

Proposed variation:	<b>SMICoP Change Request (CR)062 Updating SMICoP Customer Survey reporting thresholds and the minimum sample size requirements, and (CR)063 Amending SMICoP Customer Survey Questions</b>		
Decision:	The Authority <sup>1</sup> has decided to approve CR062 and CR063		
Target audience:	SMICoP Governance Board, SMICoP Members, all interested parties		
Date of publication:	9 October 2020	Implementation Date: CR062 - 04 January 2021, and CR063 - first working day of a quarter following the lifting of the Customer Survey temporary wording <sup>2</sup> .	Implementation Technique: Big Bang

## Authority decision on proposed SMICoP CR062 – Updating SMICoP Customer Survey reporting thresholds and the minimum sample size requirements, and CR 063 Amending SMICoP Customer Survey Questions

### Background to the Change Requests

We have decided to batch the decisions for CR062 and CR063 as both deal with the SMICoP Monitoring and Compliance Customer Surveys (MCCS).

#### CR062

At the SMICoP Governance Board (SGB) meeting of 27 February 2020, parties stated that suppliers had concerns on the suitability of the MCCS thresholds and the minimum sample size requirements set out in SMICoP<sup>3</sup> Section C Appendix C1. Parties agreed that a revision could improve clarity and ensure fairness. We agreed with SGB that the current rules were unclear, could give rise to the risk that suppliers will not have an equal and proportionate obligation to comply, and was causing difficulty with our compliance monitoring<sup>4</sup>.

#### CR063

SGB has commented throughout 2020 that they had minor concerns with the wording of the MCCS questions, recognising the opportunity to amend prior to the transition of SMICoP into the Retail Energy Code in 2021.

### The Change Request

<sup>1</sup> The terms 'the Authority', 'Ofgem' and 'we' are used interchangeably in this document. Ofgem is the Office of the Gas and Electricity Markets Authority.

<sup>2</sup> It was recommended by SGB and agreed by Ofgem that temporary MCCS questions should be in place to ensure they are reflective of the customer's install experience during the period where social distancing is required. The questions will revert to the original wording when Government guidance enables face-to-face communication during installation visits to resume. SGB are keeping this under review.

<sup>3</sup> <https://www.smicop.co.uk/code-of-practice/>

<sup>4</sup> Ofgem oversees compliance and enforcement of SMICoP

CR062<sup>5</sup> and CR063<sup>6</sup> were raised by Utility Warehouse. The CRs contain modifications that simplify and clarify the rules around the MCCA that suppliers have to carry out after completing a smart meter installation, and contain a number of small amendments to the MCCA questions themselves.

### CR062

CR062 amends the period over which the MCCA are to be carried out by linking this to a calendar year, instead of the next 12 months. It clarifies a minimum, rather than total number of MCCA are to be submitted, places a requirement to advise on the number of installations planned within the first calendar quarter for the 5-20k installs category, and sets a timescale of four weeks following the end of the year in which to submit results. It also, for the more than 20k planned installs category, omits the requirement to only submit MCCA where 5k or more installs have taken place in the quarter, and clarifies that results should be submitted, regardless of whether the target volume has been met.

### CR063

CR063 substitutes the word 'equipment' for the suppliers own terminology within Question 3 of the Domestic MCCA and within Question 2 of the Micro-Business MCCA. It replaces 'if' with 'when' in Question 4 of the Domestic MCCA and amends Question 5 of the Micro-Business MCCA to clarify the business need that wasn't taken into consideration.

CR062 and CR063 were issued on 5 August to the Change Advisory Group (CAG) for consideration. Three responses were received in respect of CR062 and one response was received in respect of CR063.

### **The SGB Recommendation**

On 27 August 2020 the SGB reviewed the CAG's comments and discussed CR062 and CR063. The SMICoP Governance Board (SGB) unanimously voted to accept both CR062 and CR063, the implementation date of 04 January 2021 (CR062) and, first working day of a quarter following the lifting of the Customer Survey temporary wording (CR063), with an implementation technique of 'Big Bang' for both.

The Final Change Reports were issued to Ofgem for decision on 1 September 2020 for CR062 and on 3 September 2020 for CR063.

### **Our Decision**

We have considered the issues raised by CR062 and CR063, the details set out in the respective Final Change Reports, and the votes of the SGB. We have also taken into account the CAG's responses and comments, including the proposed amendments to the submission timetable process that were accepted by SGB. These factors were considered in light of whether each of CR062 and CR063 would better facilitate the achievement of the Objectives set out in Standard Conditions 41.2 and 42.1 of the Electricity Supply Licence and Standard Licence Conditions 35.2 and 36.1 of the Gas Supply Licence.

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<sup>5</sup> <https://www.smicop.co.uk/change/updating-smicop-customer-survey-reporting-thresholds/>

<sup>6</sup> <https://www.smicop.co.uk/change/amending-smicop-customer-survey-questions/>



We have decided to approve CR062 and CR063.

## **Reasons for our Decision**

### CR062

We agree with the SGB that referring to a calendar year rather than 12 months is clearer for suppliers and ensures that the reporting period for MCCA is aligned for all suppliers, especially for those suppliers submitting annually who may have been interpreting the calculation differently.

The requirement for suppliers to advise of their intention to submit in the first calendar quarter, and submit within four weeks of the end of the period for the 5k-20k planned installations per annum category, provides a degree of certainty that results will be submitted. The availability of the MCCA results<sup>7</sup> will drive up performance standards, and improve the robustness of the compliance monitoring activities we undertake.

The clarification given to suppliers planning more than 20k installations per annum, of a minimum requirement of 500 surveys, will likely cause more surveys to be submitted and improve the accuracy of the results reported.

For suppliers planning more than 20k installations, omitting the requirement to submit MCCA on actual installations having taken place provides a degree of certainty that MCCA will be submitted in the quarter. It also addresses an issue of parity between suppliers in the 5k-20k, and more than 20k per annum install categories; where a supplier planning a greater number of installs in the latter category could potentially submit less MCCA per annum, as the requirement is dependent on 5k installs having taken place in a calendar quarter, and is not mirrored in the former category.

Clarification has also been provided to the more than 20k per annum install category to clarify that MCCA should be submitted, even where the 500 target is not reached. This will ensure visibility of results and of supplier performance.

### CR063

We agree that the minor changes to enable suppliers to insert their own terminology for equipment will enable additional flexibility, and that the other changes will clarify the questions and improve consumers understanding of them.

## **Decision notice**

In accordance with Section 2.7.5.1 of Section B to the SMICoP, we approve CR062 and CR063.

Please contact Raymond Elliot at [raymond.elliott@Ofgem.gov.uk](mailto:raymond.elliott@Ofgem.gov.uk) if you have any comments in relation to this decision.

Yours faithfully,  
**Jacqui Russell**

### **Head of Metering and Market Operations**

Signed on behalf of the Authority and authorised for that purpose

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<sup>7</sup> <https://www.smicop.co.uk/about-smicop/supplier-domestic-survey-report/>