



Jonathan Blagrove
Consumer Policy and Insight
Ofgem
9 Millbank
London
SW1P 3GE

Head Office
Inveralmond House
200 Dunkeld Road
Perth
PH1 3AQ

Josh.henderson@sse.com
01738 456726

23 January 2014

Dear Jonathan

Supplier Guaranteed and Overall Standards of Performance - statutory consultation and proposals

Thank you for your consultation and proposals regarding Guaranteed and Overall Standards of Performance (GOSP). We welcome the opportunity to remove the burden of Overall Standards (OS) and ensure Guaranteed Standards (GS) remain valid. This measure both ensures their suitability in reflecting the needs of the consumer and removing any duplication with comparable standards.

While we are glad that our observations have been noted, there remain some areas of concern after reviewing the given proposals.

We agree that customers should expect a prompt response when arranging reconnection or rectifying a fault with their prepayment meter as there is a substantial risk of consumer detriment should the commitment not be fulfilled. It also makes sense that the level of service between electricity and gas customers should be harmonised to give customers a clearer expectation of the level of service they should receive.

For a similar reason, retaining the guaranteed standard on making and keeping appointments has the intent of setting a level of responsiveness that consumers should expect. However, it should also be considered what geographical factors would prohibit



attaining this target. Put plainly, geographically remote areas would be more difficult to serve.

The fixing of faulty meters still has some ambiguity and so it is crucial to have it better clarified what constitutes a fault both for pre-payment and credit meters and what standards specifically are to be applied when a customer is off supply as a direct result.

A potential fault being indicated by a customer can be far removed from the process of running different checks to definitively confirm that a fault has occurred. This clearly then informs how the timescale for resolution is measured i.e. customer contact or load check, check-meter installation and results and/or meter determination. The prescribed intent of resolution within 15 working days is concerning as it does not apparently consider the full range of checks which may be most appropriate for a customer nor that these can be carried out by third parties which are not directly bound by the commitments being set by the GS.

An increased payment level of £30 for gas and electricity is, again, useful for unifying the commitments. It being linked to the expected rate of inflation also considers the continued application of compensation not just for now but for some years to come too.

We agree that it is beneficial for customers to know about the level of service they are entitled to receive and it makes sense to have information on interruption of supply to be targeted to those most susceptible to that problem. However, it may be appropriate to have this commitment sit with the applicable distributor given the type of information being divulged.

We have refrained from giving a specific comment where it has been proposed for a Standard to be removed as we would support where this is being done.

Regards

Josh Henderson
Regulation

Reconnection following disconnection for unpaid charges

The consultation acknowledges that suppliers would look to exceed the 24 hour benchmark where possible. However, the operational impact of this commitment is still influenced by the particular definition being given to the requirement to act within 24 hours. It is vital for it to be clarified whether this includes the provision of the 24 hour period beginning at 00.01am on the following working day.

Fixing faulty prepayment meters

SSE agrees that customers deserve a swift response where a prepayment meter develops a fault that places the customer off supply or where there is a negative financial impact on the customer. It would be beneficial to agree a specific set of criteria where the Guaranteed Standard applies, where a customer has a prepayment meter and ensure it is fair and equal to the industry standards for credit meter customers.

SSE supports the proposal to bring the Guaranteed Standard time for gas prepayment meters in line with that of electricity. However, SSE currently utilise third parties to manage our gas prepayment meter portfolio and we are concerned about the cost impacts of this change and the timeframes to be met in respect of contractual changes required SSE's gas MAP/MAM providers. It should also be considered that there may be commercial agreements on the basis of four hours for gas meters being available and that it might not be possible to have these changed by 1 July.

Making and keeping appointments

If there is any unifying of timescales then it would be preferable for this to be done at the 4 hour mark. This is in consideration of the challenges faced by Metering resource when trying to attend an issue in a remote geographical area.

This change in demand will have implications on both our in-house metering services and contracting third parties to carry out the work. Again, we could not ensure full delivery would be by the desired date of 1 July.

Fixing faulty metering

It is appreciated that the GS is focussed more on correcting the fault rather than just acknowledging it and that this is of more significance for the customer. However, the timescale of 15 working days in order to have this achieved does not consider the different processes involved to establish whether or not a fault has occurred; it is important that along with the good intentions of this change that a pragmatic suggestion is made too.



Upon initial contact by the customer, a preliminary check of their usage may be done to establish if any significant and unaccounted for change in their recorded usage has occurred. Depending on these results being presented to the customer and their response, the next step for an electricity meter may involve the installation of a check-meter to validate the operation and accuracy of the service meter. For this stage, it is important to have the check-meter in place for a length of time that provides a substantial enough sample of recorded usage to then describe how the meter is operating. Having less than 200kWh run through the check meter is not substantial enough for an informed decision to be made. It is also important that such a check is worthwhile both for the benefit of the customer and for any decision on the accuracy of the meter to be made. This may involve obtaining meter readings from the customer until they are satisfied with the findings and that it is satisfactory to have the check meter removed.

Ultimately, the customer has the option to choose Meter Determination which necessitates the meter being removed by a third party and tested to destruction for any decision on its accuracy to be made. A gas meter suspected of being faulty could go through an Ofmat test where it is removed by an Ofgem certified meter examiner. This could require the meter to be quarantined for up to 4 weeks with notification of the test results typically being posted the customer 3-8 weeks after it is removed.

As can be seen, the different stages of this can contribute to a significant length of time being taken – longer than 15 working days. What is more, the potential involvement of a third party carrying out checks can remove any direct involvement for the supplier. In such an instance, it does not appear consistent that the burden of a certain timescale would fall with them. Neither should it be taken for granted that the customer will offer immediate responses to any attempts to contact them. This is not a problem in itself but could quickly exhaust a schedule of 15 working days to have the meter replaced.

Beyond these matters, there are different meter types, Dynamic Teleswitch meters in particular that can set present additional complications beyond regular single rate meters.

We would ask that a more considerate timescale is established or that it is more clearly stipulated that the 15 working day schedule for the meter being replaced starts once all potential meter checks have been exhausted.

Micro-business coverage

The Non-domestic market represents a very distinct arena than for domestic customers and so it is fitting that the vast majority of GS have been repealed for that area. We acknowledge that there may be some similarity in expectation between domestic customers and Micro-business in terms of making and keeping appointments but are also glad that it specifically acknowledged that this inclusion should be reviewed as the market develops.

Definition of working hours

There is evidently reason in having uniformity between the working hours for electricity and gas. Anything else could be cause for confusion and uncertainty on what service the customer can expect.

Beyond this, it would still be essential to have some clarity on what work is prescribed within the times given of 8am-8pm on working days and 9am-5pm on non-working days. Specifically, it is unclear on what type of work is prescribed for these times; whether it is appointments being carried out or whether it is appointment booking.

The form which the 4 hour appointment windows take must also be defined. We would advocate for these being static and predetermined 4 hour windows (i.e. 8am-noon, noon-4pm, etc) rather than a rolling format which would create a multitude of alternatives (i.e. 8am-noon, 9am-1pm, etc). As is similar with the case of keeping appointments, it is unlikely for full implementation 1 July and we would explain that the necessary system changes and impact assessments would influence this.

Provision of payments in individual cases of breach

As with keeping appointments and working hours, harmonising the sum for both electricity and gas makes it clearer and easier to understand for customers on what they should expect if something goes wrong.

There also appears to have been the appropriate consideration for how the sum of £30 has been reached both in considering data applicable to the energy sector and the wider economy which should keep it a justifiable amount in years to come.

Provision of information on consumers' rights

The notice of rights predominantly being provided online looks to be responsive both to how this type of information is likely to be referenced by customers and the cost implications for suppliers.

There is questionable consistency in suppliers retaining the responsibility for issuing the DNO/GDN equivalent, granted the case can be made for a more specific relationship with the consumer but this may not have any great benefit if the information being issued is not required to be personalised.

Paper copies only being issued to those in regions where supply interruptions are most common creates another question how exactly the criteria for this will be established. It



would be regrettable if a decision to try and reduce this burden only went to create another area of uncertainty.

Publication of information on suppliers' performance

Individual suppliers providing quarterly updates of their GS performance gives a good and visible commitment to providing customers with valuable information. If uniformity in how this is shown is being pursued, then we trust that it will consider the data produced by Citizens Advice to avoid any unnecessary duplication in information.