

Worst served customers

Ofgem have pointed out that worst-served customers may receive below average continuity and reliability of supply because of their location on poor performing circuits. The network performance incentives that are placed on distribution network operators (DNOs) for customers as a whole are not necessarily adequate for worst-served customers. They have however recognised that a definition of 'worst served customers' does not exist currently and will need to be developed. Ofgem have also pointed out that customers are showing more resistance to paying for quality of supply improvements than in the past. However customers place a high priority on receiving good communication during power cuts.

SSEPD agrees it will be essential to agree a definition of who is a 'worst served' customer'. Our experience is that such a customer is often situated on the very remote parts of our electricity network. We know these customers pay the same system charges as all other customers, whilst the cost to serve them is higher as more assets are required to deliver their electricity supply.

We support the move to improving the quality of supply to these customers, and will look to consider new and innovative solutions to achieve this. Conventional solutions related to providing alternative networks are unlikely to be economically viable in many cases, and as such it is likely that a cost capping mechanism will be necessary.

We would support the use of a specific allowance that could be used to address these issues, in a similar way to that allowed for improving visual amenity within the current Distribution Price Control Review.