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value for all customers*

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Dear Colleague

Consumer First research for DPCR5 – Qualitative findings

This letter accompanies Accent's report published today on 'Expectations of DNOs and Willingness to Pay for Improvements in Service' ("the qualitative report").

Background

As part of the preparatory work for the next price review, Ofgem appointed Accent to undertake a programme of consumer research with the purpose of reviewing the existing quality of service arrangements to ensure that:

- DNOs continue to be provided with incentives to deliver an appropriate quality of service to consumers;
- the scope and coverage of quality of service outputs are appropriate, relevant and important to consumers; and
- any gaps or room for improvement in the existing arrangements are identified.

The qualitative report sets out the key findings from the first phase of the research. A quantitative phase will be conducted in early 2008 focusing on key outputs identified in the qualitative report. The objective of the quantitative stage is to gain a more detailed understanding of consumers' relative priorities and willingness to pay for service improvements.

Stakeholder engagement

This work forms part of Ofgem's wider Consumer First initiative aimed at supporting greater engagement with consumers and ensuring that we capture consumer insight at every stage of our work.

We have consulted widely with industry stakeholders on the scope and approach of this research and sought their input at key stages of the project. This level of engagement has been facilitated by regular working group meetings that we have held with industry since June 2007.

Views invited

We welcome your views on the research findings outlined in the qualitative report and their implications. Comments should be sent to Laura Nell, Quality of Service Manager, 9 Millbank, London SW1P 3GE by Friday 18th January 2008. Questions or queries may also be directed to Laura Nell (contact details provided above).

Yours faithfully,

Martin Crouch

Director, Electricity Distribution