Minutes

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for energy consumers

Summary of Ofgem's Customer and Social stakeholder group - Meeting 3

From:	Date: 25th October 2018 Time: 10.30am	Location: Ofgem, London

1. Introductions

1.1. Ofgem provided an update on the actions from the previous meeting.

1.2. More information on the working groups taking place for RIIO-GD2 can be found on our website: RIIO-2 events, seminars, and working groups page.

2. Customer Satisfaction

2.1. Centrica and Citizens Advice presented strawman options for the levels of customer service which could be included in the GDNs' licence as a minimum level of service for RIIO-GD2.

2.2. The group discussed what is currently contained within the licence and how this can be built on going forward. Much of the discussion was centred around how a performance target could be introduced for non-connection based Guaranteed Standards, moving towards more principle based licence obligations that are outcome focused and sit alongside monitoring, using examples from the supplier licence conditions. Alternatively, it was suggested there could be a licence obligation to achieve a minimum target of customer satisfaction, such as 7/10, below which point GDNs could incur further penalties.

3. Guaranteed Standards of Performance (GSOPs)

3.1. Ofgem presented a summary of what GDNs' initial stakeholder research data indicates in relation to GSOPs – specifically whether they felt the current standards and payment level are correct. In several areas the data indicates that stakeholders are demanding stronger standards or payment levels.

3.2. Ofgem also presented information on how GDNs would have performed if stronger standards had been adopted, alongside some initial thoughts on what the potential GSOPs revisions could look like for RIIO-2.

3.3. There was discussion surrounding the lifting of payment caps – particularly for customers who experience long interruptions. If caps were increased, it was noted that exemptions would need to be considered.

3.4. Parties agreed that customers would benefit from GSOP payments becoming automatic. Currently the GDNs are carrying out an assessment of what changes are required to make payments automatic.

3.5. Some parties questioned the proposal to link GSOP measure and standards in gas to those in electricity. There were concerns that the impact on gas customers and electricity customers in some areas are very different for example with interruptions.

3.6. It was agreed that the development of new GSOPs requires further consumer engagement research to understand the value brought to customers, which should be either Ofgem or GDN-led. Ofgem advised that they will present their thinking on new GSOPs in the November working group.

4. Interruptions

4.1. Ofgem presented their findings on possible areas of data inconsistencies relating to interruptions reporting. In summary it was found that:

- There appears to be some areas of differences in interpretation across GDNs.
- RIGs definitions could be improved ahead of RIIO-GD2 to improve comparability and consistency.
- Setting robust disaggregated interruptions targets may be challenging using current data.
- Improvements in MOBs/Riser interruptions reporting would likely require data management system enhancements.

4.2. Further work will continue in this area to understand what improvements can be made ahead of RIIO-2.

4.3. The GDNs consider that large events should be treated differently to standard interruptions.

5. FPNES and Vulnerability

5.1. BEIS provided an update on their fuel poverty and energy efficiency strategy. This included their current work on the Clean Growth Strategy and their fuel poverty strategy. BEIS were asked to update the working group on what they believe the GDNs role should be taking into account their fuel poverty strategy, at a future meeting.

5.2. WWU and Cadent presented the group with their vulnerability mapping tools and how these can fit into identifying and targeting vulnerability strategies. There was questions on how these tools can be used to determining FPNES criteria. There was agreement that there would need to be work done in order to provide the necessary assurance that the data provided was accurate.

5.3. The GDNs agreed they will work on providing this level of assurance, noting that at this stage there was numerous mapping tools being worked on, all at different stages of development. The group also thought further work was needed to decide whether the GDNs should develop one collaborative model or maintain separate models.

6. Next meeting

6.1. The next customer and social stakeholder group meeting is scheduled for 28th November 2018.