

Minutes of RIIO-GD1 Customer and Social Issues Working Group (CSIWG)

Minutes of RIIO-ED1 CSIWG teleconference on Wednesday 16 th January 2013	From Date and time of Meeting Location	Stephen Perry 16 th January 2013 10:00 to 13:30 Mary Sumner House, 24 Tufton Street, Westminster	16th January 2013
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1. Present

Ofgem

James Veaney
Stephen Perry
Olivia Powis
Phil Sumner

Stakeholders

Gretel Jones (Age Concern)

DNOs

Alison Sleightholm (WPD)
John Barnett (Northern Powergrid) (by telecon)
Brian Hoy (ENWL)
Paul Helmsley (SSE)
Jenny Smith (SSE)
Jeremy Blackford (Scottish Power)
Kendal Adams (Scottish Power) (by telecon)
Paul Measday (UKPN)
Hannah Ngoma (UKPN) (by telecon)

2. Introduction

2.1. James Veaney (JV) welcomed everyone to the latest RIIO-ED1 CSIWG and ran through actions from the last meeting.

3. Discussion about the new Incentive for Connection Engagement (ICE)

3.1. JV provided an overview of our revised proposals for major connection customers.

3.2. Alison Sleightholm (AS) considered that the DNOs were generally supportive of the new Incentive on Connection Engagement (ICE) for major customers. However she noted that some DNOs would like greater clarity about the assessment criteria and whether penalties would be given on a sliding scale.

3.3. JV stated that the penalties would not operate on a sliding scale but that we would be fair and proportionate in our assessment. JV confirmed that we would be looking to develop an appropriate assessment process and minimum criteria with the working group.

3.4. Several DNOs questioned the interaction between the Competition Test and our RIIO-ED1 proposals (eg whether Ofgem would consider redefining market segments or whether there will be opportunities to submit CT applications during RIIO-ED1). JV stated that it should be assumed that any market segments that have not passed the Competition Test by December 2013 will be subject to the same incentive regime over the whole of RIIO-ED1. JV felt that there was little point speculating about what may happen to these market segments post-2013.

4. RIIO-ED1 – Social Obligations

4.1. JV provided an overview of our views on the DNOs' social role during ED1 (slides attached).

4.2. Gretel Jones (GJ) stated that the DNOs may encounter data protection issues if they share data with other organisations. JV considered that challenges like these should not

preclude the DNOs from looking for opportunities to address social issues or finding ways round obstacles.

4.3. Brian Hoy (BH) considered that if the DNOs start looking to identify social issues then they need to be careful not to cause unwelcome interventions. JV stated that all social activities would need to be underpinned by a high-level strategy and engagement with their customers.

4.4. GJ considered that the roll-out of smart meter may provide DNOs with a valuable opportunity for interaction with customers and a better understanding of their needs. GJ suggested that front-line training staff would need training to take on this role.

4.5. JV noted that several ED1 consultation responses suggested that innovation funding could be used to address social issues. JV stated that if it makes business sense then we would expect the DNOs to do this anyway (eg avoid network reinforcement) and if the DNOs are unsure about the potential wider benefits/learning then innovation funding may be appropriate, providing that it meets the necessary criteria (eg deliver wider network benefits, does not duplicate existing projects, facilitates shared learning and could be rolled out as business-as-usual).

4.6. BH also questioned how DNOs would fund ongoing social activities that require large financial expenditure. JV noted that we are not looking to subsidise one-off connections or in-house works, as this will have financial implications for other customers.

4.7. JV considered that DNOs may not currently be seeking out opportunities to address social issues and signalled that the stakeholder engagement incentive would have a specific focus on addressing social obligations. JV noted that the necessary assessment process and minimum criteria would be developed with input from the working group.

5. Customer Satisfaction Survey (CSS) – additional methods of contact.

5.1. At the last meeting JV stated that he was keen to include interruptions customers that have had meaningful contact with their DNO, regardless of the communication method. JV stated that inclusion in the CSS may be dependent upon certain criteria:

- Customer has opted into information service (linked to MPAN).
- DNO has necessary contact details.

5.2. Paul Measday had concerns about only including customers that opt into a service. PM developed an alternative rule set that could be used to define the scope of the CSS (eg customers must have had a direct communication with the DNO via a published channel, filter questions should be applied to the CSS, all customer must relate to a registered MPAN). PM considered that the survey method should mirror the customers' communication method.

5.3. JV noted that changes in the scope and methodology of the CSS may have significant implications on the score received. JV considered that any changes to the CSS would need to be developed and trialled in advance of RIIO-ED1.

6. Consumer Vulnerability Strategy

6.1. Phil Sumner (PS) provided an update on Ofgem's Consumer Vulnerability Strategy. PS noted that Ofgem would shortly be submitting a formal information request to each DNO.

6.2. The DNOs were keen to understand the nature of this data request and urged PS to circulate a draft information request in advance. PS agreed to re-circulate an email on this to the DNOs.