Gas Conversion Equation

Customer reaction to the on-bill equation

August 2013 – recut to show customers aged under 55 only

Objectives

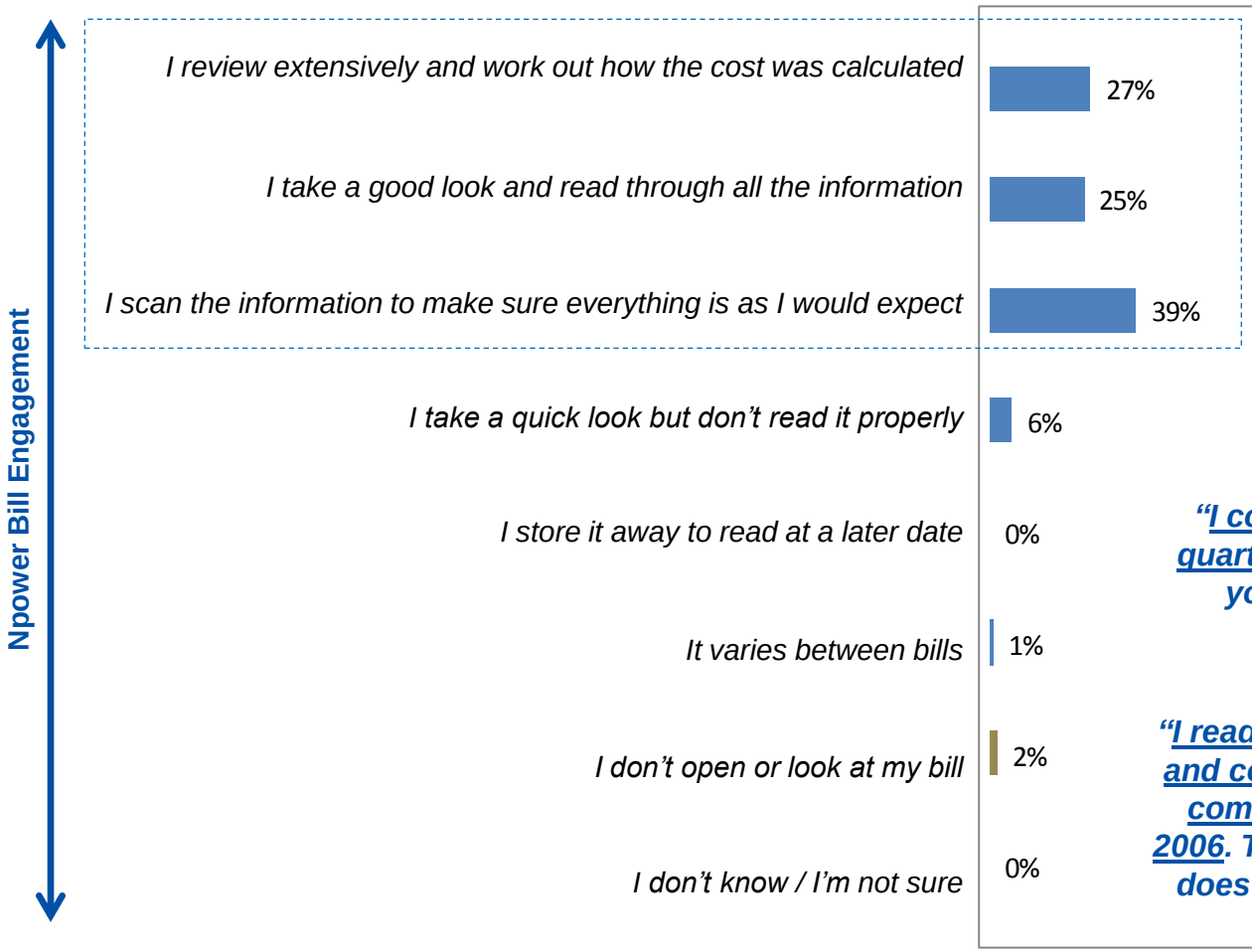
- Assess whether customers have good comprehension as to how gas is measured and displayed *(both on the gas meter and energy bill).*
- Determine understanding of, and reaction to, the gas conversion equation.
- Establish customer preference for detail around gas calculation.
- Anticipated use or action of the information *(e.g. would customers use this equation to work out their energy bill?)*
- Explore whether customers would prefer to have the information available elsewhere - online, on bill, via an app or over the phone.

Context:

Some customers pay careful attention to their bill while others prefer to skim the contents

The bill checkers slightly out weigh the bill skimmers.

Energy bill engagement



"I have a spreadsheet that I complete monthly that calculates usage and costs which I use to check / compare bill."

"Check meter readings were correct. Check tariff changes and where they occurred. Check that it all adds up and is realistic against my own calculations."

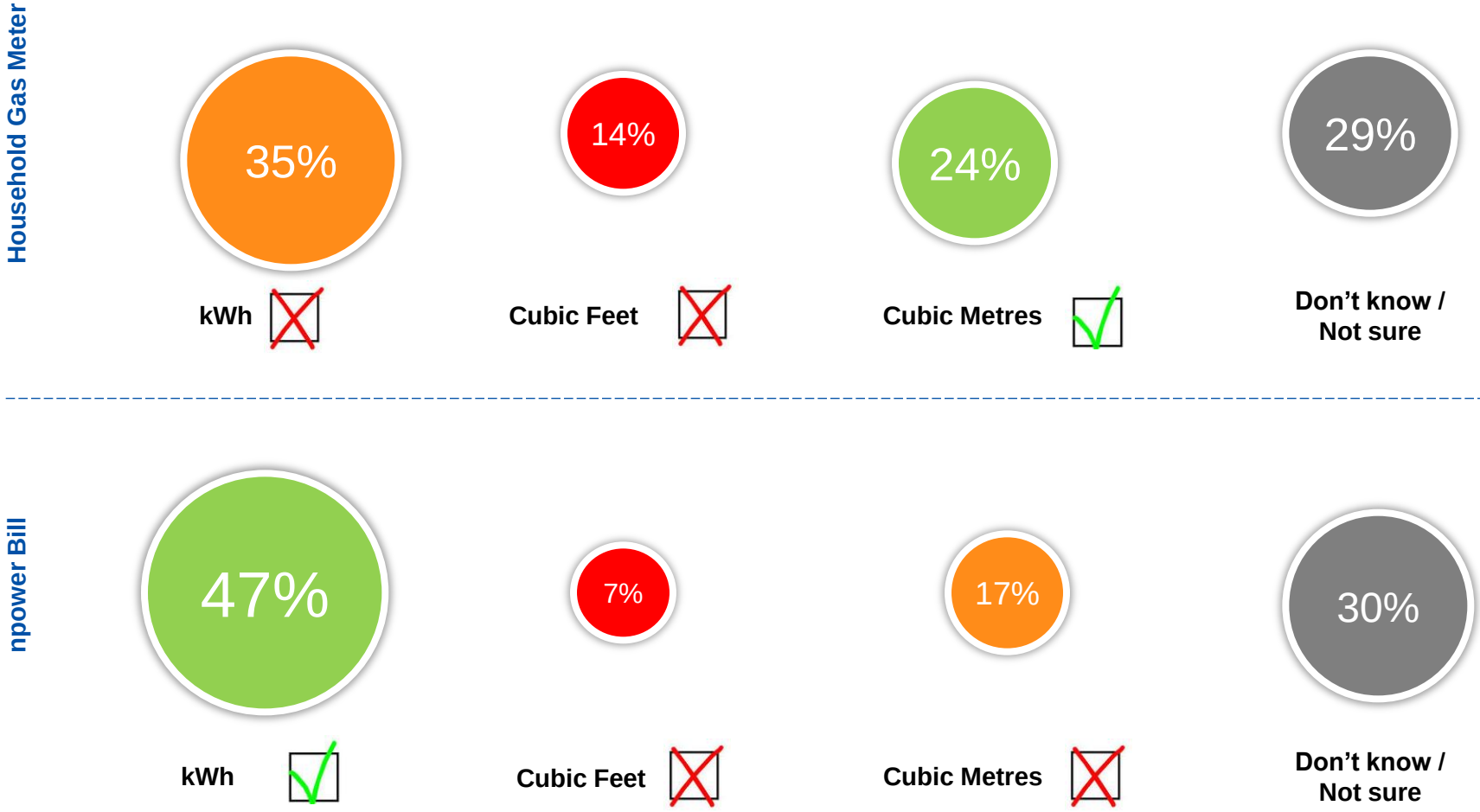
"I compare consumption with previous quarters and assess whether I agree with your estimate of future direct debit payments."

"I read my gas and electric meters every day and compile a monthly spreadsheet which I compare with all the same months since 2006. The main problem is that my gas meter does not read in kWhs; that's what I want, and also no standing charges."

Q1. Firstly, which of these best describes what you usually do when you receive your energy bill from npower? **/ Base**; Under 55 (186)
Q2. You mentioned that you extensively review and work out how the cost on your energy bill is calculated. How do you go about doing this?

Less than a quarter of customers know what their gas meter measures

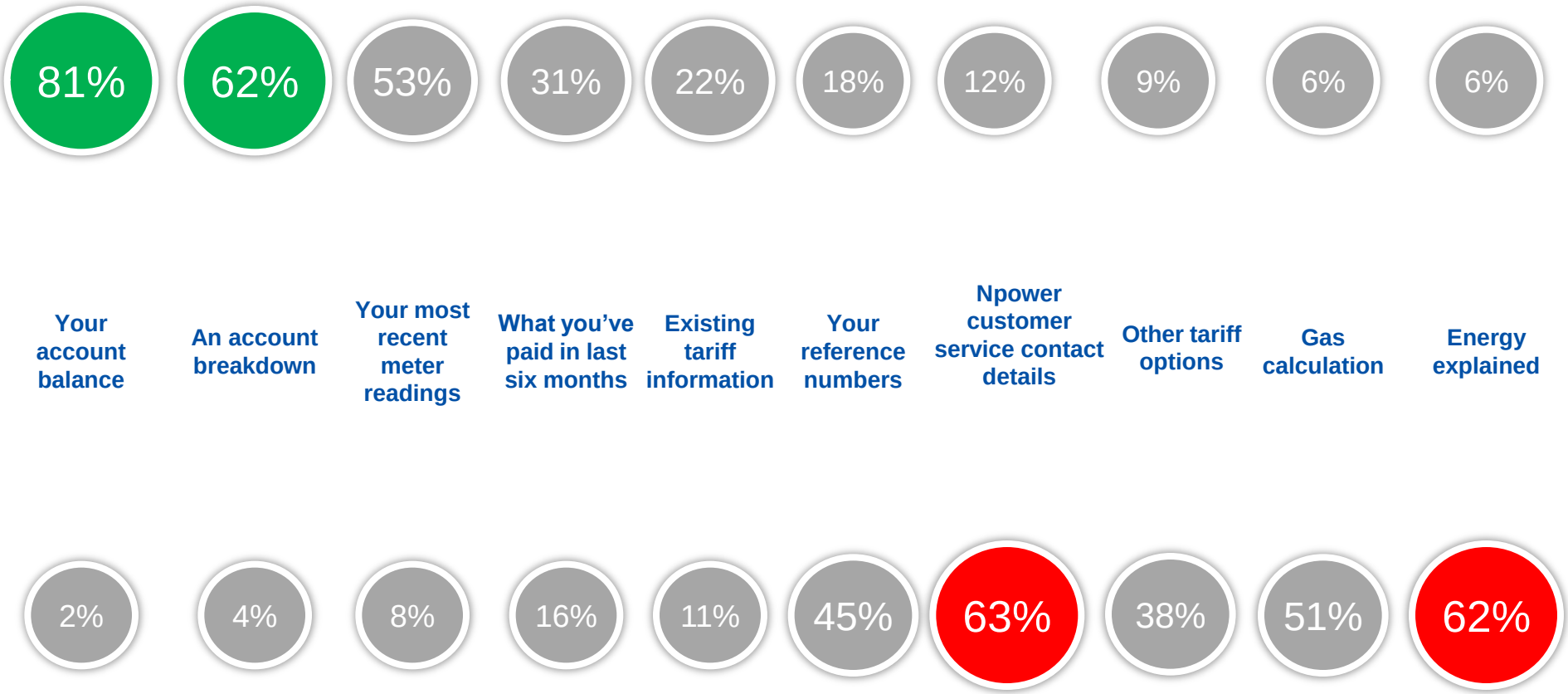
Understanding as to how gas is measured and displayed



Q5. Which of the following units is gas measured in by your household gas meter? **/ Base**; Under 55s (186)
Q6. And how is your gas usage displayed on your npower bill? **/ Base**; Under 55s (186)

Account balance and a breakdown are the most important pieces of information, followed by meter readings.

Most Important (Ranked 1 – 3)

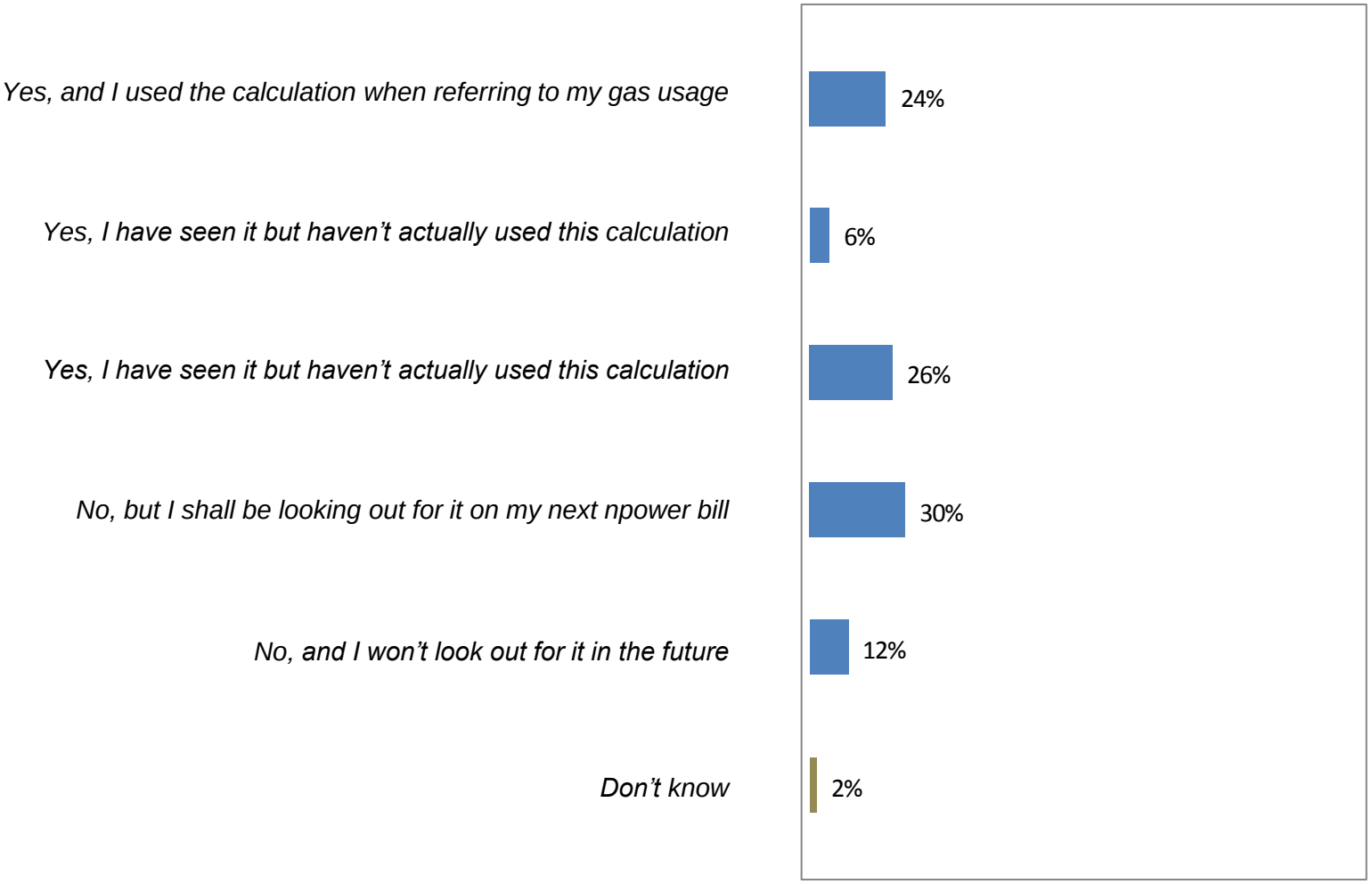


Least Important (Ranked 8 – 10)

Q16. Below is a list of all of the information currently available on your npower bill. Please rank the information in order of importance to you, where 1 is the most important and 10 the least **/ Base**; Under 55s (186)

The largest customer sector at 30% was those who said they were not aware of this calculation on the bill. Only 24% claim to have used the equation.

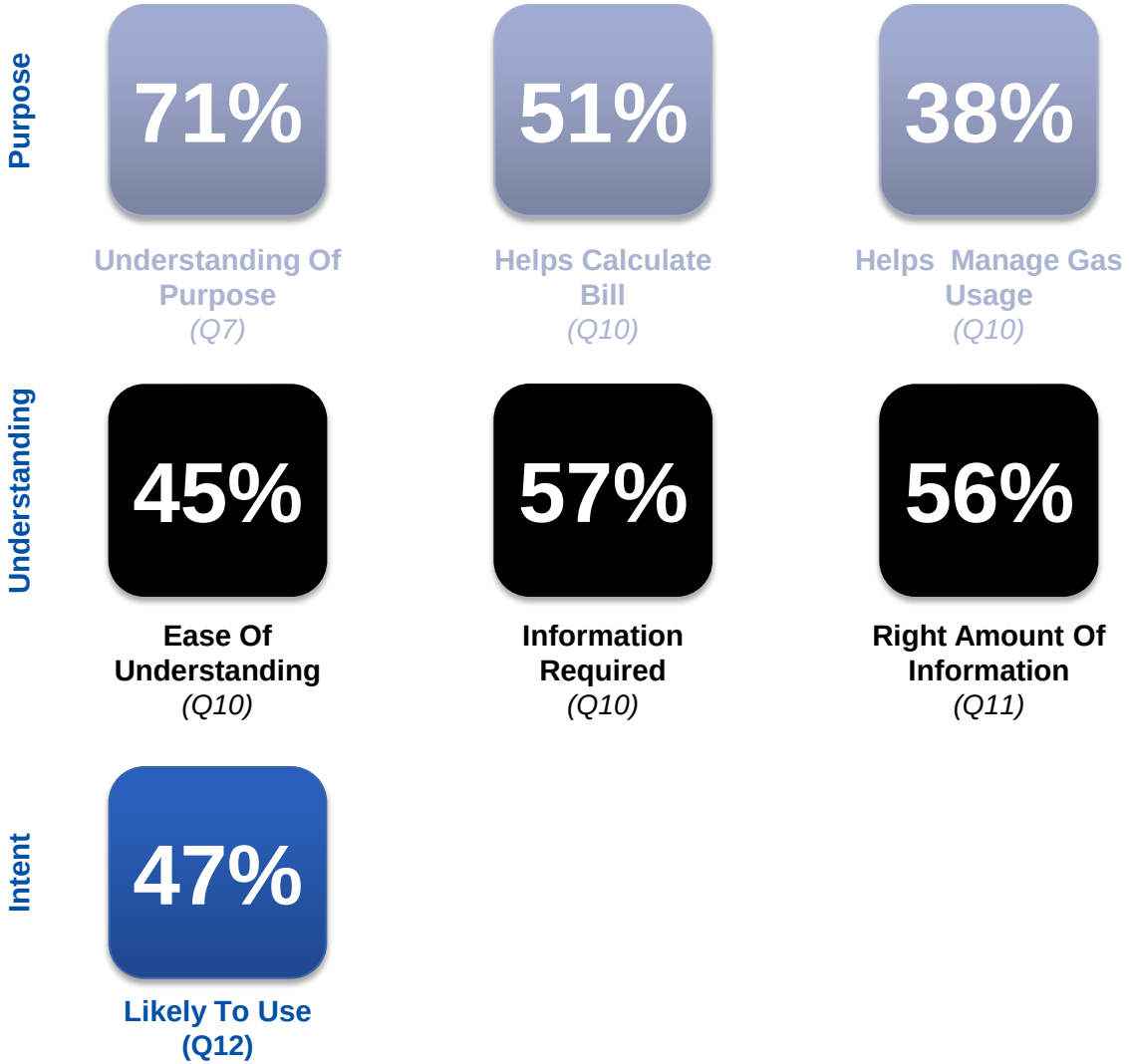
Gas Conversion Equation – Awareness and usage



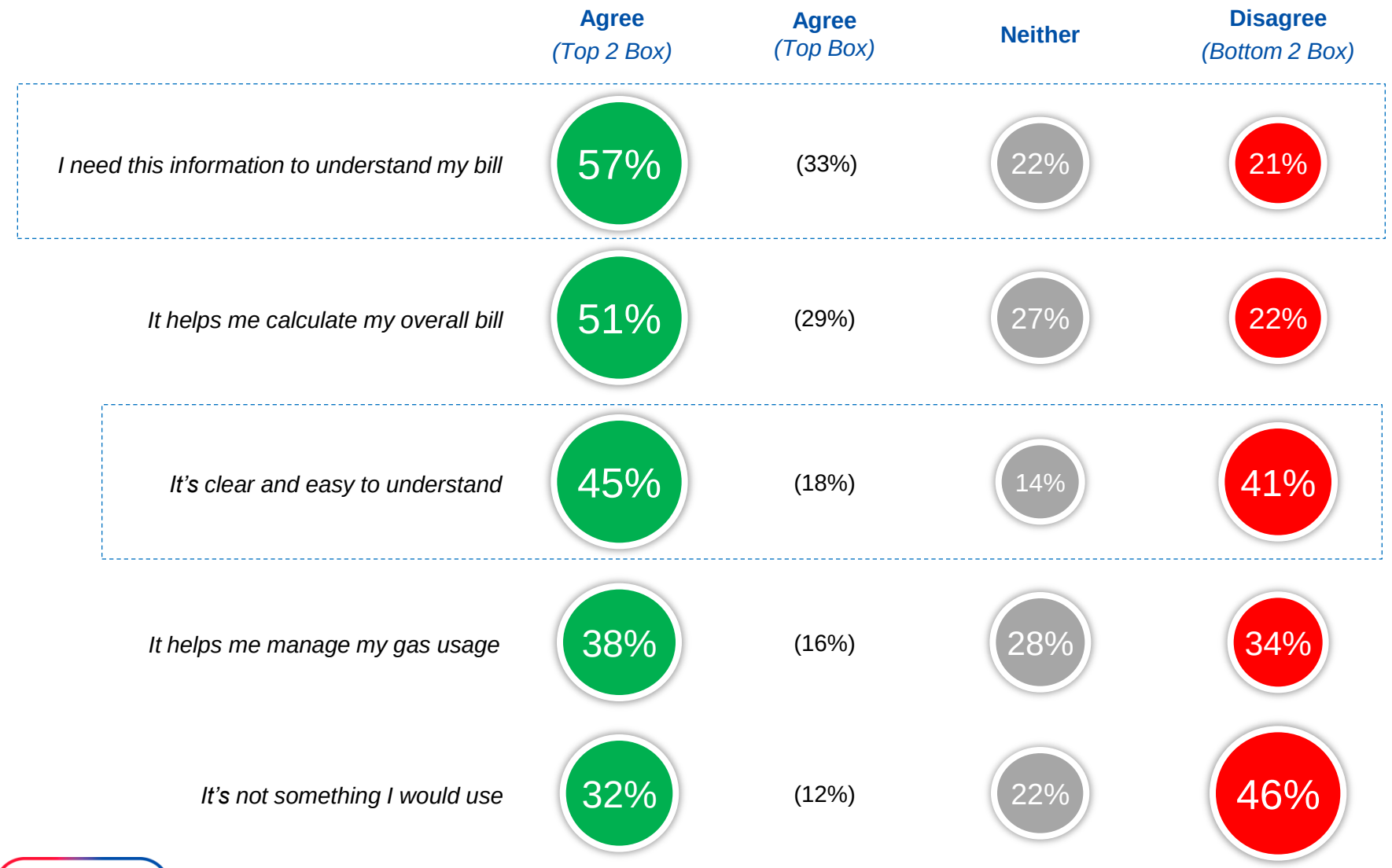
Q9. Before today had you seen, or referred to this calculation on your npower energy bill? **/ Base**; Under 55s (186)

Summary: The equation is positively perceived by this engaged respondent group who are all members of the npower panel but despite this under half plan to use it.

Your gas meter measures the gas you use in cubic metres (m3) or 100s of cubic feet. We convert this to kWh when we work out your bill. To convert a cubic-feet measurement into m3, we multiply it by 2.83. We multiply the m3 figure by the correction factor (1.02264) and then by the calorific value. Finally we divide the result by 3.6 to reach your kWh total.



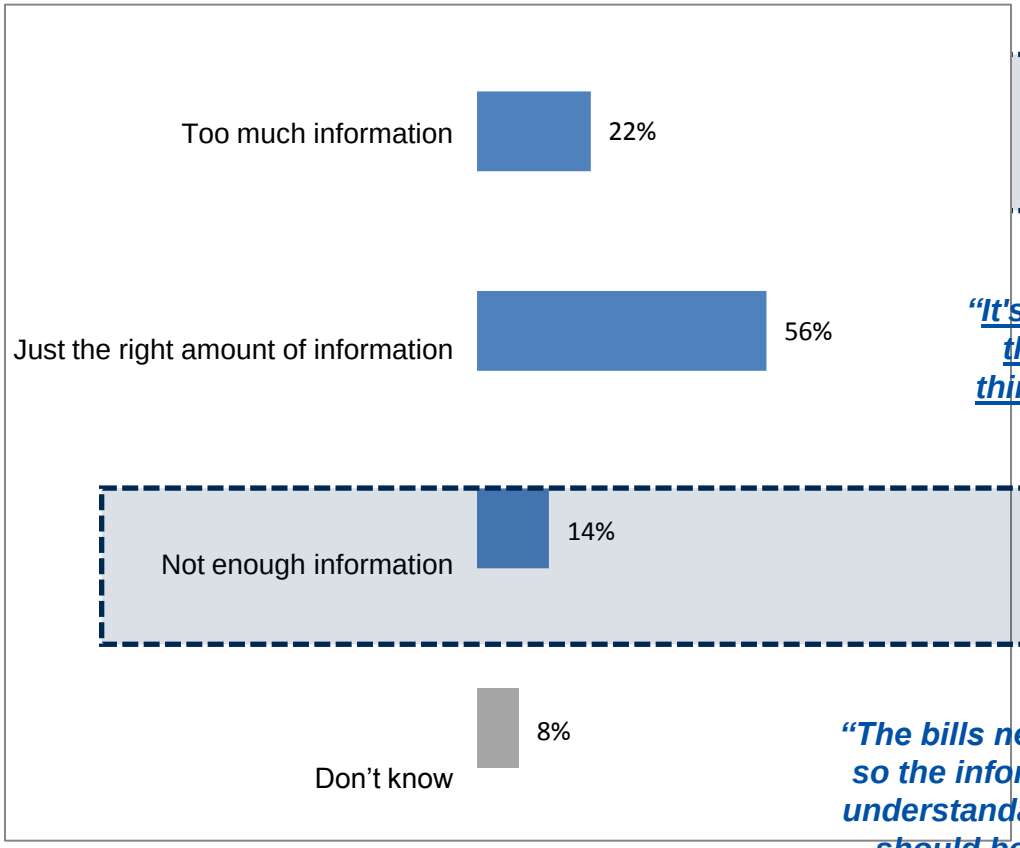
Although many see this as a necessary part of the bill calculation, its complexity means that some cannot put it to good use ...



Q10. Thinking about this information, how much do you agree or disagree with the following statements? **/ Base**; Under 55s (186)

... this is due to the complex nature and structuring of the information – consider bullets or simplifying the steps.

Gas Conversion Equation – Amount of information



"I strongly advise npower NOT to remove this information but make it clearer and more understandable to most people."

"It's clear, and has all the information I think I would need."

"It would be pathetic if the information was removed. Ideally it should be reported correctly and fully."

"It's too complicated. People need to know how much they use and how much each unit that they use costs."

"The bills needs to be simplified so the information is clear and understandable. No information should be removed but just presented in a better way."

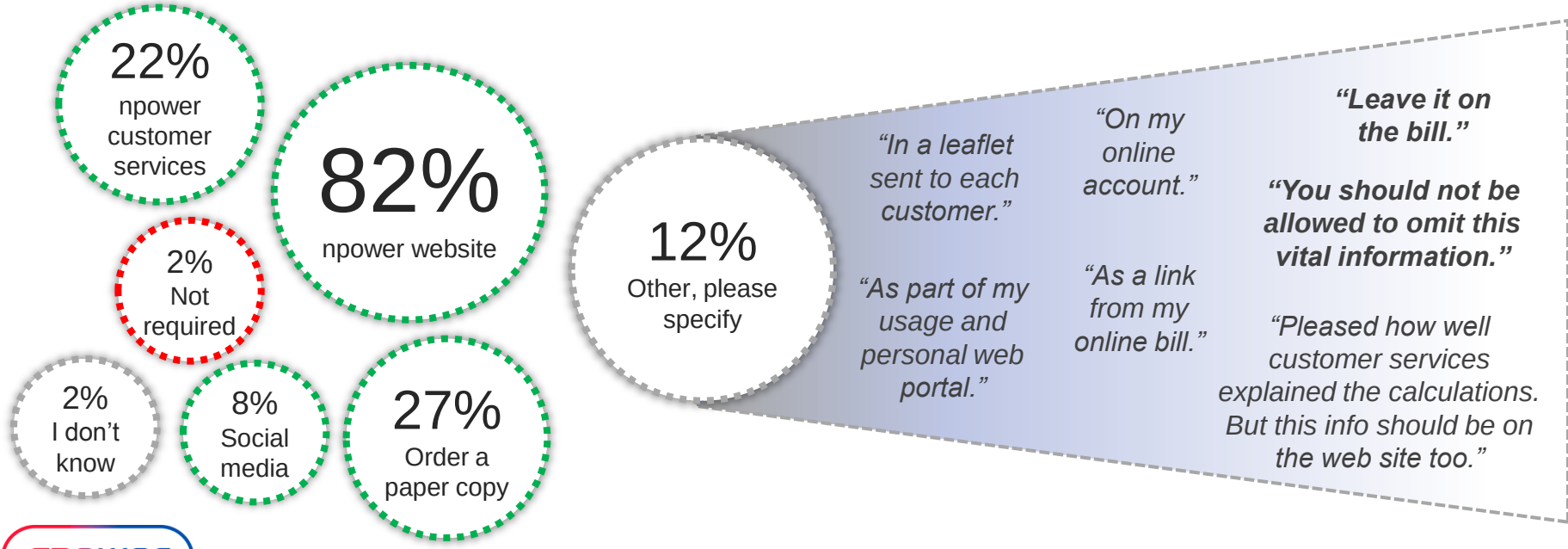
"It needs to have less detail to allow the information to be fully understood by your consumers."

Q11. What do you think of the amount of information used to detail how your gas usage is calculated in kWh? **/ Base**; Under 55s (186)

If simplified, the information could become a key part of the bill detail.

Gas Calculation Equation – Keep or Remove

Preferred method for sourcing information



Q14. Do you feel they should keep this information or are you happy to have it removed from your future bills? **/ Base**; Under 55s (186)
Q15. If npower go ahead and omit this information from future bills where would you like it to remain available? **/ Base**; Under 55s (186)