

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

Minutes of the CSIWG meeting held on the 12 th of April 2012	From Date and time of Meeting Location	Dorothy Eke 12 th April 2012 09:30 – 13:00 Ofgem, 9 Milbank, London SW1P 3GE	23 April 2012
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1. Present

Ofgem

James Veaney (JV)
Steve Brown (SB)
Phil Sumner (PS)
Lesley Ferrando (LF)
Claire Tyler (CT)
Lia Santis (LS)
Dorothy Eke (DE)

GDNs

Margaret Hunter (MH) – Scotia Gas Networks
Chris Bielby (CB) – Scotia Gas Networks
Stephen Mills (SM) – Scotia Gas Networks
Mark Oliver (MO) – Wales and West Utilities
Nigel Winnan (NW) – Wales and West Utilities
Tracy Hine (TH) – National Grid Gas
David Gill (DG) – Northern Gas Networks

Stakeholder Representatives

Emma Edworthy (Welsh Government)
Gretel Jones (Age UK)
Gillian Cooper (Consumer Focus)

2. Apologies

Derek Lickorish (Fuel Poor Advisory Group)

3. Introduction/Recap of previous actions

3.1 The meeting commenced with a round table introduction of attendees from Ofgem, the network companies and stakeholder representatives. JV explained that the purpose of the meeting was to discuss the role that GDNs can play in addressing social issues relating to fuel poor, carbon monoxide poisoning, and stakeholder engagement as part of the price control. He added that the GD1 process is now entering its final year with Initial Proposals due to be published in July. He also highlighted that Ofgem has recently launched the electricity distribution price control (RIIO-ED1) that will also be considering the role the distribution networks can play in addressing various social issues.

3.2 There was a recap of issues and actions from the previous meeting. JV reiterated feedback that Ofgem had provided to GDNs on their November business plan submissions. This was to help inform their resubmitted plans due to be issued at the end of April.

3.3 In relation to social issues, this working group has been focused on two key areas – the provision of network extensions for the fuel poor and activities to help address risks associated with carbon monoxide poisoning. The GDNs took turns to explain the current status of their proposals for each issue.

4. Fuel Poor Network Extensions

4.1 In relation to fuel poor network extensions, the resubmitted business plans from each GDN would outline the number of connections (and associated costs) they anticipated making in the course of RIIO-GD1. In addition, GDNs were invited to outline any barriers that potentially prevented greater numbers of fuel poor customers receiving a connection.

WWU:

4.2 MO highlighted that in some areas only a relatively small proportion of people that might qualify as 'fuel poor' lived close to the network. The value of the voucher would not be sufficient to cover the cost of approach mains for those living further afield in rural locations. Including the cost of carbon in calculating the value of the voucher may enable connection to some areas that would currently struggle to be attracted to the scheme due to the requirement for up-front customer contributions.

4.3 In other locations they had found that whilst the majority of fuel poor properties could be connected to the gas mains for less than the full value of the voucher, there was insufficient funding for in-home works. Being able to use the full value of the voucher to fund the connection PLUS in-home works would enable greater numbers to benefit from the scheme. Another means of increasing the coverage of the scheme would be to extend the qualifying criteria beyond those areas scoring highest in terms of multiple deprivations.

4.4 WWU also highlighted difficulties with obtaining accurate information on fuel poverty. In England and Wales there seems to be no single authority consolidating consumer information including income, energy use and other aspects of the qualifying criteria for the scheme. Sharing information between different agencies, including networks, suppliers, Government, Local Authorities, Energy Savings Trust, Private Landlords Association etc. is key to optimising the number of people benefitting from the scheme.

SGN:

4.5 MH outlined work they had undertaken with the Scottish Parliament and local councils to identify priority areas of fuel poverty and work with a range of different agencies to provide solutions, including using biomass or liquefied natural gas. An extension of this type of scheme might be an option, particularly in enabling solutions for blocks of flats in IMD areas. Mechanisms to enable loans for tenants in blocks of flats to fund in-home works would also increase the number of fuel poor residences with access to more affordable fuel. Current uncertainty on funding for Energy Action Scotland might reduce the level of support provided for in-home, thereby diminishing the impact of the network extension scheme.

NGGD:

4.6 In addition to contributing to the points made above, TH also highlighted that under the current arrangements most properties are connected at a cost well within the full value of the voucher. If the difference between actual cost and full value of the voucher could be used to subsidise properties for which connection would exceed the voucher value then this would enable greater numbers to be connected.

4.7 TH also requested Ofgem to consider introducing a revenue driver into the license, ready but not switched on, to ensure networks are not rigidly tied to the numbers included in their business plan. This would provide more flexibility should the current mechanism change.

NGN:

4.8 DG set out the work NGN were undertaking in association with Northern Power Grid. Here they were working collaboratively to identify energy solutions for areas of fuel poverty. Along with gas connections they were exploring the benefits of heat pumps and other technologies to enable alternative fuels for properties such as blocks of flats. DG acknowledged the difficulties in providing solutions for rural locations.

5. Carbon Monoxide poisoning

5.1 The GDNs updated the meeting with their latest thinking on CO and outlined the likely related revisions to their RIIO-GD1 business plans that are due to be submitted to Ofgem end of April.

SGN:

5.2 CB drew the Group's attention to the 17 recommendations included in the recent report from the All Party Parliamentary Gas Safety Group. All GDNs should align their activities to these recommendations. In terms of their proposals for GD1, all SGN first call operatives (FCOs) are equipped with Personal Alarm Monitors and in addition will leave a card with information and contact details on attending a property. They will also be working with Local Authorities to increase awareness of CO-related risks and will work to develop measures to assess the impact of these activities.

WWU:

5.3 MO highlighted that their initial business plan submission, informed by stakeholder engagement, had focussed on measures to increase awareness. Since then WWU now intended to increase the scope of their activities. All of their engineers would be fitted with personal monitors. Customers who had been disconnected would be contacted afterwards to ensure that any necessary actions had been taken. They would be seeking to capture root causes of any alarm activation and using this to map and identify hot spots. All WWU staff would be issued with CO alarms and these alarms would also be issued to vulnerable customers, including those connected under the fuel poor scheme. In addition, their awareness activities will incorporate a stand highlighting risks associated with CO poisoning at the Royal Welsh Agricultural Show (reaching 1m people) with competitions involving CO alarms as prizes. They have also launched a short film 'silent killer' on the issue and they are sponsoring a schools poster competition with CO Gas Safety.

NGGD:

5.4 TH set the trials NGGD had undertaken in Staffordshire to inform their proposals. As a result they intend to conduct over 2m visits to properties in RIIO-GD1 to advise customers on the risks associated with CO and, where their engineers feel it is appropriate to do so, issue and install a CO alarm. They will then follow up with these customers to assess their residual levels of awareness. In addition, NGGD will now be equipping their FCO team with Gasco seekers enabling the detection of CO.

NGN:

5.5 DG confirmed that following a trial NGN's entire FCO team would also be equipped with CO detecting Gasco seekers. In addition to rolling these out, NGN would be focussed on gathering data following their implementation to understand incident rates, locations and sharing this material with agencies, such as health services and other GDNs.

5.6 A more general discussion then followed in which it was highlighted that other agencies/schemes could play a role in sharing information on the risks of CO. The Green Deal and the roll-out of smart meters were suggested as opportunities that could potentially be exploited in this regard.

6. Further development of the broad measure

6.1 JV went through a presentation detailing further work required to finalise the broad measure and the proposed work plan for the subsequent meetings leading up to the publication of initial proposals. Key activities are: under the customer satisfaction survey - agreeing the weighting and scaling for each category (equal split/likelihood of full exposure); on complaint handling - weighting for each category of complaint and GDNs' proposal for normalising percentage performance and determining the scaling for range of incentives. He proposed the following timeline:

Timeline	
April	GDN initial position on outstanding issues
May	<ul style="list-style-type: none">▪ Survey and complaints data received▪ Working group to review GDN initial position
June	<ul style="list-style-type: none">▪ Working group to discuss Ofgem view on outstanding issues
July	<ul style="list-style-type: none">▪ Final review before consultation
September	<ul style="list-style-type: none">▪ Review RIGs and outcomes of electricity stakeholder engagement trial
October	<ul style="list-style-type: none">▪ Ancillary guidance document for stakeholder engagement

7. Stakeholder Engagement/process for finalising the broad measure

7.1 LS presented on Ofgem's responses to Stakeholder Engagement comments by the GDNs. We proposed to run a pilot scheme (dry run) in the summer of 2013 to test Stakeholder Engagement assessment proposals and provide GDNs with the opportunity to test their arrangements ahead of the first regulatory year of the scheme (2013/14). NGGD reiterated its concerns over the proposed DNO stakeholder incentive given its totally discretionary nature, and confirmed that it would be responding to Ofgem's DNO consultation. The GDNs were supportive in principle to running a pilot scheme subject to this not impacting the first year of the incentive. JV reiterated the desire to have further discussions with the group regarding Stakeholder Engagement assessment strategy and is keen to review alternative proposals put forward by the GDNs.

8. Date of next meeting: 10th May 2012