Information and incentives programme: Proposed amendments to the Regulatory Instructions and Guidance for the speed of telephone response

July 2003

Summary

Ofgem introduced financial incentives on the distribution network operators in April 2002 with respect to the number and duration of interruptions to supply and the quality of telephone response. Ofgem had intended to introduce financial incentives on the speed of telephone response but decided to delay this because of a number of unresolved issues regarding the way in which the distribution network operators measured this output, which made it difficult to be sure that performance was being measured on a robust basis.

This document proposes a new approach for measuring and reporting on the speed of telephone response building on the work undertaken since the incentive scheme became effective. It sets out amendments to the Regulatory Instructions and Guidance (RIGs) that will enable all distribution network operators (DNOs) to report the speed of response on a consistent basis for consultation, in accordance with the 28 day consultation period required by Standard Licence Condition 49.

As a result of work carried out since April 2002, Ofgem considers that there are two generic types of telephony systems in use across the DNOs, not withstanding detailed differences in individual systems. These generic systems differ in one key aspect – one type of system allows customers to hold to speak to an agent after hearing an automated fault message whilst the other requires customers to call back on an alternative number to speak to an agent after hearing an automated message. Ofgem considers that the action of a customer actively making a decision to speak to an agent, either to obtain or to provide additional information in respect of a fault, should be the trigger for measuring the speed of telephone response across the DNOs. As such, it is this period – the time taken to speak to an agent – that is the focus of the speed of telephone response measure, and is addressed by the proposed amendments to the RIGs.

Ofgem does not intend to introduce financial incentives on this output measure during the current price control period as changes to the way the speed of telephone response is measured will take some time to be implemented and will be reviewed as part of the price control review. However, we intend to publish DNO performance in our annual Quality of Supply report. In the light of the proposed amendments to the RIGs, Ofgem does not require DNOs to continue to report performance under the existing RIGs but will expect DNOs to deliver an appropriate level of service in this area until the new arrangements become effective. It is intended that the amendments are incorporated and become effective on 1 October 2003 to allow the DNOs to report for the final six

months of the 2003/04 regulatory year and the entire 2004/05 regulatory year on the revised basis.

Responses are requested by 28 August 2003.

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1. Rationale

Introduction

1.1. Ofgem's principal objective as set out in the Utilities Act 2000 is to protect the interests of consumers (present and future), wherever appropriate by promoting effective competition. Many areas of the gas and electricity industry are subject to, or are in the process of being opened up to, competition. Where competition has been introduced, Ofgem will continue to monitor these markets to ensure that they operate effectively and where necessary take appropriate steps to ensure consumers' interests are being protected. In those areas of the industry where it is not possible or appropriate to introduce effective competition (i.e. the transportation of energy over wires and pipes) Ofgem seeks to protect the interests of consumers through a variety of regulatory tools, such as price controls and incentive schemes.

Issue

1.2. The Information and Incentives Project (IIP) was initiated following the last price control review of Distribution Network Operators (DNOs). The review identified that there were some weaknesses in the existing framework of price regulation, particularly in the way in which quality of supply was assessed. As such, the IIP sought to improve the quality of information collected from the DNOs and to strengthen the financial incentives on them to deliver the appropriate quality of supply in four key areas:

- the number and duration of interruptions to supply; and
- the quality and speed of telephone response.

1.3. The IIP incentive scheme was introduced in April 2002. Ofgem indicated in its December 2001 final proposals that it intended to delay the introduction of incentives on the speed of telephone response because of inconsistencies in the way in which DNOs were measuring this output. The purpose of this document is to propose amendments to the Regulatory Instructions and Guidance (RIGs) to enable DNOs to report more consistently on this output.

Objective

1.4. The objectives of making these amendments are:

- to provide improved instruction and guidance to the DNOs on how they should be reporting and recording the speed of telephone response; and
- to enable Ofgem to obtain consistent reported results on this output across DNOs and over time. This will enable Ofgem to make improved performance comparisons, publish robust results and strengthen incentives in this area.

Policy and recommendation

1.5. One policy option has been identified. Over the short to medium term, Ofgem considers it important to focus on improving the measurement and monitoring of the speed of telephone response.

1.6. Ofgem has identified during the course of this year's work that the DNOs use two generic types of telephony system not withstanding detailed differences in individual systems. However, Ofgem is concerned that the current version of the RIGs does not allow for DNOs to report consistently given these differences – both generic and individual. Ofgem is also concerned that the RIGs do not adequately reflect the differences in calls being answered by automated messages and by agents. As such, there are a number of possible improvements to the RIGs that should help overcome this and enable more consistent and robust measurement of performance.

1.7. Based on the work carried out for Ofgem by Mott MacDonald and British Power International (MM/BPI) Ofgem does not consider that these changes in reporting requirements will impose a significant financial burden on DNOs.

1.8. Given these issues, and the proposed amendments to the reporting requirements, Ofgem believes that it would be inappropriate to introduce an incentive mechanism on the speed of telephone response during the current price control period. However, during the current review of distribution price controls, Ofgem will consider the possibility of strengthening incentives in this area as part of the more general review of output incentives. In the interim, Ofgem considers it important to publish performance for this output across the DNOs and intends to do so in its annual Quality of Supply Report, due to be published by December each year. This will provide information to consumers and other interested parties on the performance by DNOs in this area.

1.9. It is intended that the amended RIGs definitions will be introduced on 1 October 2003. This will allow DNOs to report performance to Ofgem for the final six months of the current regulatory year and for the entire 2004/05 regulatory year using the amended definitions.

2. Background

Information and Incentives Project

2.1. The Information and Incentives Project was initiated following the last distribution price control review. The review identified that there were some weaknesses in the existing framework of price regulation, particularly in the way in which quality of supply was assessed. As such, the IIP sought to improve the quality of information collected from the DNOs and to introduce financial incentives on them to deliver an appropriate quality of supply.

2.2. The first stage of the IIP focused on improving the information collected from the DNOs, particularly in the areas of quality of supply and network performance. There was particular focus on the definitions of the outputs that were incentivised to ensure that these were measured accurately and consistently across companies. It was clear from the work undertaken during this first stage that DNOs were using different definitions and different approaches to measuring their quality of service performance. These differences meant that DNOs did not report quality of supply performance to the same level of accuracy. Ofgem has now put in place standard definitions, guidance and minimum levels of accuracy that DNOs must meet for reporting quality of service performance, which are set out in the RIGs

2.3. The second stage of the project focussed on developing an incentive scheme for the period 2002/03 to 2004/05 to deliver the appropriate level of service to customers. The DNOs have agreed to an incentive scheme that allows for financial rewards or penalties depending on the quality of service performance in three key areas:

- *the number and duration of interruptions to supply* - DNOs that fail to meet their quality of supply targets can be penalised annually, by up to 1.75 per cent of revenue. There is also a mechanism for rewarding companies that exceed their quality of supply targets for 2004/05 based on their rate of improvement up to that date; and

- *the quality of telephone response* – DNOs can be rewarded or penalised annually by up to 0.125 per cent of revenue depending on the quality of telephone response they provide to customers.[1]

2.4. The remit of the IIP also covered the introduction of an incentive mechanism on the speed with which customers can access information regarding faults over the telephone. However, it was clear from the initial data that the DNOs submitted during the interim review of IIP information in 2001[2] that there were substantial unresolved issues regarding the way in which DNOs measured the speed of telephone response, which was evidenced by the wide variation in response times reported across companies. This raised concern over the DNOs' interpretation of the RIGs. DNOs expressed similar concerns in their responses to both the initial and final proposals for the introduction of the IIP incentive scheme. They indicated that the application of an incentive scheme associated with the speed of telephone response must be equitable across companies, and that this would be questionable given apparent differences of interpretation and measurement.

2.5. In the light of this, Ofgem decided to delay the introduction of incentives on the speed of telephone response until further work had been undertaken with regard to the configuration of the DNOs' telephony systems. Ofgem has now undertaken this further work and is described in detail in chapter 3. Prior to this work, Ofgem also made a number of modifications to the RIGs in March 2002 to provide additional guidance on how the speed of telephone response should be measured and reported. DNOs have reported performance under this measure for both the 2001/02 and 2002/03 regulatory years.

October 2002 storms

2.6. Much of southern Britain, Wales and the Midlands was affected by severe storms at the end of October 2002. These storms caused widespread damage to the distribution networks of several DNOs[3], and resulted in the loss of supply to

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[1] For details see "Information and incentives project – Incentive schemes final proposals" December 2001, 78/01.
[2] The interim review was undertaken by Mott MacDonald/British Power International in Autumn 2001
[3] The October 2002 storms caused damage to the following DNO's networks: Aquila, East Midlands Electricity, Eastern Power Networks, Seeboard Power Networks, Southern, SP Manweb, United Utilities and

around 2 million customers. The final customers affected by the storms were restored ten days after they went off supply.

2.7. Following the storms, the Department of Trade and Industry (DTI) commissioned a report focusing on the restoration procedures followed by the DNOs to reconnect customers. This report was published in December 2002[4]. In addition to restoration, the report also examined the DNOs performance with respect to telephony. This was in the light of the failure by some DNOs to handle the large volume of calls experienced during and after the storm period.

2.8. The DTI report indicates that there were two main problems with call handling during the storms. Some customers received an engaged tone when trying to contact their DNOs' power outage line due to the high levels of telephone traffic on public and mobile operators' networks, which caused congestion. The report also found that customers of three DNOs experienced similar engaged tones that could not be attributed to congestion. The report states that the answering service provided by these DNOs developed a problem due to an intermittent fault on the BT network, with one company being severely affected and the other two significantly affected.

2.9. The report set out some key recommendations for all DNOs on a wide range of issues including for telephone response and the answering service provided. The report recommended that DNOs should undertake rigorous testing of their telephony systems and have early underperformance or failure identification. It also recommended that DNOs have contingency plans in place in the event of system failure[5].

2.10. This paper does not intend to comment on the DTI report. However, it is important to bear in mind the recommendations from that report and that a DNO should be delivering an appropriate telephony service to its customers.

Western Power Distribution (South Wales and South West).

[4] Department of Trade and Industry: October 2002 Power System Emergency Post Event Investigation, December 2002

[5] Taken from table 4 in chapter 10 of the DTI overview report

Structure of this document

2.11. Chapter 3 of this document describes the work undertaken since April 2002 on the speed of telephone response by Ofgem and its consultants MM/BPI. Chapter 4 sets out the rationale for amending the RIGs with chapter 5 clarifying the points for consideration. The detailed amendments to the RIGs are set out in Appendix 1. It is these amendments that Ofgem would welcome comments on.

3. Background and work to date

Introduction

3.1. This chapter describes the work carried out by Ofgem and its consultants since April 2002 on the speed of telephone response. Mott MacDonald and British Power International have been retained as consultants to provide advice in this area. Their remit included developing an understanding of the DNOs' telephony systems, providing advice to Ofgem in this area – highlighting any significant differences between companies – and assessing the impact that the different systems have on the average speed of telephone response. MM/BPI were also commissioned to recommend amendments to the RIGs that became apparent through their work, for example suggested changes to definitions and suggested further guidance on the points at which the systems should generate the reported statistics.

Work to date

3.2. In May 2002, Ofgem and MM/BPI developed and circulated a questionnaire to DNOs to establish an understanding of the telephony systems in use and to obtain details of each DNO's understanding of the RIGs. The responses identified that each company's telephony system were bespoke and that more specific follow up questions were required in order to gain a fuller understanding of these systems. The company specific questions were circulated in July 2002.

3.3. Based on the responses to both of these sets of questionnaires, MM/BPI sought to clarify further the understanding of the telephony systems with in-depth interviews with appropriate personnel within the DNOs. These interviews were undertaken in January 2003.

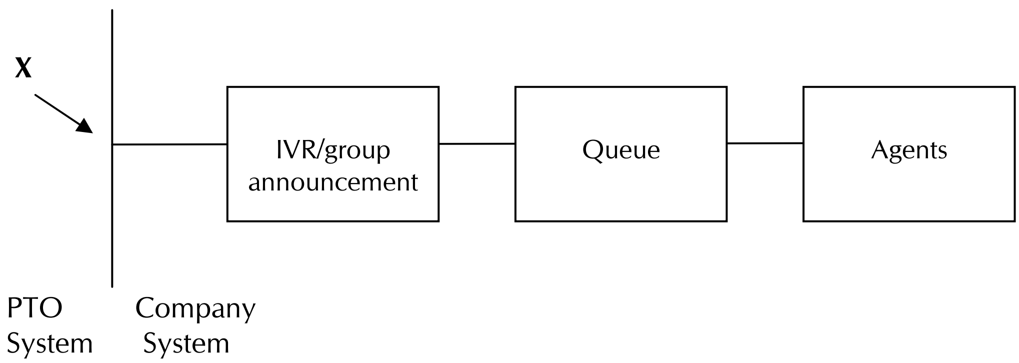
Call handling arrangements

3.4. MM/BPI's analysis confirmed that all DNOs use message answering diversion for known faults on their networks. The analysis suggested however that the telephony systems differ once this message has been relayed. It also suggested that the telephony systems used can be grouped into two generic types – those that allow customers to hold for an agent following an initial fault message and those that require customers to call the DNO back on an alternative number to speak to an agent. These important differences are discussed in more detail below.

Call handling under normal conditions

3.5. Under fault free or 'normal' call handling conditions, all DNO telephony systems tend to be relatively similar. Figure 3.1 is a simplified diagram of the call handling arrangements under such conditions. When a call is received under fault free conditions, the calls enter the DNO's system via the Public Telephone Operator's (PTO) system at point X. In most cases, customers will hear an interactive voice response (IVR) or group announcement, which routes the customer's calls to the relevant agent (for example loss of supply related, meter related etc). The IVR or group announcement will typically include information such as the services available on that particular telephone number and a Data Protection Notice. Following the IVR or group announcement, customers are routed either directly to an agent or into a queue for an agent during busy times.

Figure 3.1: Normal call handling arrangements



Call handling under fault conditions

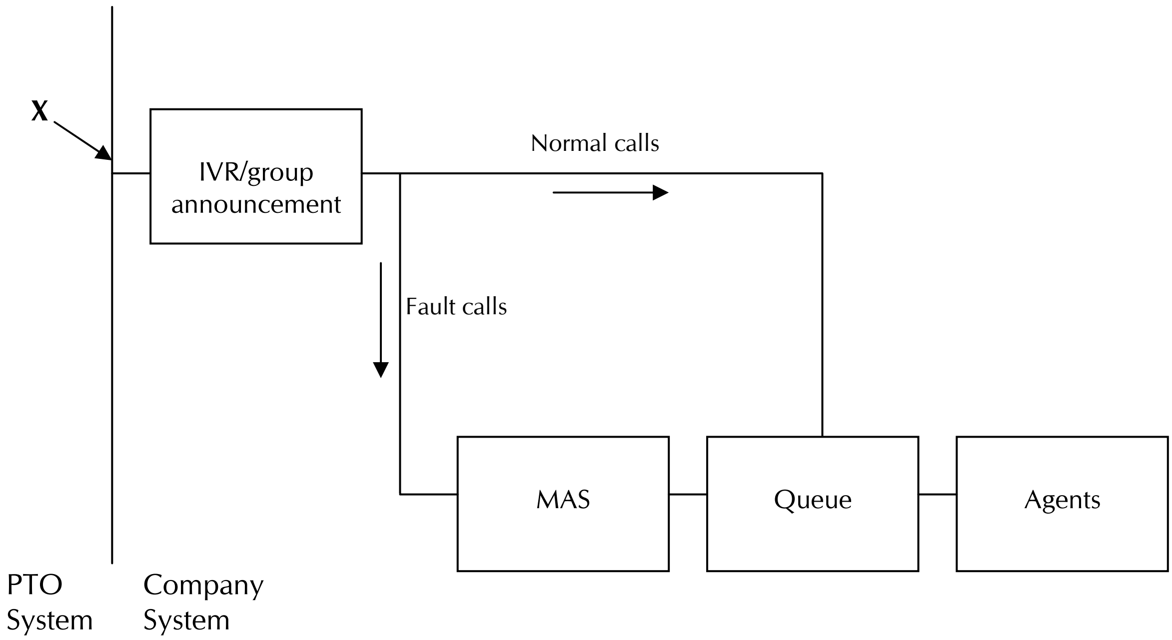
3.6. When a fault occurs on a DNO's network, a larger volume of calls than usual may be expected to enter that company's telephony system. In general, DNOs identify the geographic area of callers from the caller line identity number. This recognises the local area code and up to the first three numbers of the customer's telephone number. Typically, three calls from the same geographic area in a short time period indicates that potentially there is a fault in that area, which enables the DNO to dispatch resource as necessary to establish whether this is the case, whether customers have been interrupted, and repair the fault as necessary. Generally, information received from customers is used by the DNO to establish a pre-recorded message on its message answering service (MAS) which is played back to subsequent customers calling from the same area in respect of what is assumed to be the same fault. This messaging facility can be updated as more information becomes available, for example an update on the expected restoration time of the fault.

3.7. As indicated above, MM/BPI's work suggests that there are two generic types of telephony systems that DNOs employ. These can be characterised by the call handling arrangements under fault conditions, and in particular the way in which customers can interact with an agent after listening to an automated message. At a high level, the systems can be described as:

- those that allow the customer to hold for an agent following a fault message; and
- those that require customers to call back on an alternative number to speak to an agent following a fault message.

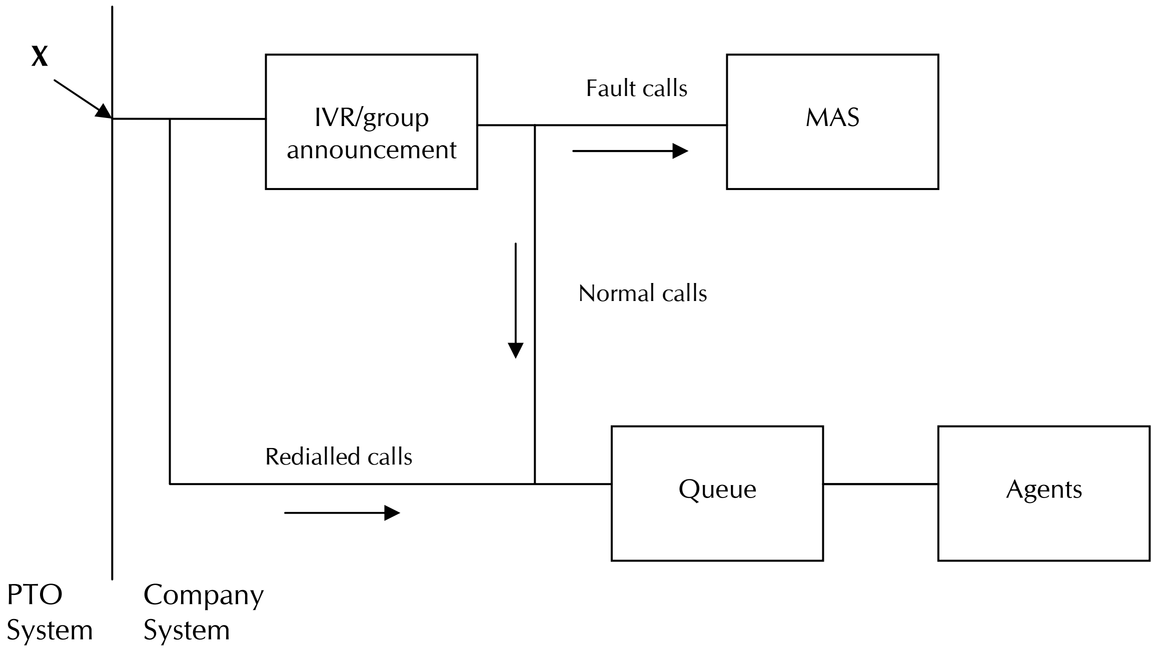
3.8. At any particular time, a DNO's call handling system may be operating under both 'normal' and 'fault' conditions, taking both calls in respect of known faults and also 'normal' call traffic. Figures 3.2 and 3.3 illustrate at a high level the generic telephony systems described above.

Figure 3.2: Generic telephony system that allows customers to hold for an agent



3.9. Figure 3.2 illustrates a generic telephony system where a customer is able to hold for an agent following an initial fault message. Under normal conditions, the call enters the system at point X and is routed to an agent after the IVR or group announcement, as in figure 3.1, following the 'normal calls' path. Under fault conditions, calls enter the system at point X and follow the 'fault calls' path to the fault message in the MAS. When the MAS has played its message, customers are given the option to hold for an agent to obtain additional information.

Figure 3.3: Generic telephony system that requires customers to call back on an alternative number



3.10. Figure 3.3 illustrates the generic telephony system where customers are required to call back on an alternative number to speak to an agent following an initial fault message. Under normal conditions, calls enter the system at point X and, after the IVR or group announcement, the call is routed to an agent as in figure 3.1 following the 'normal calls' path. However, once the DNO has established that there is a fault on a particular part of its network, it will initiate a specific message after the IVR on its MAS for subsequent calls identified as being from the same area. These calls follow the 'fault calls' path. Once the message has ended, calls are considered answered and are terminated by the DNO. If a customer either wants to obtain further information about the fault, or has more information about the fault that it wants to report to the DNO, they are required to call back on an alternative number. Again the calls enter the system at point X, but follow the 'redialled calls' path to the agents, possibly via a queue.

Time taken to speak to an agent

3.11. The responses to the questionnaires indicated that all DNOs use message answering for known faults. Seven DNOs allow customers to wait for an agent following a fault message, as illustrated in figure 3.2, whilst seven 'terminate' the call after giving an initial fault message, requiring customers to call back on an alternative number to speak to an agent, as illustrated in figure 3.3.

3.12. It is not clear that the current version of the RIGs requires or encourages DNOs to report consistently given the differences identified. It is also not clear that Ofgem has targeted the most appropriate measure of speed of response to date (i.e. the average speed of response), given that some calls are answered by an agent and some calls are answered by automated messages.

3.13. In the light of this, Ofgem proposes to measure the response times for customer to speak to an agent. Ofgem considers that this is a more appropriate measure of performance reflecting the length of time a customer waits to speak to an agent once they have decided to do so. The work carried out to date suggests that, in order to facilitate this measure, for reporting purposes it is possible to treat the time a customer has to wait to speak to an agent equivalently to the additional time it takes for a customer to call the DNO again on an alternative telephone number to speak to an agent. The proposed amendments to the RIGs to address this are set out in Appendix 1 with the reasons for the amendments discussed in the following chapter.

4. Improved reporting requirements

Introduction

4.1. This chapter discusses the reporting requirements for DNOs on the speed of telephone response, as defined in the RIGs, and the proposed amendments to these in light of Ofgem's greater understanding of the telephony systems DNOs operate. These amendments have been proposed because Ofgem is concerned that the DNOs are not interpreting the RIGs consistently and therefore reporting this output on an inconsistent basis. Ofgem is also concerned that the RIGs do not adequately reflect differences in DNOs' telephony systems and differences between calls being answered by automated messages and by an agent.

Current Regulatory Instructions and Guidance

4.2. Ofgem published the current version of the RIGs in March 2002. This document provides the framework for the collection and provision of accurate and consistent information by the DNOs to Ofgem. Chapter 3 of the RIGs sets out definitions, instructions and guidance for reporting on both the speed and quality of telephone response.

4.3. At present, DNOs are required to provide information on the average speed of response. The average speed of response includes calls to:

- the freephone power outage number (and its equivalents) operated by the DNO or its appointed agents (or contractors);
- the security and safety enquiry service telephone number (if different from the above) operated by the distribution company or by its appointed agents (or contractors); and
- contractors and/or agents of the distribution company who act as an overflow or crisis management facility during peak periods.

4.4. In addition to the average speed of response, DNOs are also required to provide the following supporting statistics on an annual basis:

- total calls on the specified contact lines including, where appropriate the number of calls with engaged tone (if applicable);
- total calls received;
- total time system unavailable to take additional calls (if applicable);
- number of calls with an engaged tone;
- number of calls disconnected where the customer chooses to hold for an agent but is disconnected before the agent answers the call;
- number of calls disconnected where the customer is not given the opportunity to hold for an agent but are automatically disconnected at the end of the fault message;
- number of occasions all lines busy (if applicable)
- total calls abandoned;
- total calls abandoned within 10 seconds (optional);
- total calls answered; and
- total response time for relevant calls

Inconsistencies in reporting

4.5. MM/BPI have developed a template for reporting to Ofgem all of the information required under the IIP, including that set out above for the speed of telephone response. Each DNO has reported performance for both 2001/02 and 2002/03 in this format. Analysis of this data suggests that the DNOs do not appear to be interpreting the RIGs and reporting performance information in a consistent way. For example, the reported average speed of response statistics varies between 0 and 27 seconds for 2001/02 and between 0 and 15 seconds for 2002/03. It may be expected that given there are some similarities in the generic types of system that DNOs employ, there would be some similarity in the average speed of telephone response but the reported statistics do not tend support this. This was one of the drivers for reviewing this output measure.

Limitations of the current RIGs requirements

4.6. All DNOs use some form of message answering facility to provide information to customers about faults. However, there are differences in how customers are able to speak to an agent subsequent to this message. The responses from the questionnaires suggest that generally where a customer is required to call the DNO on an alternative number, these additional calls are included in the reported statistics. By contrast however, it is not clear that those DNOs which allow customers to wait for an agent include this additional wait time in the reported statistics. Indeed, the RIGs do not currently require DNOs to record this additional waiting time.

4.7. In the light of this the performance results reported using the current RIGs requirements may not be comparable across DNOs. The reported statistics show that generally, those DNOs that require customers to call back on an alternative number have slower reported average response times compared to those DNOs that allow customers to hold after an initial fault message.

Proposed amendments to the RIGs

4.8. Ofgem considers that amendments to the RIGs are needed in this area to improve the robustness and the comparability of reported performance. As such Ofgem proposes that rather than DNOs reporting performance on the average speed of telephone response, which is inclusive of calls answered by agents and those answered by automated messages, DNOs should report performance on the speed of response for calls answered by an agent, with supporting statistics reported on certain key performance measures. These key performance measures are described in detail in Appendix 1.

4.9. This means that for those DNOs that allow customers to wait for an agent after an initial fault message the time to be measured is the wait time from the end of the message to the call being answered by an agent. It also means that for those DNOs that require customers to call the DNO on an alternative number the time to be measured is the time from the ringing tone of this additional call to the call being answered by an agent. Ofgem recognises that some DNOs have an additional IVR or group announcement on this alternative number and in such cases, DNOs should report the time from the end of this message to the call being answered by an agent.

4.10. Ofgem also proposes that the supporting statistics be revised for this purpose and to ensure that the statistics can be audited in the future. As such a proposed audit trail, as well as the proposed amendments to the RIGs, is set out in Appendix 1.

Mechanism for amending RIGs

4.11. Ofgem proposes to make amendments to the RIGs for the speed of telephone response to allow DNOs to report performance under this output consistently. It is intended that the revised RIGs are in place by 1 October 2003 to allow DNOs to report on this basis for the final six months of the 2003/4 reporting year.

4.12. The amendments are proposed in line with the formal change process set out in paragraph 9 of Standard Licence Condition 49 of the Electricity Distribution Licence. The proposed amendments are detailed in Appendix 1 with the reasons set out in the body of this document. Ofgem will consider the responses to the proposed amendments within the timetable set out below.

Timetable

4.13. Ofgem intends to issue the revised RIGs in early September 2003, taking into account the responses received. It is intended that the revisions are in place by 1 October 2003. Given the requirements in paragraph 9 of the Standard Licence Condition 49, Ofgem would like comments on the proposed amendments by 28 August 2003.

5. Issues for consideration

5.1. Ofgem asks interested parties, especially the DNOs, to comment on the key issues raised in this document, and in particular on:

- the proposed amendments to the RIGs as set out in Appendix 1;
- the timing for bringing in changes (i.e. for DNOs to begin reporting under the revised definitions by 1 October 2003); and
- whether it is feasible to use the existing systems to report the new statistics or whether substantial changes will be needed to reporting systems. If DNOs believe that substantial changes are required, they should detail these in their responses, including an assessment of the associated timeframe under which the amended RIGs requirements might be introduced.

Responding to this document

5.2. Ofgem would like to receive responses to this document from DNOs, and any other interested parties by 28 August 2003. They should be sent to:

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London SW1P 3GE
Tel 020 7901 7264
Fax 020 7901 7478
Email richard.clay@ofgem.gov.uk

5.3. Where possible, it would be helpful if responses could also be sent in an electronic form. Unless marked as confidential, all responses will be published by placing them in Ofgem's library. Any questions on this document should, in the first instance, be directed to Richard Clay.

Appendix 1 Proposed amendments to the RIGs

1.1 This appendix sets out Ofgem's proposed amendments to Chapter 3 of the RIGs – 'Definitions, instructions and guidance for reporting on speed and quality of telephone response'. It is proposed that paragraphs 3.4 to 3.10 in the 'Speed of telephone response' section be replaced by the following:

Definitions of the required information

1.2 DNOs are asked to report performance on the speed of telephone response to an agent once a customer has decided that they want to speak to an agent. They are also required to report performance under a number of supporting key measures. These are described below.

1.3 Figure A1.1 illustrates the generic telephony system that allows a customer to hold to speak to an agent following a fault message. Figure A1.2 illustrates the generic telephony system that requires a customer to call back on an alternative number to speak to an agent following a fault message.

Figure A1.1 Generic system for call handling where customers hold to speak to an agent following a fault message

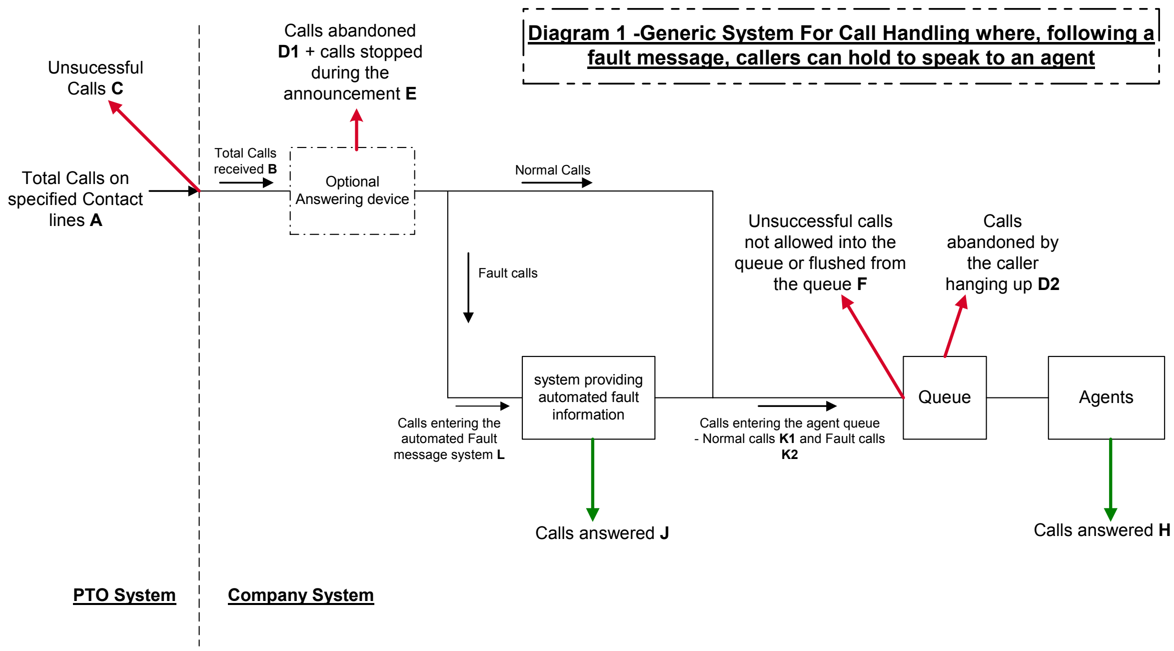
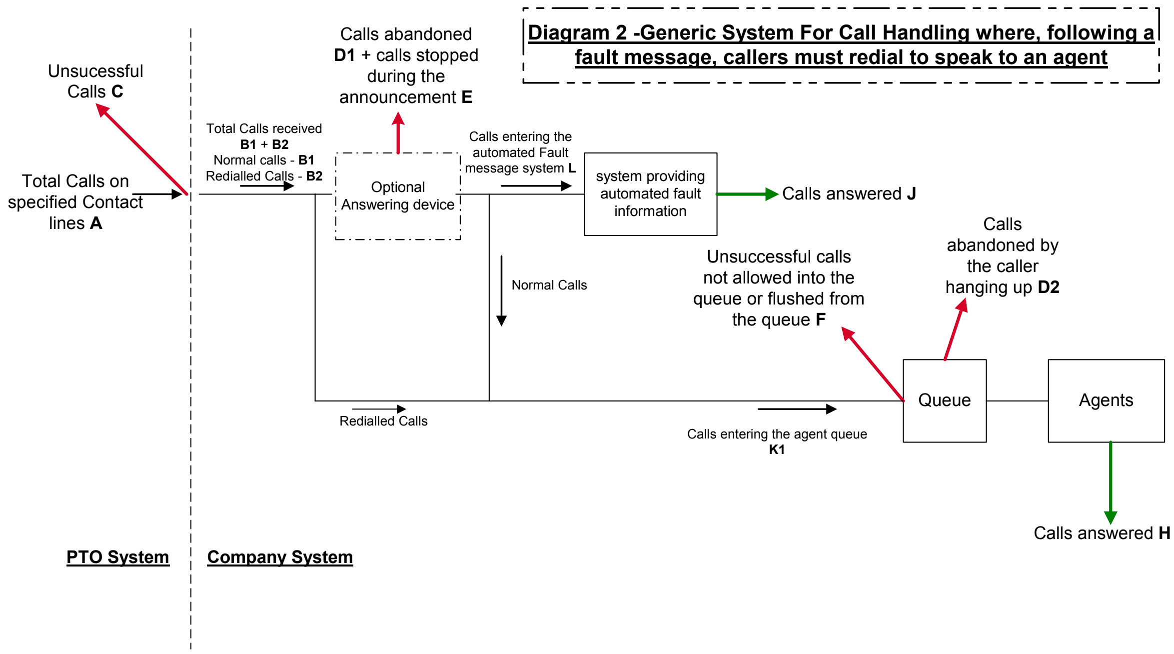


Figure A1.2 Generic system for call handling where customers are required to call back on an alternative number to speak to an agent following a fault message



1.4 DNOs will be expected to measure performance for the following statistics using the measurement points identified in figures A1.1 and A1.2. The key supporting measures that DNOs are required to report to Ofgem are set out in table A1.1.

- **total calls on the specified lines** – defined as the total number of incoming calls received to the specified lines. It includes all unsuccessful calls to these lines. In both figures A1.1 and A1.2, the measurement point would be *A* and includes unsuccessful calls *C*. This information should be reported as Key Measure 1 (*KM1*).

- **total calls answered by an automated message providing details of a fault** – defined as all calls routed to and answered by an automated fault message. This automated message will be subsequent to the IVR/group announcement (optional answering device). On both of the illustrative figures, the calls entering the message facility should be measured at *L* with the measurement point *J* being reported as *KM2*.

- **total calls answered by an agent after listening to an automated message providing details of a fault** – defined as all calls answered by an agent once a customer has decided to speak to an agent following hearing an automated message. This includes those customers that wait for an agent following an automated message and those customers that call back on an alternative number following an automated fault message (dependent on the type of telephony system the DNO uses).

The measurement point in figure A1.1 would be *K2* and in the reported statistics, the information would be recorded as *KM3a*. The measurement point in figure A1.2 would be *B2* with the information recorded as *KM3b*.

It is to be expected that DNOs will report either *KM3a* or *KM3b* as zero dependent on the telephony system used.

- **total calls answered by an agent** – defined as all calls that reach and are answered by an agent. This will include those customers defined above and also those customers that reach an agent under normal conditions. On both of the illustrative figures, calls entering the queue should be measured at *K1* with the measuring point at *H* being reported as *KM4*.

- **time taken for response by an agent** – defined as the total time from when the customer hears a ringing tone to when the call is first answered by an agent:

  (i) for those DNOs' telephony systems that require customers to wait for an agent following an automated message, the time taken is the time from when the customer enters the queue to speak to an agent after the message has finished to when the call is first answered by an agent. Under normal conditions, the time is from the end of the IVR/group announcement until the call is answered by an agent.

  (ii) for those DNOs' telephony systems where customers are required to dial an alternative number to speak to an agent, the time taken is from when the customer hears the ringing tone of this line to when the call is first answered by an agent. If the DNO has an additional IVR or group announcement on the alternative number, the report time should be from the end of this message to the call being answered by an agent. Under normal conditions, the time is from the end of the IVR/group announcement until the call is answered by an agent.

DNOs should report the total response time for all relevant telephone calls in a year, the mean time for all relevant telephone calls in a year and the maximum time a customer waited before speaking to an agent. This information should be reported as *KM5a*, *KM5b* and *KM5c*.

- **total calls abandoned** – defined as the total number of calls where customers choose to end their call anywhere during that call once the call has entered the DNO's telephony system. On both of the illustrative figures, the measurement point would be *D1* and *D2*. This information should be reported as *KM6*.

- **total number of unsuccessful calls** – defined as the total number of calls that are terminated (either by call flushing or call blocking or other similar method) by the DNO once the call has entered into the DNO's telephony system. On both of the illustrative figures, the measurement points would be *C*, *E* and *F*. This information should be reported as *KM7*.

Guidance for reporting

1.5 It is important that DNOs report on a consistent basis over time, and as such, it is important for Ofgem to set out clearly additional guidance for reporting. For each of the definitions set out in the above section, Ofgem have identified the key measurement points on the generic figures set out above. These key measures will form the basis of the revised template that DNOs will be expected to use in reporting performance to Ofgem. These revised templates will be issued with the general IIP template prior to the end of each reporting period.

Key Measures

1.6 The following table sets out the key measures which will be included in the IIP reporting template. They are the same definitions as described above:

Table A1.1 Explanation of key measures for the reporting template

Key Measure	Definition
KM1	Total calls on the specified lines
KM2	Total calls answered by an automated message providing fault details
KM3 - KM3a - KM3b	Total calls answered by an agent after listening to an automated message providing details of a fault: By holding for an agent By redialling on an alternative line
KM4	Total calls answered by an agent
KM5 - KM5a - KM5b - KM5c	Time taken for response by an agent: Total Mean time queuing or holding Maximum time queuing or holding
KM6	Total calls abandoned
KM7	Total number of unsuccessful calls

Audit checks

1.7 Reporting of these key measures will provide Ofgem the ability to quickly detect anomalies in the reported information. It will also enable Ofgem to undertake audits across DNOs with confidence that the key measures have been recorded on a consistent basis.

1.8 These key measures allow for reporting on the customer service experience of the customer in two key areas; firstly how long they have waited to obtain the information and secondly how many attempts that takes. KM5 primarily relates to the first of these indicators with KM3 and KM7 relating to the second. In addition, KM1, KM2 and KM4 provide the supporting information that will allow comparison of the reported performance across DNOs and over time.

1.9 The suggested key measures allow for a simple audit check to be carried out. This allows back checking of the statistics to the total calls received on the specified contact lines. KM6 is included to enable this check. The audit check is:

KM1 = KM2 + KM4 + KM6 + KM7 – KM3a