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MP122A 'Operation Metrics' Conclusions Report – version 0.1

About this document

This document summarises the responses received to the Modification Report Consultation and the decision of the Change Board regarding approval or rejection of this modification.

Summary of conclusions

Modification Report Consultation

SECAS received five responses to the Modification Report Consultation. Four believed the modification should be approved. They considered the modification does better facilitate SEC Objectives (b)[1] and (g)[2].

One respondent believes this modification should be rejected. Although they believed the modification would be beneficial, they deemed the implementation costs simply too high to justify approving it.

[1] To enable the DCC to comply at all times with the General Objectives of the DCC (as defined in the DCC Licence), and to efficiently discharge the other obligations imposed upon it by the DCC Licence.
[2] To facilitate the efficient and transparent administration and implementation of this Code

Modification Report Consultation responses

Summary of responses

Respondents in favour of approval

Four respondents believed the modification should be approved. Those who gave a view against the SEC Objectives considered the modification better facilitated SEC Objectives (f) and (g) for the reasons noted in the Modification Report.

Two of these respondents raised concern over the high implementation costs, with one adding that they would prefer a larger up-front cost to automate as much of the reporting as possible, rather than accept the on-going costs per annum.

Another respondent noted the split of the modification (MP122A and MP122B) but recognised the urgency in getting elements delivered in the timescales required by Ofgem.

The DCC's response in favour of approval

The Data Communications Company (DCC) was one of the four respondents that believed this modification should be approved. It recognised that users want to see amended data which may help it to better understand it's performance.

It noted its support for the Operational Regime Review (OPR) but recognised that the progress to report on new performance measures is a complex task and that it will take some time to fully understand the measures and how the DCC is performing against them.

The DCC also advised that it is committed to continuing engagement with industry to agree the reporting methodology. It suggested there may need to be compromises in order to meet the challenging delivery timescale.

In several areas, the DCC will be reporting on data in a format that it has not before. The DCC noted that this change in format may result in a fundamentally different impression of its performance than has historically been the case.

The DCC raised concern with the proposal to change several of the Code Performance Measures (CPMs). It believed it to be unclear whether some of these are realistic target levels to apply as it has not reported before on several of the SRVs that combine to form these measures. Given it expects several of these CPMs will be used as incentivised measures in the OPR, it will need to establish the financial impact and potential mitigations.

Respondents in favour of rejection

One respondent believed the modification should be rejected. Noting the link between this modification and Ofgem's OPR they believed the modification would be beneficial. However, they deemed the implementation costs, especially the yearly application support costs, simply too high to justify approving it.

The respondent advised it would be more efficient to build more automation into the solution, rather than rely upon additional staff to produce the reporting. They noted this modification is improving the reporting be delivered, but it is not mandating the method of the production of it and the DCC's

internal processes. As such, allocating such a high cost to monitoring data which the DCC produces, and passing that through to DCC customers, is unjustified.

They questioned the implementation costs given Parties had not validated the new Performance Measurement Report (PMR). In addition, they noted the application support costs were for one year and there was no indication as to whether these would increase or decrease over time.

To take this forward, they suggested three possible avenues to explore: either an independent assessment be carried out on the solution; the DCC produces a second, more in-depth Impact Assessment; or to consider different solutions that could include, for example, outsourcing.

Lastly, they noted the approval of this modification sets the precedent for future years, i.e. to commit to spending this high amount every year without a break or stop mechanism. As such, whatever is agreed as part of this modification is likely to remain indefinitely, unless a further modification is implemented to change this (noting that the content of the report can be changed outside the SEC Modification Process, so a modification may not be needed for report content changes).