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27 August 2003

Dear Richard

IIP: Proposed amendment to the RIGs for the speed of telephone response

You requested our views on your proposals to amend the Regulatory Instructions and Guidance for the speed of telephone response. We are pleased to provide the following response.

Overall, we agree that it would not be appropriate to introduce financial incentives on this output measure during the current price control period, as some companies will probably need to introduce changes to their systems to allow comparisons to be made. We also support your proposal to discontinue reporting this output measure under the existing RIGs as these statistics are relatively meaningless.

We do however have some concerns with your proposals, which are noted below.

Our main concern is that the proposal will compare DNOs with dissimilar telephony processes and systems. Indeed, we believe that your proposals could incentivise companies to deliver poorer telephone service whist indicating good comparative performance.

This issue arises because you propose to compare systems that 'allow customers to hold for an agent following a fault message' to systems that 'require customer to call back on an alternative number to speak to an agent following a fault message'. We believe that a system where the customer may hold on after hearing a fault message to speak to an agent delivers a considerably better and quicker service compared to a system where the customer has to listen to the recorded announcement, then remember the alternative number given, find a pen and write down this number, and then dial it. It seems likely in the second scenario that a customer may have to re-dial the original number a second time to re-listen to the recorded announcement to obtain the new number, thus perversely increasing the total number of calls. Therefore it is our view that these two approaches offer dissimilar levels of customer service, and that your proposal to treat them as equals is inappropriate. Practically, SEPD and SHEPD offer this enhanced service, and our 'clock' will start as soon as our customer holds for an agent after listening to the recorded message. However, other companies will be given a grace period while the customer goes through the rigmarole mentioned above, and their 'clock' starts when their customer hears the ring tone on the new number. If this second process results in better performance figures, companies may chose to revert to that system, which in our opinion will result in poorer customer service. We ask you to reconsider this issue which we believe provides a perverse incentive.

Another important issue is that the proposals do not seem to take account of the benefit our customers derive from recorded messages and the speed at which this information is made available, particularly in busy periods and during exceptional events. Your proposals appear not to recognise the high level of customer satisfaction that can be achieved through effective use of recorded messaging. Furthermore, by not including the speed of response of these calls, the statistics will be skewed during exceptional events. Therefore, it is our view that calls answered by recorded messages should be included in the 'average duration' analysis.

In your proposal, you understandably comment on the telephony problems experienced by some companies in the October 2002 storm. I am proud to point out that the BPI report identified our telephony and telephone response as being a 'good performance'. However, you should be aware that all companies are concerned that they have no guarantee of resilience from the telephony providers. Calls are routed at the service provider's discretion around national and local networks with no visibility to DNOs. A fault or congestion at any point on these networks can result in customers receiving a 'ring no answer' tone, an engaged tone or a recorded message, and we may well have no knowledge of the problem or the result heard by our customer. This issue has been researched as part of the DTI Network Resilience Working Group's study.

Regarding Appendix 1, we make the following comments:

- The annotation in figures A1.1 and A1.2 does not easily align with the text and tables in the appendix, and therefore makes the document more complex. We suggest as an example, rather than refer to 'A' as 'Total calls on specified contact lines', it should be annotated 'Key Measure 1(KM1)' from the start.

- The measure D1 is identified as part of the count of abandoned calls, but in reality D1 represents customers who have hung up after hearing the Group Announcement indicating they have probably rung the wrong number. D1 can also represent callers who have been satisfied by the fault message but then have been slow to hang up. Therefore D1 should not be added to D2 to produce the abandoned call measure KM6.

- In Appendix 1 para 1.4, in the section 'total calls answered by an agent', you suggest calls entering the queue should be measured at K1. I think you mean K1 + K2?

- In Appendix 1 para 1.4, in the section 'time taken for response by an agent (ii)'

    - does the 'mean time for all relevant calls in a year' mean the 'total number of calls divided by the total time', i.e. the 'average time'?; and,
    - is the maximum time 'a' customer waited intended to mean the maximum time 'any' customer waited?

    We believe that the measure of 'maximum wait experienced by any customer' KM5c is potentially misleading. All customers held in a queue have the choice to ring off and call again, and therefore this should not be a statistic used to compare company to company performance. Furthermore, if this statistic has a high profile, companies may choose to terminate the call, which would not be the 'right' approach.

- In Appendix 1 para 1.8, the proposal suggests that the number of attempts a customer may have to make to contact their DNO is comprises KM3 and KM7. It is our view that the

measure is more accurately represented by the total calls answered by agents and "failed" calls, i.e. KM4, KM7 and D2, (see previous note re D1).

Finally, both Scottish Hydro-Electric Power Distribution and Southern Electric Power Distribution use telephony systems which are not an exact fit with the proposed generic diagram, but the differences are mainly conceptual. There is possibly one issue to note relevant to Appendix 1 para 1.9. We employ some specialised interactive messaging for customers calling from 'mobile phones' or from 'outside our franchise area' and we cannot quantify the number of callers who realise that they have called the wrong DNO and subsequently terminate their call during this process. This means that we will not be able to reconcile the proposed audit comparison of calls delivered to our incoming telephony lines and the total measured on our telephony.

Telephony systems are a complex technology and some of the issues are better debated than explained in letters. We would be very pleased to meet with you to discuss the issues raised.

Yours sincerely

Mike

Mike Green
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