

Supporting Document 04

Future standards of
customer service

Future standards of customer service

Overview

This document sets out Scottish Hydro Electric Transmission Limited's (SHETL) plans for measuring the standard of service received by our customers during the RIIO-T1 price control period (1 April 2013 to 31 March 2021).

We have put in place a process for **stakeholder engagement** during the development of our Business Plan, and we intend to continue with this throughout the RIIO-T1 period. In addition, we propose to establish a **customer survey**. The aim of this survey would be to engage with customers who have been affected by our activities so that we can get feedback on our service. We expect that as a result of measuring our performance and taking detailed feedback from our customers and wider stakeholders we will be able to target service improvements within the price control period.

We are also aware that the process for getting a new connection to our network can be complex. Thus we intend to focus our efforts on engaging with connection applicants to better explain the process and the industry rules. As part of this, we intend to put in place **customer service standards** that set out the level of service that customers can reasonably expect from us.

Contents

Customer survey	03
Timely connections standards	10

Customer Survey

Role of the customer survey

We recognise the importance of customer feedback in trying to continually build on and improve the service that we offer to users of our network and in ensuring that we are best placed to evolve in line with their changing needs.

A key part of this is stakeholder engagement. The process that we have developed and formalised over the past year will ensure that we take this into account both now and throughout the RIIO-T1 period. Our approach to stakeholder engagement and the feedback that we have gathered over the past year is set out in the supporting document [Our customer and stakeholder engagement process](#). We will continue with this process throughout RIIO-T1.

In addition to our ongoing stakeholder engagement, we intend to implement a customer survey from 2012 onwards. The focus / objective of the customer survey extends beyond stakeholder engagement and seeks to gauge the views of those that have had reason to interact with us. It also seeks to put an incentive on us to do more in this area.

Structure of our survey

Scope of survey

We propose to establish a survey that spans across our key customer interactions. We believe this should be bespoke to SHETL given the peculiarities of our network and the issues that we face. We consider there to be many parallels with the pilot customer survey that is currently being trialled in electricity distribution.

For the majority of interactions, we believe the most appropriate form of survey is by way of telephone. Importantly, we feel the survey should be short; our aim is that it should last no more than five minutes. If it were any longer, we fear that customers will be less likely to engage, particularly on an ongoing basis given that the pool of relevant customer groups is likely to be very small in transmission in the north of Scotland, and therefore customers are more likely to be repeatedly surveyed.

However, we recognise that a telephone survey may not be appropriate in all cases. We are particularly keen to gather feedback in relation to our stakeholder engagement process. Getting this process right is critical to the success of our business. This is one area where it may prove more effective to leave stakeholders with a hard copy of our survey that can

Customer Survey

be posted back to us, or to follow up these sessions with an electronic survey. The rationale for this being the face-to-face, single point of contact. It may be that other interactions also lend themselves better to this type of approach.

Frequency of survey

We would like to tailor any survey to the customer's interaction with us during the period. This means that we envisage a number of different surveys, which are specifically designed to reflect the various types of customer interaction that we come across in our business. This will ensure that the survey is relevant to the customer and hopefully help to avoid 'survey fatigue'.

In terms of frequency, we would want to conduct telephony surveys on a quarterly basis. A quarterly survey, capturing customers who had reason to interact with ourselves during the previous quarter, would ensure that the survey is relevant to the customer involved and that any feedback is as reflective as possible of the actual customer experience. This is again reason for keeping the survey as concise as possible.

We believe a quarterly survey also allows us to survey customers at various 'milestones' over the

course of a single project. This is particularly important in relation to connections where customers will have multiple interactions with us. For example, an initial point of contact, the application process and ultimately the physical delivery of his connection. Tapping into these milestones is key to ensuring that we learn from customers what works well and what doesn't. If we wait until overall project delivery to gauge customer feedback, there is risk that we will be less able to distinguish areas of our service that we should target for future improvements.

We recognise that a quarterly survey is more resource intensive. As this is unavoidable, Ofgem must therefore make allowances for this to ensure that we are able to adequately resource the survey internally. In the first instance, we believe there may be merit in linking this necessary funding to the meeting of development milestones and the number of customer contacts. We agree that the development and roll-out of the survey is something that sits best within our organisation to ensure that any feedback can be acted on as soon as possible.

Survey development

We foresee that many of the elements discussed in this section will need to be bottomed out as part of a trial. To this end, we are very supportive of the

Customer Survey

approach put forward in discussion with Ofgem, i.e. to use our Business Plan to put forward our initial ideas and to build on this through a series of joint working with the other network licensees, Ofgem and interested parties such as customer representatives, culminating in a pilot survey.

The pilot survey will be key in understanding the confidence that we have in the survey scope and format and in establishing whether the questions are the right ones to draw out customers true experiences. We are keen to target a pilot start date of April 2012, thereby giving us a year of learning and opportunity for review ahead of the RIIO-T1 period.

Customer groups and areas of service

We have identified what we believe to be relevant customer groups by considering the different customer interactions or 'touch points' that we have in going about our day-to-day activities. These include:

- § Requests for both direct and indirect connection to our network;
- § Sessions to engage stakeholders and gather their views;
- § Concerns relating to the impact (visual or otherwise) of our existing or proposed transmission developments;
- § Concerns or questions relating to the safety of our equipment or operations; and
- § Planned or unplanned supply interruptions.

Therefore, we consider the relevant customer groups to be:

- § Connection applicants (both demand and generation);
- § Connected parties (including distribution network operators);
- § Customer bodies;
- § Environmental groups;
- § Landowners;
- § Local authorities;
- § Local residents / communities;
- § National Grid (as the system operator); and
- § Transmission owners.

Customer Survey

Example questions

In terms of gauging customer satisfaction, it is important that the focus of any questions is on what matters to customers. A one-size-fits-all approach will not be right for all customer interactions. To this end, we believe there will need to be a number of tailored surveys to address the types of interaction that are specific to SHETL.

It is also key that those customers being surveyed fully understand our role and where our responsibilities as transmission owner lie. We expect to address this through careful wording of the survey questions. However, we would also expect this to be an area that would be further refined through any trial period.

For the most part, we have structured our questions so as to require a scaled response, i.e. a rating between 1 and 10. However, in order to understand specific actions that customers / stakeholders feel we could do to improve the service that we offer, we have also included an opportunity for comment. We anticipate this combination will give us the informed feedback that we need to continually improve. In terms of informing any financial incentive, this will be determined by an overarching question that asks the

customer to rate the service that they have received, again on a scale of 1 to 10.

The following sets out our initial views on the types of questions that will lead up to that overarching question across the different customer 'touch points'.

Connection applications

Initial project meeting

On a scale of 1 to 10:

- § How helpful did you find the meeting?
- § How satisfactorily did we answer your questions?
- § Do you feel you have been clearly advised of next steps in relation to your project?

Progress update meetings

On a scale of 1 to 10:

- § How easy have you found it to contact us to discuss your project?
- § How helpful have you found us to be during these discussions?
- § Have we met your expectations with regard to progress of the project, excluding the impact of any external factors?

Customer Survey

Project milestones

On a scale of 1 to 10:

- § Have we delivered this stage of the project in a timely manner?
- § How satisfied are you with the quality of the work on site?

Stakeholder engagement

On a scale of 1 to 10:

- § How helpful did you find the meeting?
- § Would you like to have further sessions of this type?

For individual comment:

- § What did we do well?
- § What could we do to improve these sessions?

Development / operational impact

Initial milestone

On a scale of 1 to 10:

- § Did you feel adequately informed of the works?
- § How satisfactorily did we answer your questions?
- § How easy did you find it to contact us to discuss your concerns?

Ongoing engagement

On a scale of 1 to 10:

- § How easy have you found it to contact us to discuss your concerns?
- § Do you feel we have listened to your concerns?

- § Where we have been unable to take the steps that you might have liked, do you feel we have adequately explained why?

For individual comment:

- § What could we do to improve the work we do in this area?

Safety concerns

- § Please briefly explain your concern.

On a scale of 1 to 10:

- § How easy did you find it to contact us to discuss your concern?
- § Do you feel we have listened to your concerns?
- § Do you feel we took appropriate action to address your concern?

Network availability

On a scale of 1 to 10:

- § If you have suffered a planned interruption, did you feel adequately informed of the works and interruption?
- § How satisfactory was the information that we provided in relation to the interruption?
- § How easy did you find it to contact us?
- § Do you feel we are doing enough in terms of ongoing reinforcement?

Customer Survey

The application of these questions to our target customer groups is shown in the table below.

Example question set	Target Customer group
Connection applications	<ul style="list-style-type: none">– Connection applicants– Connected parties (where affected)
Stakeholder engagement	<ul style="list-style-type: none">– All
Development / operational impact	<ul style="list-style-type: none">– Connected parties– National Grid– Transmission owners
Safety concerns	<ul style="list-style-type: none">– All
Network availability	<ul style="list-style-type: none">– Connected parties– Local residents / communities

Next steps

As stated above, we support Ofgem's approach of taking forward our initial proposals for a customer survey through joint working. Whilst we believe that bespoke surveys across each of the three TOs will be necessary, we recognise that there will be areas of commonality and best practice that we can all benefit from and share. We see this joint working as taking place over the remainder of 2011.

Key to developing and refining any survey will be the trial period (or pilot). We consider it should be possible to begin trialling our survey from April 2012, with scope for ongoing review during this period. Again, there may be some benefit from establishing a TO-wide working group to share learning.

Whilst we expect trials to start from as early as April 2012, the introduction of a financial penalty and reward incentive mechanism in this area is dependent upon good information and hence is contingent on the state of readiness of the survey and the level of confidence that we have in the outturn data. We therefore believe that it is appropriate to delay the introduction of a financial incentive until later in the RIIO-T1 period, when information is available to qualify relatively good and bad performance.

Customer Survey

Notwithstanding this, it is our view at this early stage that any financial incentive on each survey is tied to an overarching question that asks the customer to give us an overall rating for the service that they have received. It may be appropriate to weight some questions differently from others. This overall rating will inform the reward / penalty mechanism that is available to us. We envisage that this will be subject to a sliding scale. Although we propose quarterly surveys, any resulting financial out- or under-performance would still be considered on an annual basis.

In the meantime, in order to fund the development and implementation of the customer survey, we consider one option would be to establish an automatic funding mechanism linked to the meeting of development milestones and the number of customer contacts. We intend to develop this mechanism further over the remainder of 2011.

Timely connection standards

Overview of our obligations

A key and frequent customer interface for SHETL is in relation to connections. In recent years, this is an area that has come under increased scrutiny given the increasing volume of connection applications, particularly from renewable generation developers.

As a transmission owner, we do not have a direct interface with customers who apply for connection to, or are already connected to, our network. Our relationship in respect of that customer's connection is with National Grid as the system operator. National Grid then has the direct interface with the customer.

Under our licence we are, where notified by National Grid that a connection application has been received, obliged to offer into terms for connection with National Grid. Our offer must make detailed provision regarding the necessary works, the associated costs and the timescales for completion. On receipt of all reasonably required information from the applicant, we are required to respond to National Grid in accordance with the timescales set out in the System Operator – Transmission Owner (SO-TO) Code (or STC).

Our licence has recently been changed in light of the Government's Connect and Manage access reform.

Amongst other things, this reform placed an obligation on us to use 'all reasonable endeavours' to complete the enabling and wider works necessary for a new connection in appropriate timescales. In particular, we are required to meet the reasonable expectation of the party that has applied for connection.

At all times in the provision of connections, we are required under our licence to develop our system in accordance with the National Electricity Transmission System Security and Quality of Supply Standard (NETS SQSS). This standard sets out criteria for the planning, development and operation of the national transmission system.

These three requirements are set out in our standard licence conditions:

- § D3 Transmission system security standard and quality of service.
- § D4A Obligations in relation to offers for connection etc.
- § D16 Requirements of a connect and manage connection.

Timely connection standards

The detail, however, is set out within the STC and specifically paragraph 4.4 of section D of the STC, 'Planning Coordination'. This sets out the timescales referred to in the aforementioned licence condition D4A:

Subject to paragraph 4.3, a Transmission Owner which receives an effective NGET Construction Application under paragraph 2.2 above shall, unless otherwise agreed with NGET or determined or directed by the Authority, submit a TO Construction Offer to NGET as soon as reasonably practicable and, in any event, on or before the later of:

- 4.8.1 three months less thirteen Business Days after the NGET Application Date: and
- 4.8.2 where relevant, three months less fifteen Business Days after the Construction Assumptions Date.

Our standard licence condition B12 requires us to have a STC in place at all times and to comply with the STC.

The full process is set out in detail in a number of STC procedures (or STCP), most notably STCP 18-1, which relates to the 'Connection and modification application'.

Our proposed approach going forward

The connections process can be considered complex. Indeed, with first-hand experience of the process and awareness that it is not readily understood by customers, we believe that this is an area that we need to focus on over the RIIO-T1 period.

The process itself is set out in industry codes; particularly the Connection and Use of System Code (CUSC) to which, as a transmission owner, we are not a party. Thus, although there is little we can do independently to change the process, there are steps that can be taken to increase the understanding and transparency of the process.

As a consequence, our main focus over the RIIO-T1 period will be customer communication, engagement and understanding.

To this end, we have committed to providing a set of customer service standards by 1 April 2013, which will set out the level of service that our customers can reasonably expect in respect of a number of areas, including in relation to connection delivery.

We also believe more can be done in relation to providing a simple customer-facing explanation of the

Timely connection standards

process, with cross-references to the relevant sections of the various industry documents. Given that this would apply across all three TOs, we believe this is something that could be developed jointly in advance of the RIIO-T1 period and made readily available to parties looking to connect.

Understandably, as the point of contact for connection applicants, National Grid would look to take the lead on this, but we are committed to providing support and help.

In addition to the above, we believe our commitment to ongoing stakeholder engagement throughout the RIIO-T1 period and the development of the customer survey will provide stakeholders and customers alike with the opportunity to inform us of things that we can do better. Our stakeholder engagement sessions will also grant stakeholders the opportunity to ask questions where they perceive there still to be a lack of clarity. Both of these processes and the feedback loops that exist through the survey mechanism should ensure that this is an area that is routinely reviewed and refined to ensure that we are offering the very best service that we can.

Given all of the above, we are not opposed to Ofgem's proposal to introduce an automatic financial penalty on us should we fail to meet our licence obligations to provide a connection offer within the

specified timescales. However, before such a mechanism is introduced, it would be appropriate for it to be tested through the customer and stakeholder engagement process. Our experience is that some customers would prefer the option of bespoke arrangements in respect of connection offers. As such, the current 'one size fits all' approach may not be in the interests of the customer and this must be taken into consideration.