

Customer and Social issues working group

Executive summary for the customer and social issues working group meeting the 25st of October held at ENA.

From	santisl
To	CSIWG
cc	
Date	3 November 2010

1. Introductions

1.1. James Veaney and Scott Flavell representing Ofgem welcomed attendees of the working group morning meeting which included the following representatives: Robert Instrall (SGN), Margaret Hunter (SGN), Nigel Winnan (WWU), Tracy Hine (NGG, Stephen Parker (NGN), Clare Lucas (Consumer Focus), Eddie Proffitt (Major Energy Users Council (1st half)), Chris Miller (ENA), Rebecca Langford (Ofgem), Steve Brown (Ofgem (2nd half)), Lia Santis (Ofgem) and Jade Beavon (Ofgem (2nd half)).

2. Actions from last Meeting Minutes (18/10/10)

2.1. SF will circulate the agreed electricity framework as an example for the group to work from. See [Appendix 1](#).

2.2. NGG will circulate a document on the competitiveness of the connections system. See [Appendix 2](#).

2.3. ENA to provide details of presentation of options considered by the Ofgem CO Workgroup, *CM sent this to all group members on 27/10/10 with these Minutes.*

Action Point: Minutes of 18/10 signed off as true.

3. Customer Satisfaction Survey

3.1. A review of the Customer Satisfaction Survey and Proposed Changes took place among the GDNs. The following comments emerged from the discussion of the questionnaire: See [Appendix 3](#)

1. Increase sample size – need to examine best practice arrangements for sample size across the various areas currently surveyed.
 - GDNs to consult with market research providers and report back on appropriate sample sizes.
2. Anonymity - a trial will be undertaken to determine whether the option for anonymity enhances or hinders the survey results. We will examine the option of no anonymity applicable to the survey unless the customer specifically requests this option. A trial will be undertaken to determine the success of the proposed new approach.
 - Ofgem will coordinate the trial and determine the rules etc. and examine the arrangements for temporary derogation under the RIGs.

3. All GDNs have agreed to examine and implement a 1-10 scale consistent with market research best practice.
 4. GDNs are in support of including a free text field – the specific point of the free text box is to be clarified.
 5. Agreed to add a question on site tidiness – also a general quality question to be added at the end.
 6. All in agreement regarding the question on reinstatement.
 7. All in agreement of re-wording question on advance notification of planned work.
 8. An issue was raised about the need to include a question on value for money. The question will be re-drafted to focus on how costs were calculated. We need to focus on the transparency of the process. Once again this could be something included in the pilot to be coordinated by Ofgem.
 9. Was met with no opposition.
 10. & 11. Ofgem will examine rewording these questions and/or whether they should be taken out of the survey and will report back to CSIWG meeting. GSOS system holds details about jobs not completed and the emphasis is on keeping the survey as concise as possible.
 12. SGN questioned the usefulness of this question since vulnerable customer's data has to be registered with the supplier. Ofgem considers the question valid since it allows the GDNs to keep an updated record of vulnerable customers within their area. At this stage the question will remain in the survey.
 13. There are currently three guaranteed standards in terms of producing quotations. GDNs, therefore, questioned the need for this question since the process and speed of the quote is not a concern given that customers are satisfied. The group agreed to focus surveys on customers with accepted quotes but additional data has been requested on why quotes are not accepted.
 14. GDNs raised concerns regarding the subjectivity of the questions as part of a telephone survey and the need to standardize the wording across companies. SGN suggested the involvement of market research expert in order to agree on relevant questions and the most appropriate medium to deliver the survey to different users.
 15. Ofgem and GDNs will examine online, postal and telephone surveys. It may require different survey questions for each type of survey. The objective is to capture additional information and improve customer response rates to surveys. The group agreed to consult with a market research group to determine the most appropriate approach to implementation and weighting of data across various survey techniques.
 16. Ofgem will look at the incentives in the context of different methodologies and decide how it could influence different target populations.
 17. All GDNs in agreement regarding increased survey frequency. Nevertheless there are some logistical issues regarding the timing of the survey since there should be a shorter gap between the service and the customer feedback.
- 3.2. A general discussion took place regarding the CSS as an output measure and the linkage to cost within the GDN's business plans. GDNs believe this is not a straightforward

process since the perception of service is linked to many elements which are highly subjective.

3.3. Ofgem reiterated that the onus is on the GDN's business plans where they should set their performance standards. RIIOG1 will penalise or incentivise the companies based on the output measures set by the companies. This survey is more of an evolution of the previous surveys, so the previous benchmarks could still be applicable.

Actions

1. GDNs will speak to market research companies for advice on increasing sample sizes and the cost associated to an increased survey.
2. Ofgem will provide detailed specifications for the anonymity trial including timing since it would probably require a temporary derogation of licence conditions under RIGS.
3. GDNs to provide additional data about those customers who didn't accept quotes and why those quotes were not accepted.
4. Ofgem will collate a summary document of actions for Customer Satisfaction Survey
5. GDN will agree on a draft version of questions 5, 6 and redraft question 7 of the Customer Satisfaction Survey at the next meeting.

4. Broad Measures of Customer Satisfaction in DPCR5- See [Appendix 1](#)

4.1. JV suggested that the electricity standards presented are what Ofgem wishes the GDNs to work from in order to detail their current procedures, any differences in what constitutes a complaint and how they handle complaints.

4.2. The GDNs make the point that the GSOS regulations (which do not exist in electricity) are in conflict with the CEAR complaint handling standards.

4.3. SGN added that their internal complaint procedure would be a mixture between CEAR and the Guaranteed Standards and that this generated inconsistencies.

Actions

1. GDNs to create a consensus view on processes and any variations, as well as the applicability of the electricity regulations.
2. GDNs to provide information on complaint handling and Ofgem to distribute this information.
3. Ofgem to circulate material received from the GDNs regarding complaint management.
4. ENA to coordinate meeting and collate information on complaint management.

5. Sample of 'Policy Statement on Stakeholder Engagement' - See [Appendix 4](#)

5.1. Ofgem worked with DNOs (electricity) to create a consensus document. SF also provided copies of the Cabinet Office's '[Charter Mark Standard](#)' and '[Customer Service Excellence](#)' for adherence and reference when creating their policy statement. SF referred to the sample policy statement as an example.

5.2. Ofgem indicated that the principle of stakeholder engagement is informing elements of the GDN's business plans which should be in place on a yearly basis. The stakeholder engagement component of the broad measure of customer satisfaction is less defined to allow GDNs to adapt to customer's changing needs through the longer price control.

Actions

1. Ofgem to circulate the link to the documents on stakeholder engagement mentioned during the meeting.
2. GDNs to discuss and report back on the potential impact of Stakeholder Engagement and whether the electricity blueprint would be appropriate for gas.

6. GSOS Relevance

6.1. This issue was raised in 18/10 CSIWG. The guidance document was made in 2005 and the GDNs believe it should be reviewed, particularly as it is seen as very open to interpretation.

6.2. NGN suggested that the document should be brought to the level of the electricity standards document. The GSOS should become more of a user guider and offer guidance regarding expected standards of service.

6.2. Timescale for review not indicated, though Ofgem do point out it is unlikely to make the December review.

Action

1. GDNs to review the GSOS and make a counter-proposal including suggestions as to how to tackle the inconsistencies in the document.

7. Connections

See [Appendix 5](#)

7.1 RL from Ofgem leads on the slides. The GDNs believe that the standards should be simplified. NGN in particular, called for a refresh on precise application reporting, due to the guidance document being unfit for its purpose.

7.2. NGN pointed out that the standards were designed as a backstop standard not a frontier standard. The question remains regarding the adequacy of the minimum standards and the general feeling is that they are perceived as adequate but the data management and recording processes should be updated.

7.3. Ofgem indicated that they would like to align the standards across gas and electricity where possible.

7.4. GDNs in general believe that many of the changes aren't necessary. This extra regulation is seemingly not justified by market demand. Ofgem counter that a lack of complaints doesn't necessarily constitute a high level of customer satisfaction.

7.5. Ofgem pointed out that there might be an argument for uncapping the penalty payments to guarantee the level of standards for customers in the gas market.

7.5. On the subject of adding a gas standard for the commencement of work, it is mentioned that many jobs don't take particularly long. NGN mentions that 90% of domestic connections are done on the same day.

7.6. NGN raised the point about allowing provision for regulated margin. He mentioned the allowance of unfettered margins on the electricity side after passing a series of tests. He believes Ofgem should consider a policy framework to allow for regulated margin for gas companies.

7.7. On the issue of educating customers about alternative energy solutions, there is a feeling that the GDNs don't want to bombard customers with information. Ofgem say that there is potential for them to act as the role of energy providers.

Actions

1. Ofgem will provide an analysis based on historical data to see whether there is merit in uncapping penalty payments and aligning electricity and gas standards.
2. Ofgem requires some data from the GDNs regarding duration of work from split by CIR standards.
3. GDNs will come back with specific responses to the questions posed in the presentation found in Appendix 5.
4. Ofgem will come back on specific responses to the various issues based on responses submitted by the GDNs.

8. Carbon Monoxide Safety

8.1. SB said the ideas submitted by SGN in 18/10's Appendix 3 (CO Poisoning/Safety Initiatives) show excellent, wide ranging and lateral thinking, and they are welcomed as an example of the type of ideas GDNs are being encouraged by Ofgem to come forward with. He urged other GDNs to build on this start and support such suggestions and/or provide their own ideas and proposals. SB suggested that such ideas/concepts should be coupled with identified dependencies, impacts and likely changes to GDN businesses.

Actions

1. RI will report back to the SGN SHE team to seek guidance on what information already gained from their PAM trials can be openly shared with the CSIWG and whether any other more sensitive but useful data can be provided to Ofgem. This could include outlining their ongoing plans, additional FCO time /costs and other impact analysis and associated factors.

9. Network Extensions

9.1. Ofgem stated that the correct number of network connections isn't something that can easily be set and the emphasis should be on improving the quality of the data captured.

9.2. NGN added that industry standard data does exist regarding the number of households under the scheme and the average costs saving per household for fuel switching.

9.3. GDNs pointed that in regards to data on fuel poor customers a more comprehensive approach is required and other entities should be included such as DECC, local government initiatives and social housing programmes.

Action

1. Ofgem required comments on availability of data on vulnerable customers and any further contributions on Network Extensions to be forthcoming.

10. Relevance of the Current Measurements of Poverty and the Future Status of 'Fuel Poverty' Government Initiatives

See [Appendix 6](#)

10.1 Ofgem is not certain whether the IMD data will be updated from the upcoming 2011 census. Many partnerships listed are subject to change, with regard to Government amendments.

10.2. NGN pointed out that the schemes are not only about the impact on the individual customers but how they impact the wider community and area where they are implemented.

Date of Next Meeting: GDN meeting w.c. 1/11 (not confirmed as yet), CSIWG meeting with Ofgem – 12/11/10

Appendix 1- BROAD MEASURES OF CUSTOMER SATISFACTION IN DPCR5

THE COMPLAINT METRIC

Overview

In DPCR5 the broad measure of community satisfaction is intended to capture the views of all types of customers across a broad range of contact experiences. The incentive comes in to force in the third year of DPCR5 (2012-13). The complaint metric developed for DPCR5 intended to encourage DNOs to manage customer complaints effectively and resolve them promptly. In broad terms it is made up of:

- % of complaints unresolved by Day+1
- % of complaints unresolved by Day+31
- % of repeat complaints
- % ombudsman findings against the DNO

Different weightings have been developed based on the seriousness of each complaint. The complaint metric is a penalty only regime; no incentives apply to this broad measure. The penalty ranges from a maximum of between -£5.2m and -£1.6m (-21bps)

Definitions, instructions and guidance for reporting on complaints handling

Complaints

DNOs must report all complaints falling within the scope of the definition of complaint and consumer complaint specified in the Gas and Electricity (Consumer Complaints Handling Standards) Regulations 2008 ("the Standards") subject to the definitions and guidance contained in these RIGs. For the reporting requirement contained in these RIGs, the definition of Relevant Consumer in the Standards has been expanded to enable reporting across all types of consumer.

Definitions

Complaint means any expression of dissatisfaction made to an organisation, related to any one or more of its products, its services or the manner in which it has dealt with any such expression of dissatisfaction, where a response is either provided by or on behalf of that organisation at the point at which contact is made or a response is explicitly or implicitly required or expected to be provided thereafter.

Complaint means a complaint, other than a network outage report, which is made against a regulated provider either (a) by a person in that person's capacity as a relevant consumer in relation to that regulated provider; or (b) by a person acting on behalf of such a relevant consumer.

Relevant consumer means any one or more of the following:

- (a) a person who is a consumer in relation to electricity supplied by a regulated provider, or
- (b) a person who is a consumer in relation to services provided by a regulated provider.

Instructions

We require DNOs to record and report complaints which:

- relate to the regulated products and services of the DNO, and
- may be substantially covered by other, established, forms of redress, and which must be passed on to the relevant party for resolution by the redress scheme.

We require DNOs to report information on the number of complaints according to the following categories:

- the number of complaints concerning connection quotations or pre-quotation enquiries (including supply upgrades and service alterations)
- the number of complaints concerning the delivery of connections services (including supply upgrades and service alterations)
- the number of complaints concerning loss of supply (planned and unplanned) and emergency situations, and
- the number of complaints concerning other issues including (but not limited to) reinstatement and excavation, communication, engineering work, substation maintenance and vegetation management.

DNOs' systems do not need to be able to extract complaints from separate categories of relevant consumers (i.e. from domestic and micro business consumers).

Guidance

DNOs must record and report the following scenarios as complaints:

- where a customer reports a loss of supply and expressly complains about there being an ongoing problem with the quality of their supply, the ongoing issue must be recorded as a complaint
- during a planned interruption a customer complains that the interruption started earlier than had been notified
- a customer complains about equipment damage as a result of a power surge and intends to pursue the matter in the small claims court
- a customer's equipment has been damaged because of a power surge and the customer complains and seeks compensation from the company
- complaints from MPs, Independent Connections Providers (ICPs), IDNOs (Independent Distribution Network Operators) and other customer representatives
- complaints from landowners concerning the DNO's product and/or service.

The following scenarios must not be recorded as a complaint:

- where a customer calls to report an unplanned loss of supply

- where, during a planned interruption, the customer calls to report a loss of supply
- where the matter arises as the result of a road traffic accident
- where the matter concerns a utility, telecommunications company or local authority in respect of damage caused to the assets of that utility, telecommunications company or local authority
- where the matter relates to contractual disputes with commercial/industrial customers
- where the customer makes contact to pursue a claim under the Guaranteed Standards of Performance (unless expressly complaining at the same time) and
- wayleave disputes and landowner negotiations.

Resolved complaints

Definitions

A resolved complaint is a consumer complaint in respect of which there remains no outstanding action to be taken by the regulated provider. In this case, the complaint has either (i) been resolved to the satisfaction of the relevant consumer who made that consumer complaint or on whose behalf that consumer complaint was made, or (ii) although the consumer is not openly satisfied with the outcome, the consumer has agreed that the regulated provider has taken all action reasonably expected.

Instructions

A complaint must not be treated as resolved until the customer is satisfied, or is reasonably believed to be satisfied, with the outcome of any actions taken by the DNO. This will include awaiting the results of any monitoring process undertaken and subsequent actions (such as system reinforcement) before closing the complaint concerned.

Guidance

DNOs must not record and report the following scenarios as resolved complaints:

- where a course of action has been agreed with the customer but not yet completed, or
- where further information or contact from the customer is pending.

Where a DNO carries out the action(s) that it had stated it would do in order to resolve a complaint, then the time at which all of those actions had been completed must be taken as the time that the complaint is resolved. DNOs must keep records of their activities to enable verification.

Repeated complaints

Definitions

A repeated complaint is where the customer makes contact to express dissatisfaction with the same or substantially the same matter that was the subject of a previously resolved complaint.

Guidance

The following must be recorded as repeated complaints:

- customer complaints regarding the unacceptable quality of reinstatement carried out in his drive. The DNO carries out further works to the satisfaction of the customer and resolves the complaint. The reinstatement fails, within 12 months of the resolution date, and the customer complains,
- an MP complains about the number of interruptions a certain constituent has received and the DNO duly informs the MP that it has identified the issue and rectified the fault, thus resolving the complaint. The MP contacts the company, within 12 months, to raise the same issue and it is repaired, or replaced, piece of equipment that is faulty.

The following are not to be recorded as repeated complaints:

- where the previously resolved complaint was resolved more than 12 months before the DNO receives a similar or substantially the same complaint from the customer, or
- where the DNO receives a similar or substantially the same complaint from the customer relating to a matter that has been the subject of an Energy Ombudsman finding in favour of the DNO in the last 12 months.

Composition of the Complaint Handling Metric

The makeup of the complaint handling metric is described below:

- percentage of complaints unresolved by the end of the first working day after which the complaints was first received (day+1) – 10% weighting
- percentage of complaints unresolved after the end of 31 calendar days from the end of the first working day after which the complaint was first received (day +31) – 20% weighting
- percentage of repeat complaints – 50% weighting
- percentage of Ombudsman finding against the DNO – 20% weighting.

A combined score will be derived for each DNO based on their performance under each element. Higher scores will indicate poor performance. There will be a dead band where no penalty is incurred. The dead band will not be fixed for DPCR5 but will be based on the upper quartile industry performance for the given year. It therefore has the potential to move every year. There will be a sliding scale of penalty where the maximum score of 70. The incentive rate will be determined annually by dividing the total revenue exposed to the complaints metric by the difference between the maximum penalty score of 70 and the industry upper quartile.

The Formula

The Complaint Metric is calculated by a formula established in the DNO licence conditions, CRC8 (special licence conditions, parts 8.35 and 8.36. The following is extracted from the licence conditions

"Adjustments arising from complaints metric performance

8.35 In calculating the value of CMt under this Part D (see paragraph 8.32 above), the term CMt refers to the complaints metric score, and where BQCMt is less than or equal to 69 is derived from the following formula:

$$CM_t = \max \left[\min \left(BQCM_t - CMP_t \right) \times PIA_t \times IRCM_t, 0 \right] - ARCM_t \times PIA_t$$

Where BQCM_t is greater than 69 CM_t is derived from the following formula:

$$CM_t = \max \left[\min \left(70 - CMP_t \right) \times PIA_t \times ARCM_t, 0 \right] - ARCM_t \times PIA_t$$

8.36 In the formula for the CM term above:

BQCM_t (*the industry best quartile term*) means the industry best quartile value of CMPT (see below) for the complaints metric for the Regulatory Year t as calculated for that year.

IRCM_t (*the complaints metric incentive rate term*) means the incentive rate for the complaints metric for the Regulatory Year t as derived from the following formula:

$$IRCM_t = \frac{ARCM_t}{(70 - BQCM_t)}$$

Act (*the complaints metric allowed revenue term*) means the maximum negative adjustment to allowed revenue as specified for Regulatory Year t for the licensee in table A11 in Appendix 1, expressed in £ million in 2007/08 prices.

CMPT (*the complaints metric performance term*) is determined in accordance with the following formula:

$$CMP_t = (PCUDPO_t \times 0.1) + (PCUDPT_t \times 0.2) + (PRC_t \times 0.5) + (POF_t \times 0.2)$$

where:

PCUDPO_t (*the percentage of complaints unresolved after day plus one term*) means the percentage of complaints unresolved by the end of the first working day after the day on which the complaint was first received for the Regulatory Year t as calculated for that year.

PCUDPT_t (*the percentage of complaints unresolved after day plus 31 term*) means the percentage of complaints unresolved after the end of 31 calendar days from the end of the first working day after the day on which the complaint was first received for the Regulatory Year t as calculated for that year.

PRC_t (*the percentage of repeat complaints term*) means the percentage of repeat complaints for the Regulatory Year t as calculated for that year.

POF_t (*the percentage of Ombudsman findings term*) means the percentage of Ombudsman findings against the licensee for the Regulatory Year t as calculated for that year."

The metric is calculated using this formula and by a data collated through a number of spreadsheets which are detailed on the Ofgem web site (see RIGs issued on 26 May 2010). It explains how the data will be collected and details each of the spreadsheets.

Process in Establishing the Complaint Metric

The actual development of the complaint formula was undertaken at the end of the price control process. The important task to achieve at the start of the process was to standardise and improve the complaint handling process and information between DNOs.

In DPCR5 it was found that some DNOs were not collecting complaint information consistent with regulations detailed in the Consumer, Estate Agents and Redress Act 2007. The main task needed to be undertaken for GDPCR2 is to assess complaint handling processes across each GDN and apply the criteria outlined in the RIGs for electricity DNOs. The complaints monitoring process for DNOs was recently sent to GDNs for comment.

Appendix 2 – GSOS

Standard	Description	D / I&C	GSOS payment applicable upon failure	No of Jobs 08/09	No of Jobs 09/10	Competition
GS5. Provision of non standard quotations (up to 275kWh)	Non-standard quotation for a new connection / alteration up to and including a rate of flow of 275kWh, issued within 11 working days.	D & I&C	£10 per working day up to £250 or quotation, which ever is lower	5,591	2,139 D 1,966 I&C 173	Dom = No I&C = Yes
GS6. Provision of non standard quotations (greater than 275kWh)	Non-standard quotation for a new connection/ alteration exceeding a rate of flow of 275kWh, issued it within 21 working days	I&C	£20 per working day up to £500 or quotation, which ever is lower	1,496	53	Yes
GS10. Provision of commencement & substantial completion dates (greater than 275kWh)	Upon receipt of an accepted quotation for a connection or an alteration exceeding 275kWh, provide a planned date within 20 working days	I&C	£40 per working day up to the quotation sum or £500 whichever is lowest.	7	6	Yes
GS11. Substantial completion by agreed date	Where there is an agreed substantial completion date for connection or an alteration the date will be met.	D & I&C	Payment related to the value of the contract	14,459	16,286 D 14,496 I&C 1,790	Dom = No I&C = Yes
GS12. Notification and payments under the Guaranteed Standards	Failure of any Connections Guaranteed Standards, needs to be notified in writing to customer (or supplier) and make the payment within 20 working days of payment becoming due.	D & I&C	One off payment of £20 on top of any other payment			

Appendix 3 - Customer Satisfaction Survey – GDN Feedback on Proposed Changes

	Change Proposal	GDN views
1.	Increase sample sizes to provide more reliable and accurate data	All GDNs would like to increase the sample size for the planned and unplanned surveys. GDNs are consulting their market research companies before suggesting precise figures for the increased sample sizes. Difficulties are being experienced in obtaining the relevant number of survey responses for connections therefore there was no support for increasing the sample size. One company felt the sample size should be reduced.
2.	Change survey such that a respondent has to tick to opt out for their details not to be passed to company.	Two companies supported this and two companies did not. Those in favour felt this would allow the company to better investigate and take action to resolve areas of dissatisfaction. Those against felt it would reduce the response rate. Possible trialling suggested.
3.	Need to define each point along 1-10 scale. Difficult to gauge quality of experience in 3-7 range	Whilst defining a rating for each point on the scale would not be possible all companies supported adding additional guidance onto the scale.
4.	Include a free text field within the survey to allow more qualitative feedback and prompt customers to suggest improvements to the service.	All companies supported adding a free text field into the surveys to allow customers to include additional comments.
5.	Add question to all surveys on Site tidiness	All companies agreed this was an area of concern for customers and therefore supported including a question on this.
6.	Add question to all surveys on Reinstatement	All companies agreed this was an area of concern for customers and therefore supported including a question on this.
7.	Re-word question on advance notification of Planned work	All companies agreed that re-wording this question to remove reference to phone calls and including reference to work in your area would remove some of the confusion that exists around this question.
8.	Add question on value for money for connections activities	There were split views on this. Some companies felt this would automatically generate negative responses without giving real feedback that could be used to improve the business. Others felt the survey should focus on areas that do cause dissatisfaction.
9	Expand survey to include other customers, shippers, IGTs, UIPs	All GDNs agreed the surveys were not the appropriate means for obtaining views from these parties and that other forms of stakeholder engagement would be more appropriate and effective.
10	Re-word Q5 on connections to: 'how satisfied were you with	All GDNs agreed this would improve the clarity of the question.

	the time it took for... to contact you to offer you a date for the work to be carried out after you accepted the quotation?’	
11	Re-word Q6 on connections to: ‘how satisfied were you with the length of time it took to complete the work after you accepted the quotation?’	All GDNs agreed this would improve the clarity of the question.
12	Review the validity of Q1 – eligibility for Priority Customers List – unsure of the value this question provides	All GDNs agreed this question added no value and should be removed. However it was suggested that this survey does provide an opportunity to advise customers of the existence of the service provided by suppliers.
13	To focus surveys on customers with accepted quotations and completed jobs. No value in surveying customers who have not accepted a quotation (no visibility of why they didn’t accept)	All GDNs agreed that no value is obtained from surveying customers who do not accept quotes and felt it was incumbent on them to understand as commercial businesses why customers were not proceeding with work. The current survey did not provide the level of information necessary to identify this. By moving to surveying only customers who had gone ahead with a connection this would allow the connection survey to be brought in line with the other surveys and improve the immediacy of feedback.
14	Allow survey to be carried out over telephone	Split views, some felt that this was the best and most effective way of carrying out surveys. They believed there was good evidence that this method would pick up responses from the coveted ‘middle’ group who were neither very satisfied nor dissatisfied. Others felt this was to open to the responder be guided by the person asking the question and unrequested calls was inappropriate.
15	Allow survey to be carried out online	All GDNs agreed this should be allowed but recognised that not everyone has Internet access and that this would have to be combined with other forms of survey.
16	Review the possibility of incentivising response rates through stakeholder engagement	All GDNs agreed that obtaining survey responses was a challenge and that allowing some form of incentivisation through charity donations was a good way of trying to address this.
17	Possibility of survey being carried out on a monthly basis to get more immediacy of feedback	All GDNS agreed in principle this would be a good idea but the practicalities of this suggestion need to be considered before they could give a definitive view.

Appendix 4 – Stakeholder Engagement Document

Western Power Distribution

Policy Statement on Stakeholder Engagement

Western Power Development is committed to providing the highest standards of service to its customers. Its performance is monitored by the electricity regulator, Ofgem, and the results are made public.

A key element in providing high standards of service is in engaging with stakeholders to ensure that their needs and concerns are understood and met. WPD will provide timely information in appropriate formats, ensuring that any queries or problems that arise are addressed promptly, that stakeholders are kept informed of how queries or problems are dealt with and that methods of engagement are regularly reviewed, monitored and updated.

This policy statement sets out the principles WPD has adopted to ensure it engages effectively with its stakeholders.

- **Transparency of information**

WPD will make information available openly and honestly to all its stakeholders, in formats that are both readily accessible and easily understood. Where certain information cannot be made available, eg for reasons of commercial confidentiality, this will be clearly stated.

- **Inclusivity**

WPD will endeavour to involve all stakeholders in those actions or decisions which will affect them or in which they have a legitimate interest, taking account of their views where they can influence those decisions. Information will be made available and accessible in convenient forms and at the appropriate time to meet the diverse needs of its stakeholders, and to enable them to be involved where appropriate. WPD will strive to involve 'hard to reach' groups, such as the elderly and ethnic minority groups, while recognising that not all its stakeholders will necessarily wish to be involved.

- **Independent Review**

WPD will follow the guidance set out by the Cabinet Office in its Code of Practice on Consultation but will seek independent advice in monitoring and reviewing its activities and processes to ensure it follows current best practice, implementing changes or improvements where necessary.

- **Commitment of Resources**

WPD will commit sufficient internal and external resources to stakeholder engagement. It will ensure its staff are committed to implementation of this policy, while accepting that there are certain financial and physical constraints.

- **Accountability**

WPD will report regularly and openly on all its activities, including how it has implemented this policy. It will inform stakeholders of how it has responded to their comments or suggestions, explaining where it has acted on them and how this has influenced its decisions, or if this has not been possible, the reasons why not.

Independent Advice

Green Issues is one of the UK's leading PR consultancies and is counted among PR Week's list of the top 60. With a strong track record in the delivery of community consultation programmes, stakeholder contact, liaison with political audiences at a regional and national level, it is best placed to deliver support to some of the UK's largest consultation programmes.

Green Issues has experience of working with utility and energy providers in the UK. This experience involves:

- Extensive stakeholder auditing
- Stakeholder engagement (often one-to-one) at local, regional and national level
- Organising aspects of public consultation
- Extensive experience of running and managing interactive consultation and engagement workshops

It conducts consultation and communication services for a variety of public and private sectors including the utilities, education, NHS, aviation, telecommunications sectors and the development industry.

WPD asked Green Issues Communications to advise on its policy on engaging with its stakeholders. Green Issues Communications reviewed best practice guidelines on consultation, as set out by Government and other bodies. Some of these documents are listed below.

Consultation Best Practice

Cabinet Office Guidance

The Cabinet Office Code of Practice on Consultation¹ sets out seven consultation criteria that should be adopted by Central Government departments when undertaking public engagement and consultation. Such criterion is equally applicable to other public sector bodies and private sector organisations. The general principles are often adopted by Local Authorities as a basis for statutory and non statutory consultations that they have to undertake.

1. **When to consult** - *Formal consultation should take place at a stage when there is scope to influence the policy outcome.*
2. **Duration of consultation exercises** - *Consultations should normally last for at least 12 weeks with consideration given to longer timescales where feasible and sensible.*

¹ Code of Practice on Consultation, BERR, URN 08/1097, Jul 2008, <http://www.berr.gov.uk/files/file47158.pdf>

3. **Clarity of scope and impact** - *Consultation documents should be clear about the consultation process, what is being proposed, the scope to influence and the expected costs and benefits of the proposals.*
4. **Accessibility of consultation exercises** - *Consultation exercises should be designed to be accessible to, and clearly targeted at, those people the exercise is intended to reach.*
5. **The burden of consultation** - *Keeping the burden of consultation to a minimum is essential if consultations are to be effective and if consultees' buy-in to the process is to be obtained.*
6. **Responsiveness of consultation exercises** - *Consultation responses should be analysed carefully and clear feedback should be provided to participants following the consultation.*
7. **Capacity to consult** - *Officials running consultations should seek guidance in how to run an effective consultation exercise and share what they have learned from the experience.*

Local Government Association

LGA Putting the Customer First² examines the use of information from customers in the private sector and considers the lessons that the public sector can learn from their experiences. Information such as demographic data, complaints, information from surveys, consultation and customer satisfaction were all used to formulate an opinion.

The need to understand a particular group is important in this instance. Is someone a high user of services or uses them only occasionally? Should usage impact on the level of service that they receive?

Regulators

OFWAT

In response to queries from consumers OFWAT published their Code of Practice on Consultation (2004). This document has been updated recently but has not been re-issued.

http://www.ofwat.gov.uk/consumerissues/pointofview/gud_pro_havvoursay20040722.pdf

OFGEM

Ofgem's consultation policy was created in 2002 and placed a strong emphasis on the need to involve consumers in the way in which it works.

http://www.ofgem.gov.uk/About%20us/CorpPlan/Documents1/1331-46pvconsultation_draft.pdf

Other Energy sources/providers

British Wind Energy Association (BWEA)

BWEA have best practice guidelines for consultations. Whilst the document has not been updated for a number of years the principles that need to be followed are still as relevant today as they were when the document was first produced. The need to effectively segment stakeholders is of particular importance when considering the size of area and/or community they are looking at engaging with.

<http://www.bwea.com/pdf/bwea-bpg-offshore.pdf>

Wind Protocol

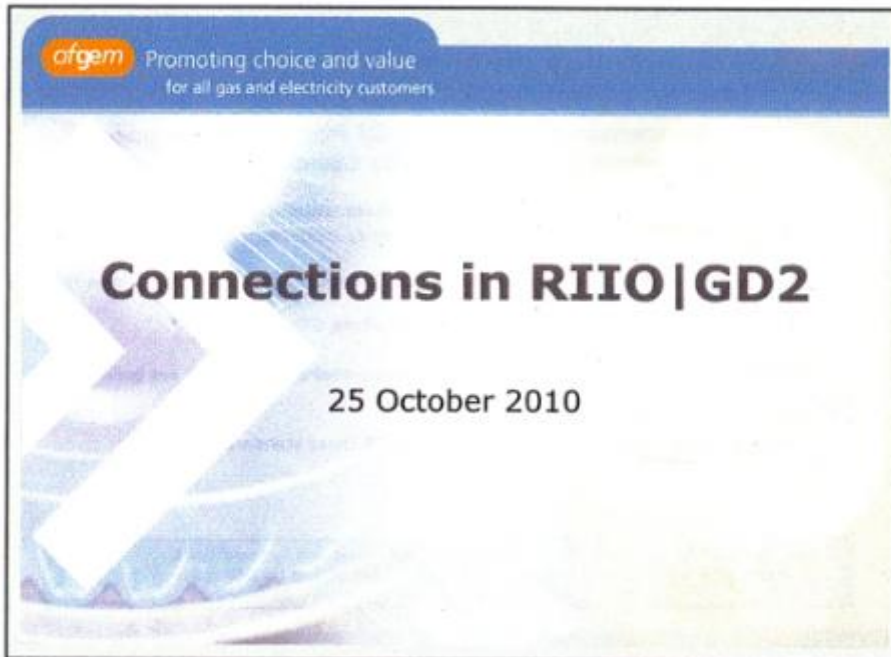
South West Public Engagement Protocol and Guidance for Wind Energy October 2004

The protocol considers the responsibilities for providing effective public engagement from the local authority and the developers' perspective. It builds upon good practice within the wind sector and within other sectors that have to engage with the public.

The Protocol for Public Engagement with Proposed Wind Energy Developments in England

This document builds on the initial work undertaken for the regional protocol for the South West and considers how consultation can be carried out most effectively, engaging communities across the country.

<http://www.berr.gov.uk/files/file38708.pdf>

Appendix 5 – Ofgem Presentation on Connections

The slide contains the following text:

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Gas Guaranteed Standards Of Performance and Standard Special Licence Condition D10

What are they?

The gas GSOP includes timeframes for the provision of certain services and details levels of penalty payments to be paid where standards are not met. It covers:

- interruptions
- connections services
- complaints

SSLC D10 sets timeframes for the provision of certain services and includes a minimum performance level enforceable by Ofgem. It covers:

- connections services
- emergency response services.

Since these standards were introduced the industry has not stood still

- > Industry considers that competition and service standards have improved
- > Ofgem has introduced GSOP and minimum performance standards in electricity connections through DPCR5, and
- > Bio-methane and Shale gas generators have emerged wishing to pump gas into the network.

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Gas Guaranteed Standards Of Performance and Standard Special Licence Condition D10

Our initial view is that there is still a place for these standards in RIIO|GD1:

- to ensure customers are protected, especially emerging customer groups (i.e. Bio-methane/shale gas exporters)
- some sectors of the market are not as well served by competition as others e.g. new connections to existing domestic premises, and
- customers should receive compensatory payments where GTs fail them.

We have no intention to make the standards more onerous however we believe that:

- the standards should be comprehensive, and
- we should consider bringing the standards in line with those standards recently introduced in Electricity through DPCR5.

If GTs believe that standards should be removed/scaled back they will need to present arguments and evidence to Ofgem for consideration.

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Gas Guaranteed Standards Of Performance and Standard Special Licence Condition D10

If standards are to be kept in RIIO|GD1 we must consider the following questions:

Does the detail of the standards require updating?

- all exceptions should be considered, in particular exceptions that exclude groups of customers from being covered by the standards.
 - e.g. exceptions to the D10 standard some of which exclude certain groups of customers
 - it is our initial view that the minimum performance standard and GSOP standards should cover all customers.
- are the current timeframes still relevant?
 - Performance against standards indicates they are achievable
 - Do they offer the right level of performance for customers?
- GSOP 9-10 require the provision of dates for the substantial completion of work, similar standards in the electricity GSOP only require DNOs to contact the customer to schedule dates
 - Should these standards be altered to mirror to electricity GSOP?

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Gas Guaranteed Standards Of Performance and Standard Special Licence Condition D10

Are the Gas GSOP penalties consistent with those introduced in the Electricity GSOP? Should they be?

- In electricity GSOP penalty payments are not capped
 - what is the justification for caps in the gas GSOP?
 - removal of caps would bring the penalty regime in line with that in the electricity GSOP
- Failure against the gas quotation accuracy scheme does not carry any penalty
 - penalty acts as a further deterrent to ensure quotes issued are accurate first time and compensates customers for the inconvenience of needing to use the scheme
 - introduce penalties for failure similar to those in the electricity quotation accuracy scheme (£250-£500)?

Can the drafting of the standards be improved?

- Currently the GSOP and D10 conditions are separate entities
 - Should the licence and regulations be simplified in line with the drafting of the Electricity GSOP and minimum performance standard (SLC 15A)?
 - In 15A the minimum performance standard directly relates to performance against the GSOP.

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Gas Guaranteed Standards Of Performance and Standard Special Licence Condition D10

Are there areas/customers not covered by GSOP and D10 that should be?

- are bio-methane / shale gas exporters wishing to connect to the network adequately protected by the standards?
 - legal advice on whether the standards currently cover these customers is required, some redrafting may be necessary
 - are the current standards (timelines and penalty payments) suitable or are separate standards required to protect these customers?
- D10 currently excludes the following customers, should these exemptions be lifted?
 - developments of 5 new build domestic or non-domestic premises where there is no existing connection to the DN's pipeline system
 - premises to which gas will be conveyed at more than 7 bar gauge
 - complex and excluded connections
- electricity GSOP standards cover more activities than Gas GSOP, are further standards required?
 - e.g. no gas standard for the commencement of works
- there is currently no level of minimum performance for interruptions standards GSOP 1-3, should there be?

We request GT and customer views on all of these issues

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Gas Guaranteed Standards Of Performance and Standard Special Licence Condition D10

Systems

- are the systems GT's currently have in place to monitor performance against the standards appropriate?
 - should GT's be required to subject their systems to an independent audit as Electricity DNs were in DPCR5?
 - such an audit would insure that standards are applied consistently in line with issued guidance across GT's, and
 - ensure that reporting issued to Ofgem is accurate
 - we are aware that at least two IGTs report against the GSOP standards in such a way their returns are not comparable
- if standards are to be altered this will result in required system alterations and corresponding costs
 - could existing systems be altered to adapt to changes in standards or would changes such as the ones suggested in this presentation require complete new systems?

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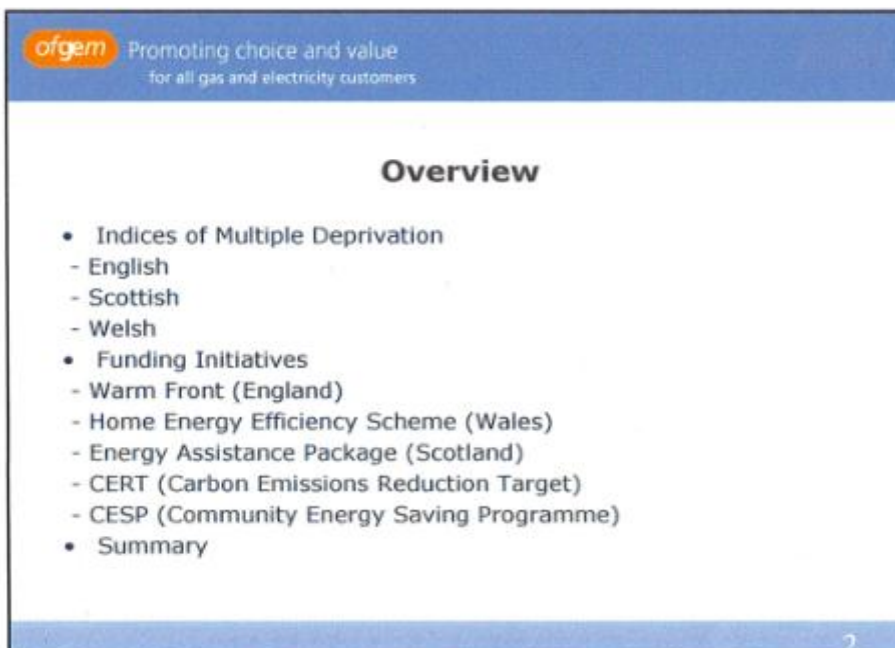
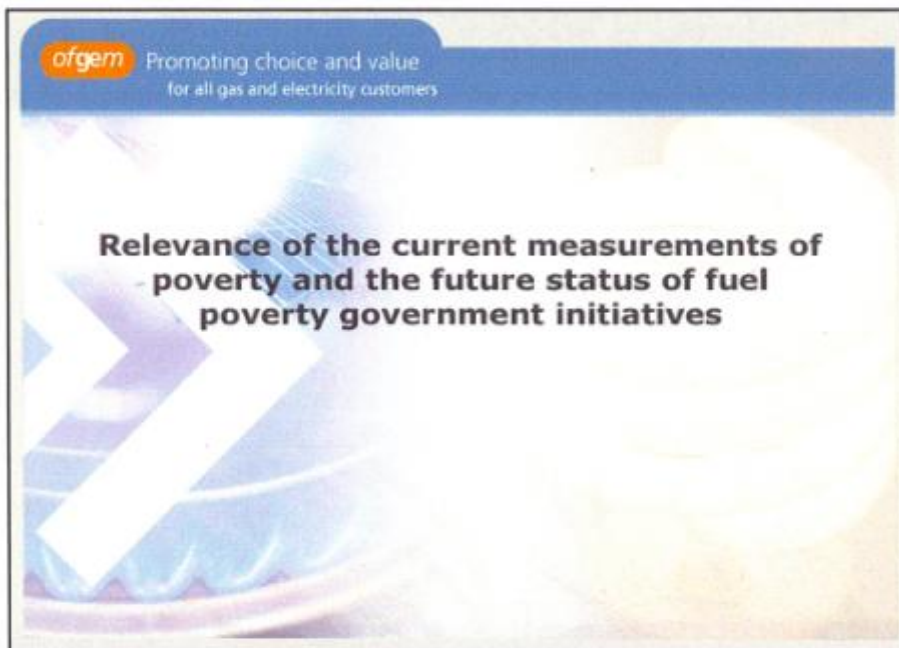
Information available to Customers


We invite views on:

- whether information currently available to customers seeking a new connection can be improved
- whether there should be an obligation on GT's to provide a connections guide detailing how customers can seek a new connection
- whether there should be an obligation on GT's to provide customers seeking a new connection with information on alternative energy solutions:
 - e.g. ground source heat pumps

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Appendix 6 – IMD and other Current Measurements of Poverty



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Home Energy Efficiency Scheme (Wales)

- The Welsh Assembly Government undertook a review of the initiative in 2009 and has proposed a number of major changes which has gone out for consultation*
- The Welsh CERT target is that no vulnerable households should be in fuel poverty by 2010.




* Information sourced from Fuel Poverty 7th Annual Progress Report (2009)

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Energy Assistance Package (Scotland)

- This year the Scottish Fuel Poverty Foundation will report on the first year of the initiative*
- The Scottish CERT target is that no vulnerable households should be in fuel poverty by 2016.*



* Information sourced from Fuel Poverty 7th Annual Progress Report (2009)

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CERT (Carbon Emissions Reduction Target)

- Runs between 2008 and 2012*
- The obligation on households suppliers will carry on past 2011 (will still be as ambitious but may have different measurements)*
- An amended CERT order is being put out for consultation this month
- Changes that need to be made due to this consultation will not come into force until 2012
- In 2013 a new obligation will take over from CERT and will differ in three key areas – (Warm Homes, Greener Homes: A Strategy for Household Energy Management)

* Information sourced from Fuel Poverty 7th Annual Progress Report (2009)

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CESP (Community Energy Saving Programme)

- The CESP obligation period is running between October 2009 and December 2012
- FPAG claim that CESP is a less cost effective option for delivering savings to customers than Warm Front*
- It has been also been recommended by the FPAG that the community by community approach of CESP should be a key feature of energy sector obligations post 2012*

* Information sourced from the FPAG 8th Annual Progress Report

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IMD Summary

Country	Year Published	Current Finish Date	Data used
England	2007	Consultation on update published in 2010	•Census data from 2001 •Data from 2005
Wales	2008	Unknown	• 2005 - 2007 • Revisions of some areas in 2010 • Some figures date back to 1996
Scotland	2009	Unknown	•From 2007, 2008,2009

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Initiatives Summary

Initiative	Year Introduced	Current End Date	Details
Warm Front	2000	2011	Funding taken over by The Green Deal in 2013
Home Energy Efficiency Scheme	2000	Unknown	Went out for consultation in 2009, proposed some major changes
Energy Assistance Package	2009	Unknown	Replaced Warm Deal and Central Heating Programme
CERT	2008	2011	Third three year cycle Will carry on in some other form
CESP	2009	Unknown	FPAG recommended it be a key feature of energy strategy post 2012

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