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RIIO-ED2 team
Ofgem

By email: RIIOED2@ofgem.gov.uk

Dear David

Citizens Advice response to the Ofgem consultation on amendments to the RIIO-ED2 Major Connections Governance Document

Citizens Advice welcomes the opportunity to respond to this consultation. We acknowledge the issues in being able to provide amended targets for the RIIO-ED2 Major Connections Incentive. This is due to the smaller sample sizes and the need to comply with the Statistical Robustness Process as outlined at 3.46-3.48 of the Governance Document. Retention of current targets appears to be a reasonable response to this problem.

It is still disappointing that an incentive for such an important area for net zero won't have up to date targets but we can see that the incentive regime may be amended as a result of the Connections Action Plan (CAP). If the incentive regime doesn't change in RIIO-ED2 in response to the CAP, we recommend that Ofgem continues to review target-setting during RIIO-ED2 for the Major Connections Incentive as more data becomes available rather than waiting for RIIO-ED3.

Patron HRH The Princess Royal Chief Executive Dame Clare Moriarty

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We also note the disparity between this incentive and the incentive regime for the National Gas Transmission (NGT) Customer Satisfaction incentive in RIIO-GT2. In the GT2 incentive, sample sizes are also limited. For example, 5 out of the 8 touchpoint areas have received fewer than 10 responses in a year and in one category are based on a single response. However, that incentive doesn't have any processes to assure robustness in reported performance when applying financial rewards or penalties.

This is in contrast with the RIIO-ED2 incentive despite them both aiming to drive higher quality customer service to their customers. We recommend that there is a consistent approach within Ofgem to ensure that there is high confidence that reported company performance against metrics within incentives is suitably representative.

Yours sincerely

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