

Transmission Owners (TOs) joint response to the future of the Quality of Connections Survey (QoCS) incentive for RIIO-ET3

We welcome the inclusion of the Quality of Connection Survey (QoCS) incentive in the Draft Determinations and appreciate its addition in response to our request. This represents a positive step in recognising the critical importance of customer experience within the transmission connections process.

This paper represents a joint position by the three transmission owners (TOs) on the design of a financial QoCS incentive in RIIO-ET3.

We have collectively considered how the incentive should evolve to reflect the major reforms to the connections process currently happening and to address Ofgem's concern with this incentive being financial, meaning a penalty being faced for underperformance and a reward being earned for outperformance.

This paper is structured as follows:

1. The importance of a financial incentive linked to customer service
2. Addressing Ofgem's concern on response volumes
3. The design of a RIIO-ET3 QoCS incentive

1. The importance of a financial incentive linked to customer service

As the transmission system undergoes significant growth and transformation, it is important to protect the customer voice amidst the scale and pace of delivery. With increased focus on strategic coordination, system level planning and accelerated infrastructure build-out with a critical focus on delivery, the QoCS has a significant role in preserving and amplifying that voice, ensuring that the customer experience directly informs the TOs' service. If the QoCS incentive is removed or becomes reputational only, this will mean the financial impact on TOs based on the quality of their stakeholder engagement and customer service has diminished completely in the RIIO package since RIIO-ET1.

We continue to see merit in retaining the QoCS incentive as financial (an ODI-F). It is the most effective way to promote high standards of performance, accountability, and it actively ensures that TOs' focus is on a consistently strong customer experience. While reputational incentives have value, the scale and pace of change driven by the connection reform programme, and delivery of Government's goals for Clean Power 2030 (CP30) and economic growth, require a stronger and more consistent driver. In this context, a financial incentive provides the necessary focus to ensure that the customer experience remains a priority throughout this period of significant transformation.

A financially incentivised QoCS delivers a wide range of benefits, including:

- **Protecting the customer experience during times of rapid change and network transformation** – The QoCS incentive acts as a safeguard, ensuring

that consistent and high-quality service for customers is prioritised, even as the transmission network undergoes major development.

- **Driving greater transparency, responsiveness, and continuous improvement** – By encouraging open communication and timely engagement, the QoCS promotes a transparent and customer-centric culture, helping to build trust and drive a high-quality service.
- **Embedding accountability at both strategic and operational levels** – The financial incentive structure ensures that we remain accountable for customer outcomes. It reinforces and embeds responsibility across all levels, from senior leadership to frontline teams, ensuring issues identified and raised by customers are dealt with at the earliest opportunity.
- **Strengthening the commitment to service excellence and long-term customer satisfaction** – By linking performance to outcomes that matter to customers, the QoCS incentivises us to improve our processes and service, as well as deliver a high-quality experience across the entire connections lifecycle.
- **Reducing the regulatory resource and burden on Ofgem** – increasing our focus on service will minimise the number of customer complaints to Ofgem (under the determination process).
- **Creating a better service for connections customers and better outcomes for consumers** – The CP2030 aim and benefits, from reducing our reliance on natural gas, are clear. Creating a better service to connections customers facilitates this, thus improving outcomes for all customers.

The QoCS incentive provides the mechanism through which individual connection experiences are acknowledged, measured, and improved. The insights gained through QoCS during RIIO-ET3 will be fundamental in ensuring the continued delivery of a customer focused transmission network with high standards of service and accountability. While the volume of customers connecting to the transmission network is much smaller than at the distribution level, these customers, and therefore the quality of the service we provide them are critical for supporting Government meet its objectives of CP30 and economic growth.

2. Addressing Ofgem's concern on response volumes

Ofgem has noted a concern that the volume of surveys completed by customers risks the validity of the QoCS being a financial incentive. Ofgem has stated that “the small sample sizes lead to a lack of robust and stable data, mainly at the later milestones of the survey”¹. Ofgem views this as “problematic as it risks scores being unduly influenced by individual customer responses”².

We fully support Ofgem's position that robust and representative customer feedback is essential to allow for the QoCS results to be linked to a financial incentive. It is

¹ Ofgem (July 2025), [RIIO-3 Draft Determination, Electricity Transmission Annex](#), para. 3.64

² *ibid*

also important to recognise that response volumes are largely driven by the number of customers reaching each QoCS milestone, which is not directly within our control. For instance, if a relatively small number of customers reach a milestone and are surveyed and respond, the results can be considered representative even if the absolute number of responses is low. Generally, the volume of surveys sent out reduce as you move along a project lifecycle and reach the later milestones. For example, many more customers during RIIO-ET2 have engaged with TOs at the Pre-Application milestone than have reached project completion. The volume of projects/connections progressing through the full journey is expected to increase over RIIO-ET3 so we expect to see a rise in customers reaching later milestones – thereby increasing the opportunity for feedback across milestones that may have previously had lower volumes to survey.

We agree with the importance of all customers being given the opportunity to provide feedback along their connection journey. This is an area of focus for us and we remain committed to continuously improving how we gather and reflect the customer voice. This is particularly important as, as an industry, we are introducing a new connections process.

We continually look for ways to maximise response volumes wherever possible. Initiatives include:

- Ensuring surveys are sent to the most appropriate contacts within customer organisations, who are best placed to complete them.
- Engaging customers early in the connection process to explain the value of their feedback and encourage participation.
- Reviewing survey questions to ensure they are clear, concise, and relevant – minimising dropout and improving the survey experience.
- Working with survey providers to ensure there is a structured approach to contacting customers on different days and at various times, and through different channels, in order to maximise response rates.

Comparable Response Rates

In addition to looking at response volumes, we have also considered the response rates which show the proportion of customers who complete the survey. We recognise that response rates are an important factor in monitoring engagement in the survey.

Over the last four years, response rates across different milestones and across the TOs have ranged from 14% to 53%. These figures fall within the expected range based on industry benchmarks and reflect the patterns seen in other sectors:

- **Technology sector:** 8% to 20%

- **Financial services:** 10% to 20%³

This indicates that customer participation when receiving surveys is strong and does not appear to be a limiting factor in survey engagement. We will continue to monitor any risks related to surveying frequency, recognising that over engaging the same customers could negatively impact participation or the quality of responses.

Consideration of options – response volumes and minimum thresholds

We have assessed several approaches to address Ofgem's concern that response volumes are particularly low at the latter stages of the customer journey. The table below summarises the options considered and the reasons why they are not deemed suitable.

Option	Rationale for not pursuing
Fixed weighting of milestones: weight milestones based on historical response volumes, with a higher weighting to those with higher volumes	<ul style="list-style-type: none"> • Lower response volumes likely to reflect fewer customers reaching a given milestone, so applying fixed weightings could over-represent certain views. • Historical response volumes may not be accurate for post connections reform journey. • Variation between TOs' response volumes across milestones impacts value of standardised weighting.
Dynamic weighting of milestones: weight milestones based on actual response volumes, with a higher weighting for those with higher volumes	<ul style="list-style-type: none"> • Lower response volumes likely to reflect fewer customers reaching a given milestone, so applying fixed weightings could over-represent certain views. • Changing weightings each year would make results across years less comparable and the identification of trends harder.
Volume threshold: exclude milestones where a minimum volume of responses not met	<ul style="list-style-type: none"> • Determining a suitable and fair threshold is challenging when past response volumes may not be reliable indicators of future participation. • Reduces the completeness of overall customer satisfaction score across the full customer journey. • A standard threshold across all TOs would disproportionately affect TOs with a smaller customer base or different customer engagement patterns for the milestones.
Response rate threshold: exclude milestones where a minimum response rate (%) is not achieved	<ul style="list-style-type: none"> • Historical response rates are within or exceed industry benchmarks⁴, indicating that engagement levels are already good.

³ [Survey Response Rate Benchmarks: Industry Standards vs. Reality in 2025 \(July 2025\)](#)

⁴ [Survey Response Rate Benchmarks: Industry Standards vs. Reality in 2025 \(July 2025\)](#)

Option	Rationale for not pursuing
	<ul style="list-style-type: none"> • Response rate is, at least in part, outside of TO's control.

Having considered these alternative approaches, we conclude that the current method offers a balanced and effective approach. Reporting milestone performance individually ensures transparency, while applying an aggregated approach for calculating the value of the incentive provides a holistic view of the customer experience across the end-to-end connections journey. This approach avoids any added complexity and unintended consequences of weighting or exclusion mechanisms, ensuring all milestones contribute to the overall calculation.

3. The design of a RIIO-ET3 QoCS incentive

Ofgem's current incentive, established at the start of RIIO-ET2, has been effective so we propose retaining a similar design for RIIO-ET3. Each feature has been reviewed to address Ofgem's concern relating to response volumes and ensure that the incentive encourages the desired behaviours under the revised connections process.

Below we summarise the design features of the incentive we have collectively reviewed and provide our view on the design of the incentive for RIIO-ET3. Further detail is provided below the table.

Design feature	Description
Milestones	<ul style="list-style-type: none"> • Common milestones reflecting the key points at which engagement between TOs and customers occur and surveys are triggered.
Survey provider	<ul style="list-style-type: none"> • Each TO uses its own survey provider.
Target score	<ul style="list-style-type: none"> • Retain the target as a score of 7.7 out of 10.
Performance measure	<ul style="list-style-type: none"> • Customer satisfaction with the TO's service based on a standard survey question scored 1 to 10. • Treat as a reputational incentive in Year 1 of RIIO-ET3 and change to financial from Year 2.
Survey question	<ul style="list-style-type: none"> • Retain existing survey question: <i>Overall on a scale of 1 to 10, where 1 is 'very dissatisfied' and 10 is 'very satisfied', taking account of the service you have received during [insert connection milestone], how satisfied are you with [add network company name].</i> • TOs are able to ask additional questions to gain qualitative insight to support continued improvement.
Incentive value	<ul style="list-style-type: none"> • Reward for above target of 7.7 out of 10. • Penalty for below target of 7.7 out of 10. • £ per score point based on overall cap and collar. Calculated value will be different for each TO.
Cap and collar	<ul style="list-style-type: none"> • +/- 0.10% of return on regulated equity (RoRE). • Score cap of 9 out of 10 and score collar of 6.4 out of 10.

Design feature	Description
Reporting method	<ul style="list-style-type: none"> Annual submission in the Regulatory Reporting Pack.

Milestones

In response to Ofgem's request, we have collaboratively reviewed the current customer survey milestones.

We are proposing some refinements to the existing milestones. These refinements are to reflect changes to the customer journey under the connections reform programme and to improve the relevance of insights. These updates will help QoCS reflect key 'Moments that Matter' to customers and ensure that the insights are reflective of the customer's experience of the service we deliver and fall within our responsibility and capacity to manage effectively.

It is important to note that, at the time of preparing this response, not all details of the future-state of the connections process are fully defined. We continue to work with the NESO on formalising the process as part of ongoing connections reform. As such, while the proposed survey milestone refinements reflect current collaborative thinking, they may be subject to further refinement as the future model continues to develop.

A summary table of proposed milestones is below.

Proposed Milestones

Milestone	Current survey trigger	Proposed action	Rationale
A. Pre-Application Engagement	Up to 30 calendar days after engagement, e.g. pre-application meeting or discussion.	Retain	Moving to the new application window process, customers will be interested in how the GB network is evolving. It will be important to continue to inform customers prior to any formal application to ensure they can make informed decisions.
B. Application Process and Offer	Up to 30 calendar days after the National Energy System Operator (NESO) notifies a TO an offer has been issued to a customer.	Replace	Change to ' Post Offer Acceptance Engagement ' milestone. Represents the milestone of the TO engaging with the customer post contract being signed. The TO will invite the customer to an introductory session within 60 days of the signed Gate 2 contract being returned to the TO from NESO. Following this session the TO would then survey the customer within 30 days.

Milestone	Current survey trigger	Proposed action	Rationale
			<p>This approach will help clarify the next steps, including resource assignment, and provide transparent expectations for customers navigating the transmission connections process. This change ensures the milestone reflects 'TO-led' engagement and provides a meaningful opportunity for customer engagement.</p> <p>TOs are currently impacted by the NESO's role in the existing milestone. The customer applies and receives a contract from the NESO but does not have an opportunity to provide feedback directly to the NESO. The proposed changes are aimed at ensuring the survey results reflect the customer's experience of the TO's role rather than the NESO's.</p>
C. Project Development	<p>End of Project Development: Within 30 calendar days of the end of Project Development, which is indicated by the issue of a Section 37 consent (or end of Gate C/3) and issue of an ITT.</p> <p>Annual Project Development: Connection customers surveyed, as a minimum, on an annual basis during Project Development.</p>	<p>Retain – End of Project Development</p> <p>Amend – Annual Project Development</p>	<p>This milestone supports customer feedback during development stage, a period of collaboration, planning, and alignment.</p> <p>Update annual element to only trigger the survey when a customer is within five years of their connection energisation date. Otherwise, survey engagement quality can be impacted due to the limited engagement that has occurred, i.e. the survey is sent prematurely.</p>
D. Project Delivery	End of Project Delivery: Within 30 calendar days of completion of	Retain	Customers will be having increased engagement with TOs at this point and this milestone therefore allows customers to

Milestone	Current survey trigger	Proposed action	Rationale
	<p>energisation. Where there is phased energisation, as a result of a non-firm connection, a survey will be issued at the completion of each stage of energisation).</p> <p>Annual Project delivery: Connection customers surveyed, as a minimum, on an annual basis during Project Delivery.</p>		provide feedback on the service they are receiving as the construction of their project progresses and subsequently energises.
E. Outage Management	As a minimum, on an annual basis and within 30 calendar days following engagement with those connection customers affected by the year ahead outage plans or within 30 calendar days following post outage management.	Retain	A key milestone for understanding a customer's experience during outage planning and management.
F. Connected Customer Reviews	Within 30 days following direct engagement with connected customers in respect of non-outage plan matters. For example, safety and site access/ project closure/ repowering.	Retain	<p>This milestone is important for assessing ongoing engagement.</p> <p>The volume of connected customers is expected to gradually increase over the next five years as more projects are connected to meet CP30 and facilitate new electricity demand customers.</p>

Building on Moments that Matter

The QoCS milestones implemented during RIIO-ET2 have provided a strong foundation for measuring customer satisfaction and driving service improvements. They have been well embedded across TOs and, subject to a few targeted refinements, we believe they will continue to deliver meaningful value and positive impact.

Insights gathered through the QoCS have been vital in addressing any customer issues at the earliest possible opportunity and improving customer satisfaction. We believe the proposed refinements for RIIO-ET3 will enhance the relevance and accuracy of future feedback, ensuring the QoCS reflects meaningful engagement and supports service improvements.

Target score

Following a benchmarking exercise, we recommend maintaining the QoCS incentive baseline score at 7.7. This position is supported by a comparison against other customer satisfaction surveys and the latest UK Customer Satisfaction Index (UKCSI) published in July 2025⁵. This was assessed to ensure the baseline score remains aligned with broader sector standards.

The next regulatory period will be one of significant change for customers, with the reformed and evolving connections process continuing to be implemented. In this context, retaining the current baseline provides a consistent benchmark for performance, helping to maintain focus on delivering a high-quality customer experience.

Benchmarking Against Industry and National Standards

- The UKCSI overall satisfaction score over a range of sectors is 77.3/100, which sets a national benchmark for customer satisfaction.
- Sector-specific scores highlight that the utilities industry attains a satisfaction score of 71.7/100, with the energy sector scoring slightly higher at 73.8/100, both of which are notably below the proposed baseline – reinforcing that a 7.7 target remains above the average performance in our sector.
- Our baseline of 7.7 (equivalent to 77/100) aligns well with these scores, demonstrating our commitment to maintaining customer satisfaction levels consistent with or above sector averages.

Alignment with Regulatory and Industry Surveys

- The Ofgem Distribution System Operator (DSO) Stakeholder Survey⁶ sets a target of 7.7/10, identical to our proposed baseline.
- The Ofgem Distribution Network Operator (DNO) Major Connections Survey⁷ reports a slightly lower target of 7.41/10, indicating our baseline remains ambitious and reflective of high service expectations.
- The Network Rail Passenger Satisfaction Target⁸ of 7.83 further validates our approach, positioning the 7.7 baseline as competitive when viewed across other essential service sectors.

⁵ [The Institute of Customer Service, UK Customer Satisfaction Index \(July 2025\)](#)

⁶ [Ofgem, Distribution System Operation Incentive Guidance Document \(March 2025\)](#)

⁷ [Ofgem, Major Connections Governance Document \(April 2024\)](#)

⁸ [Network Rail, FY25 Scorecard Measures and Targets \(September 2024\)](#)

Baseline through Transition

It is also important to recognise that throughout the RIIO-ET2 period, not all TOs have achieved the 7.7 baseline score. This reinforces the fact that the target remains ambitious and not easily attainable. Retaining this benchmark for RIIO-ET3 ensures that we continue to strive for high performance in customer service delivery. It acts not only as a performance measure but also as a driver for continuous improvement.

Performance measure

We propose that performance continues to be measured based on an average of all the survey responses received across all milestones. This ensures that each response we receive is given equal weighting in the calculation of the financial impact.

We propose introducing a reputational incentive for Year 1 of RIIO-ET3. There is the potential for delays in embedding both the new connections process and the newly formed connections queue. During this period, our focus will be on implementing the enduring connections reform process and evaluating the customer experience throughout the transition. This approach will provide time for both us and Ofgem to fully understand the process and interactions between NESO, ourselves and customers as well as ensure that the milestones are aligned with the changes introduced and to review any adjustments that may be needed.

From Year 2 we propose that the incentive is financial with value, caps and collars as summarised in this document.

Incentive value and cap and collar

The financial incentive value (£ per score point) will be calculated based on the difference between the cap/collar (9/6.4 score points) and the target (7.7) creating a financial max/min impact of 0.10% of RoRE.

We consider that a symmetrical cap and collar remains appropriate to manage risk to both TOs and consumers. Based on our position of retaining the target as a score of 7.7, we are not proposing a change to the scores used to set the cap and collar.

Given the aforementioned detail provided, we remain committed to working with Ofgem to further refine the QoCS framework up to the Final Determination.