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Action:	For Information
<u>Acronyms and Defined Terms SEC Glossary</u>	

DCC Price Control RY2021-2022

1. Purpose

As discussed at OPSG_83, SECAS is seeking OPSG input to a SEC Panel response to Ofgem's DCC Price Control consultation. This paper and its Annex provides OPSG with views of operational performance issues experienced during Regulatory Year 2021-2022 (RY21/22).

The OPSG is requested to review the Annex and confirm the topics for inclusion in the Panel response.

2. Background

Ofgem consult annually on the DCC price control submission it receives. The DCC price control covers all areas of DCC spend for RY21/22 and forecast to end of the Licence period. A copy of the Ofgem Price Control consultation can be found [here](#).

The Price Control review this year is the first year that the revised Operational Performance Review (OPR) is being used to assess performance. The OPR assesses performance across three areas; System, Contract management and Engagement. However, RY21/22 is a transition year for System performance, meaning DCC is assessed against the previous OPR performance metrics.

3. OPR System Performance Metrics

The OPR System performance measures, weightings and DCC reported performance is listed below;

Measure / Weighting	Area of Reporting	Metric	DCC reported Performance
SUM1 (17.5%)	DCC Service Desk	Percentage of Incidents Resolved within Target Resolution Time	83.84%
SUM2a (8.75%)	Communication Hubs	Percentage Communication Hubs delivered on time	100%
SUM2b (4.375%)		Percentage Communication Hubs accepted by customers	100%

SUM2c (4.375%)		Percentage Communication Hubs not faulty at installation	99.96%
SDM2 (17.5%)	Core Service Requests	Percentage of service responses delivered within Target Response Times	97.59%
SDM3 (17.5%)	Service/System Availability	Percentage availability of Data Service, User Gateway, Service Management System and Self Service Interface	99.94%

DCC reports that it met all the performance measures with the exception of measures SUM1 (Service Desk) and SDM2 (Core Service Requests). DCC states these were partially met.

DCC also applied for exceptional event relief with regards to SUM2a (Comms Hub delivery), which was granted by SEC Panel as a result of global supply chain issues.

In review of the DCC submission, Ofgem;

- I. accepts the SEC Panel assessment of an OPR exceptional Event occurrence with respect to SUM2a.
- II. proposes to make a reduction to the DCC margin associated with SUM1 and SDM2 in accordance with the formulas in the original OPR. This equates to £0.531m, out of £4.731m available.

4. Contract Management

Ofgem procured an independent audit of the DCC Contract Management capability. Ofgem notes the audit report was comprehensive and expects DCC to take steps to address the issues and recommendations. Ofgem proposes to reduce DCC margin associated with the element of the OPR by £0.338m out of a £1.014m available.

The Auditor raised concerns that utilising the NAO framework as a basis for scoring might not be appropriate. Ofgem does not intend to make any amendments to the audit score for the review this time. However, Ofgem is expected to consult on potential changes to the scoring mechanism. SECAS will revisit this topic in more detail when the consultation is received.

To assist with the Panel response SECAS would be pleased to receive initial views from OPSG members on the benefits or otherwise of amending the scoring, that can inform the Panel response.

5. Customer Engagement

Customer Engagement is assessed through submissions from SEC Panel and DCC against criteria set out in the Ofgem OPR Guidance. Ofgem has reviewed both submissions and awarded an overall score. This equates to a reduction in the DCC margin of £0.535m out of £1.014 available. If OPSG members have specific comments with the Ofgem proposed award, SECAS would be pleased to receive these.

6. Next Steps

SECAS will provide a draft response for review at the OPSG December meeting.

SECAS will be seeking final approval for the response at the December SEC Panel meeting.

7. Recommendations

The OPSG is requested to:

- **NOTE** the contents of the paper.
- **REVIEW** the Annex, and provide feedback to SECAS.

Tim Newton

SECAS Team

21 November 2022

Attachments: Annex – Key Operational Performance Topics RY21/22

Annex - Key Operational Performance Topics RY21/22

In consideration of the Ofgem proposals re DCC performance, SECAS proposes the following areas be highlighted to Ofgem as additional context of DCC operational experience during RY21/22.

1. Major Incident Volumes

The number of major incidents, categorisation of Major Incidents is concerning. In addition, Incidents arising following DCC planned Maintenance or system changes.

2. CSPN Performance

Performance issues continued in the CSP N region throughout the RY period. Improvement only made through intensive management focus, following a number of failed attempts to improve over the previous Regulatory Year. Note improvement seen as a result.

3. Planned Maintenance / Unplanned Maintenance

The volume of requests for Planned Maintenance hours, was in excess of SEC throughout the year. Concerns raised about overall volume of Service Outages. By RY21/22 an expectation DCC service should be 24/7 with as little down time as possible and that this was a requirement of the DSP Re-procurement Programme.

4. DSP Refresh

Concerns over the proposed maintenance programme resulting from DSP refresh. Impacts to DCC Customers and End Consumers during the winter period and another round of Maintenance outages on top of already large volume of Planned Maintenance events. This issues also links to ongoing issues of forward look of maintenance programmes, and BCDR outage impacts to DCC customers and End Consumers.

5. SMETS1 Migrations / DXC operational issue,

Throughout the year, there were lots of issues with SMETS1 Migrations. Remediation plans requested a number of times and significant work needed. Lessons learnt from CSPN performance improvement planning has been ignored.

6. Firmware

Parties unable to send OTA updates without constraint during period. Issues remained unresolved through Regulatory Year. Parties requested not to send OTA Firmware during BCDR testing during RY.