



Commission for Energy Regulation

An Coimisiún um Rialáil Fuinnimh

ESB Networks - Service Level Agreements

A Draft Decision

**CER 04/231
18th June 2004**

Introduction

On the 22nd April 2004, the Commission published for consultation the ESB Networks paper “ESB Networks Proposed Service Level Agreements”. In response, the Commission received submissions from a number of parties. Having taken account of the views expressed in those submissions, the Commission now publishes its draft decision on the proposed Service Level Agreements (SLAs).

Interested parties are invited to comment on the issues raised in this paper by close of business on Friday 9th July 2004. Submissions should be forwarded to:

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1. Changes to Proposed SLAs

After reviewing the ESB Networks paper “ESB Networks Proposed Service Level Agreements” and taking account of the views expressed in submissions from suppliers, the Commission proposes a number of modifications to the original document. The SLAs for which modifications are proposed are listed below, with an outline of the reasoning for the proposed modification followed by the Commission’s proposal. This is followed by a summary of issues that will be reviewed at a future date and further comments on two issues.

For clarity, any references to “days” in the proposed SLAs and associated timelines are always assumed to mean working days.

SLA 1 Change of Supplier NQH

A Change of Supplier (CoS) based on a scheduled read may have to wait four months for an actual read, if a block estimate is between two consecutive reads. Meter readings are scheduled to occur every two months with two block estimates being issued per year. As a result, four months is the maximum time between scheduled reads, and occurs twice a year. Suppliers will be aware of when readings are scheduled, so will know the date of the next scheduled read (see **SLA 14**). In this context it is not practical to place a time limit on the CoS based on a scheduled read.

Based on the meter reading scheduled for the MPRN in question, the supplier may request a special read, request a customer read from the customer, or wait for the scheduled read. In the case that there is a CoS requested upon a scheduled read, the meter reading activity will be carried out as normal based on the reading schedule. If the scheduled read results in no access, the supplier must then provide a customer reading or request a special read.

However, where a CoS is to take place on the scheduled read date and a meter reading is taken, the CoS should be completed and processed within a stated number of working days of the reading – this is proposed below.

Comments submitted included a suggestion for an alternative trigger point for part B in the case of a customer read. The proposed timelines stated that the trigger for part B was the completion of part A. However, in the case that a customer read is not provided with the initial request, the trigger for part B should be the receipt of the customer read.

Suppliers need to take into account the working days specified in the SLAs in order that a submitted request is completed in time for any required date they may have. This comment also applies to **SLA 2**.

Proposal 1: For a CoS based on a scheduled read, this should be processed within 3 working days of the read, with 95% completed within this timeline and 100% within twice the timeline.

Proposal 2: For a CoS based on a customer read, the trigger for Part B should be the receipt of the customer read, if this was not initially provided.

SLA 3 CoS Cancellation

Two different scenarios are referred to and accordingly two different processes apply.

The Commission believes that it is necessary to specify an SLA for the first process: cancellation by the new supplier. It should not be left open ended as was proposed.

This is a manual process, and the timing of the cancellation request is a factor in the time needed to cancel the CoS. If the cancellation is received at an advanced stage the CoS may have to be completed and then a new CoS initiated.

Consideration on the second process (an objection from the old supplier) can await the Commission's determination later this year, but an SLA will need to be put in place at that stage. It is an area that will need to be monitored and resolved within a specific time period.

Proposal: For CoS cancellation by the new supplier: Timeline to be 10 working days, with 95% completed within this timeline and 100% within twice the timeline.

SLA 4 Revert to Supplier of Last Resort (SoLR)

The Commission believes it is necessary to have an SLA for a block of customers reverting to the SoLR. In this case, the SLA does not correspond to the MPD which is based on a supplier failure scenario. This SLA is not applicable in the case of supplier failure, which the Commission anticipates will be an exceptional occurrence. A block of customers reverting to the SoLR may occur if a supplier discontinues supplying certain customers. In such a case, the supplier would be obliged to inform the customer, and also provide a customer read to enable the CoS process ahead of a scheduled read. This differs from the CoS process in that in this case it is the existing supplier that is shedding existing customers, rather than a new supplier attracting new customers.

In line with the CoS process, a Part A timeline of five working days for validation of the request is proposed. This is to be followed by a Part B for the completion of the CoS process. As per the CoS process, this also needs to be based on the receiving of actual meter reads.

Proposal: Up to and including a threshold of one hundred customers, Part A timeline to be 5 working days covering the same process as Part A of the CoS SLA. Part B timeline to be 3 working days after reception of an actual meter read, with 95% completed within this timeline and 100% within twice the timeline.

SLA 5 New NQH Connection

While part B of ESB Networks' proposals stated times of 10 or 50 working days, it should be noted that the 10 days timeframe is dependent on getting

50 days (10 weeks) notice. As such, the 50 days timeline is not in fact longer than the 10 days timeline once the notice period is taken into account. These timelines will be reviewed when the customer charter is reviewed.

Furthermore, it is the responsibility of the DSO to register a connection with a supplier once energisation has taken place and also to inform the supplier that this registration has been completed. Failure to do so in a timely manner will mean a supplier would be unaware of having a customer and could result in a dispute with the customer. It should not occur that a customer is being supplied after connection without having a supply contract in place. Any delay in registering a customer should not result in liability for the supplier and should be the responsibility of the DSO. However, as a result of the automated procedures that will be in place governing the registration of new connections it is not anticipated that the scenario described above will occur.

SLA 9 De-energisation of a meter point

The Commission believes that the SLA should differentiate between a non-payment of account (NPA) and a non NPA request. A separate SLA for NPA De-energisation and Re-energisation will be required once codes of practise on all suppliers for this activity are in place.

It should be noted that the code of practice outlines the process that ESB Networks follows in the event of no access.

Suppliers will be notified if there is any delay in a de-energisation call being completed (i.e. if no work has been done by the end of the part A timeline) especially where it has been requested due to non-payment. ESB Networks will advise the reason for the delay and what is being done. It should be noted however that this procedure is at present not automated.

Proposal: Timelines as per ESB Networks' proposals. Suppliers always to be informed of any delay in a de-energisation call being completed within this timeline.

SLA 10 Re-energisation of a meter point

The Commission believes that it is very important that customers are re-energised as quickly as possible if they have settled their account. While the ESB PES customer charter guarantees re-energisation within one day of settling an account it is ESB PES that pays the customer when this standard is not achieved. It is not based on any agreement with ESB Networks. The Commission believes the same standards should apply to all customers regardless of their supplier.

Due to scheduling of works, immediate (e.g. same day) responses to re-energisation requests in certain areas will divert resources from other work being completed. However, the Commission believes that a high percentage of re-energisation requests need to be completed in a relatively short period, especially when de-energisation was due to a NPA.

ESB Networks will inform suppliers in the event that a particular re-energisation call will not be completed within the timeline.

The Commission also proposes that the timelines for this SLA will be reviewed at a later date following an analysis of the service levels being achieved.

Proposal 1: For NPA cases, Part A timeline to be 2 working days, with 70% completed within this timeline, 100% within twice this timeline.

Proposal 2: For non-NPA cases, Part A timeline to be working 5 days, with 95% completed within this timeline, 100% within twice this timeline.

Proposal 3: Suppliers always to be informed if the applicable timelines will not be met.

SLA 12 Meter Problems and Reports of Damage

Meter problems do not in all cases imply security issues. If security issues are raised then no SLA should be stated, but for meter problems where no security issues are suspected (such as installing a check meter) the same timelines as the meter exchange process should apply.

Proposal 1: To repair or replace faulty meter equipment (where required), Part A timeline to be 5 working days, with 95% completed within this timeline and 100% within twice the timeline.

Proposal 2: No SLA timeline to apply where security issues arise.

SLA 14 NQH Schedule Read

In submissions received, there was a misinterpretation of the term block estimate. As stated in the SLA proposals: “The meter reading activity is scheduled and managed using blocks of MPRNs as a meter reading unit. The MPRNs in a meter reading unit are scheduled together for meter reading service. The term “block estimate” refers to the process where estimated readings are triggered for all MPRNs in that meter reading unit in the same time period.”

As such, block estimates are, by definition, planned. Since they are planned, block estimates should rarely occur consecutively so the performance achievement rate should be 99%. Consecutive estimates may occur through unforeseen events such as meter readers’ illness etc.

The Commission agrees with the suggestion that the meter reading schedule should be made available to suppliers, so that suppliers may advise their customers in advance as to when readings are scheduled. Suppliers will also then be able to be sure that all of their customers are scheduled to be read, and also advise customers of when they can submit meter reads that will be valid for settlement. ESB Networks should also notify suppliers in advance of changes to the reading cycle/route to enable suppliers to amend their billing schedule accordingly if they wish.

It should be noted that the schedule will not specify which dates are scheduled for reads and which dates are scheduled for estimates – this is subject to the block estimating practice, which is dependent on the meter reader. With regard to block estimates and changes to the meter reading cycle it is acknowledged that ESB Networks will only be in a position to advise suppliers of their timing if the meter reader gives reasonable notice to ESB Networks of their block estimation intentions. Other unforeseen circumstances may result in ESB Networks adjusting the reading operations; for example, this may be done in order to avoid consecutive block estimates.

Regarding scheduled reads, meter readers are encouraged to collect all the readings between D-2 (two days previous to Day 0) and D+2 (two days after Day 0). This ensures most customers have the opportunity to avail of the window available for customer reads when a no access card has been left.

There needs to be a specified SLA for customers on DUoS tariffs that have capacity components. Customers on such tariffs will have meters that record the capacity used (e.g. MD), and generally will be DG6 customers. The specific meter reading requirements of such customers needs to be taken into account in these SLAs – the target for meter reading with a capacity element should be 98% (for clarification, this excludes customers that have profile meters installed). It should be noted that the meter reading schedule for this group of customers is still six per year with no block estimates.

Proposal 1: No consecutive block estimates rate of 99%.

Proposal 2: DSO to make available to suppliers their meter reading schedule.

Proposal 3: All customers with capacity reading requirements to have a target success rate of 98%.

SLA 15 QH data Processing

Since the QH data collection will be highly automated in 2005, the proposed 10 days should be improved upon for receipt of data. It should be noted that the system will send the data to suppliers as soon as it becomes available and validated, and will not be withheld for sending on a particular day.

This SLA will need to be revisited when the MAE arrangements are finalised.

Proposal: Timeline to be 5 working days, with 95% of data delivered within this timeline and 100% in twice the timeline.

SLA 16 QH data aggregation

This SLA only covers sending import data to suppliers. The Commission believes this SLA should also cover the provision of export data.

There was a suggestion that specific targets for settling percentages of energy on annualised advances (as opposed to estimates) should be placed on Networks. However SLA 14 regarding meter reading should be sufficient to ensure a certain level of actual reading are obtained.

Another submission noted that this SLA and MPD does not take into account the SSA function of sending settlement data reports to generators & suppliers. The SLAs covered in the proposed document cover ESB Networks functions and are not SLAs covering SSA functions.

After 2006 export data will need to go directly to generators, since they will be exporting directly into the pool.

Proposal: Export data to be provided to generators.

SLA 17 Adjustments to Consumption

Any final decision should be deferred until the industry MAE requirements and the consequent MPD have been established.

MPD21 De-registration

As this is an automatic process and hence known in advance when the six month line is due to arrive, ten working days seems to be excessively long. The Commission believes five working days is a more appropriate time, and that 95% be completed within this timeframe. For de-registration requests from suppliers for sites with an MIC>100kVA, this timeline will be 10 working days.

Proposal: For automatic processes, timeline to be 5 working days, 95% completed within this timeframe and 100% within twice this timeframe.

Proposal: For de-registration requests from suppliers, timeline to be 10 working days, 95% completed within this timeframe and 100% within twice this timeframe.

SLA 22 & 23 Customer & Supplier data requests

ESB Networks will advise the Commission and suppliers as to the correct channels for different types of requests. Some requests should be handled by the National Customer Call Centre while others should be directed to the supplier support mechanism that is being put in place by the DSO. Details on this issue will be addressed through the suppliers' forum.

SLA 25 Change of Legal Entity (CoLE)

The Commission believes that 20 days seems excessive for this process, bearing in mind that new connection agreements and legal issues are excluded. The SLA should be consistent with the Change of Customer Details SLA of 5 days.

It is rare that notification to the supplier of a COLE from an old tenant and new tenant is concurrent. It can also occur that the site is vacant for a period of time. For clarification, the DSO only requires to be advised of a COLE when the new tenant details are available. The old customer details will remain on the record until the connection is de-energised or there is a CoLE.

Proposal: Timeline to be 5 working days, with 95% completed within this timeframe and 100% within twice this timeframe. This timeline excludes situations where new connection agreements are required and/or legal issues arise.

All other SLAs

The Commission is satisfied with the proposals for SLAs for all the remaining processes not covered by the comments in the sections above

Summary of SLAs and timelines marked for review

There are a number of issues that the Commission has marked for review at a later date. These include:

SLA 3: Consideration on the second process (an objection from the old supplier) can await the Commission's determination later this year, but an SLA will need to be put in place at that stage.

SLA 5: These timelines will be reviewed when the customer charter is reviewed.

SLA 9 and 10: These will be reviewed once codes of practise on all suppliers for this activity are in place. The Commission also proposes that the timelines for re-energisation will be reviewed at a later date following an analysis of the service levels being achieved.

SLA 15: This SLA will need to be revisited when the MAE arrangements are finalised.

SLA 17: Any final decision should be deferred until the industry MAE requirements and the consequent MPD have been established.

The Commission also wishes to review the timelines for data processing that applies to a number of SLAs, typically as Part B of a process. This processing at present has a timeline of 10 days. After discussion with ESB Networks on the matter the Commission has decided not to seek a reduction in these timelines as ESB Networks have indicated that a reduced timeline is impossible at this time. However, a review of the manual processes currently employed is required to ensure that this timescale is reduced in the future, and to this end the Commission will re-examine the matter with ESB Networks.

It should also be noted that where specified dates are requested by either a customer or a supplier (such as customer appointments, dates for energisation etc.), then the specified date should adjust the trigger point from which subsequent processes should be measured. The requested date is unlikely to match the trigger date according to the MPDs. For example, while Part A might involve validating the request, and this may be successfully completed, there may then be a delay before the next timeline should start. The DSO in such cases should schedule the work so that the requested date is met. As a result, the timelines will occasionally have less relevance, since it may not in certain cases be desirable to have the request fulfilled before the requested date. Service levels concerning customer appointments are covered by the customer charter.

SLAs – Supplier Obligations

No proposals were received from suppliers regarding timelines for the provision of certain data to the DSO. This provision of this data to the DSO is very important, especially in the event of emergency situations. The Commission proposes timelines on suppliers that mirror the timelines of the DSO's obligations, with 95% of data to be provided within these timelines and 100% within twice the time.

Out of Cycle Customer read: Three working days.

Change of Customer Details: Five working days.

Change of Legal Entity: Five working days.

2. General Comments

The development of (a) appropriate incentives for Networks to beat targets and improve standards and (b) penalties for non-achievement of standards where this impacts on supplier costs needs to be considered. While the Commission does not propose the introduction of such measures at present, it is of the view that these should be considered once these SLAs have been in place and monitored for a period of time. Such experience will inform decisions around which SLAs need to be adjusted and if incentives are appropriate.

It is also expected that various meter reading performance measures will be included in future DSO Annual Performance Reports.