SSE Response to CER Consultation

GNI Customer Performance Indicators

CER – 16 – 243

If you have any questions in relation to our response, please don’t hesitate to contact me at lisa.fahy@sse.com
Introduction

SSE welcomes the opportunity to comment on CERs proposals for GNI's Customer Performance Indicators. As a shipper and supplier SSE is in favour of strong customer engagement principals being included in price controls and believes it is important to incentivise operators to delivery effective services and maintain high operating standards.

Response

The proposed incentives seem reasonable to SSE, however the scope of application seems limited. GNI has responsibility for the management of access to the Irish natural gas pipeline system for all Shippers. This means GNI is a service provider and Shippers are effectively customers.

Given the substantial role of GNI in operating the transportation network and revenue received from that activity, satisfaction levels of large customers and network users should be also included in any performance evaluation. SSEs view is that appropriate incentives directly related to GNI's interactions with Shippers should be considered for PC4. A prudent approach to incentives regime is to ensure that the beneficiary has a reasonable level of control over their performance and the activity against which they are measured.

SSE notes the ESB Networks metrics detailed in the CER paper are for distribution activities only. In the PR3 period ESB Networks had an incentive in respect of Return of Scheduled Outages for the transmission system, the intent of which was to minimise outages. The GNI Code of Operations has set timelines for outage management. This is an area SSE believes an incentive may be appropriate and would encourage the CER to examine other operational areas where incentives may be beneficial.

Conclusion

It is unclear whether or not further incentives will be proposed at later date linked to GNI's system operational performance. SSE is happy to engage further on this matter and would urge the CER to consider the interaction between GNI and its entire spectrum of customers before making a final decision on incentive mechanisms.