

Minutes of the Customer and Social Issues Working Group (CSIWG)

Minutes of the CSIWG meeting held on the 14 th of March 2012	From	Dorothy Eke	22 March 2012
	Date and time of Meeting	14 March 2012 11:00 – 2:00	
	Location	Ofgem, 9 Milbank London SW1P 3GE	

Present

Ofgem

James Veaney (JV)
Lesley Ferrando (LF)
Lia Santis (LS)
Colette Schrier (CS)
Steve Brown (SB) - via teleconference

Dorothy Eke (minutes)

GDNs

Mark Oliver: Wales and West Utilities (WWU)
Haren Thillainathan: Northern Gas Networks (NGN)
Tracy Hine: National Grid Gas (NGG)
Chris Bielby: Scotia Gas Networks (SGN)
Gwen McIntyre: Scotia Gas Networks (via teleconference)

Apologies

Margaret Hunter: Scotia Gas Networks

The meeting kicked off with a round table introduction of attendees from Ofgem and Gas Distribution Networks (GDNs). James Veaney informed the group that the meeting was to feedback Ofgem's views on the GDNs' business plans in order to inform the resubmission of the plans in April.

The meeting focussed on three main areas; fuel poor network extensions, stakeholder engagement and carbon monoxide awareness with a brief discussion around GD1 licence drafting and RIGs (Broad Measure).

1. Fuel poor network extensions

1.1. LF led the presentation and discussion on fuel poor network extensions. She highlighted that whilst all GDNs had provided some information in their plans to justify their proposals for RIIO-GD1, none had provided sufficient detail on their overall strategy and rationale. For example, there was no clear explanation of how the number of fuel poor customers forecast to be connected had been arrived at, or what the implications would be if a greater or lower number had been proposed instead.

1.2. JV also highlighted that tackling fuel poverty is a much broader issue than the network extension scheme run by GDNs. He indicated that Ofgem would be open to discussion on further measures that could be taken and would look to engage with stakeholders from across the energy industry.

Action

- GDNs to review fuel poor narratives to ensure it articulates points raised by Ofgem
- Ofgem to provide specific feedback to GDNs

2. Stakeholder engagement

2.1. LS described the stakeholder engagement trial currently being undertaken for the electricity distribution networks and invited GDNs to reply to our consultation on this approach. NGGD explained their concerns regarding Ofgem's suggested approach, highlighting that the full discretionary nature of this element leads to uncertainty in the revenue impact on networks and questioning whether the approach for electricity companies is appropriate for the gas companies, given the scale of the incentive amount (around £1.5 million per network per year compared to around £400K per network per year for electric. They believe Ofgem's approach to the minimum requirements that must be met in order to qualify for a reward is again subjective, and is input not output driven. Their preference is for an assessment process involving more objective appraisal against pre-determined criteria.

2.2. National Grid presented their approach to assessing stakeholder engagement which is based on a mixture of direct and discretionary element and required networks to quantify the benefits delivered by initiatives.

2.3. Ofgem welcomed the discussion and asked NGGD to provide an example of how their stakeholder initiatives could be set out against their direct measurement element.

2.4. Other GDNs appeared broadly satisfied with Ofgem's approach since it lends them flexibility in terms of their approach to stakeholder engagement. They also expressed some concerns regarding NGGD's approach in terms of reporting and quantifying the benefits of the proposed measures.

Action

- NGG to provide an example setting out how their template could be completed using a current initiatives,
- Ofgem to provide specific feedback to GDNs on their approach to stakeholder engagement as used to justify their business plan submissions,
- Ofgem to provide details of the make-up of the electric DRS panel.

3. Output measures for carbon monoxide (CO) awareness

3.1. JV highlighted that all of the GDNs had set out a range of activities they intended to undertake to help address risks associated with CO poisoning. Although each GDN was approaching this issue in slightly different ways, Ofgem believed that as all were focussing on increasing awareness there could be real benefit in developing a common approach to measuring awareness.

The GDNs agreed to meet separately to explore the potential for developing a common awareness survey. (ACTION)

4. GD1 licence drafting and RIGs: Broad Measure

4.1. CS led a brief discussion on the RIGs and licence drafting. Licences drafting working groups have now kicked off. Provisional timelines are for two consultations on licence drafting in the summer/autumn with the final statutory consultation in December. There will also be consultation on the draft RIGs. She set out that RIGs will be needed for all elements of the Broad Measure incentive, although the RIGs may be subject to further change over time, for example for Stakeholder Engagement.

4.2. The GDNs said they need to be clear about timelines and processes. GDNs recognised that the detail of the customer survey and complaints incentive mechanisms needs further discussion once trial data is available. The group agreed the CSIWG needs to discuss weightings for the different categories alongside any data issues.

Action

- Ofgem to clarify broad timelines and process for RIGs and licence drafting

5. Date of next meeting Thursday 12th April 2012