

Minutes of RIIO-ED1 Customer and Social Issues Working Group (CSIWG)

Minutes of RIIO-ED1 CSIWG meeting held at Ofgem on Tuesday 26 th March 2013	From Date and time of Meeting Location	Stephen Perry 26 th March 2013 10:30 to 12:30 Mary Sumner House, 24 Tufton St, Westminster, SW1P 3RB	26 March 2013
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1. Present

Ofgem

James Veaney
Olivia Powis
Stephen Perry
Phil Sumner

DNOs

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

2. Introduction

2.1. Olivia Powis (OP) welcomed everyone to the latest RIIO-ED1 CSIWG.

2.2. OP noted that there were some elements of the incentive mechanism that were left undetermined in the ED1 Strategy Decision (eg the methodology used to calculate the targets). OP noted that this meeting was an opportunity for DNOs and wider stakeholders to present their views on these areas of the incentive design.

2.3. Stephen Perry (SP) presented an overview of our proposals for delivering customer satisfaction and addressing social obligations, and the key areas where we are seeking stakeholder feedback.

3. DNO presentation (slides attached)

3.1. AS noted that there was no consensus amongst the DNOs about the approach used to calculate the customer satisfaction survey target/max reward score/max penalty score.

3.2. The majority of DNOs agreed that targets values should be agreed upfront, to improve certainty. John Barnett (JBa) suggested that customer expectations may change over the period and suggested that it may be useful to have a mid-period review of the target.

3.3. The working group discussed whether the target score should remain constant across the period or be ratcheted up (or down). Brian Hoy (BH) considered that customer expectations were only likely to increase and suggested that maintaining a score of eight out of ten, is likely to become progressively more difficult.

3.4. The majority of DNOs supported common industry targets, except for UKPN which supported different targets for each licensee (for interruptions), where exogenous factors impacted upon performance. UKPN expands upon this in their presentation (item 4)

3.5. At the last meeting, the working group discussed whether future changes to the scope of the survey required the DNOs to collect additional information now for the purposes of ED1 target setting. AS stated that she had spoken to Accent and they did not consider that we needed to collect additional information. AS stated that if we set a target based on "good performance" drawn from surveys across a range of other industries (rather than historic DP5 data), then there was no need to collect additional information.

3.6. AS noted that there were some potential differences in the way that the DNOs report key measures 1-5. Ofgem asked the DNOs to identify the potential areas of inconsistency and report back at the next meeting.

Action: DNOs to report to Ofgem on telephony agreed definitions, by the next meeting.

3.7. The DNOs agreed that the proportion of unsuccessful calls should have the same influence on the customer satisfaction survey score as the DPCR5 telephony mechanism.

3.8. AS stated that the DNOs were supportive of the proposed changes to the ED1 Complaints Metric. The working group considered that 12-13 complaints data could be used to set the ED1 target.

Action: DNOs to analyse historic complaints data and apply new complaints methodology to this data to inform setting of new complaints score.

4. UKPN presentation (slides attached)

4.1. Hannah Ngoma (HN) presented UKPN's views on the ED1 Broad Measure of Customer Satisfaction. HN considered that it may be useful to set a customer satisfaction survey target based on "good customer service" across a range of other industries.

4.2. Keith Hutton (KH) suggested that LPN's ability to achieve good customer satisfaction scores for interruption customers may be impacted by other exogenous factors (eg that a large proportion of their network is underground so when interruptions occur, they tend to last longer). UKPN noted that targets for the interruptions incentive are set on a licensee basis.

4.3. Other DNOs felt that they were also exposed to a range of exogenous factors that could influence customer satisfaction, but did not support separate targets to reflect this.

Action: HN to send through further background information on CSI scores and methodology

5. AOB

Action: Northern Powergrid (JBa) agreed that they will conduct analysis on different survey techniques for the CSS and will bring results to the group by July 2013.

6. Date of the next meeting

6.1. The next meeting will be held on 5th June 2013 at Ofgem. Millbank, London, SW1P 3GE.