

Gas Distribution Networks (GDNs), consumers and their representatives and other interested parties

Promoting choice and value for all gas and electricity customers

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Date: 6 September 2011

Dear Colleagues

Letter of agreement to participate in the Broad Measure of Customer Satisfaction trials

In March 2011 we set out our strategy for the next gas distribution price control (RIIO-GD1) including our decision to introduce a broad measure of customer satisfaction. To implement the broad measure we request that the GDNs collect data on customer satisfaction and complaints handling in the current regulatory year to establish a target performance level for RIIO-GD1.

To facilitate this, we have been in discussions with the GDNs throughout the year regarding modifications to the current customer satisfaction survey component of the Regulatory Instructions and Guidance (RIGs) document and the inclusion of a complaints handling component.

Following input from the GDNs, we have prepared a set of draft RIGs that incorporate all of the proposed modifications that have been agreed with GDNs. The proposed modifications to the customer satisfaction survey component of the RIGs include:

- a request on GDNs to carry out the customer satisfaction survey on a monthly basis with the results reported to Ofgem on a quarterly basis,
- GDNs to report the results of the customer satisfaction survey two months after the end of each quarter,
- changes to the scoring mechanisms, and
- minor changes to the customer satisfaction survey questionnaire.

The draft RIGs also include a new complaint handling component, to help inform the development of the complaint handling element of the broad measure of customer satisfaction.

We have agreed with the GDNs that, prior to moving to formal consultation on the proposed modifications, the proposals should be subject to a trial. This trial will take place between 1 October 2011 and 31 March 2012. The data collected during this trial period will be used to inform and establish a target level of performance for RIIO-GD1.

Once the trials have been concluded, a formal statutory consultation will be undertaken, prior to the issuing of a notice for the modification of the RIGs.

We therefore request agreement from each GDN to participate in this trial and to report on their performance in a manner consistent with the draft Gas Distribution Quality of Service Regulatory Instructions and Guidance, Version 5 dated 1 October 2011, attached. Participation in the trial will not in any way affect the GDNs' right to make a response to the formal consultation on the draft RIGs.

GDNs have also agreed to report the survey results of connections work completed prior to 1 October 2011 on the basis of the new customer survey where possible and where it is not inconvenient to do so. We will not be using these survey results for the purpose of setting target levels of performance but rather to appraise the consistency of the survey results gathered during the trial.

For the avoidance of doubt, I can confirm that as the draft RIGS attached merely add to, rather than alter the Gas Distribution Quality of Service Regulatory Instructions and Guidance, Version 4¹ (Ref: 111/08), acting in a manner consistent with the attached draft RIGs will not in any way impact on the GDNs' current obligations under Standard Special Condition D9 (with particular reference to paragraph 6) and will not render the GDNs in breach of their existing obligations.

I would be grateful if you could confirm in writing by Friday 16 September 2011 that you agree to participate in the trial on the basis set out in this letter, to commence 1 October 2011, and to act in accordance with the draft RIGs for the duration of the trial by contacting **Dorothy Eke** at the Office of the Gas and Electricity Markets, 9 Milbank, London SW1P 3GE or by email to dorothy.eke@ofgem.gov.uk.

Yours faithfully

James Veaney
Head of Distribution Policy

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¹ http://www.ofgem.gov.uk/Pages/MoreInformation.aspx?file=Publication%20Letter%20-%20QoS%20RIGs.pdf&refer=Networks/GasDistr/QoS