

# Appendix 07.03.07

## Providing time-bound appointments

This output case describes our overall approach to making key customer facing elements of our services more convenient and providing customers with more choice when it comes to fitting our works around their busy lifestyles. We want to offer customers timeslot appointments for key areas of work such as restoration of supply, offering them the flexibility to work around their day-to-day commitments.

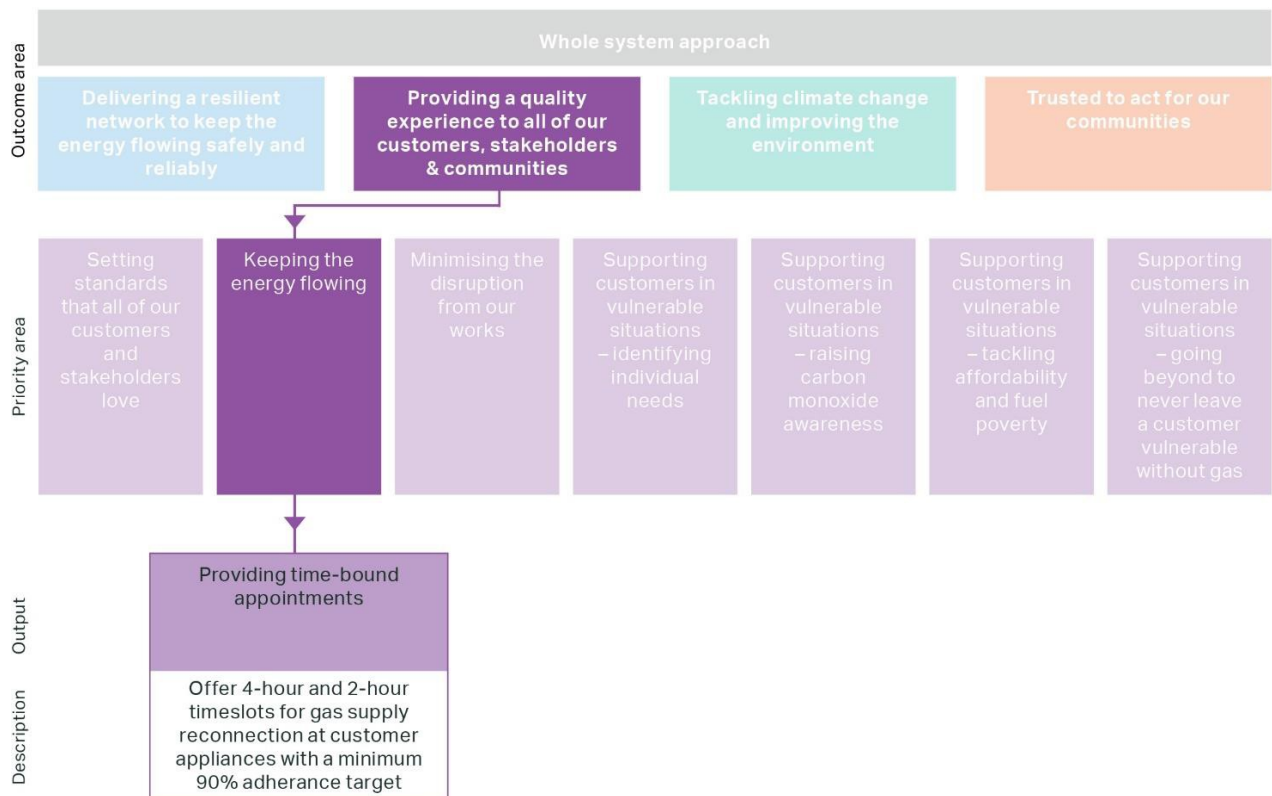
In RIIO-1 we were measured against Guaranteed Standard of Performance (GSOP) 1: Restoration of a customers' gas supply within 24 hours following an unplanned interruption. During RIIO-2, we will make the following enhancements to this measure:

- Increased compensation in line with regulatory changes and removal of the £1000 cap on this measure

During RIIO-2 we want to make our services more convenient for customers and stretch ourselves by offering the following commitments in RIIO-2:

- Provide time-bound appointments for restoration or connection of supply. Getting the gas back on was the priority for the majority of customers, hence why we have chosen this option for offering time-slots.
- We will offer 4-hour time slot appointments to all customers (AM, early PM, late PM) and 2-hour slots for those who want it. 90% of the time we will hit the timeslot requested.
- We will prioritise the needs of customers in vulnerable situations (CIVS), ensuring that, if they would like a timeslot, they are offered the one that best suits them.

**We will deliver:**



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## How we have developed our proposals

1. **We started with our vision** – Setting standards that all of our customers love requires us to seek to continually improve the experience that we provide to our customers and for us to be clear how we can do this. Throughout our enhanced engagement process a common theme has been ‘convenience’ and another ‘choice’. We initially saw this when we analysed our complaints and CSAT data at the start of the process and have been working with customers and stakeholders and understanding how other organisations meet these requirements in order to develop our specific commitments in this area.
2. **There is no specific output directly looking to measure customer convenience in RIIO-1** – But we do have several internal measures to accelerate restoration of supply at the customers’ appliances following repair works and mains replacement.
3. **We have understood what our customers are telling us regarding service convenience** – Many of the services that we offer are considered incredibly speedy and convenient as we are responding to an emergency gas call within an hour or two, depending on the safety critical nature of the call. However, when we have explored the concept of convenience with customers across a range of segments, they are keen for us to provide much more prescriptive timeslots for other work, citing standards that other organisation (such as delivery companies) provide.
4. **This provided us with a clear problem statement** – We need to put the relevant systems and procedures in place to offer customers timeslots in which we carry out work activities that may disrupt their lives.
5. **We gathered insights from historic experience and targeted engagement** – Customers, including, domestic, business and CIVS would support the introduction of time slot appointments to provide greater flexibility and certainty of when the gas supply will be restored.
6. **We have looked at what others are doing to meet this challenge** – Companies across the utilities industry and beyond are putting customers at the heart of their services and offering a wide degree of customer choice to ensure their convenience.
7. **We have defined our objectives to ensure they align to both customer needs and our delivery capabilities as a business** – Customers want a convenient service that works around their needs and busy lifestyles, however, our engineers and workforce still need to complete works required, and any offer of convenience should not restrict the delivery of outstanding safety performance. In our Willingness to Pay (WTP) process, customers placed a relatively high-level WTP for time-bound appointment slots.
8. **We have developed and considered a number of options** - Based on insights and best practice we have developed five options to test with customers: maintain the status quo, offer time-slotted appointments for isolating the supply, offer time-slotted appointments for connecting or restoring the supply, offer time-slotted appointments for digging and filling in holes, offer time-slotted appointments for all elements of our works (all options combined).
9. **We have undertaken qualitative business options testing of our proposals** – We tested customer preferences with different customer segments to ascertain their ambition levels for us. Building on the advice of our engagement delivery partner, Traverse, we did not inform customers of the price differential for each option as it was so small – we have committed to deliver the improvements with no impact on the bill.

10. **Our commitment** - We are proposing to offer 4-hour time slot appointments to all customers and 2-hour slots for those who want it, prioritising CIVS. As an aspiration we will look into options and costs around potentially texting or calling a customer prior to arrival at an appointment for added convenience.
11. **We will have plans in place to ensure delivery of our commitments** - We will put the relevant systems in place and ensure we brief our front-line delivery teams and customer call agents to ensure they are equipped with the tools and information they need in order to deliver the time-bound appointment commitment.

The table below summarises our commitment in this area:

*Table 1 Summary of our commitment*

Providing time-bound appointments	
<b>Common / Bespoke</b>	Bespoke
<b>Output type</b>	Output Delivery Incentive (R)
<b>Comment</b>	Offer 4-hour timeslot appointments to all customers, prioritising CIVS. Slots offered would be AM, early PM, late PM and 2-hour slots for those who want it.
<b>Target</b>	90% of the time we will meet the timeslot requested
<b>Cost implications (annual)</b>	N/A
<b>Incentive range</b>	N/A
<b>Consumer Value Proposition (CVP)</b>	£109m <sup>1</sup>

<sup>1</sup> Note that this is a net present value rather than gross present value, therefore it will differ from the figures quoted in Business Plan Data Tables

## 1. Defining our customers' needs



### 1.1. What is the area?

We provide our customers with a wide range of services to deliver the outcomes they want and need. It is important for us to consider the impact our activities may have on our customers and to provide a convenient service that works around their lives. Although some of our work cannot be planned and needs to be carried out as soon as possible to keep our customers safe (e.g. responding to emergency gas escapes), other elements of our work can be planned (e.g. repair work, mains replacement or connections).

Our plans should work around the needs of our customers while allowing us to continue to deliver essential works efficiently. Offering our customers time-bound appointments at key customer touch points across our planned services will allow us to provide a convenient service and work around the lives of our customers.

### 1.2. Why is it important to customers and stakeholders?

Our work can be inconvenient for our customers, even occasionally causing severe disruption to their lives and the activities of their wider communities. Gas distribution networks (GDNs) across the industry do not currently provide customers with time-bound appointments for the restoration of their gas supply following repair or mains replacement, but rather expect customers to fit in with times offered by them. However, doing so could help minimise the inconvenience to customers.

Our customers lead busy and demanding lifestyles and therefore expect a convenient and reliable provision across all types of services they receive. We are not exempt from this, and customers tell us that it is essential we work around their lifestyles and needs to minimise the impact of our works and improve their overall experience.

There is a clear customer need for us to provide accurate and timely communications about our planned services – this is backed up by our WTP analysis and by reviewing the services that other organisations offer. Ultimately, transparency about the works and the expected timing of them will allow customers to anticipate how our works will affect their day-to-day activities.

### 1.3. What insights are shaping our thinking

#### Sources of insight



We engaged with the following stakeholders and customers across a range of methods to understand their wants and needs with regards to our work, specifically on information regarding the timing of appointments.

*Table 2 Customers and stakeholders engaged*

Customers	Industry stakeholders
<ul style="list-style-type: none"> <li>• Domestic customers</li> <li>• CIVS</li> <li>• Multiple Occupancy Building customers</li> <li>• Fuel poor customers</li> <li>• Business customers</li> <li>• English as a second language (ESL) customers</li> <li>• Non-English-speaking customers</li> <li>• Future customers</li> <li>• Employees</li> </ul>	<ul style="list-style-type: none"> <li>• Mains replacement delivery partners</li> <li>• Gas Distribution Networks</li> <li>• Ofgem</li> <li>• Local businesses/communities</li> <li>• Highway Authorities</li> <li>• Local Councils</li> <li>• ttiglobal</li> <li>• Verve</li> </ul>

Insights were gathered through historical engagement, BAU (Business as usual) insights and our RIIO-2 engagement programme. We have summarised each activity, the questions asked (where applicable), the numbers involved, and a robustness score based on the following criteria:

Criteria	Robustness score		Relevance
The score shown is based on a combination of the robustness of the source information (judged on whether it was recent, direct and representative) and the relevance to this area.	<1.5	One or zero criteria met	Limited relevance
	1.5 – 2.0	Two criteria met	Significantly relevant and contributory
	>2.0	All criteria met	Highly relevant and contributory

Table 3 Engagement activities

Phase	Date	Source name	Source description	Questions asked	# of stakeholders	Score
BAU Insights	Aug-18	Ofgem's RIIO-2 Customer and Social working group on 30 Aug 2018	We discussed fuel poverty with key industry players and the regulator at Ofgem's Customer and Social Issues Working Group. There were circa 12 attendees at each working group.	N/A	12	3.0
	Ongoing	CSAT	We are required to send postal surveys to a proportion of our customers following work on their properties to understand their views of our performance. This is used to determine our CSAT incentive.	Customers provide a score for our work across different areas relating to each process covered by CSAT, for example time off gas, competency and skills and respect to customer and property for the Emergency Response and Repair process.	24,067	1.0
	Ongoing	Social Media	We monitor social media for comments and posts relating to Cadent and try to resolve specific concerns in response. We also analyse social media trends over time to identify potential common issues.	N/A	1,068	1.0
	Ongoing	Rant & Rave	Rant & Rave SMS surveys allow customers to give real time feedback on our work, allowing immediate interventions to take place to improve customer experiences. We have implemented this over and above the standard CSAT postal surveys we are required to send out by Ofgem. We have analysed these based on common root causes of issues.	Customers provide a score for our work and then give comments to explain the reasons behind this. We will act based on this to try to rectify any low scores.	52,240	1.0

Discovery	Sep-18	Deliberative workshops	We delivered full day deliberative workshops in each of our regions to discuss what services customers find important, find out customer expectations of GDNs and gather feedback on our (at the time) four draft customer outcomes. The sessions began with information-giving and building knowledge of Cadent, then eliciting participants' views of services and priorities.	Participants were asked about their awareness of Cadent and expectations of a GDN. Participants were also asked for their views on the four draft outcomes in Cadent's business plan: keeping your energy flowing safely, reliably and hassle free; protecting the environment and creating a sustainable energy future; working for you and your community safeguarding those that need it most; value for money and customer satisfaction at the heart of all our services. The aim of the discussions was to shape these draft outcomes and identify any gaps.	206	2.0
	Oct-18	Focus groups with hard to reach groups	We held focus groups with individuals considered 'hard to reach' in each of our regions. Each group contained 8-10 participants and lasted two hours. Participants covered three groups: urban customers with English as a Second Language, Future Generations and Non-Customers (predominantly from rural areas). These built on our previous deliberative workshops, whose voices could otherwise become 'lost within the crowd'.	Participants were asked what they expected of Cadent. The four draft outcomes for the business plan were shared with participants and they were asked for their views on these, what they wanted to see from Cadent and whether there were additional outcomes that Cadent should include.	57	2.0
Targeted	Apr-19	Gas distribution network GSOP planned works report PSR customers	GP Strategies and ttiglobal were commissioned to engage planned works customers across the UK GDNs, testing appointment setting for gas restoration and the implementation of a new GSOP. 2,095 planned works customers were surveyed, of which 523 were PSR customers.	Customers were asked about the gas replacement work that had affected them and for how many hours they were interrupted. They were asked how happy they were with: the effort to inform them about the gas replacement work and that their gas supply was restored as soon as possible. The survey also explored what could have improved the process for getting their gas supply restored e.g. update by text/phone/email or timeslots. Customers were also asked what they would like if we fail to meet the appointment time to get their gas back on.	523	2.5



Targeted	Apr-19	GDN GSOP Planned works survey April 2019	GP Strategies and ttiglobal were commissioned to engage planned works customers across the UK GDNs, testing appointment setting for gas restoration and the implementation of a new GSOP. 2,095 planned works customers were surveyed, of which 1,014 were Cadent customers. Overall, planned works customers were largely in agreement that the current process of turning their gas supply back on is working well with no changes required to improve the process. Of the few that wanted to see improvements, most preferred an update by text rather than being offered a time slot.	Customers were asked about the gas replacement work that had affected them and for how many hours they were interrupted. They were asked how happy they were with the effort to inform them about the gas replacement work and that their gas supply was restored as soon as possible. The survey also explored what could have improved the process for getting their gas supply restored e.g. update by text/phone/email or timeslots. Customers were also asked what they would like if we fail to meet the appointment time to get their gas back on.	2,095	3.0
	May-19	Cadent customer forums (April & May 2019): Interruptions and Reinstatements	The third round of customer forums was held at four locations (Ipswich, London, Manchester, Birmingham) involving 104 customers. The forums are designed to be ongoing conversations with customers, with engaged discussions around the role of Cadent within society. The third customer forum focused on planned and unplanned interruptions and public and private reinstatements to inform these sections of the RIIO-2 business plan. Within these themes, we investigated how customers are impacted and what level of customer service they think we should provide.	Customers were guided through different questions about the current service during planned and unplanned interruptions and new ideas Cadent were considering around: communication, length of interruption, provisions and time slots to get gas back on. Discussions on public reinstatement focused on impact of public reinstatement on customers, communication and multi-utility working. Discussions on private reinstatements focused on the quality and duration of works.	104	3.0

<p><b>Willingness to Pay</b></p>	<p>Feb-19</p>	<p>NERA &amp; Traverse: Estimating Customers' WTP for Changes in Service during RII02, 28 May 2019 (Stated preference)</p>	<p>We commissioned NERA and Traverse to design, implement and analyse a stated preference survey to estimate domestic and non-domestic customers' WTP for improvements in our service. Twelve different service attributes were considered. These covered issues relating to interruptions (probability, length and timeslots for restoration); the environment (leakage; green gas, clearing up disused sites); reinstatements (duration and number) and supporting the vulnerable and fuel poor (provisions during an interruption and connecting fuel poor to the network).</p>	<p>The surveys consisted of twelve attributes related to the service provided by Cadent Gas, which were grouped into three sets of attributes to ensure customers were presented with a manageable number of attributes at any one time. Customers were asked to choose a preferred service package from a number of options in each of these areas, given the associated bill impact.</p> <ul style="list-style-type: none"> <li>▪ First set of attributes:           <ul style="list-style-type: none"> <li>– Restoring gas supply after short unplanned interruptions (3-24 hours);</li> <li>– How long the short interruption lasts;</li> <li>– Restoring gas supply after an unplanned interruption lasting more than 24 hours; and</li> <li>– Offering customers time slots for restoring gas supply;</li> </ul> </li> <li>▪ Second set of attributes:           <ul style="list-style-type: none"> <li>– Reducing the proportion of gas lost through leakage;</li> <li>– Proportion of gas that comes from green sources;</li> <li>– Clearing up disused sites; and</li> <li>– Reducing the number of excavations in roads;</li> </ul> </li> <li>▪ Third set of attributes:           <ul style="list-style-type: none"> <li>– Providing welfare services during interruptions;</li> <li>– Measures to address fuel poverty;</li> <li>– Connecting households in fuel poverty to the network; and</li> <li>– Reducing the length of time it takes to carry out work.</li> </ul> </li> </ul>	<p>3,103</p>	<p>3.0</p>
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<p><b>Willingness to Pay</b></p>	<p>Jul-19</p>	<p>NERA &amp; Traverse: Triangulation by attribute, July 2019</p>	<p>We commissioned NERA and Traverse to produce a report which 'triangulates' the WTP evidence previously prepared through desk-based research and surveys. This brought together the conclusions from previous studies including: (1) the benefit transfer report, which used desk-based research to survey existing valuation evidence available from published sources; (2) the targeted benefit transfer study, focusing on estimating the economic value of extending the gas network to new customers; (3) the stated preference study; and (4) the revealed preference study focused on surveying customers about their experiences of actual gas supply interruptions. The objective was to draw on a range of estimates to improve the reliability of any business planning assumptions that we make.</p>	<p>N/A</p>	<p>0</p>	<p>3.0</p>
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<p><b>Business Options Testing</b></p>	<p>Jun-19</p>	<p>Cadent customer forum, round 4, Traverse</p>	<p>We held our fourth customer forum in Ipswich, London, Birmingham and Manchester to get customers' views on their priorities on a range of issues. This cross section of customers discussed with us various options (some proposed by us, some suggested by them) in a deliberative style session. Key topics discussed included: customer service, replacing pipes, reinstatement, interruptions, fuel poverty, carbon monoxide, decarbonising energy and becoming carbon neutral.</p>	<p>Participants were asked questions about a range of topics. On customer service, we explored what 'great' looks like. We also asked about timeliness and communication with respect to reinstatements. We also tried to understand the level and type of service customers want during an unplanned interruption, including views on provisions, length of time without gas, and timeslots for getting the gas turned back on. We also asked for views on our options for addressing fuel poverty and carbon monoxide.</p> <p>With regards to resilience, we sought to understand what risks customers prioritise when replacing mains pipes and how this is influenced by bill impact as well as views on minimum standards of service.</p> <p>On the environment, we discussed: whether the theft of gas should be a priority (and who should benefit from successful recovery), whether connecting off-grid communities was a good way to decarbonise (and who should pay for this) and customer views on our plans to make our business operations carbon neutral.</p>	<p>200</p>	<p>2.0</p>
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<b>Business Options Testing</b>	Aug-19	Workshops with customers in MOBs, Traverse	<p>We commissioned Traverse to hold workshops with 41 customers who live in MOBs and have experienced unplanned interruptions in the last 18 months in order to understand the specific issues facing such customers given the atypically long duration of their interruptions relative to other customers.</p> <p>Themes emerging from the workshops included: the importance of coordination with the Council / housing management and communication with residents; the need for consistent and personalised provisions; and the need to recognise that MOBs (and London) are more complicated.</p>	Customers who live in MOBs and have experienced unplanned interruptions in the last 18 months were asked about their priorities. We also sought to understand their experience of unplanned interruptions in MOBs, and their preferences for improving the process, provisions during an interruption and compensation. Customers were also asked what factors should be prioritised when replacing mains pipes.	41	2.0
	Aug-19	Employee workshop, Traverse	<p>We commissioned Traverse to engage with 80 Cadent employees (across grades and geographies) in a full day workshop. We sought views on our July draft business plan and held a number of exercises to gain input into further iterations. We gained a number of useful insights: influencing contractors was highlighted as a challenge for achieving carbon reductions, communication was noted as critical to great customer service, internal silos were highlighted as a barrier and some argued that greater ambition was possible for interruptions and reinstatements.</p>	<p>We sought views on our July draft business plan and held a number of exercises to gain input into further iterations. Topics discussed included:</p> <ul style="list-style-type: none"> <li>improving the environment (including future hydrogen and carbon neutral options),</li> <li>achieving a quality customer experience (including the length of, and provisions during, interruptions; and reinstatements);</li> <li>what trusted to act for society means and our obligations to customers and society; and</li> <li>safety and resilience (including our business plan options and how realistic / ambitious they are).</li> </ul>	80	2.0

<p><b>Business Options Testing</b></p>	<p>Aug-19</p>	<p>Business customer workshops, Traverse</p>	<p>We commissioned Traverse to engage with 74 business customers through deliberative workshops to understand their views on options for our business plan in relation to a number of areas that would affect their businesses such as the supply and demand of gas, interruptions, reinstatements and minimum standards.</p> <p>One of the topics discussed was demand-side response. Many businesses said they could turn gas down or off to some extent but noted that education and awareness were critical.</p>	<p>Businesses were asked about their priorities. The future of gas, including decarbonisation, was also discussed in terms of business awareness of the issue and potential implications. The ability and willingness for businesses to reduce their demand under certain circumstances was also discussed.</p> <p>The impact of interruptions and reinstatements on their business was also explored including the need for provisions during interruptions, the desirability of time slots when gas is switched back on, multi-utility working and communication.</p> <p>Businesses were also asked if they would be willing to pay for Cadent to go beyond minimum standards.</p>	<p>74</p>	<p>2.5</p>
<p><b>Acceptability Testing</b></p>	<p>Oct-19</p>	<p>Phase 4 - Business interviews and surveys</p>	<p>We commissioned Traverse to test the acceptability and affordability of Cadent's proposed plan amongst business customers. This consisted of an on-line / face to face survey of 504 business customers and in-depth qualitative telephone interviews with 45 business customers. This showed that the plan had achieved high levels of acceptability and affordability from a business customer perspective.</p>	<p>Business customers were asked about the acceptability and affordability of Cadent's overall plan. If they said that the plan was unacceptable, they were asked to explain their response. If they said that it was neither acceptable nor unacceptable, they were asked what they would like to see in order to find it acceptable. Business customers were also asked to rate the acceptability of the outcome areas (environment, quality experience and resilience). Then, having learnt about the outcome areas, customers were asked as "informed customers" to rate the overall acceptability and affordability of the plan.</p>	<p>549</p>	<p>3.0</p>

<b>Acceptability Testing</b>	Oct-19	Acceptability testing - final survey report on domestic customers,	We commissioned Traverse to test the acceptability and affordability of Cadent's proposed plan amongst domestic customers. This consisted of surveying 4,446 domestic customers through on-line and face to face methods. This showed that the plan had achieved high levels of acceptability and affordability amongst domestic customers, including those who are fuel poor.	Customers were asked about the acceptability and affordability of Cadent's overall plan. If they said that the plan was unacceptable, they were asked to explain their response. If they said that it was neither acceptable nor unacceptable, they were asked what they would like to see in order to find it acceptable. Customers were also asked to rate the acceptability of the outcome areas (environment, quality experience and resilience). Then, having learnt about the outcome areas, customers were asked as "informed customers" to rate the overall acceptability and affordability of the plan.	4,446	2.0
	Oct-19	Acceptability testing - focus groups with the general population	We commissioned Traverse to explore the acceptability of our plans and commitments in each of the three outcome areas (environment, quality experience and resilience) with 79 members of the public in regional focus groups. Participants were supportive of our plans for quality experience and resilience, but no consensus was reach on our environmental plans.	A group discussion was facilitated to discuss views on Cadent's plans in each of the three outcome areas and participants were also asked to complete a survey to rank levels of acceptability and affordability.	79	2.0
	Oct-19	Acceptability testing - customer forum	We commissioned Traverse to explore the acceptability of our plans and commitments in each of the three outcome areas (environment, quality experience and resilience) with 109 customers who had attended previous customer forums. Overall, participants found our plans to be both acceptable and affordable.	A group discussion was facilitated to discuss views on Cadent's plans in each of the three outcome areas and participants were also asked to complete a survey to rank levels of acceptability and affordability.	109	3.0

<b>Acceptability Testing</b>	Oct-19	Acceptability testing - focus groups with future customers	We commissioned Traverse to explore the acceptability of our plans and commitments in each of the three outcome areas (environment, quality experience and resilience) with 20 'future customers' (16-18-year olds) in 2 focus groups. Participants were supportive of our plans for the environment and resilience but questioned whether helping vulnerable customers was part our remit.	A group discussion was facilitated to discuss views on Cadent's plans in each of the three outcome areas and participants were also asked to complete a survey to rank levels of acceptability and affordability.	20	2.0
	Oct-19	Acceptability testing - interviews with CIVS	We commissioned Traverse to explore the acceptability of our plans and commitments in each of the three outcome areas (environment, quality experience and resilience) by interviewing 20 CIVS Overall, our plans were supported, and all found the plans affordable.	Throughout the interviews the CIVS were explained the elements of the plan, asked to comment on whether they found each outcome acceptable, which particular elements were important to them, and whether they had any additional comments. They were also asked whether the new business plan was affordable.	20	2.0
	Oct-19	Acceptability testing - fuel poor focus groups	We commissioned Traverse to explore the acceptability of our plans and commitments in each of the three outcome areas (environment, quality experience and resilience) with 35 customers in fuel poverty in regional focus groups. Overall, participants were supportive of our plans in all three areas.	A group discussion was facilitated to discuss views on Cadent's plans in each of the three outcome areas and participants were also asked to complete a survey to rank levels of acceptability and affordability.	35	3.0
	Oct-19	Verve business plan consultation	We commissioned Verve to gather views on our plans to reduce our carbon footprint from 25 customers. We did this through an online forum with customers and stakeholders to discuss the key components that we shared on our EAP. This included our intentions to support our employees to make a positive difference to tackling climate change.	Participants were asked about their awareness of Cadent, discussed the three outcome areas (environment, quality experience and resilience), discussed the bill impact breakdown (both at present and as a result of the plan), risks and uncertainties and innovation funding.	25	2.0



## 1.4. Engagement feedback and insights

Many of the customers we engaged with highlighted the importance of convenience to them. The ideas that we generated together with customers fell into two core categories - clear and accurate communication and offering appointments slots. On the contrary there was far less focus on other areas that we explored such as the duration of repairs. The overall message was that setting expectations and delivering against them is far more important than the duration of the job in question.

### *Importance of timely and accurate communication*

Customers emphasised the importance of timely, reliable communication. Participants in deliberative customer workshops with 206 attendees, stressed that sufficient notice should be given before planned works and that customers should be kept updated throughout the works. Participants also highlighted the importance of finishing any roadworks within the originally announced timetable and even suggested setting expectations low to ensure that they were always met. Attendees at our focus groups with hard-to-reach customers echoed the importance of keeping people up to date and wanted Cadent to 'stick to its promises' about timing.

These comments are reinforced by the 42,000 customer satisfaction surveys we analysed, both for CSAT and from our internal 'Rant and Rave' SMS surveys. Uncertainty around the length of time customers are off-gas as a result of our works and when we will be undertaking work are two of the most common reasons for low scores in CSAT responses. Dissatisfaction with communication during works is also highly correlated with the length of time customers are off gas. This was similarly a common theme in messages and posts about Cadent on social media, 200 of which were analysed.

### *Customers do not want timeslots to be a minimum standard*

We conducted a joint piece of research with the GDNs to understand if customers who have experienced a planned interruption to their gas supply about their views on GDNs providing a time slot for when their gas supply is restored as a minimum guaranteed standard. The study found that 20% of Cadent customers believed the process would have been improved if they were offered a specific time slot, while 25% felt an update by text/phone would have improved the experience. Our partner networks received similar feedback, showing that customer preferences did not vary much across regions and networks. 19% of Cadent customers recommending that we provide them with the ability to choose a time slot for their appointments (when we asked for them to choose their preferred approach to minimising disruption). Out of these customers, the majority also preferred a 2-hour time slot (71%; 20% preferred a 4-hour time slot and 9% indicated 'other').

We segmented this research to understand the views of Priority Services Register (PSR) customers specifically. Customers were asked, what should happen if they fail to meet the appointment time to get their gas back on (in addition to providing a revised time). 40% of Cadent PSR customers wanted an apology, 67% wanted an explanation and 18% wanted compensation. The industry-wide percentage for those wanting compensation was 16%.

### *Customers do support time slots as an additional service beyond minimum requirements*

Participants in deliberative customer workshops suggested using a wide range of communication channels to give updates, such as a tracker app so that customers can see if the engineer is on the way. We have used this feedback when defining the commitments that we have made about minimising customer disruption elsewhere in our Plan.

The majority of the 104 customers engaged in our third customer forum on interruptions and reinstatements indicated that they would like us to provide timeslots for their appointments. There was no consensus over the length of the time slots, although when choosing between a 1-hour, 2-hour, 4-hour, or no time slot, the most popular option was a 2-hour time slot for unplanned interruptions. However, for planned interruptions, customers suggested that appointment slots between 4 and 8 hours would be acceptable.

In addition, at Ofgem's RIIO-2 Customer and Social Working Group, the regulator indicated their proposal for planned interruptions will focus on adherence to customer appointment slots for supply restoration. This would require measurement at the customer's appliance, rather than at the Emergency Control Valve (ECV). We investigated this proposal further with our customer base.

### 1.5. Willingness to Pay

We investigated providing time-bound appointments further with our stated preference survey of over 3,100 customers, conducted by independent partners NERA and Traverse. WTP estimates for individual services for domestic customers were based on a conservative contingent valuation approach. Domestic customers indicated that they were willing to pay £1.97 for 4-hour time slots, or £3.40 for 2-hour time slots.

Non-domestic customers were surveyed on their WTP for a package of services including time slots—the WTP estimates for this package were negligible. However, there was some indication from non-domestic customers that they were willing to pay for certain service improvements individually. In the case of time slots on their own, the WTP estimates provide an upper bound for valuations, and were £1.93 for 4-hour time slots, and £15.32 for 2-hour time slots.

The valuation assigned to different service levels per customer per year, on average across all regions was as follows:

- To move from the current practice of no time slots but aiming to reconnect by 8pm, to 4-hour time slots, the low and central-case domestic customer valuation was £1.97, and the high-case valuation was £3.86. To move from a service level of 4-hour to 2-hour time slots, the low and central-case domestic customer valuation was £2.11, and the high-case valuation was £4.13.
- For non-domestic customers, the low case valuation was zero across all service levels. To move from a service level of current practice to 4-hour time slots, the central and high-case valuation was £1.93. To move from a service level of 4-hour to 2-hour time slots, the central and high-case non-domestic customer valuations were £12.79 and £13.39, respectively.

Domestic customer WTP for these service levels was higher than average in North West England and lower than average in the West Midlands, North London and the East of England. On the other hand, non-domestic WTP did not vary by region.

However, despite the aforementioned support for time slots, it should be noted that stakeholders at our customer forum on interruptions and reinstatements emphasised a variety of priorities above having a specific time slot. These were the efficiency of the gas reconnection, safety, and the needs of CIVS.

*Table 4 Summary of insights*

Feedback/Insight	How we have addressed this
There is a clear customer need for us to provide accurate and timely communications about our planned services.	We are in the process of reviewing feedback from customers on how we communicate with them across all our work types, and we appreciate that advanced warning of works is important for impacted customers and communities. For more specific analysis and commitments on how we will be enhancing our communication offerings, including notification of works in RIIO-2, please see our output appendices '07.03.08 Minimising disruption from our works' and '07.03.05 Measuring and enhancing accessibility and inclusivity'.
Customers, including those in vulnerable situations do not think that time-bound appointments should be a minimum requirement, but are supportive for specific timeslots for reconnecting the gas supply, especially 2-hour slots.	Our commitment options for providing time-bound appointments explore offering appointment slots for a range of different work types, providing the pros and cons for each, with the aim of providing greater convenience to our customers.
Customers highlighted that a time-bound appointment commitment should not be prioritised over the efficiency and safety of our emergency work.	We would never compromise safety in anything that we do, therefore this, together with the efficiency of our works will always be at the forefront of our minds when developing customer service offerings.

## 2. Assessing the measurement options



### 2.1. How is it currently measured?

There are no formal output measures for providing time-bound appointments to customers when restoring their gas supply in RIIO-1. We do have several internal measures to accelerate the restoration of supply (at the customers' appliances) following repair works and mains replacement. These will be detailed in Section 3 'Assessing performance levels' later in this appendix. It is possible to ascertain convenience levels through the CSAT process, but only for the 3 services where CSAT is run and then only by interrogating the detailed written responses provided by customers. The relevant question within the current planned work customer satisfaction survey asks, 'how satisfied were you that your supply was restored as soon as possible', however, this relates to the length of the supply interruption rather than the level of service experienced to arrange for the supply restoration and the restoration process itself.

### 2.2. Assessing good practice

GDNs do not currently provide time-bound appointments in relation to the restoration of the gas supply following repair or mains replacement. However, for gas connections, Cadent meets the offered substantial completion date of a connection as per GSOP 11.

#### Across the energy industry and wider

##### *British Gas<sup>2</sup>*

British Gas offers a service to book and manage engineer appointments on its website. Customers can:

- Book a repair
- Book an annual service
- Or, if you are already booked, you can view, amend or cancel your appointment online via the 'manage booking' tool

##### *National Grid Metering (NGM)*

NGM provides installation and maintenance services to energy suppliers across the UK. We currently have commercial arrangements with NGM in which our engineers undertake the metering work. As part of this we are required to attend a customer's property within three hours if we are informed about a faulty meter and offer customers 2-hour appointments to complete installation or maintenance works.

*Table 5 Metering appointments achieved (year to date as at 9th June 2019)*

Network	Appointments	Appointments kept	Achieved %
East of England	2702	2632	97.4%
North London	2495	2445	98.0%
North West	1947	1913	98.3%
West Midlands	1382	1371	99.2%

#### Electricity Distribution

Electricity Distribution Network Operators are required to offer and keep appointments as a guaranteed minimum standard if the company needs to visit a customer at their property or the customer requests a visit. The distribution company must offer a timed appointment – AM (before 1pm) or PM (after 12pm) or a specific time 2-hour window.

<sup>2</sup> <https://www.britishgas.co.uk/book-engineer>

'Making and keeping appointments' (Electricity Guaranteed Standard 8) has been a standard in electricity provision since they were first established in 1991 for the Public Electricity Suppliers (PESs). When electricity distribution and supply were split in 2000, Ofgem chose to continue with the standard based on dissatisfaction as a result of missed appointments.

### *Western Power Distribution<sup>3</sup>*

Western Power Distribution have their own initiative called 'Target 60', to restore supplies to as many customers as possible within 60 minutes of a fault on their High Voltage(HV) network. When there is a fault on the HV network, engineers in their control centres are automatically notified and restore most electricity supplies remotely using controlled switches to redirect the route of electricity. In many cases, computer-controlled sequence switching works straight away to restore large blocks of customers. They will also send staff to the site of the fault to carry out local switching.

### **Water industry<sup>4</sup>**

Water and sewage companies are also obliged to offer and keep appointments as part of their guaranteed service standards. GSS1 Making appointments (Regulations 17C (England) and 6 (Wales)) states the following:

- If an appointment is made with a customer, the company must give notice to the customer that its representative will visit during the **morning or the afternoon**. The company must also specify to the customer the times it considers to be the morning or afternoon.
- If requested by the customer, the company must give notice to the customer that its representative will visit within a specified **2-hour time slot**.
- If the company fails to do any of the above, it must automatically make a £20 GSS payment. A further £10 should be made for late payments.

### **Parcel delivery service**

Delivery companies lead the way in providing time bound appointments as well as continually innovating and responding to the changing needs of their customers (e.g. providing customers with the ability to track their parcel).

**Amazon<sup>5</sup>** offers a wide range of delivery options and their Prime subscription service adds additional benefits. An Amazon Prime subscription includes delivery, photo, music, Kindle books, and sharing benefits for £79.00 a year or £7.99 a month:

- Unlimited one-day delivery
- Unlimited same day (evening delivery)
- Delivery upgrades to faster delivery

**Delivery specialists UPS<sup>6</sup>** offer an even wider range of delivery options that can be tailored to the customer's needs. Costs vary depending on the speed of delivery and any add-ons (value-added services) selected.

Value-added services for collection and delivery include:

- Direct delivery only
- On-call collection
- Saturday delivery
- UPS smart pick up

<sup>3</sup> <https://www.westernpower.co.uk/our-network/investing-in-our-network>

<sup>4</sup> <https://www.ofwat.gov.uk/wp-content/uploads/2017/03/The-guaranteed-standards-scheme-GSS-summary-of-standards-and-conditions.pdf>

<sup>5</sup> <https://www.amazon.co.uk/gp/help/customer/display.html?nodeId=201910360>

<sup>6</sup> <https://www.upstoday.com/parcel-delivery/uk>

- Daily on-route collection
- Day specific collection

DPD<sup>7</sup> offer a number of services customers are able to choose from, including:

- Next day delivery by 10:30, or by close of business
- Extend the working week with delivery on Saturdays and Sundays (nationwide Sunday service is an industry first)
- DPD Pickup allows customers to have their order delivered to the nearest DPD Pickup point. Or if they are not going to be at home for a delivery, an 'in-flight' option is available through text and email notifications, by which the delivery can be diverted to a local DPD Pickup point.
- Through DPD's industry-leading Predict service, customers are provided with a one-hour delivery window, notified by SMS and email, so they do not have to wait in all day. In addition, customers can watch the progress of their delivery on a real-time map, all the way down to a final 15-minute timeslot.

### Summary of best practice

Companies across the utilities industry and beyond are putting customers at the heart of their services and offering a wide degree of customer choice to ensure convenience. Our customers may expect us to provide similar services and minimise the inconvenience we cause in their lives (e.g. through the ability to book a timeslot for specific work activities.)

### 2.3. What options have we considered?

#### Defining objectives

Reflecting on the insights we have received from our customers and stakeholders and best practice across the energy sector and customer service industry, we have defined the objectives the time bound appointments output measure should deliver in RIIO-2.

*Table 6 Defining the objectives*

Objective	Business insights	Customer and stakeholder insight/feedback	Best practice	Strategy / policy
<b>Offer greater convenience and flexibility;</b>	Our service can be seen as inconvenient or offer little choice.	Customers want a convenient service which works around their needs and busy lifestyles.	Many customer service companies offer time bound appointments for when they need a customer to be at home.	
<b>Use innovative methods to reduce customer effort;</b>	No online facility to book or track appointments.		Many delivery companies and supermarkets use text messaging and apps to allow customers to book appointments and track progress.	
<b>Ensure work continues to be delivered efficiently; and</b>	Our engineers and workforce tell us that they still need to complete the works required and any offer of convenience			We still want to achieve work productively and efficiently in order to achieve our repair

<sup>7</sup> [https://www.dpd.co.uk/content/products\\_services/uk\\_services.jsp](https://www.dpd.co.uk/content/products_services/uk_services.jsp)

	should not restrict delivery.			and mains replacement targets.
<b>Target greater convenience for areas where there is the greatest customer impact</b>	Customers tell us that appointments should be offered when we need access to their property or need them to be at home.		Leading customer service companies do not offer appointments for everything but target the areas where customers would benefit from appointments most.	

Table 7 Options we considered

<b>Option 1: Maintain the status quo</b>	
<ul style="list-style-type: none"> <li>• <b>Planned work (mains replacement)</b> – Do not provide appointment slot but isolate supply around 8 am and seek to restore supply by 6 pm where possible. <ul style="list-style-type: none"> <li>○ Enhance pre-site survey work to understand the customers’ requirements so we know when they are available.</li> </ul> </li> <li>• <b>Repair</b> – Do not provide an appointment slot but seek to restore supply as soon as possible.</li> <li>• <b>Connections</b> – Adhere to offered dates of substantial completion of connections work (including alteration of an existing connection).</li> </ul>	
<b>Assessing the merits and drawbacks</b>	
<b>Pros</b>	<b>Cons</b>
<ul style="list-style-type: none"> <li>• Efficiencies are achieved in the restoration of supply being driven by engineering need rather than multiple teams being required to restore supply within customer determined time slots</li> <li>• Drives connection work to be completed on the planned completion date</li> </ul>	<ul style="list-style-type: none"> <li>• Not flexible to the convenience and needs of customers</li> <li>• Loss of time for customers if they are required to take the whole day off work to be at home</li> <li>• Wasted time as customers wait for their ‘as soon as possible’ visit rather than have the ability to plan around an agreed appointment</li> <li>• Connections customers may still be off-gas as substantial completion does not necessarily mean that gas will be available inside customer premises</li> <li>• Connections customers are not given a time range in which they will be connected (just a date)</li> </ul>
<b>Potential unintended consequences</b>	
<ul style="list-style-type: none"> <li>• This does not achieve our vision of offering time-bound appointments at the customers’ convenience</li> <li>• Customer satisfaction levels may reduce as customer expectations increase and our service levels remain stagnant</li> </ul>	

<b>Option 2: Offer time-slotted appointments for supply isolation</b>	
<ul style="list-style-type: none"> <li>• <b>Planned work (mains replacement)</b> – Offer time-slotted appointments for isolation of a customer’s supply during planned works</li> <li>• <b>Repair</b> – N/A – isolation as soon as possible due to emergency</li> <li>• <b>Connections</b> – Offer time-slotted appointments for isolation of supply during a diversion or disconnection. Does not apply for a new connection</li> </ul>	
<b>Assessing the merits and drawbacks</b>	
<b>Pros</b>	<b>Cons</b>
<ul style="list-style-type: none"> <li>• Allows customers to understand when they will lose their gas supply</li> <li>• Ensures that the customer is at home during the isolation</li> </ul>	<ul style="list-style-type: none"> <li>• Time slot only offered for one element of the job</li> <li>• Increased cost of flexible supply-isolation teams</li> <li>• Considerable increase in costs</li> <li>• Logistically undeliverable and inefficient</li> </ul>



<ul style="list-style-type: none"> <li>Time-slotted appointments for connections isolations make it easier for customers to schedule the works around their lifestyle needs</li> </ul>	<ul style="list-style-type: none"> <li>Does not address the area of most concern</li> <li>Only services diversions and disconnection connections customers</li> </ul>
<b>Potential unintended consequences</b>	
<ul style="list-style-type: none"> <li>Customers are confused and frustrated with our service offering and do not understand why they are not offered an appointment slot for restoring the gas as well as isolating it.</li> </ul>	

<b>Option 3: Offer time-slotted appointments for supply restoration/connection</b>	
<ul style="list-style-type: none"> <li><b>Planned work (mains replacement)</b> – Offer time-slotted appointments for the restoration of a customer’s supply (purge and relight) for planned work</li> <li><b>Repair</b> – Offer time-slotted appointments for the restoration of a customer’s supply (purge and relight) for repair work</li> <li><b>Connections</b> – Offer time-slotted appointments for connection to the gas supply</li> </ul>	
<b>Assessing the merits and drawbacks</b>	
<b>Pros</b>	<b>Cons</b>
<ul style="list-style-type: none"> <li>Time-slotted appointments make it easier for customers to plan for when their gas supply will be restored and therefore when they will be able to use their gas appliances</li> <li>Allows our engineers/fitters to plan their work better</li> <li>Reduced ‘no access’ visits</li> <li>Drives connection work to be completed on the planned completion date</li> </ul>	<ul style="list-style-type: none"> <li>Time slot only offered for one element of each job</li> </ul>
<b>Potential unintended consequences</b>	
<ul style="list-style-type: none"> <li>Customers are confused with our service offering and do not understand why they are not offered an appointment slot for isolating the gas supply or reinstatement.</li> <li>If customers request a later timeslot or even a timeslot the next day, this could have a negative impact on our interruptions targets. However, even though the customer will not be able to use their gas appliances until their supply restoration has been completed, gas will be live up to the Emergency Control Valve (ECV), which is how our interruptions measure is currently configured therefore our interruptions targets will not be impacted.</li> </ul>	

<b>Option 4: Offer time-slotted appointments for digging and filling in holes</b>	
<ul style="list-style-type: none"> <li><b>Planned work (mains replacement)</b> – Offer time-slotted appointments for digging the hole and/or filling in the hole for mains replacement work</li> <li><b>Repair</b> – Offer time-slotted appointment for digging the hole and/or filling in the hole for repair work</li> <li><b>Connections</b> – Offer time-slotted appointment for digging the hole and/or filling the hole for connections work</li> </ul>	
<b>Assessing the merits and drawbacks</b>	
<b>Pros</b>	<b>Cons</b>
<ul style="list-style-type: none"> <li>Addresses a key area of customer dissatisfaction</li> <li>Allows customers to choose when we should dig and fill holes in their garden</li> </ul>	<ul style="list-style-type: none"> <li>Timeslot only offered for one element of the job</li> <li>Increased cost of flexible reinstatement teams</li> <li>Does not focus on the most important area as a customer does not need to be at home for when we are digging and filling holes.</li> <li>Delaying digging of holes may cause delays in delivery of mains replacement works/repair works</li> </ul>
<b>Potential unintended consequences</b>	
<ul style="list-style-type: none"> <li>Reinstatement costs increase considerably and therefore impact on the customer bill</li> <li>Results in the mains replacement programme falling behind schedule, putting Cadent at risk of output delivery failure</li> </ul>	

Option 5: Offer time-slotted appointments for all elements of our works (all options combined)	
<ul style="list-style-type: none"> <li>• <b>Planned work (mains replacement)</b> – Offer time-slotted appointments for all elements of planned work:               <ul style="list-style-type: none"> <li>○ Supply isolation</li> <li>○ Supply restoration</li> <li>○ Digging of the hole</li> <li>○ Filling of the hole</li> </ul> </li> <li>• <b>Repair</b> – Offer time-slotted appointments for all elements of repair work:               <ul style="list-style-type: none"> <li>○ Restoring the supply</li> <li>○ Digging of the hole</li> <li>○ Filling in of the hole</li> </ul> </li> <li>• <b>Connections</b> – Offer time-slotted appointment for all aspects of a connection job:               <ul style="list-style-type: none"> <li>○ Start of works</li> <li>○ Supply isolation for diversions and disconnections</li> <li>○ Connection / supply restoration</li> <li>○ Digging of hole</li> <li>○ Filling of hole</li> </ul> </li> </ul>	
Assessing the merits and drawbacks	
Pros	Cons
<ul style="list-style-type: none"> <li>• Addresses the convenience and needs of customers for all key customer touch points</li> <li>• Provides a more personalised service to customers</li> </ul>	<ul style="list-style-type: none"> <li>• Increased cost of flexible teams to deliver works across all areas</li> <li>• Timeslot for gas supply isolation could lead to inefficiencies and inability to complete works as soon as possible</li> <li>• Does not focus on the areas which will provide most value i.e. when a customer is required to be at home</li> <li>• Could cause a number of delays in the overall works in order to align all customer needs and undertake essential works</li> </ul>
Potential unintended consequences	
<ul style="list-style-type: none"> <li>• Costs escalate considerably in order to deliver this option</li> <li>• Customer service levels reduce as we try to over commit to customers and subsequently fail to meet their expectations</li> </ul>	

## 2.4. Why are these the options

We have considered a range of options, and within each one we differentiate between three of our main service offerings (planned work, repairs and connections) to ensure we are tailoring our service for customers.

Option 1 largely focuses on what we do today with some enhancements to customer requirements. Options 2 to 4 focus on providing time slots for specific work areas. Option 5 combines all the options together to offer time-slotted appointments for all elements of our works. All our options have been developed based on customer and stakeholder feedback and would be deliverable; however, we would always want to ensure that work continues to be delivered efficiently, whichever option is preferred.



*Table 8 Options appraisal against objectives*

	Offer greater customer convenience and flexibility	Use innovative methods to reduce customer effort	Ensure work continues to be delivered efficiently	Target greater convenience for areas where there is the greatest customer impact
Option 1: Maintain status quo	Yellow	Red	Green	Red
Option 2: Offer time-slotted appointments for supply isolation	Light Green	Light Green	Red	Yellow
Option 3: Offer time-slotted appointments for supply restoration/connection	Light Green	Light Green	Green	Green
Option 4: Offer time-slotted appointments for digging and filling in holes	Yellow	Light Green	Red	Yellow
Option 5: Offer time-slotted appointments for all elements of our works (all options combined)	Light Green	Light Green	Red	Red

No delivery	Weak delivery	Some delivery	Delivery	Strong delivery
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**2.5. Customer and stakeholder preference**

Based on our business insights, best practice and targeted engagement, the preference is Option 3, to offer time-slotted appointments for the restoration of supply or switching on the supply for a new connection. Offering customers timeslots for when the gas supply is isolated would lead to very significant inefficiencies in delivery as mains replacement can only be carried out in a street when the gas supply is isolated in all properties. In addition, providing appointments for when we dig and reinstate holes in customer premises would lead to delays in the completion of work and access to customer properties is not needed to undertake this work. These options would also dramatically increase costs to consumers. However, for these areas, we believe offering additional communication options will drive better customer outcomes. More detail is contained in our output appendix '07.03.05 Measuring and enhancing accessibility and inclusivity'.

Our customers have also informed us that we should prioritise customers who are in vulnerable situations, therefore we will use our PSR data and information gathered during the pre-work survey to offer these customers appointment slots for the restoration of supply first.

We have also taken into consideration a piece of feedback from business customers who said they would expect to receive a call or a text 30 minutes prior to Cadent arriving at their appointment. Business customers were happy with 2-hour windows, so this is most definitely responding to their needs as well as domestic customers. Until our technical solution for delivering time-bound appointment commitments has been purchased, designed and implemented, we cannot be certain exactly how it will operate or the functionality it will have. It is very rare for organisations to offer 2-hour slots and provide texts/online tracking free of charge. We will explore the options and costs for offering a text/tracking service and consider as a potential area for continual improvement.

### 3. Assessing performance levels



#### 3.1. RIIO-1 performance to date

As discussed earlier in this appendix, there is no formal output measure for offering time-bound appointments to customers for supply restoration in RIIO-1. Despite this, we do have several internal measures to accelerate restoration of supply (at the customers appliances) following repair works and mains replacement.

*Table 9 Supply restoration (Purge and Relight) following Repair - September 2018 - April 2019*

Networks	Within 1 hour	>1 to 2 hours	>2 to 3 hours	>3 to 4 hours	Over 4 hours
East of England	61%	23%	7%	4%	4%
North London	46%	23%	13%	8%	10%
North West	65%	22%	7%	4%	3%
West Midlands	57%	26%	9%	5%	4%

Our current service level agreement is to complete supply restoration following repair works within four hours. Between September 2018 and April 2019, we achieved this on average 95% of the time, but in most cases within one hour.

*Table 10 Supply restoration (Purge and Relight) following mains replacement works - 2018/19*

Networks	Before 6pm	Before 7pm	After 7pm
East of England	83.4%	91.0%	9.0%
North London	84.9%	91.4%	8.6%
North West	72.1%	83.9%	16.1%
West Midlands	73.5%	84.4%	15.6%

Following mains replacement, we endeavour to reconnect customers to their gas supply by 7 pm. On average we achieve this 88% of the time.

#### 3.2. What performance levels have we considered for RIIO-2

As we do not currently provide time-bound appointments, a new measure must be established with a target level which delivers the outcomes our customers require.

From best practice, we can see that companies such as Severn Trent and South West Water offer 2-hour appointment slots to customers at their request. As already mentioned in our customer insights section, at our customer forum on interruptions, the majority of customers said they wanted Cadent to provide time slots for restoring the gas supply.

Based on this insight, we have set some proposed delivery targets for appointment slots:

*Table 11 time-bound appointments target range and cost to achieve*

	Low	Medium	High
<b>Target range (RIIO-2 period)</b>	No appointment slot – Restore supply as soon as possible	Offer 4-hour time slot appointments to all customers (AM, early PM, late PM)	Offer 4-hour time slot appointments to all customers (AM, early PM, late PM) and 2-hour slots for those who want it

		Minimum standard: 90% of the time we will hit the timeslot requested	Minimum standard: 90% of the time we will hit the timeslot requested
<b>Cost to achieve (RIIO-2 period)</b>	£0	£1,460,000	£1,460,000
<b>Cost assumptions/calculation</b>	No additional cost	*INVP5502 – £2.5m x 40% = £1m **INVP5907 - £2.3m x 20% = £460k Total: £1.46m	*INVP5502 – £2.5m x 40% = £1m **INVP5907 - £2.3m x 20% = £460k Total: £1.46m
<b>Annual bill impact (average Cadent customer)</b>	£0.00	£0.00 in Year 1, £0.01 in years 2-5	£0.00 in Year 1, £0.01 in years 2-5

\*INVP5502: IS investment for GDSP Transformation & Partner collaboration

\*\*INVP5907: IS investment for Customer Segmentation

### Why these delivery targets?

These levels have been set based on customer and stakeholder feedback, insights from our existing interactions with customers on the job and research into industry and service-sector best practice. Customers are very supportive of us offering appointment slots for restoring the gas supply as they would appreciate the flexibility in order to help them plan their day.

We would continue to prioritise those who are most vulnerable in terms of allocating time slots, and we feel that introducing this measure for RIIO-2 would give us scope to go above and beyond to help reduce the impact of disruption of our works on the lives of our customers.

The 90% adherence to meeting the time slot requested by customers is a minimum standard rather than a target. Our ambition is to deliver a service our customers love, and our customer engagement showed that customers actually did not believe today's performance was in major need of adjustment. We are conscious that this commitment will be delivered, to a large extent, by our emergency First Call Operative workforce and the priority of emergency work will impact our ability to hit every appointment. We do not wish to set up the wrong tension between service and emergency response standards, so we believe the 90% standard is appropriate, justified and well supported by customer engagement.

## 4. Customer testing



Due to the low cost to implement the provision of time-bound appointments and having a clear indication from qualitative research that customers and stakeholders are supportive of Cadent offering them timeslots, we have not tested customers' WTP for the different options as part of our Business Options Testing. Our engagement partners confirmed that this would add nothing to our existing pool of insights given the almost zero impact on the bill from either option. A summary of the insights from NERA's original willingness to pay research (discussed in detail within Section 1) and our engagement events exploring the priorities of our customers and stakeholders, is shown below:

### 4.1. Summary of WTP findings and insight from engagement events

*Table 12 Summary of WTP findings and insight from engagement events*

Area	Insights
NERA WTP research	<ul style="list-style-type: none"> <li>Domestic customers indicated that they were willing to pay £1.97 for 4-hour time slots, or £3.40 for 2-hour time slots</li> <li>Some indication from non-domestic customers that they were willing to pay for certain service improvements on their own.               <ul style="list-style-type: none"> <li>For time slots there were willing to pay £1.93 for a 4-hour slot and £15.32 for a 2-hour slot</li> </ul> </li> </ul>
Engagement event insight: Timeslots	<ul style="list-style-type: none"> <li>Despite some business participants having had negative experiences with time slots (reliability and missed appointments), they were generally seen as a basic and essential service to deliver</li> <li>Business customers wanted time slots to be as soon as possible to get businesses back on gas, ideally within business hours and as precise as possible (slots of no more than 1-4 hours)</li> <li>Business customers would also expect to be sent text messages to provide time slots and be phoned 30 minutes before arrival</li> <li>A few business customers suggested there be compensation if Cadent doesn't deliver to the agreed timeslots</li> <li>Customers agree that Cadent should be working towards enabling customers to select timeslots for interruptions and reinstatement</li> <li>Timeslots would allow domestic customers to plan around them much more easily</li> <li>MOBs customers favoured being given a time slot for having their gas switched on, but that such slots should be convenient to customer routines and needs and that Cadent needed to maintain regular communications with customers</li> </ul>
Engagement event insight: Communication	<ul style="list-style-type: none"> <li>Prompt and clear communication is the most important service Cadent can provide in an interruption, including information on how long interruptions are expected to be, and more generally the frequency of interruptions to enable businesses to assess cost vs risk</li> <li>Initial communication should be electronic, but with longer or delayed disruptions there should be direct or face to face communication</li> <li>Communication is key to managing interruptions and CIVS should be prioritised</li> </ul>

These insights provide a view of what our customers and stakeholders value and would want us to focus on when implementing time-bound appointments.

### 4.2. Acceptability testing of our 'Quality Experience' customer outcome

In our acceptability testing, the quality experience aspects of our business plan were generally found to be acceptable:

- Of domestic customers, 83% of those surveyed found the quality experience section of the plan acceptable, and only 1% found it unacceptable. When asked what would make it acceptable, those who answered that they found it neither acceptable nor unacceptable suggested a further reduction in prices (14%) or wanted more detail on how it would be implemented (6%). This was broadly consistent across the regions.
- 49% of Cadent business customers said that they found the quality customer experience aspects of Cadent's business plan "very important" and 37% "fairly important" (86% in total). The breakdown across business sizes was broadly consistent, but overall acceptability increased with business size, with the percentages finding the plan either very acceptable or acceptable being 79%, 87% and 90% for sole traders, businesses with 1-9 employees and business with 10-49 employees respectively. Customers said that a quality experience was an essential element of delivering a service.
- Customers at the acceptability testing customer forum liked the time slots, and some wondered if Cadent could go further, e.g. notifying the customer when the engineer is on their way. "The more information the better!"
- At our acceptability testing focus groups with the general population, participants were supportive of Cadent's commitment to go beyond its legal responsibilities. They were pleasantly surprised by Cadent's social action. Quality experience participants did not see any issues with Cadent's quality experience commitments, and thus supported them. The majority of participants thought that this outcome was either important or very important. 89% of participants found Providing a Quality Experience important, with 53% finding it very important.
- Overall, customers in our acceptability testing focus groups with CIVS were supportive of the Quality Experience commitments outlined by Cadent.
- Generally, customers at our acceptability testing focus groups with those in fuel poverty felt that Cadent's plans to provide a quality experience were going 'above and beyond' what was expected. They greatly supported the introduction of time slots and many shared experiences of waiting around all day for someone to arrive. They felt that this approach would mean that less people would miss work.
- Future generation focus groups did not see any issues with Cadent's quality experience commitments, and thus supported them

As part of the Verve business plan consultation, a quality experience was seen as a critical obligation for any organisation. Most customers saw this as a hygiene factor and it surprised a few that it was part of the plan, although many welcomed it being spelt out. Many expected the commitments to be manageable, though no customers had any real experience of Cadent's services. Providing detail of what the commitments should entail provides comfort, though failure to deliver will quickly harm trust. Reliability and reassurance in relation to safety and service delivery stood out. Some customers had issues with jargon e.g. PSR and some commitments felt hard to achieve. Despite Cadent admitting that direct contact with their customers is rare, the promise that they are available, if needed, was reassuring.

## 5. Our commitments



### 5.1. Our commitments for delivering time-bound appointments in RIIO-2

Given the support from across our customer and stakeholder base to implement time-bound appointments to deliver key processes, we have decided to implement a bespoke commitment for RIIO-2. Over the RIIO-2 period we will measure and report on the following commitment leading to benefits to our current and future customers.

*Table 13 Our commitments for delivering time-bound appointments in RIIO-2*

Output commitment	Measure definition	Benefits to current customers	Benefits to future customers	SROI/WTP value over RIIO-2 period
Providing time-bound appointments for supply restoration/connection (reputational Output Delivery Incentive (ODI))	90% adherence to time-bound appointment slots	<ul style="list-style-type: none"> <li>Provides customers with the ability to plan their day better</li> <li>Reduces any potential inconvenience of our works</li> <li>Delivers a more personalised customer service</li> </ul>	<ul style="list-style-type: none"> <li>Offering time-bound appointments helps to set the benchmark for customer service that will evolve as the customer wants and needs change over time</li> </ul>	£109m <sup>8</sup>

### 5.2. Assessment of how to treat commitments

Our preference for this output is to offer time-bound appointments for supply restoration and connections. We have evaluated these proposals against our outputs framework to determine the most appropriate and effective option for this output.

*Table 14 Regulatory treatment assessment*

Regulatory treatment	Criteria	Rating	Further explanation of assessment
Reputational ODI	Demonstrate this is important to customers and/or stakeholders	Green	Our preferred option for this output will improve convenience for customers. We are undertaking work with GDNs to understand this further.
	Funded elsewhere in our plan, or inappropriate for funding	Light Green	This output is not appropriate for funding. It relates to us meeting commitments we make to customers in the form of appointments. Ofgem is also consulting on introducing a GSOP for this output.
	Can robustly measure performance improvement	Green	This output can be easily measured in a standardised format, and performance compared between GDNs
Financial ODI	Demonstrate this is important to customers and/or stakeholders and they are willing to pay	Yellow	Although this output will improve the customer experience, our research suggests that customers are not demanding this as an essential aspect of service.

<sup>8</sup> Note that this is a net present value rather than gross present value, therefore it will differ from the figures quoted in Business Plan Data Tables

	Not funded elsewhere in our plan		As described for Reputational ODI, this is not appropriate to be funded – instead a penalty only incentive could be appropriate. Ofgem is also consulting on introducing a GSOP for this output.
	Can robustly measure performance improvement		As described for Reputational ODI.
Price control deliverable	Specific deliverable with a clear timeline and targets		Our preferred option for this output does not include a specific deliverable, but instead the introduction of a new service for customers.
	Demonstrable benefit to customers which they support		Our preferred option for this output will improve convenience for customers. We are undertaking work with GDNs to understand this further.
Licence Obligation	Absolute minimum, with significant customer harm if we do not deliver it		Ofgem has proposed introducing a new GSOP linked to providing time-bounded appointments. We have completed a joint-GDN study to understand the customer need for this service. The overall finding of the research was that a time-bound appointment should not be set as a national minimum standard.
	Applicable to all GDNs		As described above, Ofgem is consulting on a GSOP for this output that would apply to all.
Business Plan Incentive	Adds to the quality of our plan, but not a specific deliverable or performance measure		This output is well suited for an ODI or may be covered by the introduction of a GSOP by Ofgem.
	Funded elsewhere in our plan, or inappropriate for funding		This output is inappropriate for funding as described above.

Does not meet criteria	Weakly meets criteria	Partially meets criteria	Meets criteria	Strongly meets criteria
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We are therefore proposing a reputational ODI for this output. The regulatory treatment is also dependent on decisions by Ofgem in relation to potential Licence Obligations. However, results suggest that customers do not want time-bound appointments for supply restoration following planned works to be introduced as a minimum standard and compensation for failure. They do, however, believe we should offer appointments as a service beyond the minimum expectation.

*Table 15 Proposed bespoke measure for Cadent only*

Output	East of England	North London	North West	West Midlands	Cadent	Comparison to RIIO-1	Cost
<b>Adherence to timebound appointments to restore supply (% adherence) – RIIO-2 forecast</b>	90%	90%	90%	90%	<b>90%</b>	New measure for RIIO-2	£0



## 6. Delivering our commitments



### 6.1. How we will deliver our commitments

We will deliver our commitments through the following improvements:

*Table 16 Delivering our commitments*

Area	What we will do to deliver commitments
<b>Customer communications</b>	<ul style="list-style-type: none"> <li>We will work around the needs of our customers by offering time-bound appointments for restoring the gas supply at their appliances.</li> <li>As an aspiration, we will look into options and costings for additional functionality that would increase convenience e.g. by offering a texting/tracking service 30 minutes prior to Cadent arriving at a customer time-bound appointment.</li> </ul>
<b>Processes/systems</b>	<ul style="list-style-type: none"> <li>We will develop our systems and processes to offer and manage time-bound appointment slots.</li> </ul>
<b>Engagement</b>	<ul style="list-style-type: none"> <li>We will continue to engage with our customers, via our existing channels such as CSAT and making use of social media/face-to-face contact to understand if the time-bound appointment service is working for them. As this is a new commitment, we will keep it under review and make changes as necessary based on customer feedback.</li> </ul>
<b>Skills and resource</b>	<ul style="list-style-type: none"> <li>We will brief our front-line delivery teams and customer call agents to ensure they are equipped with the information they need in order to deliver on our commitment to time-bound appointments. We do not forecast that this output commitment will require an increase in resourcing levels.</li> </ul>

### 6.2. Protecting against non-delivery

*Table 17 Protecting against non-delivery*

Regulatory tool	How it will help in protecting customers from non-delivery
<b>Customer satisfaction incentive</b>	The financial CSAT incentive rewards/penalises GDNs for performing above/below the agreed target level.
<b>Complaint handling incentive</b>	The financial Complaints Handling incentive penalises GDNs for performing below the agreed minimum level.
<b>Reputational</b>	Non-delivery against the reputational incentive proposed will have a negative reputational impact.