e.g. see our Table in response to Q8, -40% to +100%; 2) Multiple aggregations, not one single version of the truth – many players aggregating and not all suppliers forecasting; 3) DNO resource training to jointers takes circa two years and an additional year in the field to gain enough experience before they are effective, so changes would need a significant lead-time to enable change. In a scenario where we would recruit more, it would be likely that we target recruiting resources currently working for Suppliers or MOPs, so the number of resources in the industry would still be the same; and 4) Likelihood of program completion circa 80% if risk 	<p>Excluding misreports, it is not feasible for Suppliers to report within the 2% threshold. It was noted that Ofgem did not want DNOs to resource up to very high interventions rates to be funded by DUoS Customers. DNO funding was considered.</p>

¹ "...the proposed modification would release DNOs from their SLA obligations if suppliers, together, rolled out more than 102% of the smart meters they had forecast in a given period in a DNO area":DCP195/A decision <https://www.ofgem.gov.uk/ofgem-publications/89292/dcp195d.pdf>

		<p>applied.</p> <p>What mechanism is there for funding the 10 – 50% or any other shortfall if it is not used? Ofgem requires us to be efficient and to limit costs to customers. Having excessive resources in reserve, just in case, would not be acceptable.</p> <p>The current 2% provides a funded baseline and the motivation of DNOs to resource too. It is in the DNOs' best interest to provide sufficient resources to ensure that its reputation is managed supporting the smart meter rollout by adding in additional resource based on educated risk managed forecasts.</p> <p>The 2% intervention rate established by Ofgem is an educated baseline that generally covers all supplier profiles. It is a good target and links in a challenge for an improved customer experience removing the motivation to over report. The aggregated 110% of supplier forecast is a level that is vastly overstated adds an unintended motivation to over forecast and increase misreports.</p> <p>DCP 297 is the same as DCP 153 (which was rejected), save for the percentage difference of 110% and 115%. We believe nothing has changed since then, i.e. there does not appear to have been improvement in Supplier install volume forecast – still seeing over forecasting, accuracy in reporting – MOPs calling for DNO intervention when it is not required.</p>	
WPD	Non-Confidential	WPD supports the principle of changing the 2% cap, but is uncomfortable with the 110% limit given the very high levels of defect misreporting that is currently being experienced. We would be more receptive if there was an obligation on Suppliers and their Agents to use	Noted

		<p>reasonable endeavours to accurately report Category A and B situations on 90% of occasions within each quarter.</p> <p><i>[A 90% figure has been proposed because this would result in parity of the service obligations on DNOs and Suppliers].</i></p> <p>The 110% limit is not markedly different from the 115% limit that was proposed in DCP 153, which was rejected by Ofgem. In its Decision Letter we note that Ofgem stated "...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".</p>	
E.ON	Non-Confidential	We agree that 110% is a reasonable limit.	Noted
Northern Powergrid	Non-Confidential	<p>No. The proposed approach, whereby DNOs should only be released from their obligations where Supplier's volume of attempted smart meter installations exceeds 110% of their forecast, is inappropriate. The activities that are covered by this change proposal are defect interventions. To suggest that the only mechanism for triggering the release from SLAs (relating to interventions) should be based on forecast and attempted installations, rather than on actual interventions, is fundamentally flawed. An SLA relating to defect interventions should include defect counts or rates as part of the release mechanism. The release mechanism being</p>	<p>The Group reviewed this response and noted that smart and legacy installs are not differentiated between at present. The use of Meter Readers to report Category A or B's has resulted in inaccurate information being provided.</p>

		<p>proposed provides no incentive for those reporting defects to identify, assess and report defects accurately. The proposed mechanism would allow Suppliers to have no interest in whether the volume of defects being reported to DNOs or the manner of reporting was reasonable or sensible.</p>	
SP Distribution	Non-Confidential	<p>See point 2.</p> <p>We would not support this change with the current wording. As per point 2 we fully support the SLA for genuine Category A interventions (where a MOP stays on Site) however we do not feel that we can be held to an SLA where there are circumstances outside of our control (where the MOP has left site and there is no access granted to allow work to be carried out by the DNO)</p>	Noted.
Southern Electric Power Distribution	Non-Confidential	<p>No. For the reasons detailed in our answer to question 2 we do not believe that changing the value to 110% is reasonable.</p> <p>We believe that it is important to recall that, when deciding to reject DCP153, Ofgem made their view clear that the threshold for release from obligations should be set at a level which ensured efficient resourcing by DNOs and incentivised accurate forecasting by Suppliers. In our view, if this CP is implemented, with the current experience of forecasting and widespread inaccurate reporting, DNOs would have to deploy inefficient levels of resourcing to meet the SLA, to compensate for significant deficiencies in the practices of other industry parties. This would not be in the customer's interests and would perpetuate poor customer experience.</p>	Noted
Electricity	Non-	This limit is not unreasonable if 1) DNOs have been	Noted

North West	Confidential	<p>provided with accurate and granular forecasts for future rollout volumes by geographic area by Suppliers so that DNOs can appropriately resource for the expected demand, and 2) MOPs accurately report defects so that DNOs' resources are efficiently deployed. Without these two reporting requirements being fulfilled by the other responsible industry parties DNOs would be unable to achieve the proposed SLA in an efficient manner. There is a risk that in order to achieve the SLA targets DNOs will incur additional costs for unnecessary resources resulting in raised bills for customers overall. This was the conclusion Ofgem came to when it considered DCP 153 (Service Level Agreement for Resolving Network Operational Issue) which is very similar to this DCP; the main difference being a 115% threshold as opposed to 110%. So the 110% threshold does not seem reasonable as we believe nothing has changed since Ofgem rejected the implementation of DCP 153. We note that 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. 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>	
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Company	Confidential/ Anonymous	4. Please can Supplier respondents provide additional supporting justification for the change to address DNO concerns regarding inaccurate forecast.	Working Group Comments
<p>Response Summary:</p> <p>Two respondents provided supporting justification for the change to address DNO concerns regarding inaccurate forecasts.</p>			
Ecotricity	Non-Confidential	The Renewable Energy Company (Ecotricity) has no additional supporting justification to provide. The current justification in the modification report is sufficient enough to warrant its implementation	Noted
British Gas	Non-Confidential	<p>Given that the smart rollout is an opt-in programme, the forecast we are attempting to make is not as simple as reflecting a planned infrastructure rollout. With national coverage of installation and job booking resource, we are engaging customers in all areas at all times. We have no way to predict with any accuracy which customers will respond next week, next month, or next year, or indeed whether they will respond at all.</p> <p>The forecast we provide is the best available view based on what we know about the geographical distribution of our customer base, and the likely installation profile we use to plan our own field operations resource.</p> <p>It is unlikely to be accurate at a granular postcode outcode level. However, at a regional level, this accuracy will improve, and the effect of aggregation</p>	The Group noted this response and considered the reference to regional level aggregation improving accuracy. It was suggested that the accuracy does not improve on a regional level as Suppliers are overstating to take into account their expectation to gain customers.

		across all suppliers will be to give a reasonable guide as to expected installation activity in each period. Refreshing this forecast on a quarterly basis allows us to reflect up to date assumptions, and we spend considerable time and resource in understanding how changing internal and external dependencies impact our ability to install as many smart meters as possible.	
UKPN	Non-Confidential	Suppliers to respond to this question.	Noted
WPD	Non-Confidential	Not applicable - for Suppliers only.	Noted
E.ON	Non-Confidential	The forecast is as accurate as possible, the further the forecast the less accurate it can be so we would recommend that the DNO focus on the next 3 to 6 months data which is refreshed every quarter.	Noted
Northern Powergrid	Non-Confidential	N/A for Distribution Network Operators.	Noted
SP Distribution	Non-Confidential	Suppliers to respond to this question.	Noted
Southern Electric Power Distribution	Non-Confidential	N/A	Noted
Electricity	Non-	No comment	Noted

North West	Confidential		
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Company	Confidential/ Anonymous	5. Do you believe there will be any additional benefits to the customer from the implementation of DCP 297?	Working Group Comments
<p>Response Summary:</p> <p>Seven respondents disagreed that DCP 297 would result in any additional benefits, with one respondent providing some additional information.</p>			
Ecotricity	Non-Confidential	The already highlighted benefits in the modification report endorse the positive impacts customers should experience.	Noted
British Gas	Non-Confidential	We receive criticism from customers in different ways, but consistently see complaints, customer satisfaction feedback and escalations referring to the follow up visit by network operators. Jan – June we recorded 38 complaints where the customer was dissatisfied with British Gas as a result of the DNO not meeting SLA for dealing with a service termination defect identified during a meter installation visit. The actual complaint volumes are likely to be higher but categorised under root-causes that are not explicitly linked to DNO (i.e. customer provided wrong information, customer unhappy with visit outcome etc.). We need an SLA that drives the right behaviours by network operators to meet commitments set by our Smart Energy Experts (i.e. network operator will be in touch with xx days to agree site visit etc.).	The Group noted this and suggested that the complaints may related to no defects being present. It was suggested that it may be useful to look at the 38 complaints, noting that they relate to a very small percentage of total complaints received for this period.

UKPN	Non-Confidential	<p>We do not agree that DCP 297 will result in additional benefits to the customer.</p> <p>DNOs are doing everything they can to meet the full requirements of the rollout and supporting all interventions without applying 110% or 2% with a preference to challenge ourselves on customer service and reputation.</p> <p>DCP 297 has a detrimental effect to customer service, with the adverse effect of enabling suppliers to report higher levels of defect reporting, causing additional customer interactions that could easily be avoided.</p> <p>The proposal reduces the motivation of suppliers to find these solutions and places the onus on DNOs to keep the intervention rate down and the quality of defect requests high.</p> <p>Over resourcing and increased unnecessary defect reporting will cause additional costs to customers.</p>	Noted
WPD	Non-Confidential	<p>As explained in our answer to Q1, WPD has never adapted its response nor adjusted the figures in the reports it produces (in accordance with Part 3 of Schedule 24) when the 2% cap has been exceeded. In other words, WPD has endeavoured to provide the same level of service to all customers, and consequently WPD does not envisage that its customers will notice any difference.</p> <p>Clause 30.5E.1 already requires DNOs to 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</p>	Noted

		<p>them from compromising the ability to meet the service levels for any subsequently reported defect.</p> <p>The legal text as currently drafted means that once the 110% threshold has been exceeded a DNO is released from the Service Level (for that quarter) for all customers. At present a DNO is released from its obligations only for interventions beyond the 2% cap. This is not to the benefit of customers</p>	
E.ON	Non-Confidential	No	Noted
Northern Powergrid	Non-Confidential	<p>We do not believe that DCP297 as currently written will result in any additional benefits to customers because irrespective of the 2% intervention SLA release level we always endeavour to respond to all customers within the SLA timescales. We consider that inaccurate Supplier roll-out forecasts and in particular, incorrect interventions reporting, are the main drivers behind DNOs not always delivering 90%+ SLA performance. If incorrect reporting was resolved it would significantly reduce the volume of false alarms that DNOs need to attend and therefore allow them to focus their resources on resolving true defects. This would thereby i) eliminate any need to consider extending the SLA release hurdle and avoid /reduce the need to make unnecessary appointments with customers, ii) improve defect rectification rates within SLA, and iii) make the true defect rate clearer to all. Suppliers eliminating incorrect defect reporting, and to a lesser extent, providing more accurate installation forecasts would deliver much better outcomes for customers than the current change proposal could deliver.</p>	Noted
SP	Non-	We do not believe that DCP297 as currently written will	Noted

Distribution	Confidential	<p>result in any additional benefits to customers. We believe that inaccurate supplier roll out forecasts and incorrect interventions reporting have significant negative impacts on DNO SLA performance and that incentivising suppliers to improve this would deliver much greater benefits to consumers than those suggested in DCP297.</p> <p>This Change proposal is similar to DCP153 which has previously been rejected by OFGEM, we do not see any changes in the Industry that would lead us to believe that there could be any benefit to the customer from adopting DCP297</p>	
Southern Electric Power Distribution	Non-Confidential	<p>For the reasons detailed in our answer to question 2 we do not believe that DCP 297 as it is currently written will provide any additional benefit to customers.</p> <p>The best way to enhance the customer experience is to ensure that defects are reported accurately by Suppliers and their MOp agents and that accurate meter installation forecasts are provided.</p>	Noted
Electricity North West	Non-Confidential	<p>We do not believe DCP 297 will deliver any additional benefits to the customer, in fact we believe that it would have a detrimental effect on customers, as to achieve the proposed SLA targets would require DNOs to over resource resulting in inefficient costs being incurred which are passed onto customers. The combined issues of inaccurate rollout forecasts from Suppliers together with the defect misreporting by MOPs ultimately has a negative impact on the customer experience. The legal text as currently drafted means that once the 110% threshold has been exceeded a DNO is released from the SLA (for that quarter) for all customers which is not to the benefit of customers.</p>	Noted

Company	Confidential/ Anonymous	6. How does the impact of aggregated forecasts and churn affect the ability for DNOs to comply with the SLA?	Working Group Comments
<p>Response Summary:</p> <p>Six respondents provided an overview of the impacts of aggregated forecasts and churn on the DNOs ability to comply with the SLA.</p>			
Ecotricity	Non-Confidential	No comment.	Noted
British Gas	Non-Confidential	N/A	Noted
UKPN	Non-Confidential	<p>Resourcing plans need tangible, consistent and controlled forecasts that can be aggregated before adding in intervention rate intelligence to forecast intervention volumes. These have consistently been shared with suppliers by DNOs through bilateral discussions. The inclusion of churn significantly and adversely affects the accuracy of aggregated forecasts. For example, 10 large suppliers all forecasting increases in market share can only add to the previously highlighted + / - 30% inaccuracies. Churn additions can easily add a further 20% inaccuracy. Recent forecast changes have also removed the ability to review smart meter install volumes against known DNO customer volumes.</p> <p>The proposal asks DNOs to resource to 110% of aggregated forecasts that include 20% churn additions and previously highlighted aggregation inaccuracies of 20 - 30%, which could add up to 50% over resourcing against the plan. Further, there is the consideration of an expectation that suppliers only meet 80% achievement of</p>	The Group reviewed this response and noted that it clearly captured the earlier concerns raised by DNOs regarding inaccurate forecasts.

		<p>the plan.</p> <p>In order to comply with the change proposal, DNOs would need to develop a detailed and deeper understanding of suppliers' profiles, churn and recruitment forecasts, and apply confidence risks to individual suppliers.</p> <p>As a licence condition to comply with, the SLA targets should be more tangible and should not require DNOs to canvas unstructured word of mouth resourcing, and productivity progress reports from multiple suppliers, meter operators and subcontractors.</p> <p>DCP 297 places an undue regulatory burden on the wrong party – DNOs. We believe a separate DCP is required to penalise suppliers for forecasting inaccuracies</p>	
WPD	Non-Confidential	<p>WPD's approach has always been to resource through directly employed staff where at all possible. Our resource plans take into account the Suppliers installation forecasts, the likely defect rate, and the number of repairs that each jointing team can reasonably complete per working day. Any errors in the former are likely to result in an incorrect assessment of the number of jointing teams required.</p> <p>An over-assessment of the number of teams required leads to an inefficient use of resources, and an under assessment reduces the ability to comply with the service levels.</p> <p>It is also worth pointing out that forecasts are purely based on "smart" installations, however, Suppliers continue to progress "non-smart" meter changes in reasonable quantities. DNO workload relates to both smart and non-smart interventions.</p>	Noted

E.ON	Non-Confidential	N/A	Noted
Northern Powergrid	Non-Confidential	The ability of DNOs to comply with the SLA is strongly linked to how well they can determine the Supplier roll-out strategies in their area and is also strongly linked to how accurately interventions are reported by Suppliers and their MOPs. Aggregated forecasts is just one piece of the roll-out intelligence jigsaw and DNOs need to combine that with other types of information gleaned from Suppliers (at bilateral meetings etc.) to help them build a more reliable profile of roll-out and prepare their resourcing accordingly.	Noted
SP Distribution	Non-Confidential	The ability of DNOs to comply with SLA is strongly linked to how well they can determine the supplier roll out strategies in their area and is also strongly linked to how accurately interventions are reported by suppliers and their MOPs. Aggregated forecasts is just one piece of the roll out intelligence jigsaw and DNOs need to combine that with other types of information gleaned from suppliers (at bilaterals etc.) to help them build a more reliable profile of roll out and prepare their resourcing accordingly	Noted
Southern Electric Power Distribution	Non-Confidential	<p>To plan our future resourcing requirements in order to comply with the SLA we need to understand the volume of meter installation activity by all Suppliers in any given period.</p> <p>We have no knowledge of how individual Suppliers prepare their forecasts and how they manage churn. It is however clear from the aggregated totals that the assumptions made by Suppliers are not accurate. To date, we have found that the overall aggregated number of meters forecast to be exchanged has far exceeded the</p>	Noted

		<p>actual number of supply points that we have in our individual licence areas.</p> <p>Ongoing engagement with Suppliers via bilateral meetings may improve our understanding of future Supplier activity but as this activity “sits outside” the DCUSA arrangements it is difficult to understand how this information can formally be incorporated into the SLA.</p>	
Electricity North West	Non-Confidential	<p>Inaccurate Supplier forecasts from either aggregated volumes by quarter or churn assumptions will directly impact a DNO’s ability to deliver a safe and efficient service to customers. It is worth stressing that to provide the right level of resources to manage the expected volume of defects reported by MOPs requires geographically accurate rollout volumes from each Supplier at least 12 months in advance; and so far the forecast volumes four, three and two quarters in advance of delivery quarter are shockingly inaccurate. Annex 1 shows the aggregated forecast volumes for Electricity North West between 2015 and 2017. In addition, we have also found through reconciliation to current MPANs associated with each Supplier that some Suppliers’ reporting accuracy is a problem as Suppliers tend to be overoptimistic with their churn assumptions; in general the total number of MPANs without smart meters is always significantly less than the aggregated volumes provided by Suppliers. The less accurate the forecasts the more difficult it is for a DNO to achieve the SLA in an efficient manner. The remedy is an additional SLA on the accuracy of Suppliers’ forecasts and on the accuracy of defect reporting placed on the Suppliers and their agents, otherwise DNOs will be unavoidably inefficient in their provision of this vital service to our customers. It is also worth highlighting the issue with the proposal in the legal text to consider ‘attempted’ smart meter installation. A</p>	Noted

		DNO is unable to differentiate between an attempted and an actual installation by a Supplier (DNO does not receive information on attempted installations aborted for reasons other than requiring a DNO visit) and its resource plan are based on Suppliers' smart meter installation forecasts provided at least 12 months in advance. It would also be helpful if the forecast provided included both smart and non-smart meter installations as this provides a holistic view of the planned meter installation work of a Supplier.	
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Company	Confidential/ Anonymous	7. What impact does incorrect defect reporting by Meter Operators have on the DNOs ability to comply with the SLA?	Working Group Comments
<p>Response Summary:</p> <p>Six respondents provided an overview of the impact incorrect defect reporting by Meter Operators has on the DNOs ability to comply with the SLA.</p>			
Ecotricity	Non-Confidential	No comment.	Noted
British Gas	Non-Confidential	N/A	Noted
UKPN	Non-Confidential	<p>Inconsistencies in meter operator competencies, experience, coaching methodologies and motivational traits drive incorrect defect reporting.</p> <p>The significant differences in emergency intervention rates from 1% to 10+% by suppliers highlight the inappropriate impact that some suppliers have.</p>	The Group noted this response; however, the proposer challenged the final statement.

		<p>The 2% DCUSA commitment provides some protection to DNOs and motivation to suppliers to improve the quality and competency of the meter operators. The adverse reporting levels are detrimental to customer service and the principle of first time installs. Changing away from the current arrangement drives the wrong behaviours.</p> <p>A side effect of this is that large suppliers with higher reporting levels / intervention rates will inevitably inappropriately affect the customer service of the smaller suppliers.</p> <p>DCP 297 undermines motivation to improve quality of the intervention reporting requests</p>	
WPD	Non-Confidential	<p>One of the biggest obstacles to meeting the service level obligations (and hence to meeting the customer's 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>The DNO resources that are currently wasted dealing with misreports could be more efficiently employed meeting the service level obligations for legitimate defect reports.</p> <p>Misreporting is also a missed opportunity for a first time smart meter install and also cause a great deal of inconvenience to customers through unnecessary DNO</p>	Noted

		<p>and second smart meter install appointments.</p> <p>In WPD's view it would be in Customers' better interest if the Change Proposal focussed on addressing this misreporting aspect.</p>	
E.ON	Non-Confidential	N/A	Noted
Northern Powergrid	Non-Confidential	<p>High levels of incorrect interventions reporting by Suppliers and their agents significantly have a material adverse effect on a DNO's ability to resource interventions effectively and efficiently. We have been monitoring individual Supplier interventions reporting and it is clear that one large Supplier has unacceptable levels of incorrect reporting. High levels of incorrect reporting diverts essential fast-response DNO resource from real emergencies and real defects and is detrimental to the interventions service being delivered to other Suppliers who are more diligent and reporting correctly as they should. If the current high level of incorrect reporting continues into mass roll-out then this will increase the possibility of unnecessary customer appointments and DNOs failing to meet their SLAs, with a consequential diminution in overall customer service.</p>	Noted
SP Distribution	Non-Confidential	<p>High levels of incorrect interventions reporting by suppliers and their agents significantly affect the DNO ability to resource interventions effectively and efficiently. DNOs have been monitoring individual supplier interventions reporting and it is clear that one or two large suppliers have unacceptable levels of incorrect reporting. These high levels of incorrect reporting, from one supplier in particular, diverts essential DNO resource from real emergencies and is detrimental to the interventions service being delivered to other suppliers</p>	Noted

		who are more diligent and reporting correctly as they should. If the current high levels of incorrect reporting continues into mass roll out then it's almost certain that all DNOs will be at high risk of failing their SLAs.	
Southern Electric Power Distribution	Non-Confidential	<p>High levels of incorrect intervention reporting by Suppliers and their agents significantly affect the DNO ability to resource interventions effectively and efficiently. DNOs have been monitoring individual Supplier interventions reporting and it is clear that one or two large Suppliers have unacceptable levels of incorrect reporting.</p> <p>These high levels of incorrect reporting, from one Supplier in particular, divert essential DNO resource from real emergencies and are detrimental to the interventions service being delivered to other Suppliers who are more diligent and reporting correctly as they should. If the current high levels of incorrect reporting continues into mass roll out then it's almost certain that all DNOs will be at high risk of failing their SLAs.</p>	Noted
Electricity North West	Non-Confidential	<p>Incorrect reporting of defects by MOPs has a negative impact on a DNO's ability to comply with the SLA as it affects the deployment of resources as it diverts essential resource from other work and is likely to be detrimental to customer service. Based on information shared by the DNOs there appears to be an unacceptably high level of incorrect reporting and it would be in customers' best interest to focus on this aspect. The remedy is an additional SLA on the accuracy of defect reporting placed on the Suppliers and their agents, otherwise DNOs will continue to be inefficient in their provision of this vital service to our customers. We also note that in ENWL experience, in 60% of reported defect A code cases the MOP has completed the changing of the meter so it</p>	Noted

		appears that either the MOPs are not following the guidance in MOCOPA Guidance for Service Termination Issue Reporting or the approach defined in DCUSA and reflected into MOCOPA is not appropriate and therefore should be reviewed with the aim of changing to reflect the practicality of the situations faced by MOPs.	
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Company	Confidential/ Anonymous	8. Do you believe the accuracy of the aggregated forecasts should be measured?	Working Group Comments
<p>Response Summary:</p> <p>Seven respondents believed that the accuracy of the aggregated forecasts should be measured, with the remaining respondents providing comments for consideration.</p>			
Ecotricity	Non-Confidential	Clarity should be provided on the actual methodology that would be used to measure the accuracy.	Noted
British Gas	Non-Confidential	<p>Yes this will be required to measure whether DNO's are released from their SLA obligations.</p> <p>DNOs are already provided with smart meter installation information via the D149/150. To calculate the total of attempted smart meter installations for a quarter DNO's will need to add the number of Cat A and Cat B interventions requests to the volume of actual smart meter installations.</p>	<p>The Group noted this response and that all aborts would also need to be captured in accordance with the legal text. ACTION – what aborts need to be measured for Suppliers and DNOs to work out at which point DNOs would be released from their SLA. The DNO members presented noted that unless aborted installs are included they may never be released from their SLA obligations as their only measure is via the D150. The Group noted that this change looks to address an issue that currently does not exist as the cap is voluntarily not adhered to and all interventions are aimed to be addressed.</p>

			It was noted that Suppliers have to report their abort rates by category to BEIS, which could be shared with DNOs to support their forecasting.					
UKPN	Non-Confidential	<p>Every supplier should be obliged to provide a forecast that is consistent with their strategy, and is as accurate as possible with penalties in place to incentivise against forecasts that bear no resemblance to actual profiles. We believe that monitoring of forecast accuracy is essential if forecasts are to be taken seriously.</p> <p>Forecasts should also include meters installed before the forecast window and the residue after the forecast window so that aggregation can be linked to the total smart related customers in a forecast area.</p> <p>Any SLA change proposal needs to be balanced to enable appropriate motivation for:</p> <ul style="list-style-type: none">• DNO to resource;• suppliers to forecast accurately;• suppliers to develop appropriate competencies in meter operators (and accuracy in reporting interventions); and• most importantly to drive improved customer service. <p>A better definition of forecasting requirements is required to remove inaccuracies and the variation could be linked to a service level.</p> <p>Please see the table below, which shows an example of supplier forecast accuracy against connected customers.</p> <table><tr><td>% 2016 Q1 Variance</td><td>EPN</td><td>LPN</td><td>SPN</td><td>Grand Total</td></tr></table>	% 2016 Q1 Variance	EPN	LPN	SPN	Grand Total	Noted
% 2016 Q1 Variance	EPN	LPN	SPN	Grand Total				

		<table><tr><td>Supplier 1</td><td>43%</td><td>11%</td><td>22%</td><td>20%</td></tr><tr><td>Supplier 2</td><td>20%</td><td>24%</td><td>10%</td><td>11%</td></tr><tr><td>Supplier 3</td><td>4%</td><td>5%</td><td>5%</td><td>2%</td></tr><tr><td>Supplier 4</td><td>5%</td><td>5%</td><td>8%</td><td>6%</td></tr><tr><td>Supplier 5</td><td>27%</td><td>103%</td><td>4%</td><td>13%</td></tr><tr><td>Supplier 6</td><td>9%</td><td>3%</td><td>22%</td><td>2%</td></tr><tr><td>Grand Total</td><td>19%</td><td>4%</td><td>0%</td><td>7%</td></tr></table> <p>Over / Under</p>	Supplier 1	43%	11%	22%	20%	Supplier 2	20%	24%	10%	11%	Supplier 3	4%	5%	5%	2%	Supplier 4	5%	5%	8%	6%	Supplier 5	27%	103%	4%	13%	Supplier 6	9%	3%	22%	2%	Grand Total	19%	4%	0%	7%	
Supplier 1	43%	11%	22%	20%																																		
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Supplier 3	4%	5%	5%	2%																																		
Supplier 4	5%	5%	8%	6%																																		
Supplier 5	27%	103%	4%	13%																																		
Supplier 6	9%	3%	22%	2%																																		
Grand Total	19%	4%	0%	7%																																		
WPD	Non-Confidential	<p>Doesn't the change proposal effectively mandate this i.e. you have to compare actual volumes against the forecast in order to determine whether the 110% threshold has been exceeded?</p> <p>Please also see comment made in relation to Q2 above about:</p> <ul style="list-style-type: none">• The difficulties DNOs have in unambiguously identifying the actual number of attempted smart meter installs.• The fact that forecasts and actuals are purely based on "smart" installations, however, Suppliers continue to progress "non-smart" meter changes in reasonable quantities. DNO workload	Noted																																			

		relates to both smart and non-smart interventions.	
E.ON	Non-Confidential	No. Forecasts have a margin of error therefore it's not clear to us what the benefit of measuring the accuracy is.	Noted
Northern Powergrid	Non-Confidential	Every Supplier should be obliged to provide a forecast that is consistent with their strategy and as accurate as possible, with sanctions in place to incentivise against the production of forecasts that deviate materially from actual installations attempted. We believe that monitoring of forecast accuracy is essential if forecasts are to be taken seriously.	Noted
SP Distribution	Non-Confidential	Every supplier should be obliged to provide a forecast that is consistent with their strategy and as accurate as possible with penalties in place to incentive against forecasts that bear no resemblance to actual profiles. We believe that monitoring of forecast accuracy is essential if forecasts are to be taken seriously.	Noted
Southern Electric Power Distribution	Non-Confidential	<p>It is not clear what is meant by this question.</p> <p>It is important to us that each Supplier provides its forecast information in a consistent way in order that once aggregated the overall forecast for each licence area is accurate. We feel that further thought needs to be given regarding how Supplier forecasts are prepared in order to ensure that a consistent methodology is applied. Our experience to date has indicated that there is a significant difference between each Supplier's forecast meaning that, when aggregated, the overall forecast has been inaccurate.</p> <p>We believe that Supplier forecasts need to be subject to</p>	<p>The Group noted that this response and that some Supplier persist to not provide supplier rollout profiles. ACTION issue reminder.</p> <p>It was also noted that the BEIS reporting templates are being used rather than the templates suggested in DCUSA.</p>

		<p>greater scrutiny and where appropriate it may be appropriate to apply penalties where forecasts are proven to be inaccurate.</p> <p>In any event, given that a high number of Suppliers do not provide forecasts or persist in providing them late, there would be clear difficulties in achieving a complete forecast.</p>	
Electricity North West	Non-Confidential	Yes. Please see Annex 1 which details the poor aggregated accuracy of Suppliers' forecasts over time.	Noted

Company	Confidential/ Anonymous	9. What do you believe is a reasonable intervention rate to be included within the SLA, based on the intervention rates that have been witnessed?	Working Group Comments
<p>Response Summary:</p> <p>Eight respondents provided their suggestions regarding reasonable intervention rates to be included within the SLA, based on the intervention rates that have been witnessed.</p>			
Ecotricity	Non-Confidential	No comment.	Noted
British Gas	Non-Confidential	Intervention rates are not appropriate to include in the SLA. The actual intervention rate in any given area is wholly dependent on the state of the network and is outside of the control of Suppliers and their agents. DNOs are best placed to assess the condition of their network and together with this information and the roll-out	Noted this response and that the condition of the network doesn't have an impact of the high levels of misreports beign witnessed. DNOs present raised concerns with the assessment being undertaken by the MOp on site.

		<p>forecast should be able to set their resourcing level appropriately to meet the SLAs.</p> <p>We would further note that price controls arrangements ensure that DNOs are funded to deal with whatever rate of intervention, with an intervention rate of up to 10% to be funded at the full cost benchmarked by Ofgem (the cost tapering above 10%)². DNOs should clearly not be released from meeting customer outcomes funded through the price control.</p>	
UKPN	Non-Confidential	<p>In reality, DNOs will seek to meet all intervention requests against agreed service levels to provide the best customer service experience. The 2% is an adequate baseline, which represents the initial RIIO funding. It also balances the DNO's and supplier's motivation to work closer to find appropriate first time install solutions avoiding the risk of poor customer service.</p> <p>DCP 297 removes the motivation for suppliers to support meter install failure clinics providing customer line of sight to solutions, and more heavily favours a handoff to DNOs.</p> <p>The forecasts and intervention rates are the two key components that drive DNO interventions – changes in either can have significant effects on DNO resourcing and the control levers in terms of quality of resources are with the supplier rather than the DNO.</p> <p>There is a wide range of intervention rates across suppliers (1% to 10+ %) which reflect on the quality and</p>	Noted the suggestion that 2% is adequate.

² https://www.ofgem.gov.uk/sites/default/files/docs/2013/02/riioed1decuncertaintymechanisms_0.pdf

		training of each which should be the focus point to address.	
WPD	Non-Confidential	<p>The intervention rate for WPD is around 6.5%. Note that this includes misreported defects and both “smart” & “non-smart” interventions.</p> <p>We believe that a 5% intervention rate, when coupled with more accurate defect reporting by Suppliers, better reflects the intervention workload.</p>	Noted the 5% suggestion.
E.ON	Non-Confidential	3% to 7% seems reasonable to us.	Noted
Northern Powergrid	Non-Confidential	We currently experience a 6% defect notification rate. When we remove the inaccurate notifications, this translates into a true defect rate of around 4%. If the SLA really does need revising, which we do not believe to be the case, the SLA could be reset accordingly, with appropriate checks and balances in place to incentivise an improvement in Supplier notification performance.	Noted
SP Distribution	Non-Confidential	The average intervention rate across the DNOs is ca. 7%. This reflects the inaccurate reporting of MOPs. We believe that a 5% intervention rate couple with accurate Smart Metering forecast volumes better reflect the requirements of the DNOs. The SLA should therefore be set accordingly	Notd
Southern Electric Power Distribution	Non-Confidential	As stated in our answer to question 1, we report our performance for the SLA against the actual number of defects reported by MOp’s rather than against the 2% intervention rate that is permitted in the SLA. However, in our view the 2% intervention rate is a reasonable value, provided that defects are being accurately reported; a complete (rather than partial) set of supplier	Noted

		<p>forecasts is being received and these forecasts are much more accurate than is currently the case.</p> <p>Given that the reported intervention rates are significantly different between Suppliers and in similar geographic locations, the efforts of all industry parties should be focussed on ensuring defect reports and forecasts are accurate. In our opinion, if defects were reported accurately then there would be no need for any changes to the SLA.</p>	
Electricity North West	Non-Confidential	<p>The 2% DCUSA SLA threshold rate was based on benchmarking carried out by Ofgem. The industry now has collated intervention data over a reasonable time period due to the activities of Suppliers working within the foundation stage of the smart meter programme. This data should be used if parties believe it is appropriate to revise the SLA 2% threshold. It is worth noting the misalignment in DCUSA on smart meter installation forecasts and total intervention rates. The total intervention rate is based on both smart and non-smart interventions as Suppliers continue to progress non-smart meter changes in reasonable quantities, but forecasts are purely based on smart meter installations. The current mechanism has been in place since February 2015 and is failing. As the roll-out is unlikely to be fully completed by 2020 then it seems appropriate to make the necessary changes now, so that this error is resolved.</p>	Noted

Company	Confidential/ Anonymous	10. Do you believe there will be any unintended consequences of the implementation of DCP 297?	Working Group Comments
<p>Response Summary:</p> <p>Eight respondents provided comments for consideration in relation to the potential unintended consequences of the implementation of DCP 297.</p>			
Ecotricity	Non-Confidential	No comment.	Noted
British Gas	Non-Confidential	The existing network intervention rate already means that DNO's are in effect released from their SLA obligations every quarter. This was not the intention of DCP 195. We do not foresee any unintended consequences from the implementation of DCP 297.	The Group noted that DNOs are released from their obligations for interventions above 2%
UKPN	Non-Confidential	<p>Yes, we strongly believe that the implementation of DCP 297 will lead to a number of unintended consequences, which will fall on both customers and DNOs, namely:</p> <ul style="list-style-type: none"> • Higher supplier intervention requests; • Drivers on improving supplier operative competency reduced; • Poor customer service – more intervention visits; • Increased cost to customer; • Can drive suppliers to over forecast; and • Increased administration and Supplier charging requirement. 	Noted
WPD	Non-Confidential	The Change Proposal does nothing to address Suppliers' misreporting behaviours, which have a significant negative impact on DNOs' ability to meet the service levels. The absence of a reciprocal incentive on Suppliers to drive the correct behaviours will result in considerable	Noted

		<p>pressure on DNO resources as the volume of smart meter installs increases during mass rollout, and hence jeopardise their ability to meet the service levels. This would be the worse outcome for all concerned and particularly for customers.</p> <p>The legal text as currently drafted means that once the 110% threshold has been exceeded a DNO is released from the Service Level (for that quarter) for all customers. At present a DNO is released from its obligations only for interventions beyond the 2% cap. This change is not to the benefit of customers.</p>	
E.ON	Non-Confidential	As mentioned on question 2, we have concerns if the DNO is released from their obligations to meet the intervention SLA for category A faults then there is an immediate safety concern that might not be rectified in a timely manner.	Noted
Northern Powergrid	Non-Confidential	<p>Yes. At its heart DCP297 increases the pressure on DNOs to deliver an SLA compliant performance without addressing any of the Suppliers' behaviours that can have a significant impact on that performance. The lack of reciprocal incentives on Suppliers to drive the correct behaviours from them will mean that they do not need to try to improve their performance for the elements of the process they are responsible for.</p> <p>The current proposal:</p> <ul style="list-style-type: none"> • Puts all SLA release triggers in the hands of Suppliers. • Passes all responsibility for defect rectification onto DNOs (irrespective of the standard of reporting from MOPs). • Excuses Suppliers from any responsibility to identify, assess and report defects accurately. • Provides no sensible upper limit on the number of defects that could be covered by the SLA. 	Noted

		<ul style="list-style-type: none"> • Seeks to completely separate the defect performance SLAs from the number of defect notifications passed by Suppliers to DNOs. (I.e. if the defect notifications were, say 15%, these would still all be covered by the SLA so long as successful and attempted installations didn't exceed 110% of forecast.) • Excuses Suppliers from any kind of obligation to operate efficiently - from a defect notification perspective. • Provides no incentive to Suppliers to improve the accuracy of their reporting. • Provides no incentive to Suppliers to improve the accuracy of their roll-out forecasts. • Provides no incentive for Suppliers to avoid 'optimism bias' regarding their future customer numbers/market share included in forecasts. • Provides no details of how Suppliers will count attempted installations (if contracts with third party MOPs do not appropriately financially incentivise completed installations there could be significant differences in the proportion of 'attempted installations' between Suppliers). <p>This could significantly impact on DNOs, particularly through mass roll-out, and may result in some or all DNOs failing their SLA. This would be the worst outcome for all the industry parties concerned and especially for customers.</p>	
SP Distribution	Non-Confidential	DCP297 turns up the pressure on DNOs to deliver improved SLA performance without addressing the suppliers' behaviours that have significant impact on that performance. Lack of reciprocal incentives on suppliers to drive the correct behaviours from them will mean that suppliers can continue to produce inaccurate forecasts and continue to report interventions incorrectly. This will significantly impact on DNOs particularly through mass roll out and will almost certainly result in some or all of	Noted

		them failing their SLA. This would be the worse outcome for all concerned and particularly for customers.	
Southern Electric Power Distribution	Non-Confidential	<p>The changes proposed hide the current deficiencies in Supplier defect reporting and forecasting. If implemented the changes proposed under DCP 297 will place greater responsibility on DNOs to respond to the SLA but there will be no requirement for monitoring of defect reporting accuracy or penalties for persistent failure to report on an accurate basis.</p> <p>We believe this is likely to create a situation where greater numbers of defects are reported incorrectly, especially in situations where the MOp has installed the meter, reported a defect and left site.</p> <p>Greater volumes of incorrectly reported service termination defects will inevitably lead to a growing frustration and an increased level of dissatisfaction amongst customers. This is not an acceptable outcome for the industry as a whole, as all parties should be aiming for improving the customer experience.</p> <p>Changes to the SLA should balance the needs of all parties. This Change as currently proposed does not do this and may actually lead to a future deterioration in customer service.</p>	Noted
Electricity North West	Non-Confidential	<p>We would urge others to reject this DCP as unless accurate roll-out forecasts together with accurate defect reporting are provided for smart and non-smart meter installations the consequences of DCP 297 will be DNOs struggling to meet the SLA and customers receiving a poor service. The lack of reciprocal incentives on Suppliers which drives correct behaviours means Suppliers can continue to produce inaccurate forecasts</p>	Noted

		and continue to report defects incorrectly which directly increases costs for customers.	
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Company	Confidential/ Anonymous	11. Are there any alternative solutions or matters that should be considered? If yes, please describe these.	Working Group Comments
Response Summary:			
Seven respondents provided alternative solutions and matters for consideration.			
Ecotricity	Non-Confidential	No comment.	Noted
British Gas	Non-Confidential	As discussed in Question 9, DNOs have been funded to support the smart roll-out by performing interventions. An <i>effective</i> SLA is necessary to enable Ofgem to decide whether the DNOs has delivered on this part of the price control, when it is reviewed. Currently, as DNOs are generally released from the SLAs, any conclusions about whether networks are meeting SLAs lack meaning.	The Group noted this and noted that DNOs performance and the SLA performance may not correlate with DNO funding.
UKPN	Non-Confidential	We strongly believe that there should be an incentive on the accuracy of supplier forecasts, with higher penalty rates applying the further a supplier is away from their forecast and penalties for repeated errors. This can be discussed with other DNOs. Also, on the accuracy of intervention categorisation, i.e. if a DNO is called out for a Category A intervention but x% of the time it is not, then suppliers should be penalised. A fixed intervention rate, i.e 2%, is required to enable appropriate motivational factors for customer service	Noted

		<p>improvements to be high on the agenda.</p> <p>Developing incentives to drive improvements to the customer experience journey. Suppliers would benefit from managing the customer appointments from end to end</p>	
WPD	Non-Confidential	<p>As mentioned during our response to Q2, WPD is of the view that the solution should also include the introduction of a service level obligation on Suppliers and their Agents to use reasonable endeavours to accurately report Category A and B situations on 90% of occasions within each Quarter.</p> <p><i>[A 90% figure has been proposed because this would result in parity of the service obligations on DNOs and Suppliers].</i></p> <p>WPD would prefer to see Clause 30.5D.2 left substantially unaltered, but with the 2% value raised to a more appropriate value (e.g. 5% - see Q9 for details). The advantage of this approach is that it avoids the difficulties DNOs have in unambiguously identifying the actual number of attempted smart meter installs.</p>	Noted
E.ON	Non-Confidential	N/A	Noted
Northern Powergrid	Non-Confidential	<p>Yes. The DCP 297 change proposal is titled 'Network Interventions SLA Enhancement' so its focus is about enhancing the SLA. If the SLA does need enhancing then it should be enhanced in a way that both benefits customers and delivers a balanced outcome both for Suppliers and Distributors. Instead we believe that this change request contains a proposal that puts the entire onus for performance improvement on DNOs, rather than</p>	Noted

		<p>supporting the delivery of an outcome that balances the requirements of customers equally between both Distributors and Suppliers. The purpose of the change proposal is 'To change the mechanism whereby DNOs are released from their obligations to meet the intervention SLA to one which is solely based on the accuracy of Suppliers smart meter roll-out forecasts'. This purpose seems to be flawed – it is hard to understand how a mechanism that triggers a release from an SLA on interventions can be based on a trigger that is entirely unrelated to interventions (i.e. attempted installations as a percentage of forecast installations). Furthermore we note the proposer's statement that it, "Believes that the fact DNO's are released from their obligation once 2% of interventions is exceeded is harmful to customers as these customers are not subject to any SLA". We would like to understand the evidence that this judgement is based upon. For example Citizen's Advice reports make little or no reference to DNO's being a driver behind customer complaints. We also note the proposer's additional statement that, "Suppliers have no control over the number of interventions reported." This assertion is not borne out by our analysis of intervention reports reported to DNOs. Different Suppliers operating in the same geographic areas already report quite different defect levels and also report very different proportions of Category A, B and C defects. This would suggest that Suppliers and their MOPs are not operating on a consistent basis – i.e. they interpret similar on-site situations differently. Given this current level of operating inconsistency, there would seem to be some scope for Suppliers to exercise an element of control over intervention identification and reporting; however this proposal gives no consideration to how Suppliers can make their contribution to improving the success of the defect rectification process. Any necessary alternative</p>	
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		<p>solution therefore should include reciprocal incentives on Suppliers to encourage the correct behaviours from them to report interventions correctly and produce accurate forecasts. This would give DNOs the best chance to maintain the highest levels of service through mass roll-out and ensure DNO resources optimised and are efficiently deployed.</p>	
SP Distribution	Non-Confidential	<p>We are happy to support a solution where genuine Category A interventions, i.e. those that the MOP needs to stay on site, receive an immediate response from the DNO in every case up to (and where possible over) the 110% of roll out forecast volumes for the period. We believe that all DNOs will do their utmost to make sure that the 3 or 4 hour target is met irrespective of volumes or intervention rates.</p> <p>The alternative solution should include reciprocal incentives on suppliers to ensure the correct behaviours from them to produce accurate forecasts and report interventions incorrectly. This would give DNOs the best chance to maintain the highest levels of service through mass roll out and ensure DNO resources are efficiently deployed</p>	Noted
Southern Electric Power Distribution	Non-Confidential	<p>As stated in our answer to question 10 there is a need for a balanced approach when making any changes to the SLA. Changes may be appropriate in future but at this time we should all focus on resolving the many outstanding issues that have been raised in this consultation response.</p> <p>As detailed above we feel that there is a need for a number of other matters to be considered, including:</p> <ul style="list-style-type: none"> • Making improvements to Supplier forecasting, including the need for a consistent Supplier 	Noted

		<p>approach, inclusion of all metering activity (not just smart) and greater accuracy.</p> <ul style="list-style-type: none"> • Better means to manage defects where the MOp has installed the meter, reported a defect and left site. • More accurate defect reporting by Suppliers, i.e. making sure all parties reporting defects comply with the guidance detailed in MOCOPA 	
Electricity North West	Non-Confidential	<p>As stated above Supplier and MOP reporting obligations are needed to drive the right behaviours to deliver excellent customer service to all our customers. We note that the proposed drafting makes no reference to defect % rates and question whether it would be appropriate for the SLA threshold rate to flex ie through a sliding scale mechanism as opposed to a static 2%. Although a cap would be required and experience suggests interventions wouldn't exceed 7% of the forecasts.</p>	<p>The Group noted this response and considered the proposed sliding scale. It was noted that it had not been further defined yet but that further information could be provided at the next meeting.</p>

Company	Confidential/Anonymous	12. Do you foresee any system changes being required to implement DCP 297?	Working Group Comments
<p>Response Summary:</p> <p>Five respondents suggested that minor reporting changes would be required to implement DCP 297 and one respondent suggested that a number of system changes would be required.</p>			
Ecotricity	Non-Confidential	No comment.	Noted

British Gas	Non-Confidential	No	Noted
UKPN	Non-Confidential	Reporting changes would be required.	Noted
WPD	Non-Confidential	Yes - some minor changes to reporting requirements.	Noted
E.ON	Non-Confidential	None for us	Noted
Northern Powergrid	Non-Confidential	Minor system changes to accommodate reporting changes may be required.	Noted
SP Distribution	Non-Confidential	We do not anticipate any system changes however would require an internal update to the requirements contained in our reporting repository	Noted
Southern Electric Power Distribution	Non-Confidential	If DCP 297 is implemented in accordance with the proposal as it stands, it is probable that we will need to make a number of system changes.	Noted
Electricity North West	Non-Confidential	Reporting systems and processes would need to be reviewed and updated as appropriate.	Noted

Company	Confidential/ Anonymous	13. The proposed implementation date is the first standard release following Authority consent, do you agree with this? If not, why not?	Working Group Comments
<p>Response Summary:</p> <p>Three respondents agreed with the proposed implementation date following Authority consent, two respondents suggested an implementation date of 12 months following Authority consent, one respondent suggested 2 years after Authority consent and one respondent did not agree with the proposed implementation timescales.</p>			
Ecotricity	Non-Confidential	No comment.	Noted
British Gas	Non-Confidential	Yes	Noted
UKPN	Non-Confidential	Any implementation of any change would need to have lead time to allow for any resourcing changes which would be at least 2 years after the authority decision	Noted
WPD	Non-Confidential	Yes	Noted
E.ON	Non-Confidential	Yes	Noted
Northern Powergrid	Non-Confidential	No comment.	Noted
SP Distribution	Non-Confidential	We believe that 12 months from an authority decision is an acceptable timeframe	Noted
Southern Electric Power	Non-Confidential	We do not agree with the timescale proposed for the implementation of this Change as it is likely that we will	Noted

Distribution		need to make system changes to facilitate it.	
Electricity North West	Non-Confidential	Where system changes are involved a lead time of at least 12 months would be required. We also note that it takes around 12 months to provide additional resources for managing increased meter installations.	Noted

Company	Confidential/Anonymous	14. Do you agree that DCP 297 better facilitates the DCUSA Relevant Objective 1? If not, why not?	Working Group Comments
<p>Response Summary:</p> <p>Three respondents agreed that DCP 297 better facilitates DCUSA Relevant Objective 1 and the remaining six respondents disagreed and provided their supporting rationale.</p>			
Ecotricity	Non-Confidential	The Renewable Energy Company (Ecotricity) believes that DCP 297 better facilitates DCUSA Relevant Objective 1.	Noted
British Gas	Non-Confidential	<p>We believe that DCP 297 better facilitates DCUSA Objectives 1</p> <p>The development, maintenance and operation by the DNO Parties and IDNO Parties of efficient, co-ordinated, and economical Distribution Networks</p> <p>and 3</p> <p>The efficient discharge by the DNO Parties and IDNO Parties of obligations imposed upon them in their</p>	Noted

		<p>Distribution Licences</p> <p>For the following reasons</p> <p>DCUSA Objective 1</p> <p>DCP 153 proposed to release the DNOs from their obligation to meet the SLA if suppliers attempted to roll out more than 115% of the smart meters that had been forecast. The Authority believed that the level of staff and equipment that the DNOs would need to have in place to comply with the 115% threshold did not sufficiently incentivise suppliers to provide accurate forecasts. The Authority therefore rejected DCP 153.</p> <p>DCP 297 proposed to release the DNOs from their obligation to meet the SLA if actual number of actual and attempted smart meter installs exceeds 110% of the suppliers aggregated forecasts. We believe this will incentivise suppliers to provide more accurate forecasts and thereby enable the DNOs to ensure they have sufficient resources in place to respond to issues identified by suppliers and their agents.</p> <p>DCUSA Objective 3</p> <p>DNOs are required to facilitate the roll-out of smart meters and are required to operate a safe, reliable and efficient distribution network. DCP 297 will ensure that all interventions are subject to the agreed SLA's whereas under the current DCUSA drafting DNO's are released from their obligations if the actual number of interventions exceed 2% of the aggregate supplier smart rollout forecasts.</p>	
UKPN	Non-Confidential	No. The DCUSA General Objective 1 states: <i>The development, maintenance and operation by the DNO</i>	Noted

		<p><i>Parties and IDNO Parties of efficient, co-ordinated, and economical Distribution Networks.</i></p> <p>Currently the “Emergency” response volumes are significantly higher than the originally forecasted < 1% affecting our ability to adequately prioritise alongside GS1 and customer off supply issues, the SLA structure needs to change to enable this. The emergency response approach also drives additional costs where planned follow up should have been the appropriate call.</p> <p>There is nothing in the proposal to improve suppliers’ behaviours and the customer experience, it will, however, result in increased intervention volumes.</p> <p>More appropriate drivers would be to enable:</p> <ul style="list-style-type: none"> • Accurate supplier roll out forecasting; • Improved competency of Meter Operators; • Motivation to carry out appropriate sundry repairs to assets they are competent to operate on; and • Improved customer journey – better information fewer visits. 	
WPD	Non-Confidential	<p>Currently DNOs are being significantly hampered from being “efficient and co-ordinated” in terms of interventions workload because of inaccurate forecasting and high levels of defect misreporting by some Suppliers.</p> <p>The proposal fails to recognise DNOs dependence on the accuracy of the information provided by Suppliers and their Agents. WPD would support a proposal that drives improved behaviours from Suppliers and their Agents in this respect, and would be happy to commit to more stringent service levels in return.</p>	Noted
E.ON	Non-	Yes	Noted

	Confidential		
Northern Powergrid	Non-Confidential	<p>We do not agree that this change proposal better facilitates General Objective 1.</p> <p>This is because:</p> <p>a) DCP297 would potentially remove the certainty that DNOs currently have regarding intervention resourcing levels (2% SLA and remainder on best endeavours) and replace this with an open-ended obligation that would bring all defects into the scope of the SLA irrespective of the reported defect rate. This would mean the DNOs would need to provide an open-ended intervention resourcing commitment – this does not lend itself to operating in an efficient and economic manner.</p> <p>b) It is the current behaviour of Suppliers (high levels of inaccurate defect reporting) that is putting pressure on the ability of DNOs to undertake defect rectification activities in an efficient, co-ordinated, and economical manner. This proposal does not appear likely to facilitate any improvement in the efficient, co-ordinated and economical operation of DNOs because it does not address the primary cause of potential DNO inefficiencies in intervention performance, namely inappropriate defect identification and reporting behaviours from Suppliers.</p>	Noted
SP Distribution	Non-Confidential	<p>The DCUSA General Objective 1 states: <i>The development, maintenance and operation by the DNO Parties and IDNO Parties of efficient, co-ordinated, and economical Distribution Networks</i>. 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</p>	Noted

		stringent SLAs in return.	
Southern Electric Power Distribution	Non-Confidential	<p>We do not agree that DCP 297 better facilitates any of the DCUSA Objectives.</p> <p>If implemented in isolation, with current trends of Supplier and Mop practices continuing, the CP would in our view have a negative impact on DCUSA General Objective 1.</p> <p>As detailed in our response to question 10, unless significant improvement is made by Suppliers regarding the accuracy of their forecast information and defect reporting any changes made will not improve customer service or speed up the installation process for smart meters.</p> <p>The best means to ensure that the SLA better facilitates DCUSA Relevant Objective 1 may be to place additional obligations on Suppliers to ensure that defects are reported accurately and in strict compliance with the MOCOPA guidelines.</p>	Noted
Electricity North West	Non-Confidential	<p>We do not believe this change will better facilitate General Objective 1; the proposed change fails to recognise the DNOs' reliance on Suppliers providing granular planning information to allow DNOs to ensure they have sufficient resources in place to respond to the interventions.</p>	

Company	Confidential/ Anonymous	15. Do you have any comments on the legal drafting?	Working Group Comments
<p>Response Summary:</p> <p>Five respondents provided comments on the legal drafting.</p>			
Ecotricity	Non-Confidential	No comment.	Noted
British Gas	Non-Confidential	No	Noted
UKPN	Non-Confidential	Unlike previous DCUSA consultations, this one has not included a separate attachment of legal text. Instead, the consultation points to the Change Proposal for the legal text. Unfortunately, the CP contains two sets of legal text. The first, in the "how" section, uses a monthly cycle for the SLAs. The second, in the "draft legal text" section uses a quarterly cycle. It is unclear which version is intended for comment. We would expect the Working Group's second consultation to include unambiguous proposed legal text that we can properly comment on.	
WPD	Non-Confidential	<p>The legal text should use the term "Smart Meter Installation Forecast" (as defined in Section 1 - Definitions & Interpretation) so that it is clear that the forecast for a particular quarter relates to the one provided by a Supplier Party during the fifth Quarter preceding that Quarter.</p> <p>The definition of "Service Level" (in Section 1 - Definitions & Interpretation) lists the clauses that are subject to obligations and consequently there is no need to re-state them.</p>	Noted

		<p>The legal text should reference Schedule 24 rather than Schedule 23.</p> <p>The legal text suggests that the quarterly volumes of “attempted” smart meter installs are reported to DNOs. Part 4 of Schedule 24 only requires quarterly “forecast” volumes to be reported.</p> <p>Suggested amendments to the legal drafting are as follows:</p> <p>30.5D.2 On receipt of notification of a Category A Situation in accordance with Clause 30.5A.1 or of a Category B Situation in accordance with Clause 30.5B.1, The Company shall use reasonable endeavours to comply with the Service Level on 90% of occasions within each quarter; provided that (where the Company is a DNO Party) if the quarterly volumes of attempted (meaning both successful and failed where the site has been visited) smart electricity meter installations across all Users within the Company’s Distribution Services Area (as reported in accordance with Part 4 of Schedule 23) exceeds [110%] of Users’ Smart Meter Installation Forecast forecast volumes (as reported in accordance with Part 4 of Schedule 24), then the Company shall be released from its obligation to have met such Service Level.</p>	
E.ON	Non-Confidential	Category A should still have a priority in the DNO’s workforce.	Noted
Northern Powergrid	Non-Confidential	The proposed legal drafting would, in effect, remove any cap on the volume of interventions covered by the DNO SLA, if Suppliers’ actual and attempted installations do not exceed 110% of total forecasts. I.e. it gives the Suppliers carte blanche to report an unlimited number of	Noted

		defects and have DNOs bound by the SLA for all of these defects, without giving any consideration to the accuracy or reasonableness of what was being reported. As currently written, the proposed legal drafting does not provide any incentive for Suppliers to improve the quality of their defect reporting or the quality of their roll-out forecasts. Building on this point further, the current legal drafting puts the entire onus for improving the defect rectification process on DNOs, with Suppliers not taking any responsibility. I.e. it doesn't support the delivery of a balanced outcome for both Distributors and Suppliers in pursuit of customer benefits.	
SP Distribution	Non-Confidential	No comment, as this is not included as a separate document, it is unclear what the legal drafting is	Noted
Southern Electric Power Distribution	Non-Confidential	No	Noted
Electricity North West	Non-Confidential	Shouldn't the reference be to Part 4 of Schedule 24 and not Schedule 23? We do not believe DNOs are provided with the volumes of all "attempted" smart meter installations.	Noted

Company	Confidential/ Anonymous	16. Do you have any further comments?	Working Group Comments
<p>Response Summary:</p> <p>Four respondents provided further comments for consideration.</p>			
Ecotricity	Non-Confidential	No comment.	Noted
British Gas	Non-Confidential	No	Noted
UKPN	Non-Confidential	<p>DCP 153 was rejected as 115% of aggregated forecast with no intervention rate cap, providing too high a risk to the DNO for resource forecasting.</p> <p>DCP 195 provided a 2% intervention rate cap to overcome this risk issue based on 100% of the aggregated supplier forecast with a 90% achievement model.</p> <p>DCP 297 seeks to revert to DCP 153 principles that have previously been rejected because of the inability to align to adequate resource forecasts. Nothing in the forecasting or intervention rate structure, which provides the risk, have materially changed.</p> <p>It is inappropriate and places an undue burden on DNOs, and DNOs would not have a sensible intervention rate of which 2% has provided an appropriate target level. That is, it is inappropriate to set an unrealistic intervention rate and expect to hold DNOs to this. Resourcing above this level is driven now by our reputational risk mitigation.</p>	Noted

		The change proposal reduces supplier motivation to work with DNOs to provide improvements in Customer service	
WPD	Non-Confidential	No	Noted
E.ON	Non-Confidential	N/A	Noted
Northern Powergrid	Non-Confidential	No	Noted
SP Distribution	Non-Confidential	The change proposal reduces supplier motivation to work with DNOs to provide improvements in Customer service.	Noted
Southern Electric Power Distribution	Non-Confidential	<p>In the SLA there is a requirement for Suppliers/ MOp's to report defined category C interventions.</p> <p>This is clearly not happening in a consistent way with some Suppliers reporting few or no category C defects when compared with the number of other defects that are reported (category A and B) and the overall volumes of meters that are installed.</p> <p>Suppliers who are not reporting category C defects should be required to improve their performance.</p>	This was noted as a requirement within DCUSA to report Category C.
Electricity North West	Non-Confidential	Note additional materials contained in Annexes.	Noted