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| <b>Action:</b>          | <b>For Decision</b>    |

## MP122B ‘Operational Metrics – Part 2’

### 1. Purpose

This paper provides the Operations Group (OPSG) with an update on progress with [MP122B ‘Operational Metrics – Part 2’](#) and a summary on its relationship with the Operational Performance Regime (OPR) and [MP122A ‘Operational Metrics’](#).

This paper also presents the OPSG with a request for a recommendation on the Performance Measurement Report (PMR) service level agreement (SLA). The OPSG is asked to consider and endorse the proposed approach.

### 2. Background

To realise the full set of reporting sought from the Operational Metrics Review (OMR), changes are needed to the DCC Systems and Service Provider contracts. To ensure the reporting elements that did not require these changes could be delivered sooner, MP122 was raised and subsequently split into MP122A ‘Operational Metrics’ and MP122B ‘Operational Metrics – Part 2’.

#### MP122A

The MP122A legal text was implemented into the SEC in the February 2021 SEC Release, with the subsequent reporting published from May 2021. The legal text implemented all of the requirements, irrespective of whether they could be delivered by the DCC. The Working Group was aware and acknowledged that the DCC would need to seek derogations against the elements of legal text that it could not deliver, and this was highlighted in the MP122A Modification Report.

Part of the rationale for this was to drive forward the requirements of the OPR as well as the OMR, and deliver the reporting sought by industry from the 2021/2022 regulatory year. Another reason for this approach was to further incentivise the DCC into finding solutions for those elements it could not deliver under MP122A as soon as possible under MP122B, due to the time-limited nature of derogations.

The new DCC reporting implemented by MP122A consisted of a new annex to the PMR with several new graphs and tables presenting data across several business processes such as Install and Commission, Prepayment and Meter reads amongst others. This data includes Round Trip Times, success rates and volumes of Service Reference Variant which is split by the following:

- SEC Party (anonymised)

- Device type
- CSP Region

The OPSG continues to review this on a monthly basis and has already identified areas where further investigation and remedial actions are required to address Business Processes with lower success rates.

## OPR impact

Whilst the DCC supports the intent of the OPR, it considers that the existing Code Performance Measures in SEC Section H 'DCC Services' and the new MP122A reporting are not suitable to be used to incentivise the DCC for the purposes of the OPR. As a result, from May 2021 to July 2021, the DCC held four industry workshops to consider making recommendations on delivering the OPR system performance measures, focusing on Ofgem's four priority areas:

- Service Availability
- Install and Commission
- Prepayment
- Firmware.

In addition, the Change of Supplier (CoS) metric was considered as it is of interest to the Department for Business, Energy and Industrial Strategy (BEIS) under its incentivisation proposals for the Enduring Change of Supplier (ECoS) programme.

The result of these workshops recommended the investigation of new system performance measures based on Round Trip Times, rather than Target Response Times. Note, although the new annex to the PMR provides Round Trip Time data, the concept of Round Trip Times is not defined the SEC. The DCC is expected to raise a Draft Proposal soon in order to gather views on this approach from wider industry.

## MP122B

MP122B seeks to provide DCC performance reporting for those elements that could not be delivered by MP122A. **This is focused on delivering the recommendations made by the OMR, rather than the OPR.** However, SECAS notes that reporting for SMETS1 firmware is linked to the OPR and this has been taken into consideration during industry discussions with Ofgem involvement

This reporting impacts the DCC Systems and its Service Providers and include the following areas:

| Reporting area                         | SEC reference                         | OPR link | Solution agreed                                       |
|--|---------------------------------------|----------|---|
| Alerts                                 | CPM 3 (SEC Section H 13.1)            | -        | TBC – DCC System change or TOC proxy option available |
| Incident Categories 3, 4 and 5         | CPM 5 and CPM 5A (SEC Section H 13.1) | -        | Use of DCC Remedy data                                |
| Reduced delivery timescales of the PMR | SEC Section H 13.4                    | -        | TBC   |

| Reporting area              | SEC reference                          | OPR link | Solution agreed                                       |
|-----------------------------|--|----------|---|
| Communications Hub firmware | CPM 6A (SEC Section H 13.1 and 13.1A)  | -        | TBC – DCC System change or TOC proxy option available |
| SMETS1 Device firmware      | CPM 6B and CPM 6C (SEC Section H 13.1) | ✓        | TBC – DCC System change or TOC proxy option available |

The DCC has provided two solution methods for each reporting area (other than for improving the timeliness of the PMR):

- DCC Change Requests that directly impact the DCC's Service Providers
- DCC Technical Operations Centre (TOC) changes that are far less reliant on the DCC's Service Providers.

A Refinement Consultation has been issued to gather views on each option and a Working Group meeting will be held on 8 October 2021 to consider the responses. The aim of this meeting is to agree which solution options should be taken forward to DCC Impact Assessment.

### 3. PMR SLA

#### Current requirement

SEC Section H 'DCC Services' 13.4 requires the DCC to produce the PMR within 10 Working Days from the end of the measurement reporting period. The DCC has stated that this is not possible and Ofgem has granted the DCC a derogation against this obligation until 30 November 2022. Until then or the implementation of MP122B, the DCC shall produce the PMR against the previous service level agreement (SLA) of 25 working days from the end of the measurement reporting period.

#### PMR SLA investigations

After extensive investigation under MP122B, the DCC has advised that it is not possible for it to produce the completed PMR together with the TOC reporting 10 working days from the end of the measurement reporting period. However, the DCC found it would be possible to adhere to an 18-working day SLA with increased Application Support and contractual renegotiations. Note that the CSP South and Central is a blocker to reducing this time further to 14 working days. The CSP South and Central could reduce its SLA to 18 working days at no cost, but anything less than this would cost £15m. The Working Group deemed this unreasonable and requested the DCC try to re-negotiate the cost of an SLA lower than 18 working days. However, the DCC later advised the Service Provider would not reduce its costs.

As a result, the pursuit of an 18 working day SLA remains the only viable option to shortening the SLA. However, SECAS has investigated if an 18 working day SLA would make a material difference to the OPSG. Taking September 2021 as an example, if the report was produced 18 working days following the month end, then the PMR would be received on 24 September and not in time for the OPSG reporting meeting paper day on 20 September for the meeting on 27 September. However, if SECAS re-scheduled agendas or meetings then we could accommodate this for the Main OPSG meeting (5 October, paper day 28 September).

However, for October 2021, it would be close if not impossible to support for either the reporting or main meetings as the PMR would be ready on 26 October, the day after the reporting meeting and the paper day of the Main meeting.

In summary, SECAS does not believe that an 18-working day PMR SLA would provide enough benefit to the OPSG considering the estimated implementation costs.

## SECAS recommendation

The investigations under MP122B have established three options for addressing the PMR SLA:

1. Implement a new 18 working day SLA at an estimated cost of £1,160,000
2. Revert the SLA back to 25 working days as was previous before the implementation of MP122A
3. Do nothing and leave the SLA as 10 working days with the DCC remaining non-compliant until it could meet the SLA

SECAS recommends option 2 and that the SEC be updated to reflect the previous SLA of 25 working days. This is considering the investigations carried out under MP122B to achieve a 10-working day SLA and the implementation costs of an 18-working day SLA for the PMR.

We note this does not meet the recommendation of the OMR and that the OPSG would continue to be assessing PMRs containing data for two months previous.

However, considering the validation carried out by the DCC, all 13 of its Service Providers and SECAS once it receives the PMR, a shortened SLA cannot be achieved without significant investment. SECAS does not believe this would be cost effective.

The OPSG is asked to consider and endorse the proposed approach.

## 4. Next steps

A Working Group meeting will be held on 8 October 2021 to discuss the Refinement Consultation responses and agree which solution options should be taken forward to Impact Assessment. The Working Group will take into consideration the OPSG recommendation on the PMR SLA when making its decision.

## 5. Recommendations

The OPSG is requested to:

- **NOTE** the updates on MP122A, MP122B and the OPR; and
- **AGREE** the recommended PMR SLA of 25 working days made by SECAS.

Joe Hehir

SECAS Team

28 September 2021

## Annex A: DCC performance reporting projects

The impacts of MP122A, MP122B and the OPR are summarised in the following table:

| Project       | Stage                             | Summary   | SEC areas impacted   |
|---------------|-----------------------------------|---|--|
| MP122A        | Implemented                       | <p>MP122A has been implemented and sought to deliver those recommendations made by the OMR that could be achieved without DCC System enhancements or contractual changes</p> <p>The changes introduced an annex to the PMR, the MP122 reports, to include Round Trip Times, success rates and volumes of Service Reference Variant (by region, SEC Party (anonymised) and device type) for the following Business Processes:</p> <ul style="list-style-type: none"> <li>• Install &amp; Commission (I&amp;C)</li> <li>• Pre-Payment</li> <li>• Change of Supply</li> <li>• Change of Tenancy</li> <li>• Tariff Updates</li> <li>• Meter Reads</li> <li>• Post I&amp;C Distribution Network Operator (DNO) Activity</li> <li>• Firmware Management</li> <li>• Security and Key Management</li> <li>• Communications Hub Ordering and Returns</li> <li>• DCC Alerts</li> <li>• Device Alerts</li> </ul> | <p>Amendments to:</p> <ul style="list-style-type: none"> <li>• 'Target Availability Period' definition CPM5</li> <li>• CPM6</li> <li>• Section H 13.4</li> <li>• Section H 13.6</li> </ul> <p>Implementation of:</p> <ul style="list-style-type: none"> <li>• 'Business Process' definition</li> <li>• 'Performance Indicators' definition</li> <li>• CPM 5A</li> <li>• CPM 6A</li> <li>• CPM 6B</li> <li>• CPM 6C</li> <li>• Section H 13.1A</li> <li>• Section H 13.5A and 13.5B (Report on Performance Indicators)</li> </ul> |
| MP122B        | Refinement Process                | <p>MP122B seeks to address the following areas:</p> <ul style="list-style-type: none"> <li>• Alerts</li> <li>• Incident Categories 3, 4 and 5</li> <li>• Reduced delivery timescales of the PMR</li> <li>• Communications Hub firmware</li> <li>• SMETS1 Device firmware</li> </ul>   | <p>MP122B will likely result in amendments to:</p> <ul style="list-style-type: none"> <li>• CPM 3</li> <li>• CPM 5</li> <li>• CPM 5A</li> <li>• Section H 13.4</li> <li>• CPM 6A</li> <li>• CPM 6B</li> <li>• CPM 6C</li> </ul>  |
| OPR workshops | N/A – Draft Proposal to be raised | The OPR workshops resulted in the recommendation to explore using Round Trip Times to measure DCC performance rather than Target  | TBC  |

Managed by

| Project | Stage | Summary  | SEC areas impacted |
|---------|-------|--|--------------------|
|         |       | Response Times. The DCC is expected to raise a Draft Proposal shortly to discuss this more widely. |                    |