

Attendees

Alison Sleightholm	-	WPD
Andy Phelps	-	ENA
Mary Preece	-	EDF
Lorraine Reddington	-	CN
David Gill	-	CE
John Barnett	-	CE
Gillian Hutton	-	SSE
Jeremy Blackford	-	SP
Joe Ashe	-	ENW
Justin Gutman	-	Consumer Focus
Laura Nell	-	Ofgem
James Hope	-	Ofgem
Dorothy Eke	-	Ofgem (minutes)

Introduction

- The meeting started with an Ofgem representative running through the action points from the previous meeting to ensure they were all covered. It was confirmed that all actions were met by Ofgem and the DNOs, and none were carried forward.
- Another Ofgem representative went through the broader measure circulated, explaining Ofgem's thinking behind the proposals and highlighted what work needs to be covered within the broader measure. There were general comments on the strawman.

Customer satisfaction survey

- An Ofgem representative explained that Ofgem is looking to have two types of indicators (perception and objective) and that these should be broad in terms of capturing customer experience. She explained that the intention of the customer survey is to cover a broad range of customers' i.e. domestic and non-domestic customers, their experiences and all forms of communication between the DNOs and customers. She also added that Ofgem will attach advocacy scores generated across all DNOs for comparison and that there may be a logical split between information provided on the template (supply, general and connections).
- A DNO representative suggested that there may be an issue with surveying connections customers who have projects with long lead-times and that connections may need to be split by initial contact and the delivery phase.
- An Ofgem representative mentioned that there were questions over the data provided by DNOs (plant enquiries etc). She added that, that shows there is work to be done to develop definitions for the broader measure with regard to the way DNOs report the data in order to ensure consistency.

Complaints Metric

- An Ofgem representative explained that the complaints metric is an objective indicator to be based on existing information that the DNOs are recording as

required by regulations under the CEAR Act. She mentioned that categorising complaint handling is straight forward and that a reporting process will need to be developed to support the measure.

- A DNO representative asked what the process of logging complaint is and mentioned that it is important to establish its definition.
- An Ofgem representative acknowledged that the CEAR Standard definition is limited but nonetheless helpful in terms of explaining what constitutes a complaint. She anticipates that the coverage of the complaints metric will be broader than CEAR, in that it will cover complaints from all types of customers. Most DNOs agreed that they do not limit their complaint handling procedures to particular customer groups.
- An Ofgem representative mentioned that Ofgem currently considered that complaints should be weighted by source (in ascending order, telephone, written and Ombudsman complaints). He said that Ofgem recognises that there is further work to be done around definitions.
- A DNO representative suggested that they might get around the problem with splitting complaints into written and telephone and suggested that the process of capturing complaints relating to work undertaken by contractors on behalf of DNOs should be sifted out of the metric. Other members of the group did not think this was appropriate.
- A DNO representative added that any problem with a licensee's contractor is a matter for the contract/service agreement between the licensee and its contractor.
- A DNO representative suggested that DNOs record complaints unresolved after 24 hours and 8 weeks so these could be added into the Metric.
- An Ofgem representative discussed DNOs inability to break down some of the data requested in the template and explained the assumptions Ofgem made in terms of apportioning data across other categories. He explained that Ofgem will need this information on a consistent basis. Another Ofgem representative added that Ofgem appreciate that numbers were provided on an indicative basis and that DNOs were encouraged to give a rough cut. She also acknowledged this process was helpful in highlighting the work to be done on definitions.
- An Ofgem representative asked how DNOs categorise complaints by type. A WPD representative mentioned that DNOs are not required to categorise complaints by type and added that it is not a problem for WPD as they use the old energywatch/Ombudsman referral categories. She wondered whether all the DNOs will be willing to record data in the same way.
- An Ofgem representative mentioned that it would be useful if DNOs could disaggregate complaints by type. He said there is a need to know sooner if any of the DNOs are doing something different.
- It was suggested that Ofgem will develop a separate reporting template in order to capture information that DNOs have been recording since the introduction of the CEAR Act. This template will be sent to DNOs in time for the August meeting so that DNOs can complete in October when a full year's data is available and work will be done on normalising the data and deciding what might be done with it.

Action:

- Ofgem to send out draft reporting template for complaints to the group, first week in August (before the meeting)
- Ofgem to discuss with Consumer Focus and agree on type of data/information required from DNOs on complaints for consistency before the August meeting

Stakeholder Engagement

- An Ofgem representative mentioned that the stakeholder engagement is not about being in agreement with the various stakeholders in the DNO areas but more about how DNOs are able to engage and offer up ideas and discuss their plans with the various stakeholders. He emphasised the need to have these discussions.
- A DNO representative mentioned that companies differ in their approaches and may choose to do things differently. It was suggested that Ofgem would need to set guidelines for DNOs.
- Another DNO representative mentioned that stakeholder engagement is the most subjective of the three components and suggested that a definition of Stakeholder Engagement would be helpful. She said that DNOs should be incentivised to do this but it doesn't have to be an event as stakeholder engagement is an ongoing process.
- There were no strong views either way as to whether the stakeholder engagement should be included in the broader measure or the discretionary reward. It is said to be dependent on how it can be measured. If objective criteria and measures can be developed, include in the broader measure, otherwise include in the discretionary reward. DNOs would like Ofgem to come up with the best way of scoring it. It was also suggested that clear examples of good stakeholder engagement should be included in the broader measure.
- An Ofgem representative mentioned that Ofgem would like the views of suppliers, IDNOs, ICPs to be captured in the broader measure and these could be picked up through the stakeholder engagement but it would be more difficult as part of a satisfaction survey.
- A DNO representative suggested that the engagement DNOs have with suppliers when they publish the annual UoS tariffs (normally in February) could provide some focus for suppliers' views under the broad measure.
- An Ofgem representative mentioned that Ofgem is looking to publish initial proposals in July and will spend time around September/October focusing on developing the survey. She said the August 12th CIWG meeting will be used to flesh out definitions. She also explained that there may be scope to experiment with different ways of measuring stakeholder engagement given the timescales until implementation of the broader measure.
- An Ofgem representative asked DNOs to put forward their thoughts on developing the stakeholder engagement in response to initial proposals. He explained there could be scope for Ofgem to do the pilot and DNOs to contribute funds. He said there is need to find the best way of doing things going forward. He also suggested that during the piloting phase, it would be desirable if possible, to have

a hands-on involvement from DNOs. Once up and running, it is likely that the survey will be administered by Ofgem.

Action

- WPD to draft possible criteria for stakeholder engagement and circulate to the group

Revenue Exposure

- A DNO representative gave his views on the split as 60% advocacy; 40% complaints and 10% stake holder engagement. DNOs were in general agreement that stakeholder engagement should have a lesser weighting given the potential for subjectivity.
- An Ofgem representative mentioned that Ofgem will propose what weighted revenue should be in initial proposals and invite views from DNOs. He commented that Ofgem is working on pulling together the overall price control package and taking a view on how big the incentives element will be and how it should be split across the various incentives.
- A DNO representative asked whether the penalties and rewards are mutually exclusive or interdependent.
- An Ofgem representative explained that they should be mutually exclusive, although this is an area requiring further thought and development as we progress to final proposals.

DPCR5 Telephony

- An Ofgem representative presented the draft initial proposals for telephony and explained the slight change in the move from using "accuracy" to "usefulness" and the reason behind the change. She also explained Ofgem's thinking behind the proposed revised telephony thresholds for the upper and lower bounds based on the revised assessed attributes after taking into account unsuccessful calls. The DNOs noted the rationale behind moving from accuracy to usefulness.
- An Ofgem representative proposed to leave the existing reward as it currently is, given it is a continuation of what has been done in DPCR4 and will be incorporated into the broader measure in April 2012. He suggested that focus is better spent on the broader measure which is likely to have far more impact.
- A DNO representative questioned whether customers that had heard a message but had not got through to an agent should still be counted as unsuccessful calls.
- An Ofgem representative responded that they should, if they hold to speak to an agent and then terminate the call.
- A DNO representative asked whether the sample size in surveys for the broader measure will differ from that currently used for telephony (75 customers per DNO per month)

- An Ofgem representative responded that no quota has been put on the number for the customer satisfaction survey for the broader measure in DPCR5 but that the sample size will be informed by advice from market research professionals.

CE mapping exercise

- A CE representative talked the group through his slides on the mapping exercise that CE have been doing. He explained that the presentation was an evidence to support investment and gives something tangible to initiate change where necessary. He mentioned that he is happy to provide more detailed answers to any questions from DNOs arising from the presentation.
- A Consumer Focus representative commended CE for the work they have been doing on customer satisfaction. He commented that, that is the sort of analysis needed in seeking to improve customer satisfaction and that the only missing element is the cost-benefit analysis to work through the difficult issues for improvement purposes.

Date of next meeting: 12th August 2009 (Ofgem)