

Consumer Social Issues Working Group

Minutes of the meeting held on 11 May 2011 regarding broad measure of customer satisfaction	From Date and time of Meeting Location	santisl 11 May 2011 ENA	13 May 2011
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1. Present

Margaret Hunter	SGN
Fraser Aird	SGN
Nigel Winnan	WWU
Tracy Hine	NGG
Garry Farnhill	NGN
Clare Cattle-Jones	ENA
James Veaney	Ofgem
Lia Santis	Ofgem

2. Broad Measure of Customer Satisfaction

Customer Satisfaction Survey

2.1. JV led the discussion on the outstanding activities associated with the Broad Measure of Customer Satisfaction, following publication of the March Decision document.

2.2. GDNs asked for clarification regarding the type of question that would be asked to determine overall satisfaction with performance. JV clarified that our expectation is that this would be along the lines of 'on a scale of 1-10, overall how satisfied were you with the service you received'. An average score between 1-10 would be calculated based on responses to this question. Ofgem were not looking to introduce a 'net promoter' approach to assessing performance (in which customers are asked for their likelihood of recommending a company to friends/family).

2.3. NGG commented that their lower performing networks may need additional OPEX allowances in order to meet a target based on upper quartile performance in 2011/12. JV reiterated that the target for customer satisfaction was devised with consideration to the GDNs preferred option of having an absolute measure. Basing the target on upper quartile performance in 11/12 is intended to set a challenge for the companies and we are not anticipating providing each network with differing OPEX allowances to achieve this target. In assessing business plans will take into account any additional supplementary material networks submit.

2.4. In terms of further work regarding the customer satisfaction survey, NGN took an action to amalgamate all proposed changes to the customer satisfaction survey and any associated amendment to the accompanying RIGS. This information would be issued to Ofgem and used as the basis for a statutory consultation on an amendment to the RIGS.

2.5. JV outlined the difference in cost between conducting a satisfaction survey via a postal methodology or a telephone based interview. WWU stated that a key difference between electricity and gas is that the gas networks do not have contact details for all customers, particularly those that have experienced an interruption to service. Although SGN supported a telephone survey, most GDNs were in favour of a postal survey if it could be conducted on a monthly basis (rather than the current arrangements that require

quarterly surveying). A monthly postal survey should also enable a higher response rate and thus boost sample sizes.

2.6. NGN took an action to collate responses regarding the survey methodology and send to Ofgem.

2.7. Regarding the sample size for the postal survey, two issues were raised: timing of the survey and targeting customers that ask for quotations versus customers who completed the connections.

2.8. JV took an action to circulate material from electricity regarding when to contact customers requesting a connection (and how to canvas views of those customers who elected not to proceed with a connection offer). SGN raised the possibility of using the trial period to run a parallel initiative (survey/research) to find out why customers who asked for a quote did not follow through to completing the connection.

2.9. In terms of the trial period, it was decided that the survey would be trialled from August to January. At the end of this period, we would review performance and take into account the consistency of the data with previous survey results. Our intention would be to use this data to set performance targets for GD1, however this may need to be reviewed if the results from the survey indicate the need for a longer trial period in order to establish robust targets.

2.10. NGG posed a question regarding how the new survey would sit with the old survey and if this would lead to double surveying. JV clarified that there will not be any double surveying, since once the RIGS are modified GDNs will start surveying monthly incorporating the new questions.

2.11. NGN took an action to discuss with other GDNs the weightings to apply to different customer groups and come back to Ofgem with their combined views.

2.12. GDNs were invited to come forward with proposals on the most appropriate methodology for establishing the performance level at which the maximum level of penalty/reward will apply. In this regard historic data could be used to demonstrate the potential impact of any approach proposed.

Complaint Handling

2.13. GDNs agreed on the need to define clearly the definitions for complaints, repeat complaints and unresolved complaints. The GDNs will meet to agree common definitions and methods of recording performance. The outcome of this agreement will inform internal communications and training within each GDN. GDNs took an action to consider the appropriate weightings for complaint categories and the performance level that should be subject to maximum penalty.

2.14. Ofgem is keen to discuss GDN proposals on the above in future meetings of the CSIWG where other stakeholders will have the opportunity to provide their input.

Stakeholder Engagement (SE)

2.15. In response to Ofgem's December consultation on RIIO-GD1, NGG proposed a mechanism for assessing stakeholder engagement activity. Other GDNs were broadly supportive of NGG's initiative but will come back to us with further thoughts.

Actions

Ofgem to circulate material from the electricity customer survey relating to sample size and methodology.

Person – By

Ofgem –
Circulated

GDNs to discuss NGG's stakeholder engagement proposal and come back with thoughts. GDNs

GDNs will come back with tracked changes on the customer survey questionnaire and decide on the advocacy questions per category. GDNs

GDNs to check RIGS document and interpretation of complaints, repeat complaints, resolved complaints and come back with agreed definitions GDNs

3. Network Extension

3.1. NGG raised a concern that any change on the eligibility criteria determined by the IMD (Index of Multiple Deprivation) will make a difference to the business plans presented by the GDNs. A second question was posed regarding who sets the IMD.

3.2. JV replied that if the IMD changes then this should be reflected in the current policy, but that Ofgem were not proposing any review of the IMD.

3.3. NGG were concerned that in setting a business plan forecast for the number of customers to be connected, they may be faced with more customers than forecast requiring a connection. They requested a steer regarding how to address this situation.

3.4. JV stated that it was up to the GDNs to identify an appropriate output in their business plan submission and that this should be well justified. Where appropriate Ofgem will allow funding for the delivery of these outputs. This approach allows Ofgem to consider the costs and benefits of this policy in setting this allowance. There will not be an unlimited allocation of funding to address uncertainty in levels of demand, although in establishing outputs the GDNs were able to come forward with proposals that might go some way to address a variance in forecast volumes.

Action

Ofgem to provide information regarding IMD issues

Person – By

Ofgem

Further to the meeting it can be confirmed that:

1. There are no plans to change the threshold for eligibility under the IMD for the fuel poor networks extensions.
2. IMD is a government not Ofgem policy.
3. IMD is a government measure of poverty and if the method of calculating this changes then this will automatically be reflected in the current policy

4. Connections

4.1. JV reiterated that there would be no changes to the level of GSOS payments for the connections standards.

4.2. Regarding the question on voluntary standards, ENA clarified that that they would be progressed through the Distributed Gas group.

4.3. On the issue of wider GSOS, JV pointed them towards Paul Branston who is leading that discussion.

Action

ENA to use DG group to monitor and develop voluntary standards.

Person – By

ENA

5. Other

5.1. On a general point the GDNs requested more information on the financial mechanisms that would be employed to provide rewards/extract penalties related to the delivery of outputs.

Action

Ofgem to provide information as to how the payments/penalties will be recovered

Person - By

Ofgem

Further to the meeting, we refer you to an email from James Grayburn to regulatory managers on 13th May where he addressed issues regarding regulatory treatment of rewards/penalties associated with incentive mechanisms.

6. Summary of Actions

Actions

Ofgem to circulate material from the electricity customer survey relating to sample size and methodology.

Person – By

Ofgem –
Circulated

GDNs to discuss NGG's stakeholder engagement proposal and come back with thoughts.

GDNs

GDNs will come back with tracked changes on the customer survey questionnaire and decide on the advocacy questions per category.

GDNs

GDNs to check RIGS document and interpretation of complaints, repeat complaints, resolved complaints and come back with agreed definitions

GDNs

Ofgem to provide information regarding IMD issues

Ofgem – see
above

ENA to use DG group to monitor and develop voluntary standards.

ENA/GDNs

Ofgem to provide information as to how the payments/penalties are included within the regulatory finance

Ofgem – see
above