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Paper Reference:	**SECP_73_1110_04**
Action:	**For Decision**

Review of Operational Metrics – Project Brief

1. Purpose

The purpose of this paper is to request SEC Panel approval for the Operations Group (OPSG) to proceed with the Review of Operational Metrics Project. The OPSG have discussed this Project and recommended that it proceeds.

2. Project Overview

The motivation for this work has been the operational experience of the OPSG in using the set of metrics that DCC provides in the Performance Measurement Report (PMR). The PMR comprises a set of Code Performance Measures (CPMs) and lower level Supplier Performance Measures (SPMs). Target and Minimum performance levels are defined for each measure.

One of the responsibilities of the OPSG is to review the PMR each month, challenge any instances of performance apparently falling short of the requirement, and query the likely impact of any such shortfalls. The OPSG has logged its queries regarding the PMR: these will provide a significant input into the Project work, examples include:

- Instances where the reported performance did not reflect the experience of Users. In some cases, it became clear that this was due to the counter intuitive definition of certain metrics; and
- Important aspects of operational performance were not being effectively addressed by the current set of metrics.

OPSG Members have therefore generally supported a review of the current metrics. It has been recognised that an important input into such a review would be a period of real operational experience. This experience has now been gained, although it must be noted that currently there is focus on installation and commissioning, rather than the routine operation of a full population of meters.

Finally, as noted further below, whilst the OPSG suggests the review described here, it is recognised that Users are not the only stakeholders here. The DCC must be able to refer to performance measures in its contract management role; further Ofgem use a subset of the SEC defined measures in its regulatory Operational Performance Regime (OPR).

The proposed purpose of the Project is:

To identify improvements in the set of operational metrics defined in the SEC for the measurement of the delivery of DCC Services. The improvements shall reflect User requirements and priorities.

The proposed objectives for the Project are set out in Appendix 1.

3. Scope

3.1 Operational Metrics for DCC Services

The Project will consider operational metrics related to all DCC Services. As detailed analysis progresses, priorities for areas of consideration will be identified.

The Project will not consider metrics related to measuring the performance of SEC Parties other than DCC (and its service providers).

3.2 Driven by User Business Requirements

The Project will principally be driven by User business requirements; that is, what Users need to know about the operational performance of DCC Services. In most cases this will be reflected through the performance of Service Requests.

3.3 Other Uses of Metrics

The intent is that the Project's considerations will be principally driven by the business requirements of Users. It is recognised that this focus does not explicitly include other uses of metrics, in particular:

- *Use of metrics within Ofgem's regulatory OPR*:

  A subset of the metrics included in the SEC are used within the OPR process. Consequently, changes to the metrics could impact the OPR process. The Project will consult with Ofgem to take account of any such impacts and make any adjustments necessary to the proposals. Also, the Project will take account of any suggestions from Ofgem that would facilitate the OPR process.

- *Use of metrics for Contract Management of DCC Service Providers*:

  Changes of metrics in the SEC could have implications for the contract management of service providers. With the cooperation of DCC, the Project will take account of such impacts in general terms when considering implementation costs and practicality but will not go into detail on these matters.

3.4 Cost and Practicality

In considering its recommendations for improvements in metrics, the Project will take account of costs and practicality of implementation and operation, both for DCC and other SEC Parties.

3.5 Metric Identification, Standards, and Incentivisation

The following aspects of identifying an appropriate set of metrics will be considered:

- Identification of User business requirements and mapping to DCC Services;
- Identification of suitable measures to support User business requirements;
- Detailed design of proposed new metrics or improvements to existing metrics;
- Trialling (where possible) of identified metrics and evaluation of outcomes; and
- Initial commentary on suitable standards of performance for the improved metrics.

The following aspects will not be considered:

- Finalisation of performance standards; and
- Use of improved metrics and associated standards for incentivisation of performance.

3.6 Changes to SEC and the Contractual Framework for Service Providers

The Project will end with recommendations to the SEC Panel regarding candidate improvements to metrics. The Project will not include the formal process for considering and implementing such changes (for example, any necessary Modifications).

3.7 Broader Aspects of Performance Assurance

Frequently, metrics form part of a more comprehensive framework aimed at providing assurance regarding compliance with requirements. This Project will not consider such broader mechanisms.

4. Assumptions

It is assumed that:

- The Project gets the necessary "buy-in", support and assistance from the industry in general and OPSG Members in particular; and
- The Project gets the necessary support from the DCC.

5. Approach

The Project road map can be found in Appendix 2; the main features of the approach are described below.

The approach relies upon engagement with Users to understand and take account of User requirements and priorities. The approach also relies upon close collaboration with the DCC, who will contribute to the Project, and implement and manage the proposed trialling activities.

Following the initial assessment, there will be two workstreams. The first will be the identification of 'quick wins' which, it is hoped, will be progressed promptly. It will comprise the collection and review of what are perceived to be manifestly valuable improvements. The intent is that these will be trialled and evaluated.

Concurrently with the 'quick wins' work, a more comprehensive review will also be carried out. This will encompass a full review of operational experience and user requirements, and the systematic identification of gaps and deficiencies. From this, a set of candidate improvements will be identified and prioritised. If practical, some of the candidate improvements identified in this review will also be trialled, although this may not be practicable within the timescale of the Project.

The outcomes from the 'quick wins' work and the full review will be evaluated together to allow for the drafting of the Project's recommendations. These will be tested with Users before being submitted to the SEC Panel.

Both workstreams will include regular reporting to the OPSG and the SEC Panel.

6. Responsibilities

6.1 Governance and Staffing

The Project is being conducted under the auspices of the SEC Panel. The SEC Panel will approve the Project Brief and the Budget. The SEC Panel will receive regular reports on progress and will receive the final report of recommendations.

The OPSG will be the sponsor of the Project and will oversee the execution of the Project. The OPSG will receive regular reports on progress. For any day to day matters, the Chair of the OPSG will direct the Project, seeking OPSG advice as needed.

SECAS will manage the Project and provide staffing.

The DCC will manage its tasks on the Project, providing staffing as needed.

6.2 User inputs

OPSG Members will be asked to provide input at workshops, individual sessions, and through the review of Project documents. As determined during detailed planning, views on requirements and proposals will be sought from SEC Parties in general.

7. Engagement with Stakeholders

7.1 OPSG

The OPSG will oversee the progress of the Project and will be provided with regular progress reports.

OPSG Members will be asked to provide input on User requirements and priorities early in the Project. OPSG Members will be asked to provide views on the identification and prioritisation of candidate improvements as they are identified, and on recommendations from the Project. This engagement will take place at workshops, at regular OPSG meetings, by commenting on Project documents, and through individual discussions as appropriate.

7.2 SEC Panel

The SEC Panel will be asked to approve the Project Brief and will be provided with progress reports during the Project. The SEC Panel will receive the final report from the Project.

7.3 DCC

The DCC will be an integral part of the Project and consequently will be involved in identifying improvements and formulating recommendations.

7.4 SEC Parties

It is recognised that whilst OPSG documentation and deliberations are widely available to SEC Parties, it is necessary to ensure that all SEC Parties have a clear opportunity to contribute to the Project. The mechanisms for enabling this will be set out during detailed planning and are likely to include a questionnaire sent to all Parties seeking views on requirements, and subsequently requests for feedback on identified improvements in metrics and priorities.

7.5 Ofgem

The metrics defined in the SEC form an important part of Ofgem's OPR process. The Project will ensure that Ofgem are kept informed of the work of the Project, and that they have the opportunity to provide input into deliberations of the Project.

8. Indicative Project Schedule

The schedule outlined in **Error! Reference source not found.** assumes agreement of the Project Brief at the October SEC Panel meeting, the availability of OPSG Members for engagement with the Project, and the availability of suitable Project resources.

The dates referenced indicate when the main phases of the work will complete and may be adjusted to reflect the OPSG and Panel meeting dates.

Ref	Description	Date
1	Planning and Initiation	October 2019
3	Establish review framework, survey of User Requirements and other views	November 2019
4	Identify Quick wins	December 2019
5	Full review	January 2020
6	Trialling of Quick Wins	February 2020
8	Recommendations	March 2020

Table 1 - Indicative Project schedule

9. Recommendation

A more detailed version of the Project Brief was endorsed at the OPSG meeting on 1 October 2019.

The Panel is requested to:

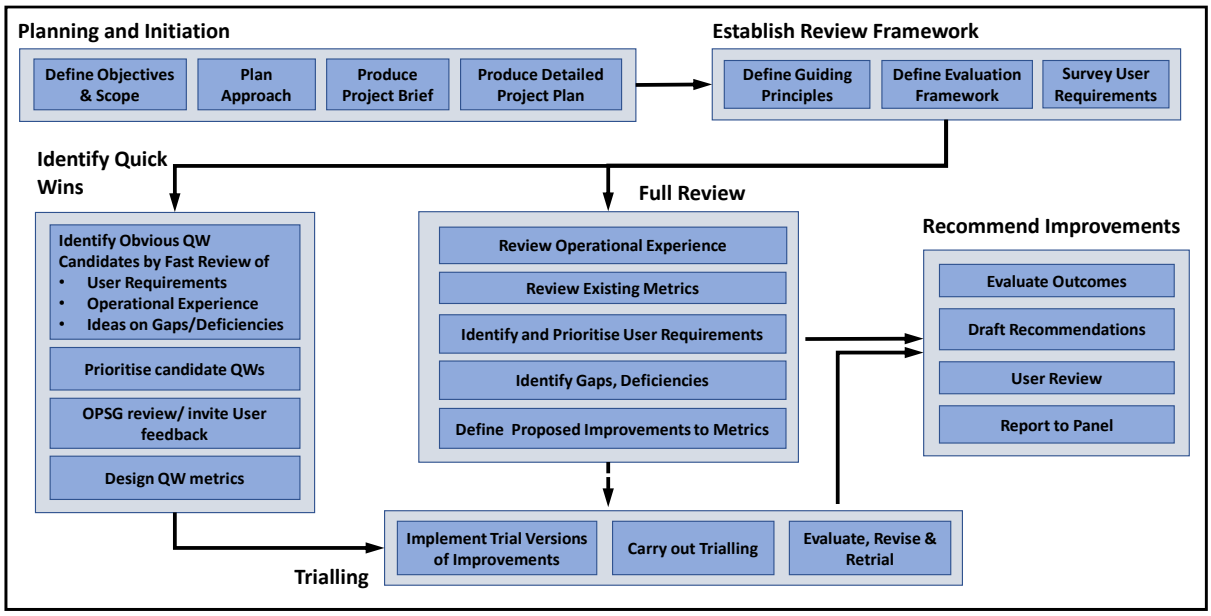
- **NOTE** the contents of this paper; and
- **APPROVE** the recommendation of the Project to the SECCo Board.

Tim Hall

SECAS Team

4 October 2019

Appendix 1: Objectives

Ref	Objective	Success Factor
1	To agree the purpose of Operational Metrics and agree a set of Guiding Principles. It is envisaged that User business requirements will be a principal driver	Agreed purpose and Guiding Principles
2	To identify requirements for Operational Metrics from OPSG Members and the broader Smart Metering community	Agreed Operational Metrics requirements
3	To analyse the PMR Issues Log, rationalise entries where appropriate and prioritise the resulting list	Agreed set of Operational Metrics issues
4	To identify new Key Metrics and improvements to existing metrics, including those that can be implemented quickly	Agreed set of key metrics (new and improved) and “quick wins”
5	To specify Operational Reports and agree with DCC	Operational Reports agreed with DCC
6	To agree a plan with the DCC to trial a subset of the new metrics	Agreed trial plan
7	To trial a defined set of improved metrics	Evaluation report
8	To produce an Operational Metrics report to Panel	Agreed report
9	To ensure OPSG is fully engaged with the Project work	Regular (monthly) reports agreed at OPSG; workshops, and information gathering from OPSG members

Appendix 2: Project Road Map