

The background features a blurred image of a city skyline. Overlaid on this are several gear icons of varying sizes and colors (white, yellow, blue). One prominent gear in the lower right contains a stylized icon of three people. A horizontal dashed white line is visible in the upper left quadrant.

DCC Service Provider Performance Charges

Consultation Response
Form

Respondent Details

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RESPONSE CONFIDENTIALITY	Non-Confidential

Questions

1. Which of the individual DCC SLAs (set out in the ‘DCC Service Level Agreements’ section of this document) across all three DCC Services, do you consider are the most material and impactful, should they not be met? Please explain your reasons why, noting you can specify more than one.

We have reviewed the individual DCC SLAs detailed in the consultation and feel that they are all equally material and potentially impactful should they not be met.

Given that CSS has not yet gone live, we don't believe it is appropriate to potentially consider reassessing the SLAs that will be included in REC v3.0 at this point. However, this could be subject to review after a suitable period of “bedding in” to re-evaluate materiality and ensure the SLAs remain appropriate.

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2. Which of the individual DCC Services (if any), do you consider are the most material and impactful, should one or more of their SLAs not be met? Please explain your reasons why.

We feel that each of the DCC Services are equally material and potentially impactful should one or more of their SLAs not be met.

Although each role is very different, we feel they are all fundamental to the smooth running of the Switching Process and data management under the REC.

Given that DCC Services have not yet gone live, we don't believe it is appropriate to potentially consider reassessing DCC Services that will be included in REC v3.0 at this point. However, this could be subject to review after a suitable period of "bedding in" to re-evaluate materiality and ensure the DCC Services SLAs remain appropriate.

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- 3. Where do you consider that performance charges relating to some or all DCC SLAs should operate:**
- a. the Switching Incentive Regime (SIR);**
 - b. the REC Performance Assurance Framework (PAF); or**
 - c. split between both the SIR and REC PAF?**

Please explain your answer and detail which SLAs should be subject to the SIR, if any.

We do not believe that performance charges relating to DCC SLAs should be split. They should either sit in a Switching Incentive Regime (SIR) or the REC Performance Assurance Framework (PAF).

The consultation has highlighted that one key difference between the two is in the timing of their application between a REC review and an Authority review. However, the consultation states that the approach is based on an expectation "that any review by the Authority would continue on an annual and an ex-ante basis" which is not necessarily a known fact.

Because this is specifically referring to performance charges relating to SLAs (rather than general DCC price control), this would need to be transparent and visible to parties and available in a timely manner. We believe that the REC PAB is best suited to monitoring and addressing performance issues in their entirety through the REC PAF.

We would also highlight that if a Switching Incentive Regime is to be proposed, this should be subject to a consultation and reviewed in conjunction with this current consultation to have a complete understanding of exactly how and when SLAs and performance charges will be reviewed and agreed.

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4. Do you consider that any of the three DCC Services (CSS, CSS CA and Switching Operator) should have all their constituent SLAs assured under the SIR as opposed to the REC PAF? Please explain your reasons why, noting that you can specify more than one service to operate in this manner.

Further to our response in Q3, we believe that all performance SLAs for all DCC Services should be assured under the REC PAF. This will ensure a consistent approach across all DCC Services and all REC Service Providers.

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5. Do you agree with RECCo’s concerns that splitting the assurance of the DCC, as a REC Service, between two regimes could undermine RECCo’s ability to hold its Service Provider to account for the end-to-end delivery of its service?

Yes we agree that there are concerns. Although we believe that Ofgem would seek RECCo views, we are unsure how much consideration would be given to those views.

We also believe that it would be more transparent for DCC to know that they are accountable to one regime.

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6. Do you consider there to be any other risks or issues with DCC SLAs being subject to the SIR instead of the REC PAF?

We have a concern that if the DCC SLAs are subject to the SIR instead of the REC PAF there would be less visibility to parties of their performance and any remedial actions of consequential breaches.

We would also highlight that if a Switching Incentive Regime is to be proposed, this should be subject to a consultation and reviewed in conjunction with this current consultation to have a complete understanding of exactly how and when SLAs and performance charges will be reviewed and agreed.

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7. Do you agree that the REC PAB should continue to be responsible for monitoring DCC SLAs and providing a recommendation on whether these have been met if these are assured under the SIR?

Further to our response in Q3, we believe that all performance SLAs for all DCC Services should be monitored under the REC PAF, even if they are being assured under the SIR. This will ensure a consistent approach across all REC Service Providers.

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8. If an SIR is introduced, do you consider this should be a temporary measure and reviewed as part of the DCC’s Licence review in 2025?

Yes, we believe that a SIR should be reviewed as part of the DCC’s Licence Review in 2025.

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9. Do you have any further comments?

Whilst we have endeavoured to respond to this consultation to the best of our ability, we note that there are references within the consultation to CP R0025, which is still under development and has yet to be published for any review or impact assessment, and therefore, we have not been able to consider any potential implications as a result of this change.

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