

Customer and Social issues working group

Executive summary for the customer and social issues working group meeting the 21st of September.

From	santisl
To	CSIWG
CC	
Date	30 September 2010

1. Introductions

1.1. James Veaney and Scott Flavell representing Ofgem welcomed attendees of the working group morning meeting which included representatives from the following GDNs: National Grid Gas (NGG), Scotia Gas Networks (SGN), West Wales Utilities (WWU), Northern Gas Networks (NGN), Angela Love from Energy Networks Association (ENA) and Clare Lucas from Consumer Focus.

1.2. The afternoon meeting was joined by Karron Baker and Steve Brown from Ofgem, Stephanie Trotter and Paul Overton from CO Gas Safety and Leigh Greenham from COGDEM.

1.3. The meeting was divided into two sessions for the day. The morning session addressed issues around the Customer Satisfaction Survey (CSS), complaints metrics, stakeholder engagement and connections. The afternoon session dealt with network extensions and CO issues.

1.4. JV provided an overview of the expected outputs of this working group which included an upcoming December consultation document regarding customer and social issues and plans for the beginning of the year.

1.5. Early on in the meeting, NGN raised the following concerns regarding Guaranteed Standards Guidance Documents and agreed to send a more detailed document in the next few weeks:

- Connections in electricity are more detailed than the equivalent gas document
- Series of inconsistencies within gas companies application of the standards which were flagged during winter and the need to agree on the interpretation

2. Customer Satisfaction Survey

2.1. NGN expressed satisfaction with current survey since they have established a bank of history which allows comparability; however there are areas that need improvement. Customer feedback has identified two areas that should be added to the CSS: site tidiness and issues with final reinstatement. They also believe that the connection survey should be done once the work has been completed. One of the clear results of the CSS is that people who don't accept the quote are concerned about the price of the connection.

2.2. SGN believes the customers should be given more choice regarding how they wish to reply to the survey and extended from post to telephone survey. They also believe the survey needs to be clear as to who is which organisation is being surveyed since there is still confusion amongst customers between GDNS and suppliers. They recommend a question regarding service improvement and how it should be delivered.

2.3. WWU raised concerns regarding capturing customers who ask for a quote but do not subsequently progress with the work. They believe the questions should be reworked in order to separate the two populations into those who ask for quote and take the service

and those who don't. They also propose that the results of the survey should be published sooner so it can inform some of their plans. On the issue of extending the survey to telephone, they believe adding other methods might cause confusion to the customers.

2.4. NGG believes the survey is fit for purpose but it still needs some improvement regarding the wording of questions. They point out we are missing an opportunity to gather more information about who the customers are and what kind of service they want. The high level nature of some questions makes it difficult to make meaningful use of the data. They believe that the survey is not delivering good value for money since they are incurring high administration costs for a low level of responses. Additionally, due to the lack of weightings they are not able to tell what the customers value from the service provided by the GDNs. They are looking to Ofgem to provide a clear steer as to how to get more value from the survey.

2.5. GDNs agreed that they would not be open to add too many questions to the actual survey for fear of survey fatigue and they point out that there is already free text available within the survey which should be captured more effectively

2.6. Ofgem suggested the GDNs draw up a gas CSS straw man based on the electricity straw man, the current CSS for gas and the OFWAT survey proposed by Consumer Focus in order to reflect what is important for gas customers. Ofgem provided a provisional timeline of 4 weeks to come up with appropriate survey.

2.7. ENA proposed holding a one day session with the GDNs and Consumer Focus at their office in order to cover all CSS and complaint issues. The outputs from that meeting should be:

- Straw man for CSS based on incremental changes to the existing survey
- List of agreements and disagreements regarding changes to the survey for Ofgem to provide a clear steer

3. Incentives around Broad Measure of Customer Satisfaction

3.1. A point was raised by the GDNs regarding the quantum of the incentive linked to the CSS and the targets to be set attached to CSS response. There is concern regarding relative weighting of customer satisfaction in the different geographical areas covered by them. The case of London was highlighted since customer expectation is higher and this could lead to penalties based on results for CSS. They believe the mechanics of the incentive should be set up and clarified and Ofgem should provide a clear steer regarding the nature of the incentive.

3.2. Ofgem will ask for views from the different parties and establish where are the areas of consensus and disagreements regarding the mechanics of the incentive linked to the CSS.

4. Complaints Metrics

4.1. Each GDN went over their responses to the complaints questions raised by Ofgem and no major discrepancies were identified among their responses.

4.2. Ofgem agreed to circulate the complaint metric for electricity and any other relevant information.

4.3. GDNs agreed that a consistent approach regarding the management of complaints is important. NGN pointed out that there has to be a common interpretation among the GDNs of the Guaranteed Standards document.

4.4. GDNs will use the session held at ENA to tackle issues regarding the complaint metrics and use a similar methodology to the one proposed for the CSS.

5. Stakeholder Engagement and Discretionary Reward Scheme (DRS)

5.1. GDNs provided an update of the progress on stakeholder engagement for GDPCR2 business plans

5.2. NGG just closed their stakeholder engagement consultation process and is now collating responses. Some of the issues that emerged from their stakeholder engagement process concerned the working relationship of shippers and industry players and how it should be managed and moved forward. They also hope to get a better idea of who are their stakeholders, what issues they should be engaging on and at what level of engagement. NGG want to develop a more tailored approach in which wider issues should be dealt with some stakeholders while more particular issues should be handled by smaller groups.

5.3. NGN is involved in three levels of stakeholder engagement: one to one with large customers, building up on existing engagement processes; regional dimension engaged with regional bodies and customer forums; national level through engagement process led by Ofgem with shippers and other industry members.

5.4. SGN is finalising their consultation document with responses by the end of this month. They are engaging with different stakeholder groups in a variety of ways. Some of the stakeholders they have been liaising with include shippers, suppliers and MPs.

5.5. WWU has a series of workshops lined up for the next few months in order to determine who the relevant stakeholders are and in which issues they should be engaged.

5.6. Regarding DRS, GDNs agreed on providing a written response to the questions posed during the presentation by email.

5.7. ENA reiterated their desire to coordinate meeting with GDNs and Consumer Focus to tease out issues with CSS, complaint metrics and stakeholder engagement. Other outstanding issues can be addressed during that session as well.

6. Connections

6.1. Ofgem raised issues regarding competition in the connections market for gas and the merits of excluding connections from the guaranteed service standards of performance. We asked GDNs for their views of the competitive and non competitive elements of the connection process and how to take this matter forward.

6.2. SGN agreed to come back with a response regarding these issues since each GDN manages a different connection model.

6.3. Ofgem agreed to circulate NGG's document on the competitiveness of the connections system to GDNs to kick off the discussion.

7. Network Extensions for fuel poor consumers

7.1. Karron Baker from Ofgem delivered a presentation on fuel poor network extensions. According to data compiled by DECC on 2007, approximately 0.45m fuel poor could potentially benefit from connection to affordable fuels.

7.2. ENA queried the robustness of the data and the possibility of determining where the beneficiaries of alternative affordable fuel live. There was a general consensus that the data suggested the number of potential applicants was not huge.

7.3. Regarding the success of the current scheme, around 10,000 consumers will have to be connected in order for the scheme to pay for it. So far, NGG have connected a total of 3180 consumers, NGN connected 789 consumers, SGN a total of 3480 and WWU 640.

7.4. GDNs expanded and clarified the data presented by Ofgem. According to NGG their numbers are a mixed of community and one-off schemes and not all linked to community as the data first portrayed. WWU confirmed that since April 2009 they had connected a further 400 community schemes to the grid. SGN highlighted that their numbers were driven by the large number of fuel poor in Scotland and the reason why community driven projects were lower than one-off connections had to do with the fact that they were in the competitive arena.

7.5. On the topic of incentives for GDPCR2, it is critical to understand any blockers to broadening the scope of the scheme, including partnerships. A renewed focus on stakeholder engagement with housing suppliers was suggested in order to address this issue. GDNs also suggested a review of the correlation between the IMD data and fuel poor data available to establish if the correlation still applies. It was pointed out that it is the price control incentives which drive the behaviour of the GDNs not the Discretionary Reward Scheme (DRS).

7.6. In terms of alternative ways of targeting vulnerable customers the following suggestions were made by the attendees:

- GDNs should share information with gas suppliers in order to target their activity
- Consider facilitating combine heat and power (CHP) installation in high rise and flats –consumers couldn't claim fuel poor voucher because gas was not provided to the individual property
- Setting up district community heating
- Consider greater flexibility around setting the threshold for the value of the voucher
- WWU suggested engaging with the government regarding wider planning issues i.e. spread of broadband and potential linkages with network extensions
- Reconsider the definition of vulnerable customers to include other vulnerable populations such as the terminally ill, etc.
- GDNs believe that the cost recovery mechanisms might act as an inhibitor to targeting vulnerable customers and the structure should be reviewed

7.7. Ofgem agreed to consider these issues and engage with IGTs to seek their views.

8. Carbon Monoxide (CO) issues

8.1. Steve Brown (SB) from Ofgem led the discussion on work done with GDNs regarding raising awareness of the dangers of CO.

8.2. ENA pointed out that as part of the last price control, GDNs were invited to develop options for reducing risks associated with CO poisoning by participating in a CO Working Group. ENA and the GDNs worked together with other stakeholders between April 2009 and March 2010 developing options and assessing them in terms of cost, likelihood of success, ease of implementation and potential benefits. As a result of this process, they concluded

and proposed that a trial of issuing CO alarms to customers was the best option. In addition, GDNs now distribute CO awareness leaflets to customers when attending customers' premises to raise awareness of the dangers of CO.

8.3. Ofgem have received the trial proposals and are considering their merits.

8.4. SGN were requested to provide feedback on the data collected from the trial on issuing CO personal monitoring equipment being carried by their operational staff.

8.5. WWU highlighted that first call operatives are required to have a range of skills and smart metering might have a further impact on this.

8.6. Ofgem invited GDNs to move on from GDPCR1 and through this Customer & Social issues work group take the opportunity to look at broader range of safety issues and give full consideration to proposing other initiatives or changes in established working practices.

8.7. CO Gas Safety stated that the emergency service providers (ESPs) have a duty to make safe. They pointed out that the HSE's Gas Safety Review 2000 recommended that ESP to carry flue gas analysers and they felt there is an absence of sufficiently qualified staff. Other key points made by CO Gas Safety:

1. General Awareness regarding dangers of CO is poor
2. Need to improve the diagnosis and understanding of where CO is coming from
3. Consumers lacking investigation facilities
4. GDNs have been overtaken by the fire brigade regarding CO awareness and equipage to detect CO.

8.8. COGDEM highlighted four areas that the GDNs should address and the work in each area that is currently in progress:

1. Measure effectiveness of leaflet and distribution – Implementation underway and statistics should highlight impact upon call centres
2. Issue CO alarms to vulnerable population – SGN trialling this option and awaiting feedback
3. First call operative should be equipped with CO detection equipment – SGN trialling and awaiting feedback
4. Examine how the loop closed after a CO incident to ensure adequate follow up – This option may be beyond the scope of GDN or the current definition of making safe.

8.9. The willingness to pay will come into deliberation of any future scheme so that the additional costs involved reflect the benefits that would be delivered.

8.10. Ofgem suggested GDPCR1 provided significant information and this should be revisited as well as all the new information related to smart metering.

8.11. Ofgem suggested the following actions for the GDNs regarding gas safety & CO awareness issues as part of their preparation of their business plans for GDPCR2:

- Check the licence conditions on emergency arrangements to establish if they are appropriate or whether they could be extended.

- GDNs need consider whether they can do more on gas safety and to put forward proposals either individually and/or collectively, unfettered by current arrangements or operational restrictions which they feel would be of benefit to their customers.

9. Actions

9.1. Ofgem agreed to circulate the complaint metric for electricity and any other relevant information.

9.2. Ofgem agreed to circulate NGG's document on the competitiveness of the connections system to GDNs to kick off the discussion regarding competition in the connections market for gas.

9.3. ENA reiterated their desire to coordinate meeting with GDNs and Consumer Focus to tease out issues with CSS, complaint metrics and stakeholder engagement. Other outstanding issues can be addressed during that session as well.

9.4. GDNs agreed on providing a written response by email to the questions on the suitability of the Discretionary Reward scheme (DRS) included in the meeting's presentation slides.

9.5. SGN agreed to come back with a response regarding issues related to competition in connections since each GDN manages a different connection model.