

Minutes of the Consumer Issues Working Group

1st April 2009

Present:

Lorraine Reddington (Central Networks)
Joe Ashe (ENW)
David Gill (CE Electric)
John Barnett (CE Electric)
Jeremy Blackford (Scottish Power – by teleconference)
Gillian Hutton (SSE)
Justin Gutmann (Consumer Focus)

Laura Nell (Ofgem)
Dorothy Eke (Ofgem – minutes)
James Hope (Ofgem)

Apologies:

Ian Higgs (WPD)
Mary Preece (EDF Energy)

1. Terms of Reference

- 1.1 The meeting commenced with a request from Ofgem asking DNOs to confirm whether the details of the terms of reference were understood and accepted. A few DNOs commented that issues listed did not seem to give room for the additional works referred to in the terms of reference. There were questions about what aspects of the guaranteed standards of performance will be taken forward by the consumer issues working group. Ofgem confirmed that the group will deal with the issues currently not being dealt with by the Quality of Service working group or the ECSG sub-groups and an example of this may be reviewing the adjustments to compensation payments. Ofgem confirmed that liability issues associated with EGS2 and connections guaranteed standards would be out with this group's remit.
- 1.2 It was suggested that the terms of reference should refer to subsequent meetings being held every 1 to 2 months instead of every 3 months to give a bit more flexibility and this was agreed by the DNOs in attendance. It was also agreed that Ofgem will attend subsequent meetings with thoughts and updates on work progress while the DNOs will input at the meeting.
- 1.3 One DNO representative suggested that meeting documents should be circulated to everyone 2 weeks in advance of the meeting so that DNOs have enough time to read and better prepare for the next meetings. As regards the June 2 meeting, it was pointed out that the first hour of the June meeting at the ENA will be used to discuss consumer redress issues.
- 1.4 The terms of reference was agreed subject to the changes above. Dates of subsequent meetings were agreed as follows:

- 2nd meeting on 2nd June (ENA - 1 hour for consumer redress issues)
- 3rd meeting Wednesday the 12th of August 2009 (if needed) (Ofgem)
- 4th meeting Wednesday 30th of September (Ofgem)

Action

- Ofgem to make appropriate changes to the terms of reference and meeting schedule and circulate to the group
- Ofgem will circulate draft of documents/issues for discussion to the group a couple of weeks before meetings (or at least a week in advance).
- Ofgem to clarify date for publishing the initial proposals
***Post-meeting note:** date of July document yet to be decided (either 17th or 30th July)*
- Ofgem to send 2007/08 QOS report to Consumer Focus representative

2. Policy proposals for December/responses in terms of telephony and broader measure:

- 2.1 Ofgem representative presented some slides recapping on the policy proposals from the December document in relation to telephony and the broader measure and the summary of responses received.

3. Discussion of key telephony issues for DPCR5

- 3.1 Ofgem representative presented some slides setting out the key telephony issues raised in response to the December policy paper. These concerned the streamlining of the current 5 attributes, the surveying of messaged customers and the inclusion of unsuccessful calls in the incentive scheme.
- 3.2 Streamlining the attributes:
One DNO representative (SP) raised an issue around incentivising the speed of response via the key measures (KM4). SP is concerned that scores for speed of response (KM4) have little correlation with the scores for the assessed attribute on satisfaction with the speed of response, the latter being subject in SP's view to influences from other factors. An Ofgem representative mentioned that they had looked at the relationship between KM4 and the assessed speed in the past and published data showing that there is a correlation between the two over time. He also mentioned that incentivising KM4 may result in companies having to invest heavily in their telephone systems to improve the speed of response but Ofgem had no evidence to suggest that this is what customers want or are willing to pay for.
- 3.3 A Consumer Focus representative asked what the rationale is for streamlining the attributes from 5 to 3. Ofgem representative explained that this proposal was based on feedback from the agency that runs the survey to the effect that customers find it difficult to differentiate between 'politeness' and 'willingness to

help' and between the 'accuracy' and 'usefulness' of information. Ofgem also highlighted that there are strong correlations between the assessed scores for these attributes.

3.4 Surveying messaged customers:

There were some discussions around the practicalities of surveying messaged customers and the legal issues associated with data protection. A DNO representative (CE) suggested that DNOs could ask customers once they make contact, through a menu choice, if they consent to be contacted subsequently for a survey. However, it was acknowledged that this would delay the customer hearing the message concerned. The DNOs present at the meeting wondered whether the survey should be pre or post event e.g. press 1 (happy) or 2 (not happy); for instant feedback. Generally DNOs were uncomfortable with the idea of surveying customers whilst the outage was ongoing and therefore supported surveying customers post event.

3.5 There were also discussions around sample sizes for surveying messaged customers and whether the current sample size of 75 calls per month would need to be increased if messaged customers are to be surveyed or whether the current sample could be split between customers who heard a message and customers who spoke to an agent. There were also some discussions as to whether quotas for unsuccessful calls should be evenly split for DNOs or weighted in proportion to historic data on the use of messaging for answering calls.

3.6 The Consumer Focus representative mentioned that customers generally understand that data protection legislation is there for their own protection and they are accustomed to hearing the associated recorded messages. Although he agreed that there are issues to be considered around the type of message and timing, he stated that Consumer Focus would support surveying messaged customers within the scope of the telephony survey.

3.7 Ofgem representative sought to clarify what DNOs' legal position is with regard to the data protection issues surrounding surveying messaged customers. The DNO representatives were unable to respond at the meeting and were asked to check and confirm this in advance of the next meeting. In particular DNOs were asked to provide details of how they can access the messaged customers' telephone numbers and any practical considerations in surveying during or post-event.

3.8 Incentivising unsuccessful calls:

Another DNO representative asked how Ofgem decided to apply a 75% weighting on unsuccessful calls. Ofgem explained that the rationale was based on a view that DNOs had an ability to influence these figures to a certain degree but some reflection that it was not all down to them, hence not applying 100%.

3.9 The DNO representative also mentioned that there might be an issue around how the different DNOs categorise unsuccessful calls and the scope of the current RIGs definitions. Ofgem representative explained that over the years, DNOs have reported figures of unsuccessful call to Ofgem on a monthly basis (KM5) and would be concerned if DNOs now started raising issues with the definitions that have been

used for a number of years. He stated that such issues may imply that DNOs have incorrectly reported unsuccessful calls over the years.

Action

- By Friday 17th April DNOs should provide feedback to Ofgem in the form of an email on the following telephony issues discussed:
- Their telephony configuration, whether their systems have the capability of capturing customers that have heard a message
- Their legal position with regard to data protection issues (getting access to customer numbers and calling messaged customers back etc)
- Comments on the practicalities of surveying messaged customers
- Views on the pros and cons of surveying messaged customers during and post event
- Views on changes required to sample sizes if messaged customers are surveyed and whether these should be uniform or variable across the DNOs
- Views on any changes required to the current dead-band and reward/penalty thresholds
- Ofgem to seek Accent's views on the implications for sample sizes if messaged customers are surveyed
- Ofgem to circulate the spreadsheet on the 75% weighting of unsuccessful calls to the group

4. Discussion of the information request template

- 4.1 There was discussion of the information request template and the meaning of the information Ofgem sought. The DNO representatives were unsure of what to report and the level of information required and requested a bit more clarity on that. According to the DNO representatives, some of the information requested is viewed by the DNOs differently. For example, some DNO representatives mentioned that it may be difficult to report information on plant enquiries as they have very few.
- 4.2 Ofgem representative clarified that it is necessary for DNOs to be able to quantify the type and nature of customer contacts so that the group have a clear idea of the viability of surveying a meaningful sample of each customer group and the frequency with which Ofgem might need to survey them. He requested that DNOs fill out the template as best they can and provide any caveats or qualifying information that they might need to.
- 4.3 The group discussed what would be the most useful period to provide the data for and it was agreed that it should be provided in an aggregated format for the

regulatory year 2008/09 and the data for the standalone month of February 2009 only. It was noted that the data for March 2009 may not be complete or fully verified in time (DNOs should indicate on their returns if this is the case).

Action:

- Ofgem to send DNOs a revised template via email with data populated for no supply calls by agent and messaging from the KMs and data from the interruptions returns on pre-arranged incidents
- DNOs to complete and return the template provided; 11/12 month regulatory data (April 08 to March 09) and standalone February 2009 data by the end of April (Thursday 30th)
- Ofgem to circulate a straw man on the broad measure and telephony at least a week in advance of the next meeting.

5. Discussion of the key issues in relation to the development of the broader measure

- 5.1 Ofgem representative presented some slides on proposed coverage of the scheme, survey methodology considerations and the possible format and design of the scheme. It was noted that the current intention was for the Broad Satisfaction measure to run on a report-only basis for the first two years of DPCR5 and to absorb the telephony measure as a 'live' incentive thereafter.
- 5.2 It was agreed that there is a need to be careful on how the survey questions are phrased. There were issues around regional bias and business separation and questions around who should conduct the survey, who should manage and who should pay for the survey.
- 5.3 Ofgem presented three options for possible format and design of the incentive measure. Option a, b or a combination of both? Most DNOs present at the meeting leaned towards option C which rewards top performers and most improved over time (above the minimum threshold), sets a dead band and penalises the DNOs with the biggest deterioration or who perform below the dead band.
- 5.4 Ofgem representative invited comments from the group on the appropriate level of revenue exposure.
- 5.5 Another Ofgem representative encouraged DNOs to share their experiences of surveying customer satisfaction and other possible ways of doing things to help consistency across all DNOs. DNO representatives said they are willing to share information on the work they have been doing on customer satisfaction at the next meeting.

Actions

- CE representative to send slides on the mapping exercise they have been doing
Ofgem to circulate to other DNOs (action complete)

- DNOs may provide views on revenue exposure in conjunction with the telephony feedback email.