

RIIO-ED2 Customer Service, Vulnerability and Connections (CSVC) Working Group – Session 6

From: Ofgem

Date: 9 April 2020
Time: 09:50-15:00

Location: Conference Call

1. Present

Ofgem

UK Power Networks (UKPN)

Western Power Distribution (WPD)

Northern Powergrid (NPG)

Scottish Power Energy Networks (SPEN)

Electricity North West (ENWL)

Scottish and Southern Energy Networks (SSEN)

Utility Customer Service Management Limited (UCSM Ltd)

Agility Eco

Citizens Advice

BEIS

2. Introduction and update on outstanding actions

2.1. Ofgem introduced the meeting and conducted a recap of actions and requested a status update from relevant group members.

2.2. ENWL updated that they had not yet received any feedback from the group on their proposal to use a common Social Return on Investment (SROI) methodology as the basis for a within-period incentive as discussed at working group 5 (WG5). Ofgem confirmed it would follow up with ENWL to understand the development of this proposal further.

2.3. Regarding the work to develop a common methodology for SROI, SPEN updated the group that there will be a meeting on 8th May 2020 for all DNO representatives and Sia Partners to discuss the progression of the work and the associated costings and timelines. SPEN will update the group on the progress of this at the 28th May session.

2.4. SSEN have been undertaking an action to map the touchpoints DNOs currently have with customers and how these touchpoints could be maximized in RIIO-ED2. SSEN updated the group that following an update at WG5 (19th March) they had received no further feedback. The group discussed the need to regroup on the purpose of this action and Ofgem proposed to take this away for further thinking and provide an update to SSEN/the group. A DNO call was also proposed and deemed useful.

- 2.5. Ofgem reminded the group that there is an outstanding request for feedback regarding the strawman assessment criteria for the vulnerability package and will recirculate the document to the group.

3. Customer Service – Balanced Scorecard

- 3.1. SSEN presented views collated from DNOs following their proposal on the 19th March to adopt a balanced scorecard approach as an alternative to the current Broad Measure of Customer Service (BMCS).
- 3.2. ENWL and others were unclear on how the proposed balanced scorecard would drive better behaviours and outcomes than the existing arrangements. They considered that greater understanding of the rationale for this proposal was needed to inform Ofgem's consultation position.
- 3.3. There was a discussion regarding the sample sizes and whether these should be amended (and increased) in ED2. SPEN said they had discussed with Explain, who run the survey on behalf of the DNOs, who consider that DNOs don't get enough volumes for the sample size to be bigger. Action: SSEN agreed to pick up sample sizes with Explain.
- 3.4. Citizens Advice suggested whether the balanced scorecard approach could be adopted as a reputational-only incentive. It was discussed that some DNOs already publish their Institute of Customer Service results, but SPEN questioned whether mandating a reputational incentive was in customers interest and do they want to pay for this.
- 3.5. The discussion centered on what issue the proposal was trying to target and the behaviours the mechanism should be driving. Action: Ofgem asked SSEN to set out in a table the issue(s), the risk(s) to customers, and whether the identified issue(s) could be addressed by enhancing the BMCS and/or a balanced scorecard and how. SSEN are to share with the group for views and provide an update on 30th April.

4. Customer Service – Complaints Metric

- 4.1. SSEN presented views collated from DNOs following their proposal on the 19th March to amend the complaints metric. This proposal involved introducing a new measure and amending weightings assigned to existing complaints metrics.
- 4.2. ENWL and SPEN think the current complaints arrangements work well and do not need to change. UKPN also consider the existing arrangements are working but note that there is nothing currently in place to drive DNOs not to incur complaints in the first place. Where there is clear rationale to do so, UKPN noted that tweaks to weightings and targets could be beneficial. These DNOs and Citizens Advice said they would not

support financial rewards associated with reduced complaints and complaints resolution.

- 4.3. SSEN have done research into complaints metrics, in particular day+15 to day+31 which suggests there is a lull in drive to resolve complaints after 14 days. Action: Ofgem asked for SSEN to share that research and any other supporting evidence to change the metrics companies are being monitored against.
- 4.4. NPg cautioned that any changes to the mechanism shouldn't look to micromanage the DNOs and shouldn't be pushing risks off of companies onto customers.
- 4.5. Citizens Advice said it was important to consider what outcomes are desired. Currently some companies perform well and others less so and the mechanism must ensure those performing well maintain this and drive those performing less well to improve. They considered changes to targets would be appropriate.
- 4.6. Action: Ofgem asked SSEN to prepare a table with the issues, risks to customers and then the costs and benefits of proposals. SSEN are to share with group for views and to provide update on 30 April.
- 4.7. Action: Ofgem also asked group members to submit relevant evidence they have that current complaints handling/resolution is not working effectively.
- 4.8. The group discussed how the measures were currently reactive to complaints and whether anything could be introduced to incentivise DNOs to not incur a complaint. Citizens Advice considered reporting on a complaints per 1000 could be a positive step, but that this could be reputational only.
- 4.9. UCSM Ltd raised that the current evidence being gathered may not show all the issues with existing arrangements. Action: Citizens Advice said they will take it away to see what they can do with the information they gather currently and any evidence of complaints issues that would not be currently captured under existing arrangements.

5. Enhancing the BMCS - LCT and PSR proposal (SPEN)

- 5.1. SPEN presented their proposal for extending the BMCS categories to low carbon technology (LCT) and priority services register (PSR) customers. Specifically for LCTs, SPEN suggested that the BMCS could include new services such as the provision of advice. As the subsequent item would consider LCT connections, it was decided to focus the discussion on PSR. Action: SPEN also made the group aware of research conducted by Delta EE for them on volumes of LCT and proposed to share this with the group.
- 5.2. SPEN are proposing including PSR interruptions as a new category in the BMCS and ENWL raised whether this could be extended out to all interactions with PSR

customers. SPEN highlighted this could risk putting vulnerable customers in situations they're not comfortable in.

5.3. There was a discussion over whether DNOs internally currently separately report PSR customer satisfaction and whether PSR customers score differently. SPEN said their PSR customer scores are in line with the broader customer base. Action: Ofgem asked the DNOs to provide evidence demonstrating how PSR customers score in relation to other customers.

5.4. Action: On the provision of advice as a service to be captured in the BMCS, Ofgem asked DNOs to set out what that advice might be? What advice can DNOs give?

6. Connections incentives options (UKPN)

6.1. UKPN presented options for connections arrangements in ED2. They stepped through the different variations possible for the scope of the BMCS in relation to LCT customers and small users; the Time to Connect (TTC) incentive and the Incentive on Connections engagement (ICE).

6.2. It was noted that there was a broad spectrum of options presented, ranging from incremental change to more radical and that the slides highlighted some of the steps to get there.

6.3. The group had a brief reflection on the proposals and questions posed by Ofgem, but due to time constraints it was proposed that there should be a follow up call when group members had had more time to reflect on the possible options.

6.4. ENWL, who supported UKPN on this item, noted that the level of detail being considered here was beyond the level that would be appropriate for the summer consultation. They proposed that the options could be grouped together in certain packages for consultation. SPEN suggested that the DNOs could individually do an assessment of the options to narrow the work down. Action: DNOs to conduct a RAG assessment of the options presented. Ofgem to arrange a connections specific call at the end of April.

Action	Allocated to	Due date
<p>Balanced scorecard</p> <p>Are current survey sample sizes appropriate? SSEN to pick up question around appropriate sample sizes with Explain.</p>	SSEN	<p>Provide an update at 30th April WG.</p> <p>Material to be provided to Ofgem by COP Monday 27th April.</p>
<p>Balanced scorecard</p> <p>Is a balanced scorecard preferable to an enhanced BMCS? SSEN to set out in a table the issue(s) with current arrangements, the risk(s) these pose to customers, whether the issue(s) would be addressed by enhancing the BMCS and/or a balanced scorecard and how.</p>	SSEN	<p>Provide an update at 30th April WG.</p> <p>Material to be provided to Ofgem by COP Monday 27th April.</p>
<p>Complaints</p> <p>SSEN to share day+15 to day+31 research (and any other supporting evidence) which may suggest current arrangements result in unintended changes in DNO behaviour when resolving complaints.</p>	SSEN	<p>To be provided to Ofgem by COP Monday 27th April.</p>
<p>Complaints</p> <p>SSEN to prepare a table with the issue(s) with current arrangements, risk(s) to customers and then the costs and benefits of SSEN's complaints proposals.</p>	SSEN	<p>Provide an update at 30th April WG.</p> <p>Material to be provided to Ofgem by COP Monday 27th April.</p>
<p>Complaints</p> <p>Submit relevant evidence they have that current complaints handling/resolution is not working effectively.</p>	All	<p>To be provided to Ofgem by COP Monday 27th April.</p>

Action	Allocated to	Due date
<p>Complaints</p> <p>Citizens Advice to consider what they can do with the information they gather currently and if they have any evidence of complaints issues that would not be currently captured.</p>	Citizens Advice	<p>Material to be provided to Ofgem by COP Monday 27th April.</p> <p>If useful, organise slot for 30th April WG session.</p>
<p>Complaints</p> <p>DNOs to provide evidence demonstrating how PSR customers score in relation to other customers.</p>	All DNOs	To be provided to Ofgem by COP Monday 27 th April.
<p>Broadening the BMCS</p> <p>SPEN made the group aware of research conducted by Delta EE for them on volumes of LCT and proposed to share this with the group.</p>	SPEN	To be shared by Monday 27 th April.
<p>Broadening the BMCS</p> <p>Using Delta EE volumes, convert this into forecast customer contacts. Would these volumes be sufficient to include in the BMCS?</p>	SPEN	To be confirmed by SPEN
<p>Broadening the BMCS</p> <p>Provide a view of current LCT volumes to Ofgem. Would these volumes be sufficient to include in the BMCS?</p>	All DNOs (coordinated by SPEN)	<p>Provide update on Connections call 28th April.</p> <p>Provide material by COP 24th April.</p>
<p>Broadening the BMCS</p> <p>Provide a view on the current volumes in the four proposed customer segments to Ofgem (DGLV, HVHV, LVAL, LVHV). Would these volumes be sufficient to include in the BMCS?</p>	All DNOs (coordinated by SPEN)	<p>Provide update on Connections call 28th April.</p> <p>Provide material by COP 24th April.</p>
<p>Broadening the BMCS</p>	Coordinated by UKPN and ENWL	Provide update on Connections call 28 th April.

Action	Allocated to	Due date
Thinking specifically about LCTs, can DNOs put down on paper what advice the DNO can give? Should the provision of advice beyond LCTs be considered?		Provide material by COP 24 th April.
Connections DNOs to conduct a RAG assessment of the connections options presented. Using this, create a shortlist of options for consideration.	All DNOs (coordinated by UKPN)	Provide update on Connections call 28 th April. Provide material by COP 24 th April.
Connections Ofgem to arrange a connections specific call at the end of April.	Ofgem	Wednesday 15 April