Connections Summary

Snap Shot Connections
GD1 v Pilot

Database monthly to weekly

Methodology

Response rates

	GD1 Q2 YTD	Pilot M5 YTD	Movement
Scotland	24%	38%	14%
NGN	18%	29%	11%
NL	15%	22%	7%
Southern	21%	26%	5%
WWU	19%	23%	4%
EE	18%	21%	3%
WM	16%	19%	3%
NW	17%	19%	2%

Overall Satisfaction

	GD1 Q2 YTD	Pilot M5 YTD	Movement
Southern	9.01	8.99	-0.02
Scotland	9.34	9.09	-0.25
NW	8.41	8.13	-0.28
WWU	9.13	8.85	-0.28
EE	8.46	8.10	-0.36
NGN	9.05	8.65	-0.40
WM	8.26	7.78	-0.48
NL	8.68	7.46	-1.22

Average Score

	Pilot YTD OvSat	Pilot YTD Average	Difference in Score
NL	7.46	8.04	0.58
WM	7.78	8.32	0.54
NW	8.13	8.50	0.37
EE	8.10	8.41	0.31
WWU	8.85	9.03	0.18
NGN	8.65	8.81	0.16
Scotland	9.09	9.21	0.12
Southern	8.99	9.06	0.07

Age Profile

All GDNs are engaging a different profile of customers in the pilot surveying process, with a minimum reduction of those aged 65+ by 6.75% (NL). All GDNs also see an increase in those aged 25-44.

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Connection - Recommendations

The GDNs are pleased with the pilot results for connections.

Customers are being given choice for how they are surveyed.

Response rates have improved across all demographics, giving all customers equal voice.

Overall response rates have increased for all GDNs, ranging from 2 – 14%.

Overall scores have dropped slightly, but this was to expected with the change in methodology.

The GDNs recommend that for GD2:

➤ We maintain the pilot questionnaire and methodology

➤ Consideration is given to how the difference in response volumes between on-line and telephone is treated.

E&R Summary

Snap Shot ERR
GD1 v Pilot

Database monthly to weekly

Methodology

To → Offered

Response rates

	GD1 Q3 YTD	Pilot M5 YTD	Movement
NL	12%	20%	8%
Scotland	14%	20%	6%
Southern	16%	20%	4%
NGN	16%	19%	3%
WWU	18%	19%	1%
NW	16%	17%	1%
WM	17%	17%	0%
EE	17%	17%	0%

Overall Satisfaction

	GD1 Q3 YTD	Pilot M5 YTD	Movement
NL	9.12	9.09	-0.03
WM	9.45	9.42	-0.03
EE	9.49	9.45	-0.04
WWU	9.58	9.52	-0.06
Southern	9.40	9.34	-0.06
NW	9.48	9.38	-0.10
Scotland	9.54	9.43	-0.11
NGN	9.49	9.34	-0.15

Average Score

	Pilot YTD OvSat	Pilot YTD Average	Difference in Score
WWU	9.52	9.55	0.03
Southern	9.34	9.36	0.02
Scotland	9.43	9.43	0.00
EE	9.45	9.44	-0.01
NGN	9.34	9.33	-0.01
NL	9.09	9.07	-0.02
WM	9.42	9.40	-0.02
NW	9.38	9.28	-0.10

Age Profile

All GDNs are engaging a different profile of customers in the pilot surveying process, with a minimum reduction of those aged 65+ by 12.97% (EE) and an increase in all ages 16-54.

E&R Recommendations

The GDNs are satisfied with the pilot results for E&R.

Response rates have improved across all demographics, giving all customers equal voice.

There has been a lower than expected take up of different methods of survey.

Whilst response rate have improved from the majority of GDNs, this is also not to the level that we were expecting.

Overall scores have dropped slightly, but this was to be expected with the change in methodology.

The GDNs recommend that for GD2:

➢ We maintain the pilot questionnaire and methodology

Planned work summary

Snap Shot PLW
GD1 v Pilot

Database monthly to weekly

Methodology ▢ ➡ To ▢ ➡ Offered 📞 🌐

Response rates

	GD1 Q3 YTD	Pilot M5 YTD	Movement
Southern	22%	21%	-1%
WM	17%	16%	-1%
NW	20%	18%	-2%
Scotland	20%	18%	-2%
NL	18%	15%	-3%
EE	23%	20%	-3%
WWU	24%	20%	-4%
NGN	23%	17%	-6%

Overall Satisfaction

	GD1 Q3 YTD	Pilot M5 YTD	Movement
EE	8.44	8.64	0.20
NL	7.96	8.09	0.13
NGN	8.92	8.96	0.04
WM	8.11	8.00	-0.11
NW	8.50	8.38	-0.12
Southern	8.84	8.72	-0.12
WWU	8.84	8.65	-0.19
Scotland	9.02	8.77	-0.25

Average Score

	Pilot YTD OvSat	Pilot YTD Average	Difference in Score
WM	8.00	7.98	-0.02
Southern	8.72	8.68	-0.04
WWU	8.65	8.59	-0.06
NL	8.09	8.03	-0.06
NGN	8.96	8.90	-0.06
Scotland	8.77	8.65	-0.12
EE	8.64	8.50	-0.14
NW	8.38	8.21	-0.17

Age Profile

Planned Work continues to engage a higher proportion of customers within the 55+ age demographic.

Planned work recommendations

The GDNs are satisfied with the pilot results for planned work.

There has been some take up for alternative channels available.

There has been a drop in response rates – Tti are currently doing some analysis of whether this was due to the timing of the weekly surveys in the early part of the trial.

The GDNs recommend that for GD2:

➢ We maintain the pilot questionnaire

➢ Continue with GD1 timing of monthly surveys, given the nature of planned work.

Other recommendations

Survey volumes.

The GDNs recommend the following increase to the minimum survey volumes:

	GD1 Quarterly Minimum Volumes	GD2 Quarterly Minimum Volumes
E&R	200	600
Planned	150	450
Connections	100	300 or survey 100% of all connections customers

Average Csat v Overall Csat

Given that there is little difference in the scores achieved using these two methodologies, the GDNs recommend that for GDN, Csat is continued to be measured by Overall – Killer Questions. This will:

Allow comparability to GD2

Make sure that customers take into account the full service interactions, even though aspects that aren't measured through the touchpoint questions.

PSR
All GDNs are comfortable that by the start of GD2, systems and processes will be in place to allow the CSAT to be split by PSR customers. It is important to note that response rates for PSR customers vary from approx. 15% of the emergency planned work but less than 5% of connections responses with non in some networks.

	WWU		NGN		SGN So		SGN Sc	
	PSR	Non PSR	PSR	Non PSR	PSR	Non PSR	PSR	Non PSR
Conn	9.43	8.84	N/A	8.65	N/A	8.93	9.80	9.14
ERR	9.48	9.53	9.4	9.31	9.00	9.42	9.18	9.45
Plan	8.78	8.63	9.2	8.84	9.25	8.84	9.27	8.72

Other recommendations

Incentive mechanism

Option 1 - retain the current mechanism, where rewards and penalties are available up to 0.5% of base revenue, depending on performance against a target score.

This is the preferred option for all the networks with a static score set and incentivised for the RIIO GD2 period

There must be a suitable incentive for each network to drive customer scores forward whilst not penalising networks for good scores. The use of deadband should be considered. E&R may need wider deadband with penalty below 9/10.
Illustration using the trial M1-5 scores on slide 10.

Option 2 - a zero-sum, rank-based option, where rewards and penalties depend on where companies rank in their performance.
Discounted by Ofgem in May Gas Sector decision

Option 3 - a penalty-only approach.

Discounted by Ofgem in May Gas Sector decision

Option 4 - a defined 'penalty and pot' approach, where a reward pot would be split between companies exceeding a particular score (e.g. 9/10) and companies would be penalised for scoring below the target. GDNs do have a concern that this approach may lead to less collaboration.
Also GDNs have a lack of detail on how option 4 will work.

It is important that the Customer Service Incentive Mechanism is considered alongside all the GD2 output measures.

Other recommendations

Rebasing the benchmark

There are a number of options that the GDNs would like to be considered:

Option	Pros	Cons
1: Mean target (with dead-band set at LQ and UQ)	Acknowledges RIIO-1 performance improvement and recognises difficulty in maintaining higher scores, however, does not reward/penalise until much higher (>UQ) / lower levels (<LQ)	Slightly complex and could be viewed as limiting the strength of any incentive to improve or maintain high scores
2: Mean target based on all 8 networks (sliding scale as per GD1)	Acknowledges RIIO-1 performance improvement and recognises difficulty in maintaining higher scores (close to 9+ / 10)	Different approach to RIIO-1 and some GDNs will already be performing above target from year 1
3: Mean target based on upper quartile (sliding scale as per GD1)	Comparability to GD1. Set stretching targets	Potential penalising companies scoring 9+/10

The GDNs are keen to hear Ofgem's view about how the targets should be set for GD2.

Dead band - **for illustrative purposes only**
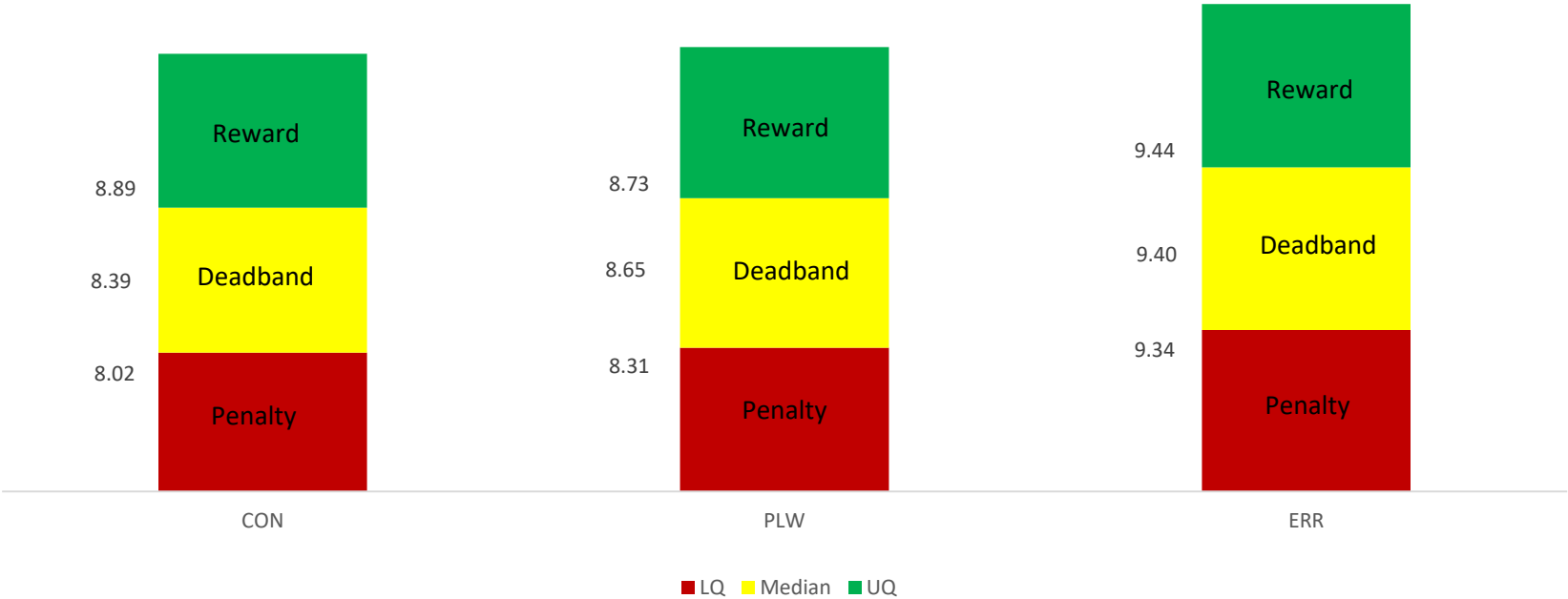
	CON	PLW	ERR
LQ	8.02	8.31	9.34
Median	8.39	8.65	9.40
UQ	8.89	8.73	9.44