

Worst Served Customers

Final Report

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CONTENTS

Executive Summary	i
1. INTRODUCTION	1
1.1 Background.....	1
1.2 Objectives	1
2. METHODOLOGY	2
2.1 Introduction	2
2.2 Group Recruitment	2
2.3 Group Location & Structure	3
2.4 Topic Guide & Moderation	4
2.5 Incentives.....	4
3. Context to Research.....	5
3.1 Introduction	5
3.2 Core Issues.....	5
3.3 Locational Issues	5
4. key findings	7
4.1 Introduction	7
4.2 The Role of Electricity and Awareness of DNOs	7
4.3 Experience of Power Cuts	11
4.4 Customer Contact	19
4.5 Awareness & Attitudes Towards GSPs	21
5. Conclusions and Recommendations.....	26
5.1 Conclusions	26
5.2 Recommendations	27
Appendix A: Recruitment Questionnaire	
Appendix B: Topic Guide	
Appendix C: Showcards	

Executive Summary

Following an earlier study designed to help inform the next price control period, DPCR5, conducted with “average” customers, Ofgem commissioned this research to explore the experiences and attitudes of “worst served” customers. For recruitment purposes these were defined as customers that could remember experiencing 15 or more interruptions in the past three years (based on information provided by the DNOs). It is appreciated that, due to the definition used, the findings within this report may represent an extreme segment of customers that could be considered worst-served.

This was done qualitatively through 7 focus groups, one each in 6 DNO network owners’ mainland areas, plus one with an island community on Mull to cover the Highlands & Islands.

The results identified that most of the time their electricity worked and it was largely taken for granted. Key supply issues of pricing and service dominated the discussions, but there was more immediate recognition of distributor issues (reliability/communication during/after cuts etc) across the ‘worst served’ sample than amongst “average” customers.

There was low awareness of DNOs, despite greater contact in “worst served” areas, but the higher recognition of DNO issues created more negative attitudes towards them than in the previous study amongst “average” customers.

There was a high incidence of memorable power cuts amongst those in “worst served” areas, ranging from blips to significant outages. Most felt that service had declined over time, with the exception of those on the Isle of Mull. There was also a feeling (except on Mull) that they were less well served than others, but many were unsure why and a lack of communication about the causes was lessening people’s tolerance towards them. Many had invested in contingency measures to deal with outages, although for most this was just candles, torches and gas fires.

Contact with DNOs was generally felt to be poor, except by those on Mull. There were calls for the provision of more accurate information when cuts occurred and more human contact.

There was a low awareness of the Guaranteed Standards of Performance (“GSPs”) across the sample. All were felt to be important, but there were a number of calls to change the detail of them. The 18 hours allowed for GS2 (ie supply restoration, normal conditions) was strongly rejected, with 6 hours considered more acceptable, whilst it was felt that compensation should increase as the cut continued, rather than declining for each subsequent 12 hours.

By contrast, some felt that the number of hours before compensation was due in severe weather was relatively short, particularly when compared to GS2 (ie supply restoration, normal conditions), there being far greater tolerance of cuts in severe weather. That said, expectations for compensation in such events were high, with £200 felt to be far more acceptable than £25. It was also felt that compensation should be automatic to act as a true penalty.

There was very little acceptance of GS2A (ie supply restoration, multiple interruptions) as it currently stands, key issues being that it didn't compensate for numerous shorter interruptions (which many of them were experiencing), did not provide a high enough level of compensation and put the onus on the customer to keep records.

The total duration standard was liked, but as a back up to GS2A (ie supply restoration, multiple interruptions), and with DNOs having to keep records and provide automatic payments, rather than customers keeping records and having to claim.

Most liked the idea of compensation as a way of encouraging DNOs to improve their performance, but felt it should be automatic.

Key recommendation from the research focus on:

- improvements in the awareness and profile of DNOs, as well as in communication from DNOs as to the causes of power cuts and the implementation of proactive communications/education about future investment plans and how problems are being addressed to avoid reoccurrences in the future
- raising awareness of, through proactive communication of, GSPs and of the penalty system in place for DNOs
- strengthening the visibility of OFGEM's role in this
- amending some of the detail on some of the GSPs:
 - shortening the number of hours before compensation is paid for GS2 (ie supply restoration, normal conditions) and increasing the compensation payments for each subsequent 12 hours
 - increasing the amount of compensation paid by GS11 (ie supply restoration, severe weather)
 - keeping GS2A (ie supply restoration, multiple interruptions), but backing it up with a new total duration standard
- creating standards/regulation that focus on future investment in infrastructure and communication guidelines.

1. INTRODUCTION

1.1 Background

In July 2008, Accent completed a comprehensive programme of research designed to help inform the next price control period, DPCR5, which will run from 2010 until 2015. The research had a number of objectives, chief of which were to determine domestic and business customer priorities and willingness to pay (wtp) for investments by the Distribution Network Operators (DNOs). The research was addressed through qualitative research which consisted of 16 deliberative groups (8 domestic and 8 with small businesses) and 16 face-to-face depth interviews (8 with large/medium businesses and 8 with vulnerable customers), followed by quantitative research with 2,154 domestic consumers and 1,052 business customers.

This study was commissioned as an extension to the above study, with Ofgem wishing to undertake specific research with “worst served customers”, these being defined as:

“...those that have experienced 15 or more power cuts in the past 3 years.”

1.2 Objectives

The aim of this study was to use qualitative research to:

- examine the experiences and attitudes of worst served customers
- explore their awareness of, and attitudes towards, GSPs
- understand where they feel investment should be going, as compared to the “average” customer.

Unlike the earlier study, this study did not seek to robustly quantify priorities or to understand willingness to pay for investments desired. Rather, it aimed to qualitatively explore where differences lie in the attitudes of “worst served” customers as opposed to average customers.

2. METHODOLOGY

2.1 Introduction

A total of 7 focus groups were undertaken, one each in 6 DNO network owners' mainland areas, plus one with an island community on Mull to cover the Highlands & Islands.

All were undertaken with domestic customers, although some attendees in Wells and Somerset were business owners, so added some comments relating to business experiences.

Details of recruitment, location and attendance are shown in the remainder of this section.

2.2 Group Recruitment

The groups were recruited by Criteria Fieldwork Ltd, a dedicated recruitment agency, using a recruitment questionnaire designed by Accent and approved by Ofgem. This is attached as Appendix A.

The recruitment questionnaire ensured that a mix of ages and socio economic groups (SEGs) were recruited to each group. It also ensured that the following were excluded to avoid any bias that could arise as a result of "knowledgeable" or frequent group attendees taking part in this research:

- anyone who themselves worked, or who had close family working – or who had worked in the recent past – in any of the following professions: marketing, advertising, public relations, journalism, market research or the electricity industry
- anyone who had participated in a market research group discussion in the past 6 months on any subject
- anyone who had participated in 3 or more market research group discussions in the past 2 years, on any subject
- anyone who had participated in a market research group discussion in the past 2 years on the subject of electricity.

On recruitment those who agreed to take part were sent details of the date, time and location of the focus group. They were then all contacted within 24 hours of the group taking place to check that they could still attend. All possible attempts were made to replace any attendees who had to withdraw at this stage.

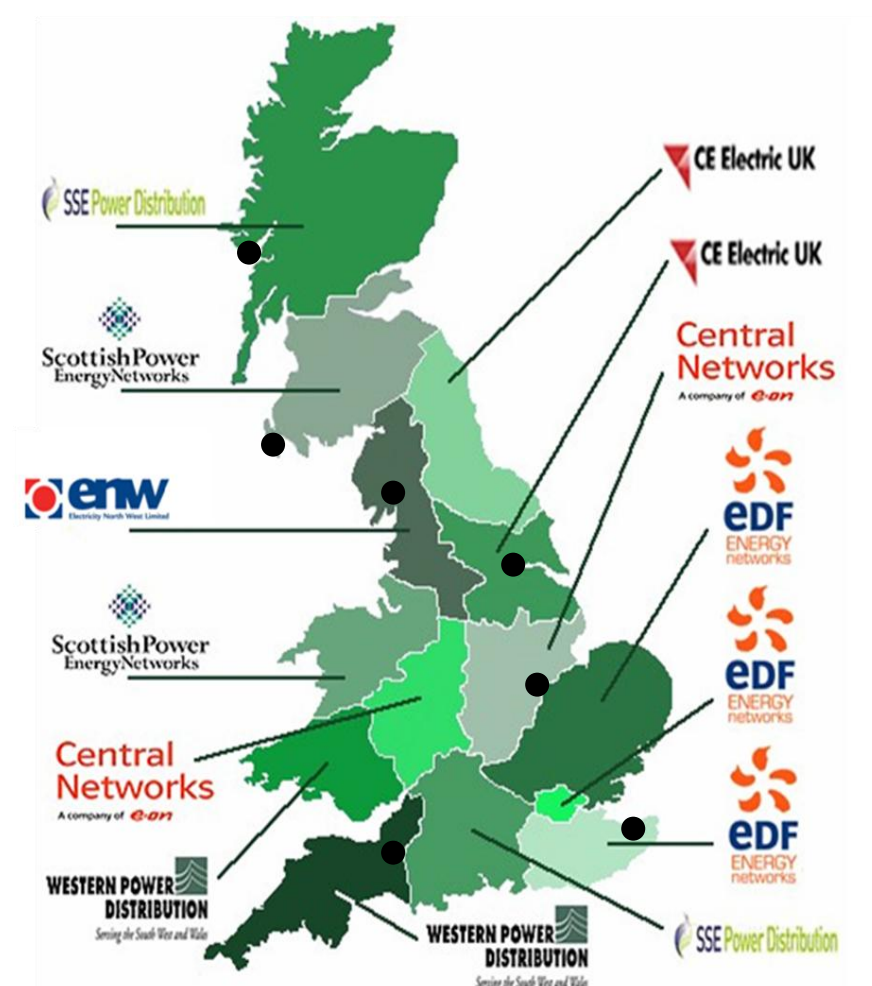
Ten possible attendees were recruited for each group with the aim of 6-8 attending. In most cases, as shown in the next section, attendance was very good. However, poor weather resulted in low turn out in two instances, although in neither case did the moderator feel that the feedback received suffered from the lower than average turnout.

2.3 Group Location & Structure

Group locations, dates and number of attendees are shown in Table 1, and in the map, below.

Table 1: Group Location, Date & No. of Attendees

Group	Location	DNO	Date	No. Of Attendees
1	Whitstable	EDF	23.06.08	10
2	Mendip, Wells	WPD	30.06.08	7
3	Dugg Hill	ENW	07.07.08	10
4	Ardwell Village	SP	07.07.08	5
5	Market Deeping	CN	10.07.08	5
6	Naburn, York	CE	14.07.08	10
7	Salen Village (Isle of Mull)	¹ SSE	27.07.08	6



Locations were drawn from data provided by Ofgem which listed areas where more than 15 outages had occurred over a three year period.

All groups were held in local hotels.

¹ To cover Highlands & Islands

2.4 Topic Guide & Moderation

A deliberative approach was adopted (ie showcards were used to fully inform respondents on the role of distributors and on the nature of the GSPs) and the topic guide was designed to be close to that used in the earlier DPCR5 study, but with the willingness to pay elements removed. It was structured to include:

- Warm-Up and Spontaneous Service Issues
- Explanation of Energy Supply Chain
- Spontaneous Issues relating to Distributors and Performance
- Power Cuts
- Awareness of Guaranteed Standards of Performance (GSPs)
- Exploration of Guaranteed Standards of Performance (GSPs)
- Quality of Customer Contact
- Wrap (ie most important area for improvement).

A copy of the topic guide is included as Appendix B and the Showcards are included as Appendix C.

The groups lasted approximately 90 minutes and were moderated by two senior qualitative consultants, both of whom had worked on the first DPCR5 project, so were fully familiar with the subject area.

2.5 Incentives

Incentives of £35 were given to all attendees to thank them for their time.

3. CONTEXT TO RESEARCH

3.1 Introduction

Caution should be taken in interpreting these findings. They are based upon a relatively small sample size and have used a qualitative, exploratory approach, rather than a robust quantitative methodology. As such, they provide a very valuable, but “indicative”, indication of the views of “worst served” customers.

3.2 Core Issues

Three core issues were felt to be driving many of the views of respondents within the focus groups:

- negativity around pricing/price rises
- “green” issues
- the over-complexity of the market.

The former was particularly dominant, with most customers feeling energy prices are spiralling out of control. In a situation where costs are increasing in this way, there is a general feeling that service should be improving in line with the price rises.

Apart from Mull – which had a distinctly different mentality – there was a sense (even after explanation of the proportional bill costs for DNOs, suppliers, etc) that DNOs should be more efficient in managing income/expenditure so that service can be improved. Although willingness to pay was not covered in detail in this study, there was a strong sense of reluctance to pay any more for an improvement in service levels; improving services was felt to be the responsibility of DNOs as a matter of course if energy prices were rising.

The latter was due (when initially discussed in the groups) to the impact of deregulation and the perception that the market was more “broken up” on the supplier side, ie “you can get your gas and electricity from anyone now”. Following the deliberative presentation within the groups, it was felt that there was an added layer of complexity, ie that of Transmitters, Suppliers, Distributors, etc.

3.3 Locational Issues

The perceived severity of issues varied by location. Broadly speaking, the seven areas covered could be split into three categories:

Category 1: Whitstable, Wells and Market Deeping

- Attitude and Lifestyle:
 - busy, working/commuting, stressed
 - more anonymous, ie less sense of neighbourliness/community (except amongst businesses)
- Service and Contact Issues:
 - frequent smaller cuts

- inconvenient
- lack understanding of reasons behind power cuts
- limited direct DNO contact.

Category 2: Dugg Hill, Ardwell Village, Naburn

- Attitude and Lifestyle:
 - busy, working/retired, stressed
 - neighbourly (as opposed to community) feel
- Service and Contact Issues:
 - frequent longer cuts
 - strong frustration evident
 - greater DNO contact.

Category 3: Salen Village (Isle of Mull)

- Attitude and Lifestyle:
 - relaxed pace of life, many retired, Island life
 - strong sense of community
- Service and Contact Issues:
 - longer cuts
 - perceived to be infrequent
 - very little perception of inconvenience
 - contact with DNO = adequate.

Island mentality was very different from the Mainland, regardless of age or SEG. There was greater tolerance and acceptance there; they knew they were isolated and that things may have to come across from the mainland, so take more time. Generally, they felt that their life was great: they felt they had a fantastic health service, wonderful views, lived in a great community etc, and power cuts were just a blip on their “gorgeous” lifestyle.

4. KEY FINDINGS

4.1 Introduction

Caution should be taken in interpreting these findings. They are based upon a relatively small sample size and have used a qualitative, exploratory approach, rather than a robust quantitative methodology. As such, they provide a very valuable, but “indicative”, indication of the views of “worst served” customers.

4.2 The Role of Electricity and Awareness of DNOs

Summary

Most of the time their electricity works fine and it is largely taken for granted, although – naturally – this group had experienced more cuts. The key supply issues of pricing and service dominated the discussion, but there was more immediate recognition of distributor issues across the ‘worst served’ sample. There was low awareness of DNOs, despite greater contact in “worst served” areas, but the higher recognition of DNO issues (reliability/communication etc) created more negative attitudes towards them than in the previous study amongst “average” customers.

Attitude Towards Electricity

In the earlier DPCR5 study, electricity was very much seen as a “hygiene factor”, which did not create satisfaction when it was working, but did create dissatisfaction when it was not.

Amongst worst served customers there was still a strong element of it being a hygiene factor, something that they took for granted:

“In this day and age, with technology as it is, you would have thought that they could flick a switch and change you over to another supply – the rest of the village are on one, so why can’t we be?”
[Naburn, York]

“You don’t really expect problems in this day and age – not unless there’s a reason...storm or they’re doing something to the lines.”
[Mendip, Wells]

“The fact is that electric has been around for many, many years and we take it for granted, so you can’t really say, ‘bravo to the electric’.”
[Ardwell Village]

You just take it for granted, don’t you, totally, I’ve 2 teenage sons and they’re never off their computers, so ... you do take it for granted.”
[Dugg Hill]

This meant that there was dissatisfaction at the frequency with which there seemed to be outages:

“Every time you get a gale it seems to knock it out.”
[Whitstable]

“It’s like a third world country, it’s ridiculous.”
[Ardwell Village]

Except, that is, in Mull:

“I can remember when we didn’t have electric on the Island, so whilst you expect it now, I think we think differently.”
[Mull]

Top of Mind Issues

The two issues which dominated the discussion were the same as in the earlier study – price and service:

“Customer services are very poor with the provider.”
[Dugg Hill]

“They should be working hard to reward lower users and lower income people.”
[Market Deeping]

“It’s just so expensive – the government should be doing something about rising prices.”
[Mendip, Wells]

However, distributor issues such as reliability and speed of restoration, were more top of mind:

“Since I moved to Heversham it’s been reliability that I’ve thought of first.”
[Dugg Hill]

“They’ve cut back so much on the manpower. A crew came out to us one night we had a line break and the guy said they’d come all the way from Cudbury. They were the only team for Dumfries and Galloway for that night, and it was a stormy night.”
[Ardwell Village]

Awareness Of, And Contact With, DNOs

Unprompted, as in the DPCR5 study, there was a general lack of awareness of DNOs, both in terms of who they were and what they did. This was despite many having had to make contact with “someone” when they had had a power cut. A small minority of customers (from Category Two), who had contacted their DNO regarding poor service, knew their name. However, other customers who had contacted their DNO thought they were speaking to their supplier or sub department; all they knew was that they had called the number on their energy bill.

There were some who perceived that deregulation had created a more complex supply chain, although they did not know what this consisted of.

Once prompted, respondents realised that they were aware of their DNO via the visibility of vans, workmen, etc. There was a feeling that DNOs should increase their profile and awareness of why there were so many cuts in their areas:

“If they came to the library, or the town hall, and put some posters up – had someone to talk to and they explained why we get so many cuts, and they told us what they were doing about it, I would be able to understand more.”

[Market Deeping]

Asked where they would look for DNO details, three key sources were mentioned:

- their supplier/bill:
 - phoning them and asking for details/to be transferred
 - or looking on the back of their bill
- Yellow Pages:
 - the Emergency page at the front of the book
 - under ‘Electricity’
 - under their supplier
- the Internet:
 - via Google or another search engine
 - going to their supplier’s site.

Although, of course, they recognised the latter would not be an option in a power cut!

“It’s the number on the back of the bill isn’t it? If you have got any problems they say phone this number. It’s normally an extortionate 0845 number or something.”

[Whitstable]

“Eh, well it is United Utilities, I think that’s what ... if you look up electricity in the phone book, it says; you know, for our area, United Utilities.”

[Dugg Hill]

“I’d look on my bill and look at the emergency numbers on the bill, and ring that, I wouldn’t care who it was, I’d just ring the phone number that it gave me.”

[Dugg Hill]

“When I called the number on the bill I was given another number to call which I thought was strange at the time – but it kind of makes sense now – but I had no idea who I was calling”

[Naburn, York]

Perceptions of DNO Performance

On the positive side, respondents said that their power was on more than it was off:

“You’ve either got power or you haven’t, and if we’ve got power that’s good.”

[Ardwell Village]

Some also felt that DNOs were doing their best in difficult circumstances, and did get things fixed eventually:

“The last letter we got said they were going to be doing all this. In fact, they’re coming up to my area on Wednesday to cut some branches off trees that might interfere with the lines and that’s the first time they’ve done that for years.”

[Ardwell Village]

However there were complaints about:

- the number of power cuts, one – as noted previously – even describing the situation in Ardwell Village as “third world”, with others in the same area – when talking about the number of successional cuts – saying:

“...it gets so bad that I’ve had to turn off the supply at the mains because you’re going to blow your equipment”

[Ardwell Village]

“It’s a problem, it’s been a problem throughout the time I’ve been in the house, and I believe it was a problem before I moved into the house.”

[Dugg Hill]

“I was in South Manchester for over 16 years and I think we had one power cut in the whole time...Up here, I find it a constant, it is a nightmare.”

[Dugg Hill]

- lack of explanation for power cuts
- perceived lack of maintenance of infrastructure or failure to fix ongoing problems:

“When I talk to ScottishPower boys, nine times out of ten it’s ‘oh it’ll be the trip wire at the back that keeps going’. And all they do is come out and switch it back on, which doesn’t solve the problem because it happens in the night. Usually it’s water that’s causing the problem and then they dry it out, and they can never find the problem so they just switch it back on.”

[Ardwell Village]

“...they’ve cut back so much they don’t deal with the line inspection now. They used to have a helicopter flying the lines, and they used to walk the lines looking for trees, damaged poles, that sort of thing, and that’s all gone by the wayside now.”

[Ardwell Village]

- a decline in investment in their workforce, meaning there were too few to cope in the event of a storm:

“Where I live out at Yorklets,...I can count 6 transformers which get hit by lightening, right...they send the van up and the bloke parks up and that’s where he sits 2, maybe 3, hours until the rest come out. Well, why send him out, what’s he going to do? He can’t do nothing with it, but he sits there for 3 hours and we are paying for that.”

[Whitstable]

- lack of – or poor – communication/customer service during power cuts, particularly regarding how long they will last, as well as lack of pro-active communication about why they were/would/could occur and what is being done to try to prevent them:

“When you ring up all they tell you is 2 to 3 hours.”

[Whitstable]

“They shouldn’t just say ‘oh yes, it’s been reported; yes, we are working on it’, because you just feel like ‘well, what was the point in phoning up’?”

[Whitstable]

“To be honest things have to get better – we can’t stay as we are – they need to do something – I have tried telling them until I’m blue in the face, but they seem to be oblivious to us – if they came and told us their plans for the area I’d be delighted...they have an obligation to tell us what they are doing – they are getting some of our money so we need to know where our money is being spent.”

[Naburn, York]

- having to keep paying more for electricity, but not getting reductions/compensation:

“They don’t give you any reduction when it goes off...They send you one letter one week to say it’s increased...There is no ‘oh it’s gone off for 2 hours so you will get X amount of money off’.”

[Whitstable]

One, not realising that compensation was available, said:

“I think they should give you a time limit that they will get it back on by; you know, if it does go, then when you phone up ‘oh, it will be on by whatever time’, and then as soon as if it’s not on, then they will give you compensation for it not being on.”

[Whitstable]

4.3 Experience of Power Cuts

Summary

As already demonstrated, there was a high incidence of memorable power cuts amongst those in worst served areas, ranging from blips to significant outages. Most felt that

service had declined over time, with the exception of those on the Isle of Mull. There was also a feeling that they are less well served than others, but many are unsure why and a lack of communication about the causes was lessening people's tolerance towards them. Many had invested in contingency measures to deal with outages, although for most this was just candles, torches and gas fires.

Length of Cuts

Although there was no fixed pattern, those in Category 1 (Whitstable, Wells and Market Deeping) and 3 (Salen Village, Mull) typically experienced less frequent cuts, but of longer duration.

"I would say at least 15+ in the last year and I am talking an hour plus."
[Whitstable]

Category 2 (Dugg Hill, Ardwell Village, Naburn) respondents, however, were more likely to have experienced more frequent cuts of both short and long duration.

"It's the way the power cuts happen.... There's frequent on off on off all the time. Andy there's got a print out and we've had up to thirty power cuts in one night!"
[Ardwell Village]

"...you could get 10 in the space of 50 minutes, and then you can go 3 or 4 hours and then it can go off for an hour."
[Ardwell Village]

Perceived Causes of Power Cuts

Some people felt that the number of cuts was out of the DNOs control, being caused by severe weather:

"The worst one for us was in the gales...half the country was off...6 days...was mid-winter....very uncomfortable."
[Dugg Hill]

And there tended to be an acceptance, or at least higher level of tolerance, in these conditions.

However, there were also many instances where they couldn't understand why there had been a power cut:

"Even in June and July we've had them, and there's been not a breath of wind."
[Ardwell Village]

"To be honest, we're just guessing as to what the problems are – nobody has told us anything of any use at all."
[Naburn, York]

Finally, there were those that were felt to be within the control of the DNOs, which should not have been allowed to occur, those perceived to have been caused by:

- lack of investment/ lack of maintenance
- inefficient management
- reduction in workforce
- trees falling on cables/cutting through cables
- not managing power surges etc.

“They are not maintained...There are a lot more that need to be replaced than they are doing...”

[Ardwell Village]

“There’s some trees at the back of me, the wires go through the trees, when the wind blows, the trees mess the wires up and the power goes off...They need cutting back.”

[Dugg Hill]

“They used to have a helicopter flying the lines, and they used to walk the lines looking for trees, damaged poles, that sort of thing, and that’s all gone by the wayside now.”

[Ardwell Village]

Perceived Changes Over Time

Perceptions about whether service (in terms of the number of cuts) had improved or declined varied, but on the whole, those in the Category 1 and 2 areas felt it had declined, whilst those on Mull thought it was better than it had been:

“There has been an improvement because at one time any wind at all and you were off.”

[Dugg Hill]

“To be fair, I think it has improved slightly over the last 3-5 years, but I reckon we’re still well over the national average for power cuts – certainly when you talk to other family or friends...”

[Market Deeping]

“It used to be a lot longer power cuts, but now we get shorter power cuts but far more often, and this is what does the damage to all the electrical equipment.”

[Ardwell Village]

“We’ve always been plagued with power cuts in the area, as long as I’ve been here, but they’ve steadily got worse, obviously as equipment has got older.”

[Ardwell Village]

“It’s got worse. To be honest, the last 5 years it’s been much worse where I am. We had a spate where it was every Sunday evening for some reason, and no explanation, it just went off. You were in a bath and you were suddenly in darkness.”

[Whitstable]

“...gradually over the years the interruptions seem to be more and more. ...the weather climates a lot different now.”

[Whitstable]

“Oh, it’s better than it used to be – we didn’t used to have electricity.”

[Mull]

Perceived Comparison to Other Locations

There was a feeling that they were less well served than the rest of country, a feeling brought about both from those who had lived elsewhere, and from comments from friends and family which suggested they were poorly served:

“Yes, I was in South Manchester for over 16 years and I think we had one power cut in the whole time.”

[Dugg Hill]

“We have family down in Surrey and they get the odd one and you’d think it was the end of the world!”

[Salen Village, Mull]

“I used to live just outside the city gates of York and we never got cuts ever – I’ve only lived here for a few years, but I’m already fed up with them – they just seem to be inexplicable.”

[Naburn]

Some have tried to work out why they are in such a vulnerable area, for example, perhaps because they get more extreme weather, live by the coast, live in an exposed location, near a forest, etc. However, although these would seem to be possible explanations, it is not clear to them why their service differs to comparable rural or remote areas.

“I lived in Ayr for several years before I moved down here and we could get horrendous weather and we very seldom got a power cut.”

[Ardwell Village]

Impact of Power Cuts

As with “average” customers, the impact of the cuts varied. Some – particularly those on Mull – just took them in their stride, or treated them as an opportunity to have a romantic night in:

““It’s just a way of life – we have fantastic schools, health service, scenery and life up here.”

[Salen Village, Mull]

For others, it was something they barely noticed, just a small “blip” or inconvenience:

“It’s much more about blips than any major power cuts, but if I’m working in the shop it’s inconvenient, because we have to reset all the equipment.”

[Mendip, Wells]

“...it’s one of those things that we accept now. ‘Oh, the power’s gone off again’. We can’t ring anyone up because the phone doesn’t work, and we are just stuck.”

[Whitstable]

“That’s really annoying that is when that happens. The kids go ‘Mum did the lights go out?’ I go ‘yes, I think they did’, and all of a sudden they’ve gone, so you go around and set everything in case it comes back on, and then 10 minutes later it goes off again.

[Whitstable]

“Well, I have to say, I live in the last house as you go out of Leasgill, and we do have power cuts, but I find them really insignificant and I couldn’t record when they were. They tend to be through the night and you wake up and, you know, you have to alter your clocks on your cooker or something.”

[Dugg Hill]

Some see it as slightly more frustrating than a mere “blip”:

“I just feel really frustrated. It was the final of a programme I have been watching and it cut off just as I was about to find out who was going to win, and then it came back on at the closing credits, and had been off for about 15 or 20 minutes, and I thought ‘oh my God’ ... to this day I still don’t know who won!”

[Whitstable]

And then there are those to whom it is more serious, although in this sample it was only life threatening to someone’s pets, rather than a friend or relation:

“I rely on it to keep my fish alive...If I come in and the pump is off, they are gasping for air. Because I have got big Koi’s...I get really cheesed off...If the electric’s gone and my fish are gasping, I can lose a lot of money then.”

[Whitstable]

“...there’s a lot of elderly people living on their own and I quoted my neighbour in her 90s, and the lights go out, she’s got a real problem.”

[Dugg Hill]

“Next door to me there’s a lady, who’s over 70, lives on her own, and whenever the electric goes off I knock on next door and say ‘right, I’ll be back in about 10 minutes and you’ll hear me knock on the door’...I go with my flask and camper [camping stove] and fill the thermos with water, and that woman is sitting there with not even heating, 70 on her own!... I mean, she could be dead by the morning with hypothermia. We don’t know whether it’s going to be 10 minutes or 10 hours. I feel that they should know that type of thing.”

[Ardwell Village]

Contingency Plans In Place

Many respondents had some sort of contingency measures in place. The majority had:

- candles
- gas stoves
- torches
- calor gas fires.

“The first sign is the lights begin to flicker. Then they flicker again the second time and then you get the candles out.”

[Ardwell Village]

“You get the torch, and flicker, flicker, flicker, out.”

[Ardwell Village]

“Always got a torch on me.”

[Dugg Hill]

“We don’t rely on electricity as much as we used to because we haven’t been able to. When the electricity supply is blocked, we run off bottle gas or generators.”

[Ardwell Village]

“My husband’s at home, through invalidity. We have everything electric because we don’t have gas. We have a coal fire which will heat the water and we have bought a calor gas fire now because of the power cuts and also a generator and the various lanterns and tilley lamps...”

[Ardwell Village]

Three respondents (one being the above in Ardwell Village, as well as one in Whitstable and another on Mull) mentioned that they had a generator; some said they had no room for one.

“I had to go and buy a generator because it goes out so often...The generator was a decision because I got fed up.”

[Whitstable]

None of the communities had a shared generator.

Tolerance of Power Cuts

The majority of worst served customers were less tolerant than the “average” customers surveyed in the earlier DPCR5 study (although many were tolerant of cuts caused by severe weather conditions).

“Well, it’s hard to say. If you do get an exceptionally stormy spell, then you expect power cuts, that’s perfectly reasonable.”

[Ardwell Village]

The general greater intolerance, however, was driven by a number of factors, including:

- perceived lack of investment and maintenance
- broader climate of high energy prices
- high frequency of power cuts

- sense of service decline
- lack of explanation
- poor customer communications.

“ They seem to have the same problem over and over again – they keep telling me it’s a fault in the overhead cabling, but that could mean anything.”

[Naburn, York]

“It depends on what’s causing it. If it’s 3 or 4 a year due to lack of maintenance, that’s too many. If it’s 3 or 4 a year due to inclement weather or an act of God that’s understandable.”

[Ardwell Village]

“Another thing that happens...the engineers explain that there’s the trip goes off once, twice, three times and it stays down, it’s supposed to. One of the engineers phoned me up about doing some work on the line and I explained that it was tripping 10, 15, 20 times and why wasn’t it staying off. Reading between the lines, it sounded as though he’d re-set it so that it kept trying and trying and trying, to save them from coming out to re-set it, so it re-sets itself. So there are multiple cuts all the time.”

[Ardwell Village]

“ I live down a little lane and you can see, certainly at this time of year, that all the branches are hanging down over the lines – it’s only a matter of time before the lines are affected”

[Market Deeping]

“I think it’s unforgivable not to cut them [trees] back, I’m afraid, because they have acknowledged the problem by cutting them back 4 years ago.”

[Dugg Hill]

“...alright, we have storms and all that, but surely there must be, in this day and age, a cover or something they can put over the top of them [transformers] to stop the lightening keep hitting them.”

[Whitstable]

Priorities For Action at Times of Power Cuts

The lower tolerance for power cuts meant that these respondents, on the whole, had higher expectations for action. These included two which were considered the priorities amongst the “average” customers previously surveyed (the first two shown below), but also a number of others:

- efficient restoration of supply as quickly as possible
- proactive communication:
 - first to inform them that an outage has occurred
 - then to manage their expectations and inform them when it’s coming back on
- an apology and explanation – why did this happen?

- reassurance, to give them the confidence that it will not reoccur in the longer term
- let them know their longer term plans, ie what DNOs are doing to make sure it doesn't happen again
- offer compensation.

"I think that would be a good idea, because the railways do that now on their website, they can do a thing where if your train is later than 10 minutes, the next day you can go on it and it lists all the trains and all the reasons..."

[Whitstable]

"Let's be fair about it, they could do it on local radio now couldn't they, because there are plenty of local radios, and most people listen to local radios. There's KM, there's Victor and there's a few...all over the country now, so they could stick it out on local radio so people listening to it at work or driving home know that the power is off, they can go off and get some fish and chips or something."

[Whitstable]

Preferences For Many Shorter, Or Fewer Longer, Power Cuts

Respondents were asked the following:

I just want to ask you a couple of hypothetical questions about power cuts to get an idea of how you feel about the length and frequency.

Which would be most inconvenient to you (Showcards):

- *many short power cuts e.g. 30 in a year – all less than 3 minutes*
- OR
- *a small number of longer power cuts e.g. 10 in a year – lasting around 5 hours*
- *a small no of very long power cuts e.g. 1 or 2 lasting 24 hours*
- OR
- *many power cuts of shorter duration e.g. 10 lasting about 4 hours*

When asked, they were told that this would be "unplanned" cuts.

This was a difficult thing to discuss, and caused some annoyance when what they really wanted was fewer of any sort and there was no real agreement on which would be better. Typical responses to having more frequent, but shorter, cuts (30 in a year < 3 minutes OR 10 lasting 4 hours) were quite positive:

- wouldn't even notice – at work/kids at school/asleep
- you can plan for 4 hours
- no need for pre-notification.

But there were some for whom it would be inconvenient and frustrating.

Typical responses to having more infrequent, but longer, cuts (10 in a year = 5 hours OR 1 or 2 for 24 hours) were also quite positive:

- it was assumed there would be some level of pre-notification to help plan for them (despite telling them that these would be for “unplanned” cuts, some respondents found this too difficult to consider in that context and only felt able to choose this as a preference if some notification was going to be given)
- it was assumed they would be for maintenance, so understandable
- it was better for home equipment:

“Longer power cuts would be more inconvenient, but short power cuts are the ones that do all the damage.”

[Ardwell Village]

4.4 Customer Contact

Summary

Contact with DNOs was generally felt to be poor, except by those on Mull. There were calls for the provision of more accurate information when cuts occurred and more human contact.

Experiences of Contact With DNOs

As with many studies that explore customer service, views on contact seemed to have been tainted by general issues with call centres, for example, call centres being based outside the UK and reaching automated messages rather than an operator. Within this qualitative sample, most customers felt that the DNO service was impersonal and wholly automated, with automated responses typically saying no more than:

- the power is not working in your area
- thank you for registering the power cut
- we are doing everything we can.

The key things missing from this contact were felt to be:

- lack of a human response (although sometimes reached if you held on)
- no time estimates given for restoration of power.

“They shouldn’t just say ‘oh yes, it’s been reported, yes, we are working on it’, because you just feel like well what was the point in phoning up?”

[Whitstable]

“They should send you a text message on your phone...”

[Whitstable]

“On two occasions I’ve phoned up and the girl has been very good and they say, give us your telephone number and we’ll let you know, and they never do...”

[Ardwell Village]

“Once or twice I’ve phoned up and you have to say your postcode and then you get the power in the Newton Stewart area is cut off, and you think, I’m not in Newton Stewart. It’s miles away.”

[Ardwell Village]

“You just expect to be able to ask someone why it happened – maybe even if they took an ad out in the local paper the next day.”

[Mendip, Wells]

However, there were also cases where they had made operator contact or even been called:

“You always get the automated message that asks for all your details and then if you hold on for another 10 seconds it’ll ring and you’ll get through to somebody. So as long as you just hold on you’ll get to talk to somebody eventually.”

[Ardwell Village]

“...on 2 occasions they have phoned back and told the information that the fault was so & so, and they’re working on it and it should be on within an hour.”

[Ardwell Village]

There was also evidence of face to face contact in Ardwell Village by SP Distribution.

“There was a meeting. When was the meeting.... a couple of years ago? There was a big meeting in Sandhead.....and the guy came down from Scottish Power.”

[Ardwell Village]

Mull was the key exception, however, as in almost all cases pre-notification and management of expectations had been very good.

Minimum Expected Service Requirements

Asked what DNOs should provide in the way of customer service the findings were almost identical to the earlier DPCR5 study, with respondents saying:

- free phone number
- UK call centre
- personal or up to date recorded message
- speedy connection, ie getting through within 5 rings
- not being passed around
- efficient resolution of problems
- accurate information
- polite, well informed staff who are willing to help
- proactive call backs if power is not restored within dedicated times
- text updates
- (and in the longer term) and email or letter detailing investment plans.

The general consensus was that customer service should be as good in worst served areas as in other areas, but that the focus should be more on efficient maintenance than on customer communications, although the latter was also important.

“They are making more money aren’t they, all the time that you keep phoning, so I don’t bother, I am the same where my phone is all done on the electric, so we can’t use the phone, and there is no way I am spending money on my mobile to phone an 0871 or a national rate number.”

[Whitstable]

“You are normally kept on the phone for ages, you know, press this, press that, you are in a queue.”

[Whitstable]

“On occasions when I’ve had a power cut and I’ve used my mobile phone and the voice comes on and says ‘I’m sorry your power is off in your area we’re trying to identify the fault and rectify it as soon as we can’. If I’m using a mobile phone I could be phoning from Torquay, yet I’m getting that answer. Is that to fob off someone who lives in the sticks? They don’t know where I’m phoning from.”

[Ardwell Village]

“I suppose there’s one good thing about phoning Scottish Power, is that they’re not in India yet.”

[Ardwell Village]

“They should be monitored and if someone is impolite or reluctant to help, or the accuracy of their information is rubbish ...they should be brought to book, ‘if this continues, out you go’.

[Ardwell Village]

“...sorting the problem out, that’s what you want isn’t it, you want to get the right person on the telephone.”

[Dugg Hill]

4.5 Awareness & Attitudes Towards GSPs

Summary

There was a low awareness of the GSPs across the sample. All were felt to be important, but there were a number of calls to change the detail of them. The 18 hours allowed for GS2 (ie supply restoration, normal conditions) was strongly rejected; when asked what would be more acceptable, 6 hours was generally the figure quoted, although a range of durations was quoted, whilst it was felt that compensation should increase as the cut continued, rather than declining for each subsequent 12 hours.

By contrast, some felt that the number of hours before compensation was due in severe weather was relatively short, particularly when compared to GS2 (ie supply restoration, normal conditions), there being far greater tolerance of cuts in severe weather. That said, expectations for compensation in such events were high, with £200 felt to be far

more acceptable than £25. It was also felt that compensation should be automatic to act as a true penalty.

There was very little acceptance of GS2A (ie supply restoration, multiple interruptions) as it currently stands, key issues being that it didn't compensate for numerous shorter interruptions (which many of them were experiencing), did not provide a high enough level of compensation and put the onus on the customer to keep records.

The total duration standard was liked, but as a back up to GS2A (ie supply restoration, multiple interruptions), and with DNOs having to keep records and provide automatic payments, rather than customers keeping records and having to claim.

Most liked the idea of compensation as a way of encouraging DNOs to improve their performance, but felt it should be automatic. It should be noted that existing standards and incentives in the areas of network modernisation and investment were not discussed in the groups for fear of over educating respondents and complicating the debate.

Overall Awareness

Awareness of the GSPs, and the detail of them, was very low. A very small minority said they had made claims, but they were unsure of the details of them.

The principle of service standards was welcomed. It was felt that:

- DNOs needed some disincentive to combat poor performance
- there should be penalties if standards were not met
- there was a need for OFGEM to be more visible and be stronger in management and communication of GSPs and the associated penalties.

"The problem is these people ...have got a monopoly in this area. They have got no competition, so there is no onus on them to improve... if you are not happy with the electricity company you can go to Scottish Power, EDF, British Gas, ...you can't change that one [ie the DNO]; we are stuck with what we have got here."

[Whitstable]

"As long as they are aimed at the consumer, as in us, and backed up by a financial penalty... if they are not getting any forfeits for it they aren't going to worry about it."

[Whitstable]

GS2: Restoration of Supply (Normal Weather)

This was felt to be an important GSP, but there were calls for it to be explained and communicated by the DNOs and for many elements of it to be revised, the key complaints about it being a strong rejection of 18 hours. This was felt to be much too long and for there to be no justification for such a long period of time when they had sophisticated equipment which should find faults easily. Setting the standard at 18 hours seemed to lack a sense of urgency. These worst served customers had a lower tolerance

when cuts occurred due to their frequency and expected DNOs to have contingency plans in place.

Six hours was felt to be optimum.

As far as compensation was concerned, the initial £50 was felt to be OK. However, there was a concern that the payment then dropped for each additional 12 hours; it was felt that it should increase and be an upward sliding scale.

GS11: Restoration of Supply (Severe Weather)

Again, this standard was seen as important and here 24 hours or 48 hours was considered acceptable. In fact, some felt this was quite short and gave examples such as the flooding in Boscastle. It was felt particularly short when compared to GS2 (ie supply restoration, normal conditions), where 18 hours was allowed before compensation kicked in in normal weather.

As noted previously, there was far greater tolerance amongst worst served customers for cuts that occurred in severe weather.

That said, there were some comments about the type of weather it should apply to. For example, some saw lightening as being something that was shorter term and less severe.

Some also felt that DNOs should prepare for severe weather scenarios.

As far as compensation was concerned, there was frustration that the onus was on the customer to claim. They felt that automatic compensation would be true penalty for DNOs. £25 also felt extremely low for this event; £200 maximum was felt to be an acceptable level for domestic customers.

GS2A: Multiple Interruptions

This was once again considered important. However, 3-4 times a year was felt to be too restrictive and they wanted to understand the rationale behind the 3 hours. It was not felt that this standard offered enough of a disincentive for DNOs. It was also felt that it was deliberately confusing, making people question whether it was designed to ensure people did not claim through lack of understanding. Many were experiencing 5 or more cuts in a year, but of less than 3 hours in duration, so they would not qualify.

An acceptable level was felt to be a couple of times a year for 2-3 hours. It was also felt that it should be in any 12 month period, not just April-April, the latter being questioned.

£50 a year compensation for this seemed too low (especially as there were issues with standard). They also objected to the onus being on the customer to keep a record, with many asking about those that started or finished while they were asleep, which still caused inconvenience, but where the duration was not known. They felt that putting the onus on customers to keep records was giving the DNOs an opportunity to challenge them.

Total Duration Standard

A potential new standard was tested, this being:

If, across the course of one year, your electricity supply fails because of a problem on our distribution system and you are without power for a combined total of 15 hours or more, in any single year (12-month period), you will be entitled to compensation.

For example, you have 2 cuts in total in 12 months:

- in January you have one power cut lasting 10 hours

- in June you have one power cut lasting 6 hours

Total duration = 16 hours, i.e. more than 15 hours in a single year, making you entitled to compensation.

This was felt to represent a step in the right direction. It felt like an improvement, or at least an additional enhancement. It seemed simpler and more straightforward and fairer because it took into account every blip and cut regardless of length.

However, the big issue with it was that customers had to keep the records and it was felt that DNOs would be relying on customers forgetting to do so and that DNOs would challenge at every opportunity.

“The first thing I reach for when the power goes off is my torch – it won’t be my diary – that would be a real pain – surely they record all these things – they know how long we’ve been off – if we’re entitled they should pay up as money off our bill.”

[Naburn, York]

General Attitudes Towards the Principle of Compensation

The higher levels of frustration amongst worst served customers was reflected in a stronger compensation culture. Respondents felt that they deserved compensation for poor service and this was fuelled by resentment about high costs. They also felt that it would “teach DNOs a lesson” and help bring about improvements and that this would be more likely to occur if the reduction was automatically applied to the bill

“...then they would get their act together and you wouldn’t have so many power cuts would you?”

[Whitstable]

“They should organise it so that if you’ve had loads them you get more back – because you effectively have had less access to electricity – so your bill should be less.”

[Ardwell Village]

“...my next door neighbour got on the phone straightaway, he’s a man that knows these things and he got some compensation for it and he told me to phone and I’ve meant to phone them ever since but I haven’t...”

[Dugg Hill]

“If Ofgem come along and say ‘you’re not meeting those standards, 5 million pounds now’, they might jump about.”

[Dugg Hill]

That said, there were some who were against compensation, who felt that there should be a focus on bigger picture, that is, on making DNOs focus on learning from their mistakes rather than on having to provide compensation. Many felt that compensation couldn’t begin to cover the costs of what they had lost. Some also thought that personal bills would increase in order to pay compensation. Whilst others were simply anti a ‘compensation culture’.

“It doesn’t look at the damage that’s been caused... And it doesn’t cover what you’ve had to buy to manage.”

[Ardwell Village]

“We just want them to get it right. And if they can’t get it right, then they should compensate us. But they still have to get it right. They can’t just compensate you and keep getting it wrong, because what they are paying in compensation doesn’t cover it anyway.... It’s hundreds and hundreds of pounds worth....”

[Ardwell Village]

5. CONCLUSIONS AND RECOMMENDATIONS

5.1 Conclusions

This study was undertaken amongst a sub segment of the ‘Worst Served’ customer based – those that remember 15 or more power cuts in the last 3 years. In this regard the findings certainly suggests that there are differences in the attitudes of “worst served” customers compared to “average” customers.

Current service levels were seen as unacceptable for the majority. It was widely felt that they experienced more cuts than the majority of others in the UK, a feeling borne from experiences living elsewhere and from comments made by friends and relations living in other parts of the country.

Although there was widespread tolerance of cuts as a result of severe weather, there were felt to be too many unexplained power cuts and – due to the high number of cuts that they experienced – there was far less tolerance of cuts that were perceived to be caused by DNO failings such as poor maintenance, lack of investment in infrastructure and declining workforces. There was a sense of static to worsening service levels over past 5 years and a frustration at the lack of information available about the likely cause and duration of cuts when they occurred, along with poor communication about what was being done to avoid reoccurrences of them in the future.

The awareness of DNOs was limited and was contributing to poor service perceptions and creating perceptions of low investment and maintenance, with the need for them to raise their profile and improve communications.

Awareness of GSPs was also very low, with many felt to be inappropriate – offering compensation after too long a cut (GS2 ie supply restoration, normal conditions), too short a cut (GS11, ie supply restoration, severe weather, when compared to GS2, ie supply restoration, normal conditions) and cuts of inappropriate frequency or duration (GS2A, ie supply restoration, multiple interruptions). The potential new total duration standard was widely liked, but respondents didn’t want to lose out and so requested this as a back up to GS2A (ie supply restoration, multiple interruptions) to ensure that they would qualify for any associated compensation payments.

Better DNO communications rather than increases in compensation were the priority. However, the idea of some form of compensation was generally liked (although not by everyone) as a means to encourage better DNO performance. However, it was felt that this was more likely to occur if payments were automatic.

Interestingly, whilst most of the above applied to the majority of respondents in six of the areas in which research was undertaken, for those who might be considered most remote and least well served (ie those on the Isle of Mull), the influence of a very positive outlook on life generally resulted in them considering their service to be acceptable, even more so than the perceptions of “average” customers.

5.2 Recommendations

The research suggests that the attitudes of worst served customers (here those that recalled having 15 or more cuts in the past 3 years) would be improved by the following:

- DNOs focusing on efficient restoration of supply, as quickly as possible
- as there was a feeling that many cuts were avoidable, DNOs should also focus on re-assuring these customers (and demonstrating to them) that they are addressing the reasons for the cuts and investing in infrastructure, to give them the confidence that they will not reoccur in the longer term
- DNOs proactively communicating the reasons for cuts and apologising for them
- both of the above could perhaps be done through community meetings, or similar, which some respondents referred to as having previously occurred in their area; these will also help raise awareness of the DNO, their role and their commitment to their customers
- raising awareness, again through proactive communication, of the GSPs.

These respondents would also welcome the following amendments to the detail of some of the GSPs:

- shortening the number of hours before compensation is paid for GS2 and increase the compensation payments for each subsequent 12 hours
- increasing the amount of compensation paid by GS11 (although it should also be noted that a timeframe of 24/48 hours was seen as stringent during severe weather, and that some participants were worried that increased compensation would mean higher bills)
- keeping GS2A, but introducing the new total duration standard. It is recognised that there is some considerable overlap between the two; however, as some suffer from very many cuts of shorter than 3 hour duration (and would consequently benefit from the new standard) whilst others suffer from fewer, but longer than 3 hour cuts (so would benefit from GS2A), it was felt that both were needed as both types of customer felt compensation should be given for their “type” of inconvenience.

APPENDIX A

Recruitment Questionnaire



1837 Ofgem Worst Served Areas

Recruitment Questionnaire

RQ number: URN:

Interviewer name: Interviewer no: Date: Time:

Introduction

Good morning/afternoon/evening. My name is and I am calling on behalf of Accent, an independent market research company. We are carrying out research on behalf of Ofgem, the gas and electricity industry regulator. Ofgem is responsible for protecting consumers through promoting competition, wherever appropriate, in the energy sector and through regulating the monopoly companies which run the gas and electricity networks. Ofgem has commissioned us to explore what improvements could be made to the service provided by electricity distributors. Please could I speak to the person responsible – either jointly or solely – for paying the electricity bill?

IF “NO” TRY AND PERSUADE ELSE THANK & CLOSE

IF “CALL BACK” PLEASE RECORD DATE AND TIME OF NEW APPOINTMENT BELOW, THANK AND CLOSE

IF “YES” PLEASE PROCEED TO SCREENING SECTION

SCREENING APPOINTMENT 1	DATE		TIME	
SCREENING APPOINTMENT 2	DATE		TIME	
SCREENING APPOINTMENT 3	DATE		TIME	

WHEN SPEAKING TO APPROPRIATE CONTACT CONTINUE WITH SCREENING

Screening

Good morning/afternoon/evening. My name is and I am calling from Accent. We are an independent market research company carrying out research for Ofgem. The research is looking at various issues concerning the levels of service customers receive from their electricity distribution companies, particularly with respect to power cuts.

This is a *bona fide* market research exercise. It is being conducted under the Market Research Society Code of Conduct which means that any answers you give will be treated in confidence. Can you spare 2-3 minutes to run through a few questions to check that you are eligible to take part in this research?

Q1. Do you or any of your close family work or have worked in the recent past in any of the following professions: marketing, advertising, public relations, journalism, market research or the electricity industry?

1 yes **THANK & CLOSE**

2 no

Q2. Have you ever participated in a market research group discussion? **IF YES, PROBE WHEN**

1 yes, in last six months **THANK & CLOSE**

3 over 2 years ago **GO TO Q5**

2 yes, between 6 months and 2 years ago

4 no **GO TO Q5**

TWO THIRDS OF RECRUITS MUST HAVE NEVER BEEN TO A GROUP DISCUSSION BEFORE

Q3. How many groups have you been to in that period?

1 one

3 more than 3 **THANK & CLOSE**

2 2-3

Q4. What was the subject matter of the groups you attended? **PROBE AND WRITE DOWN**

.....
IF ELECTRICITY THANK & CLOSE

Q5. How many power cuts have you experienced lasting more than just a few minutes over the last 3 years that you were not warned about?

- 1 less than 15 **THANK & CLOSE**
2 15 or more

3 don't know/not stated **THANK & CLOSE**

Q6. What is the job title of the chief wage earner of your household or, if you are the chief wage earner, your own job title? **IF RETIRED, PROBE WHETHER STATE OR PRIVATE PENSION. IF STATE ONLY CODE AS 'E'. IF PRIVATE ASK WHAT THEIR OCCUPATION WAS PRIOR TO RETIREMENT? PROBE**

What are/were his/her/your qualifications/responsibilities? **PROBE**

WRITE IN AND CODE SEG

1. A
2. B
3. C1

4. C2
5. DE
6. Not stated **THANK & CLOSE**

PLEASE RECRUIT A MIX OF SEGS

Q7. Which of the following age groups do you fall into?

- 1 18-29
2 30-44
3 45-60
4 60+
5 Other/Refused **THANK & CLOSE**

PLEASE RECRUIT A MIX OF AGE GROUPS

Invitation: Group discussion

Thank you for answering those questions. Would you be willing to attend a focus group we are holding? There will be about eight other people just like yourself. The group will be held in accordance with the Code of Conduct of the Market Research Society and any views you express during the discussion will be treated with complete confidence and will not be attributed to you personally. Would you be willing to take part?

1 yes

2 no **THANK AND CLOSE**

IF YES, CONTINUE WITH DETAILS

Thank you. As I mentioned, we are carrying out research for Ofgem about electricity service. The group will last around 90 minutes. You will be given £35 to thank you for your time and light refreshments will be provided. The group will take place on:

Date & Location	Time	Venue
Group 1: xxx – Monday 23 rd June	6.15pm	
Group 2: xxx – Monday 30 th June	6.15pm	
Group 3: xxx – date tbc w/c 7, 14 or 21 July	6.15pm	
Group 4: xxx – date tbc w/c 7, 14 or 21 July	6.15pm	
Group 5: xxx – date tbc w/c 7, 14 or 21 July	6.15pm	
Group 6: xxx – date tbc w/c 7, 14 or 21 July	6.15pm	
Group 7: xxx – date tbc w/c 7, 14 or 21 July	6.15pm	

Would you be able to attend? **REASSURE & PERSUADE**

IF RESPONDENT AGREES, CONFIRM DATE, TIME & LOCATION.

TELL RESPONDENT ABOUT PRE-TASK: During the discussion, we will be talking about your experiences of power cuts, so it would be really helpful if you could fill in a record sheet which we will send to you and bring it along with you. It will ask you to record the year and month you experienced any power cuts in, the approximate number of power cuts you experienced, roughly how long each power cut lasted and what you remember about the power cut(s). It is not essential that you fill this in if you do not have time to do so, but it would be helpful if you are able to. It would also be helpful if you could bring along a recent electricity bill.

TAKE RESPONDENT'S FULL DETAILS AND SEND THEM WRITTEN CONFIRMATION & *THE PRE-TASK*; THEN CALL 24 HOURS PRIOR TO THE GROUP TO CHECK THEY ARE STILL ABLE TO ATTEND. IF NOT, MAKE ALL EFFORTS TO REPLACE THEM.

RESPONDENT NAME	
JOB TITLE	
COMPANY NAME	
TELEPHONE NUMBER	
ADDRESS (for sending confirmation details):	
EMAIL ADDRESS (if business)	

READ OUT: If for any reason you find you are unable to attend, please could you let me know as soon as possible so that we can invite someone else to take your place? My telephone number is xxxxxxxx. **THANK YOU.**

Confirmation

Confirmation sent via on/...../.....

I confirm that this interview was conducted under the terms of the MRS Code of Conduct and is completely confidential

Interviewer's signature:

THANK RESPONDENT FOR THEIR HELP IN THIS RESEARCH

APPENDIX B

Topic Guide

Explain independent and exploratory nature of research – Research is on behalf of OFGEM – these are the people that promote competition in the energy market and regulate network monopoly businesses to ensure prices remain fair for consumers and businesses

No right or wrong answers, only your opinion we are interested in. Explain some people may not agree with each other – that's fine the purpose of the group is to have a discussion about different topics rather than reach a consensus

Disclosures – all research findings will only be used by the team involved

Explain about tape recorder/viewing facility – only for our purposes, reassure anonymity, etc.

Warm-Up and Spontaneous Service Issues

10 mins

PAIRED INTRODUCTIONS

Name, Age, Working Status, Describe where you're living, how long have you lived here, how much do you depend on electricity (heating, cooking, medical)

Generally what do you think of your electricity service?

What's good about it?

What could be improved?

CAPTURE ON FLIPCHART

Comparison to other places you've lived

How things have changed over time

[Purpose of this is to understand spontaneous priority service issues that fall under Distributors responsibility]

Explanation of Energy Supply Chain

10 mins

Explain that in order to get electricity into their homes, there are a number of different organisations that are involved – an energy supply chain. Before we go forward and talk more about the issues that are important to you and get your views on some different areas, we want to show you a short presentation about the 'Energy Supply Chain'.

*Show Presentation (**SHOWCARDS A-F**) – Energy Supply Chain, explanation of Distributors, role and responsibilities, % of bill, focus on Distributors*

To explain difference between Transmission and Distribution: we can use the national road network as an example. Transmission networks can be likened to the Motorways and Distribution Networks to the A roads, B roads and smaller roads to your house.

To explain Distribution portion of the bill: The portion that goes to the Distributor remains constant, even if your electricity bill goes up due to increases in the cost of energy.

Tell respondents that we're going to leave the 'Energy Supply Chain' slide up on the wall as a reminder that we're talking about the Distributor's quality of service for the rest of the discussion

Ask them to get out their bills that they should have brought along with them – demonstrate that about 15% of their bill is Distributor costs

Explain that whilst billing or other service issues raised earlier are interesting/important, and we will note and pass them on, they are not the focus of tonight's discussion

Spontaneous Issues relating to Distributors and Performance 10 mins

So let's focus on your Electricity Distributor (refer to chart) who is responsible for the reliability of your supply, for maintaining the overhead lines, dealing with power cuts, etc.

Do you know who yours is?

Who?

How do you know this information?

Where would you look for information about your Distributor?

Prompt – would you look in the Phone Book/web? Under what listing/how would you search?

NOTE – If no-one is aware of who their Distributor is tell them the name

Expectations

What do you expect the Distributor to be doing for you now? [**FLIPCHART EXERCISE**]

What aspects of their service are important to you?

Performance

How would you describe the current level of service/performance (**EXPLORE FOR EACH AREA MENTIONED ON THE FLIPCHART**)?

What's good?

What's not so good?

Why?

Which areas need improving?

How could this service be improved?

Is there something the Distributors are *not* doing that you think they should be?

BACKGROUND IF NEEDED: Distributors make continuous investments that result in a given level of service and network reliability. We're interested in learning if your Distributor is spending money in the right places and providing value for money for their customers.

Power Cuts

30 mins

We're now going to focus specifically on Power cuts for the next part of the discussion

How many outages have you experienced in the last year?

Length of outages experienced (less or more than 3 mins)

What were the reasons for these?

Did you contact anyone at the time?

Who?

What happened?

What did they say – how did they deal with your enquiry?

Were you notified of the power cut beforehand – was it planned?

How do you deal with power cuts?

What plans do you have in place to deal with power cuts e.g. individual generators, shared generators, any community initiatives?

Do you have a number of power cuts in your mind that you feel is acceptable?

- how many in 1 year?
- length of time?

Thinking about your level of service here in (location), how does this compare to other areas you've lived in?

Is it better or worse?

Why?

What about if you compare your service to friends and family who live in other parts of the country?

Would you expect your service to be the same as urban areas?

Why/Why not?

What about the frequency of power cuts, do you feel they happen more frequently or less frequently when compared to 3 years ago?

Timeline – Now, 2-3 years ago, 3-5 years, 10 years +

What's changed – have things got better or worse?

How do you feel your Distributor performs?

Reasons for response

What do they do well?

What do they do badly?

Why do you think power cuts happen?

When do they typically happen?

How do you feel about them?

What impact do they have on you?

Some feel that people are more tolerant of power cuts these days: do you agree?

IF YES: why do you think that is?

What's the most important thing to you when there is a power cut?

- rapid reconnection
- accurate and timely information
- human vs automated response
- compensation
- you get an apology
- that it doesn't happen again

And what's the most important thing to you after the power cut?

- accurate and timely information as to why it went wrong
- human vs automated response
- compensation
- you get an apology
- that investment is made so it doesn't happen again

I just want to ask you a couple of hypothetical questions about power cuts to get an idea of how you feel about the length and frequency

- Which would be most inconvenient to you (Showcards)
 - many short power cuts e.g. 30 in a year – all less than 3 minutes
 - a small number of longer power cuts e.g. 10 in a year – lasting around 5 hours
 - a small no of very long power cuts e.g. 1 or 2 lasting 24 hours
 - many power cuts of shorter duration e.g. 10 lasting about 4 hours

Why do you say that, what would cause most problems?

Are 'Power cuts' an area you would want to see improved?

How important is it to you that power cuts are improved?

What improvements should be made?

What should the Distributors be doing right now to ensure your supply/the network/equipment is protected? Short term

What should they be doing to ensure they reduce the impact of these severe weather/environmental risks in the future and ensure that the network is more resilient (only prompt if necessary with e.g. tree trimming, undergrounding, coating wires etc).

How do you feel about streetworks or planned outages or noise/access issues so the infrastructure can be upgraded and power cuts can be reduced?

How would you feel about the level of disruption?

Is it worth it for the number of power cuts to be reduced or would you rather things stay the same?

What do you think about overhead lines – good, bad, why?

The alternative is for the cables to be laid underground: how do you feel about this?
(If anyone asks this would be funded by all customers)

What is the impact on the environment?

How do you feel about the inconvenience & disruption that undergrounding could cause?

Awareness of Guaranteed Standards of Performance (GSPs) 5 mins

Now still thinking about Electricity Distribution

Does anyone know about the Guaranteed Standards of Performance that are currently in place?

If aware, how do they know about them?

SHOW SHOWCARD G

What do you think of the idea of GSPs – good/bad, why?

What should happen if they're not met?

Did you know you could get compensation if service/performance levels are not met; has anyone ever claimed?

What should this cover? (Tell them that compensation is designed to compensate for the inconvenience rather than for any resultant costs to them and see how they feel about that).

Exploration of Guaranteed Standards of Performance (GSPs) 15 mins

Explain that we are going to look at 3 or 4 of those Guaranteed Standards of Performance to get their thoughts on whether they are still relevant and whether the detail is right. Again reinforce there are no right or wrong answers and we are just interested in their individual opinions

ROTATE SHOWCARDS J-K ACROSS GROUPS?

FOR EACH GSP SHOW SERVICE AND PERFORMANCE LEVEL (THEN REVEAL PENALTY PAYMENT) – FOR GSP11A/B SHOW PICTURES OF SEVERE WEATHER EXAMPLES (NOTE DIFFERENCES FOR HIGHLANDS AND ISLANDS):

Initial Response

+/-

Is it covering the right service area?

What do you think about the performance level – right time period?

What is missing from this?

What should be included?

If they are not met, what sort of compensation would you expect?

EXPLAIN: when standards aren't met, sometimes compensation payments are automatic and sometimes customers are required to claim. If the Distributor fails a standard and the customer doesn't make a claim, the money gets taken from the Distributor at the end of the financial year. *[If asked, explain that the money goes back to customers]*

SHOW SHOWCARD OF COMPENSATION PAYMENT

First of all is this the right level of payment – too much, too little, why?

Would you apply for compensation? Why/why not?

Overall do you think the standards cover the right areas – yes/no, why/why not?

How would you go about claiming compensation? By phone or writing?

Are there any other standards that you think are missing? Think back to flipchart exercise – is everything covered?

SHOW SHOWCARD L OF TOTAL DURATION CONCEPT

Initial Response

+/-?

SHOW SHOWCARD J1 OF MULTIPLE INTERRUPTIONS STANDARD, AS WELL AS SHOWCARD M

Would you prefer a standard around total duration (as we have just discussed) rather than multiple interruptions?

Why/why not?

How practical would a total duration standard be (eg in terms of recording time off supply and making a claim accordingly?)

Quality of Customer Contact

10 mins

Now thinking about quality of customer contact and overall communications e.g. telephone service if you need to contact the Distributor

First, has anybody ever contacted their Distributor? [Note: Distributor could contact customer to tend to a fault in a cable on their property or to investigate due to other faults in the area]

What did you contact them about – during power cut or another reason?

How did you make contact?

How do you feel your Distributor performed in this area?

Reasons for response

What did they do well?

What did they do badly?

What could be improved?

How does this experience compare to other service industries?

How do you want to communicate with your Distributor – website, text, telephone, letter?

Explore reasons

What would you want to communicate with them for:

- immediate power cut issues
- supply issues
- future planning
- consultation about changes and improvements that could be made
- just kept informed about plans/changes

How important is the quality of their customer service compared with, say, reducing the number or duration of power cuts?

Where would you put your money if you were the one making improvements – customer service or power cuts?

And thinking about quality of customer service, what sort of things should be measured?

Distributors are currently measured on their performance in the following areas:

SHOWCARD N

- the politeness of the members of staff;
- their willingness to help;
- the accuracy of the information given;
- the usefulness of the information given;
- the speed of telephone response.

Initial response

Are these the right areas?

Is anything unnecessary?

What areas are missing?

Is the detail right – number of rings, etc

Wrap

5 mins

What is the most important area for improvement – choose one issue (if anything at all).

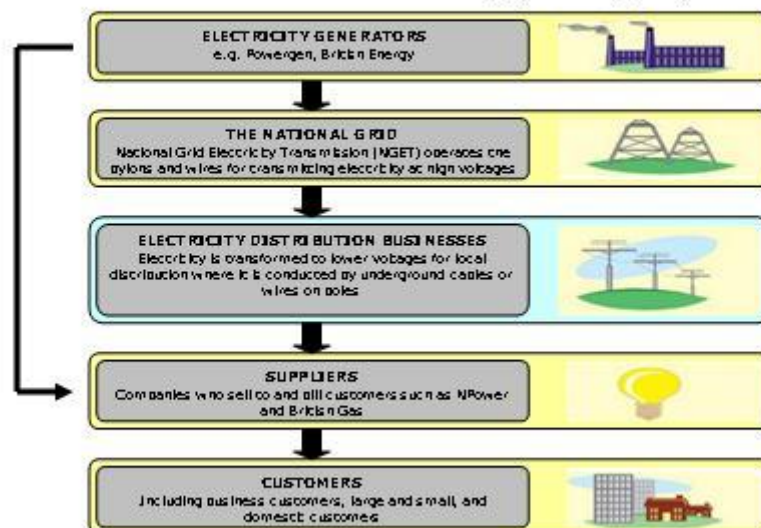
Thank and Close

APPENDIX C

Showcards

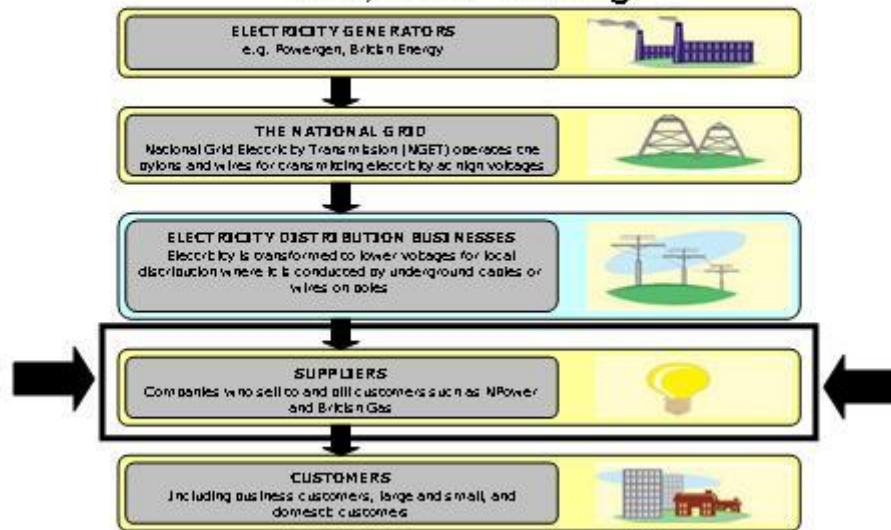
Explanation of Distributors

SHOWCARD A Overview of the Energy Supply Chain



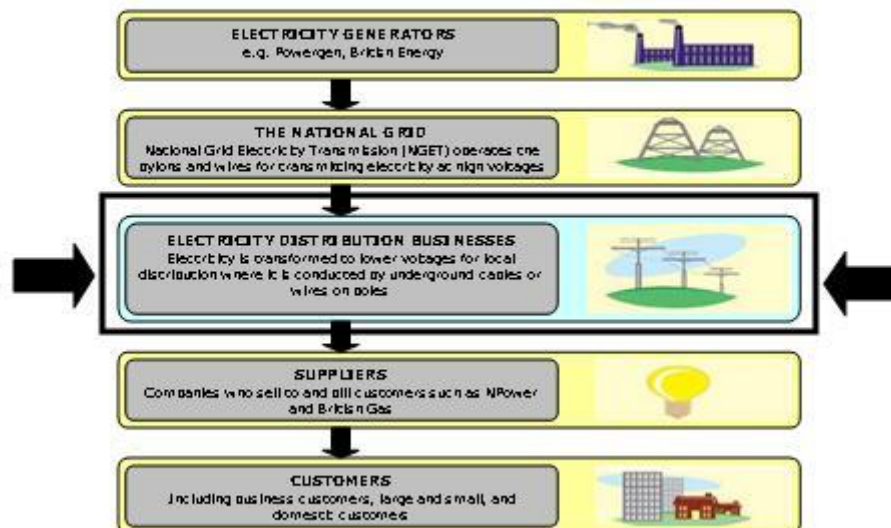
SHOWCARD B

Supplier is Main Customer-Facing Part of the Chain –
Bills, Meter Reading



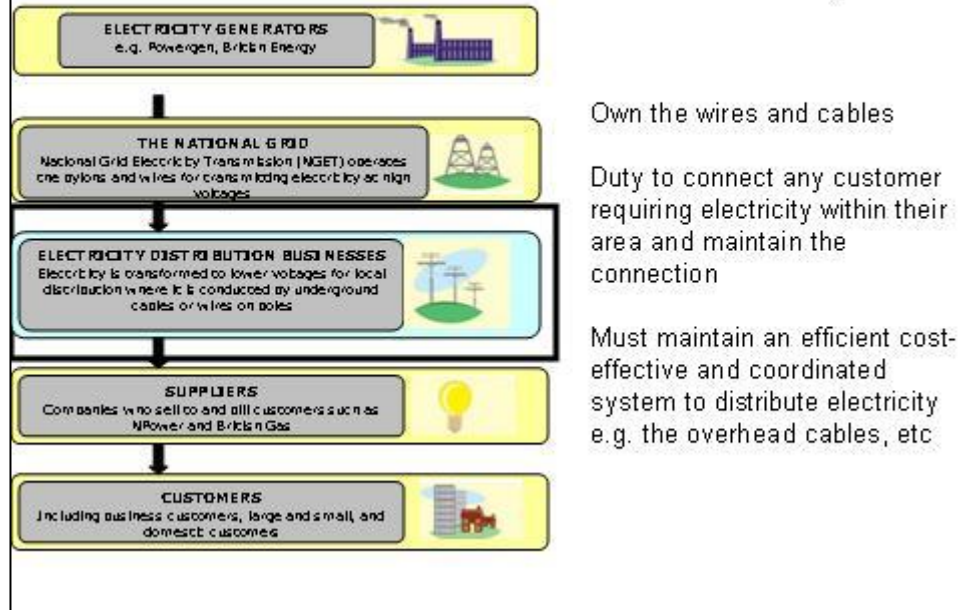
SHOWCARD C

Focus Tonight is on Distributors



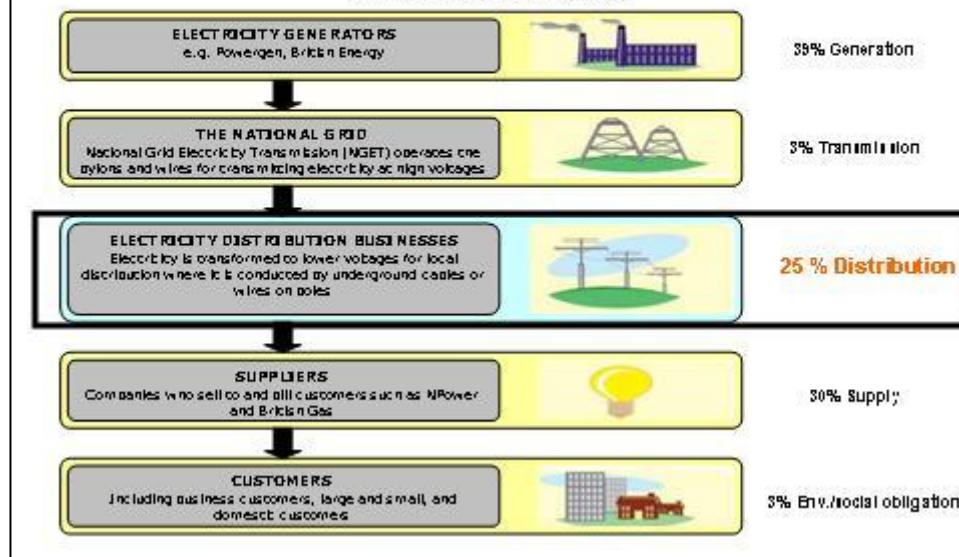
SHOWCARD D

Who are Distributors - What do They do?



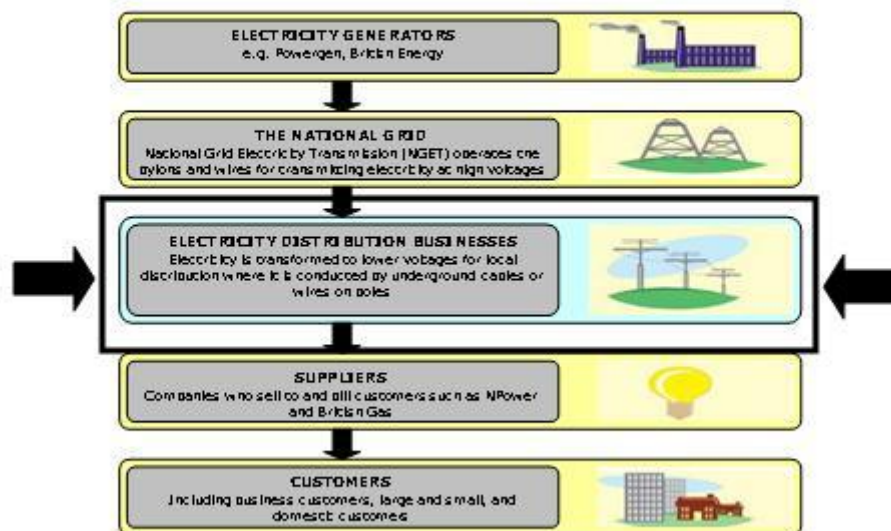
SHOWCARD E

Approximately What Proportion of the Bill Goes to Distributors?



SHOWCARD F

Focus Tonight is on Distributors



SHOWCARD G

Explanation of Guaranteed Standards of Performance

- Ofgem, the industry regulator, sets a number of Guaranteed Standards of Performance (GSPs) for domestic and business customers
- The GSPs prescribe certain minimum standards for Distributors to meet
- Tonight we want to understand whether these are still relevant or if there are any that are missing

SHOWCARD H1

GSP2 – Overall Explanation

Supply Restoration During Normal Weather

If your electricity supply fails during normal weather conditions because of a problem on our distribution system we will restore it within 18 hours of first becoming aware of the problem

SHOWCARD H2

GSP2 – Compensation

Supply Restoration During Normal Weather

If we fail and you make a valid claim within three months of the date the supply is restored, we will arrange for you to receive £50 if you are a domestic consumer and £100 if you are a business consumer

You will also receive a further £25 for each additional 12 hours you are without supply

SHOWCARD I1

GSP11A/B – Overall Explanation

Supply Restoration During Severe Weather

If your electricity supply fails during severe weather because of a problem on our distribution system we will restore it within a given period dependent upon the scale of the event:-

Severe Weather Definition

Category One – (Show Picture: lightning) – supplies will be restored within 24 hours

Category Two - (Show Picture: large events) – supplies will be restored within 48 hours

SHOWCARD I2



SHOWCARD I3

GSP11A/B – Compensation

Supply Restoration During Severe Weather

If we fail and you make a valid claim within three months of the date the supply is restored, we will arrange for you to receive £25 (for both domestic and business consumers)

You will also receive a further £25 for each additional 12 hours you are without supply

The maximum payment you can receive totals £200

These payments will be made as soon as reasonably practicable

SHOWCARD J1

GSP2A – Explanation

Multiple Interruptions

If your electricity supply fails because of a problem on our distribution system and you are without power for three hours or more, on four or more different occasions in any single year (12-month period) beginning on 1 April

SHOWCARD J2
GSP2A – Compensation

Multiple Interruptions

You are entitled to a £50 payment
You must make a valid claim for this
payment within three months of the end of
the year to which the claim applies

SHOWCARD K1
GSP4 – Explanation

Notice of Planned Interruption to Supply

If we need to switch off your power to work on
our network we will give you at least 2 days'
notice

SHOWCARD K2

GSP4 – Compensation

Notice of Planned Interruption to Supply

If we fail to give 2 days' notice or we switch your electricity off on a different day, then you can claim (within 1 month of the failure) £20 if you are a domestic consumer and £40 if you are a business consumer

SHOWCARD L

Total Duration Standard

If, across the course of one year, your electricity supply fails because of a problem on our distribution system and you are without power for a combined total of 15 hours or more, in any single year (12-month period), you will be entitled to compensation.

*For example, you have 2 cuts in total in 12 months:
- in January you have one power cut lasting 10 hours
- in June you have one power cut lasting 6 hours
Total duration = 16 hours, i.e. more than 15 hours in a single year, making you entitled to compensation.*

SHOWCARD M

Total Duration Standard Compared With Multiple Interruptions Standard

Based on the following examples, which would you prefer, the Multiple Interruptions Standard or the Total Duration Standard?

Example 1

You have 2 cuts in total in 12 months:

- in January you have one powercut lasting 10 hours
- in June you have one powercut lasting 6 hours

Under the Multiple Interruptions Standard You would Not be Entitled to Compensation (as there were only 2 cuts in total, not 4 or more); under the total duration standard you would (as the total duration exceeded 12 hours).

Example 2

You have 4 cuts in total in 12 months:

- in January you have one power cut lasting 4 hours
 - in February you have one power cut lasting 3 hours
 - in June you have one powercut lasting 4 hours
 - in November you have one power cut lasting 3 hours
- Total duration: 14 hours*

Under the Multiple Interruptions Standard You Would be Entitled to Compensation (as there were 4 cuts in total, all of at least 3 hours); under the total duration standard you would not (as the total duration was not 15 hours or more).

SHOWCARD N

- the politeness of the members of staff
- their willingness to help
- the accuracy of the information given
- the usefulness of the information given
- the speed of telephone response