

December 2019

Appendix 07.03.04

Improving our connections services

This output case describes our overall approach to how we are transforming our connections services to deliver sustained improvements in customer service. We established our Service Transformation Project in early 2018, starting with extensive customer and stakeholder engagement, along with an exercise to benchmark our service levels against others inside and outside of the industry. We identified seven separate customer journeys and have been designing and implementing targeted changes to each, according to the specific needs identified through our research phase. This project will run until late 2020, but through this work we have identified a need to improve the timeliness of the front end of our domestic connections process, which we will do through delivery of two bespoke output measures (described in this document). Based on qualitative customer feedback and output from a strategic change project, we have already made changes to the back office, creating an account management process where all customers have a single point of contact. Successful pilots of our new processes have been established in our London network and continue to be rolled out.

In RIIO-1, for Connections we were measured against the minimum Guaranteed Standards of Performance (GSOP) and Customer Satisfaction (CSAT) for Connections. During RIIO-2 we will make the following enhancements to these:

- Increase compensation payments and update targets for connections GSOPs, in-line with regulatory changes.
- Update the scope, questions and increase the number of response channels within the customer satisfaction survey.

During RIIO-2 we will continue our transformation journey and we want to stretch ourselves by establishing the following measures for our household connections services:

- Deliver household connections quotes within 15 minutes (90% adherence) – **bespoke measure to Cadent.**
- Arrange site visits within 3 days following quote acceptance (85% adherence) – **bespoke measure to Cadent.**

We will deliver:

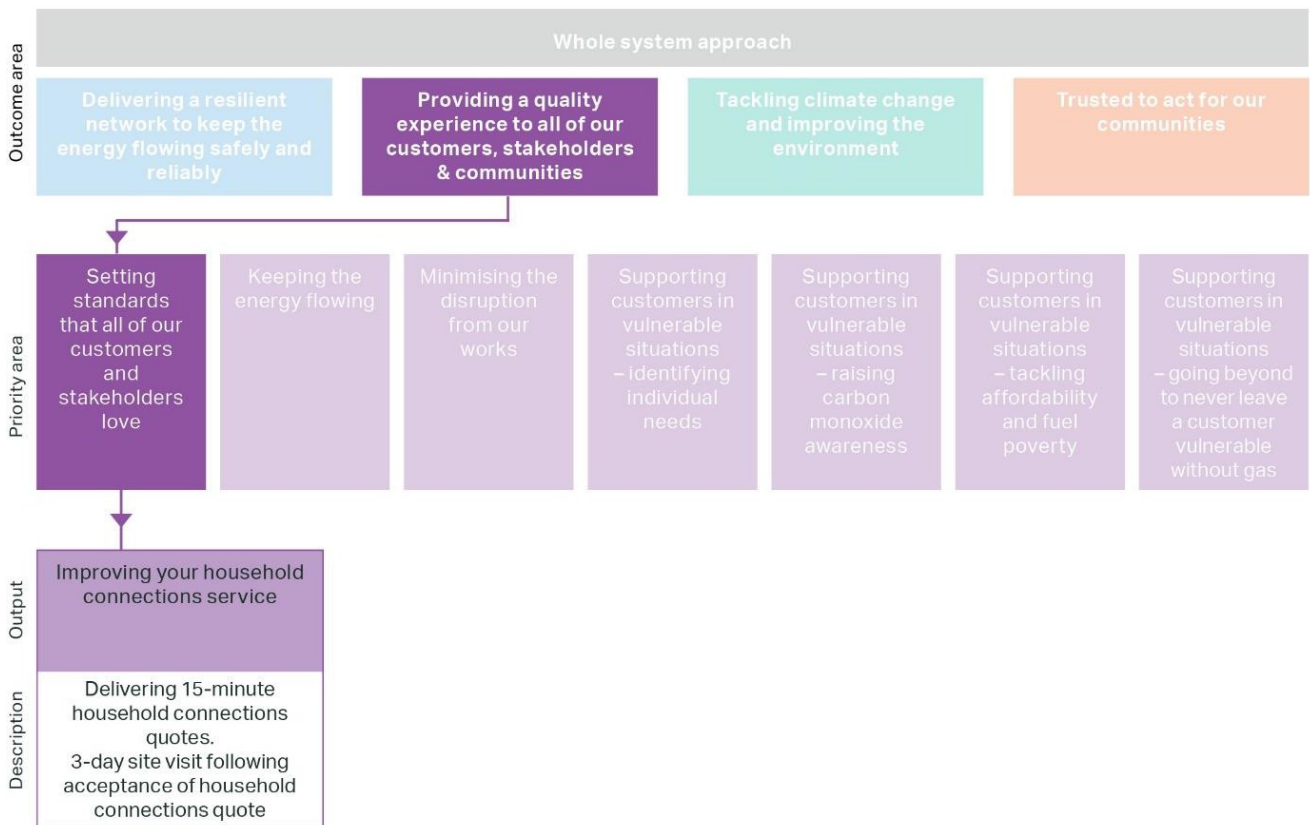


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How we have developed our proposals:

- We critically assessed our connections customer service performance against others** – In late 2017 we initiated a strategic change project across Cadent to understand our connections performance, scope and design the improvements required and to deliver a transformation project that propels Cadent's C-SAT to the top of Ofgem's league table. The Service Transformation programme was born.
- Insights and research drove the decision making across the Transformation** – We worked with the consultancy firm Perpetual Experience, a specialist in supporting organisations like ours to deliver sustained improvements in customer service. The programme was underpinned with its own robust customer engagement programme involving quantitative research and even greater levels of qualitative research, including interviews and workshops with customers from each of the customer segments that we serve (through connections work).
- Problem statements drove actions** – Through customer journey mapping, c.60 problem statements (or blockers) were identified, which were prioritised and addressed through the design of our new Service operation.
- Through 2018 changes were implemented** – As with any large-scale transformation programme, it took time to fully understand the problem statements and as such design the new solutions. Implementation took time as the connections process spans multiple parts of the organisation, including being ultimately delivered through our Strategic Partners.
- Improvements are seen** – In 2019, changes were made to the back office, creating an account management process where all customers have a single point of contact to deal with through their journeys. Pilots were established across the end-to-end process, with the most significant in London where our performance was weakest. By mid-2019, our London network was outperforming all other Gas Distribution Networks (GDNs) in connections C-SAT.
- We have built off this Transformation to develop our business plan commitments** – We have added to the research and engagement feedback received through the transformation programme to ascertain a longer term set of views from our customers and the stakeholders impacted by our connections work.
- As with other commitment areas, we started with our vision** – In order to deliver standards that all of our customers love, and others aspire to, we must measure and improve all our services, including domestic and non-domestic connections services. This is a consistent approach taken to the transformation, but our engagement focussed more on continuous improvement, rather than transformation as was the case before.
- We assessed our customer service performance post Transformation** – Whilst C-SAT scores have improved across RIIO-1 for connections services, these only cover domestic customers. In some networks our relative domestic C-SAT performance is now strong (against other GDNs) but in others there is room for improvement. Additionally, with the exception of complaints received where a process breaks down, we are not actively measuring our connections services for non-domestic customers. We therefore sought even greater insights in these areas.

9. **This provided us with a clear problem statement** – In order to provide great customer experiences across all of our service lines, we first need to understand the needs of all of our connections customers and be able to measure our service standards. Additionally, we need to continually improve the service levels offered for domestic connections.
10. **We gathered additional insights from historic experience and targeted engagement** – There are certain areas of low performance that we need to focus on to improve the overall end to end experience.
11. **We have looked at what others are doing to achieve this challenge** – Top performers in the retail and customer service industry deliver a service-led approach which focusses on what customers need and not business processes. Services are tailored depending on the specific needs of different customer segments.
12. **We assessed how far the current measures and Ofgem’s proposed measures take us against the good practice identified** – Enhancements to minimum standards and CSAT are positive, however, they don’t go far enough to improve the services for all connections customers. They neither measure the service levels/C-SAT for all customer segments, or provide a mechanism to gain a wide enough customer view where measurements are in place.
13. **We have engaged with connections customers (previous, current and perspective new) to develop our proposal, but have not subsequently tested a range of options with customers (as we have some other output commitments)** – This supplemented the work done through the Transformation Programme.
14. **We tested proposals with customers** – We have not taken all our proposals through business options testing because in many cases we are already implementing changes as we complete our Transformation. However, we tested the additional measures that we are proposing.
15. **Our commitments** – In order to target and deliver improvements to all of our customer segments, we first need to measure and benchmark our current performance. We are therefore proposing to establish robust and comparable benchmarks for all of our service lines. These commitments are described in our ‘Establishing and raising the bar’ output case. Where we have already done this (domestic and household connections) we are committing to providing 15-minute quotations (90% of the time) and site manager visits following quote acceptance within 3 days (85% of the time) for household connections. This measure will deliver continued improvement and directly meet a core customer feedback point around the timeliness of delivering the end to end process.
16. **We are not asking for funding to deliver this** – There will be zero bill impact to customers in delivering this commitment.

The tables below summarise our commitments in this area:

Table 1. Our commitments

Connections GSOP	
Common / Bespoke	Common
Output type	Licence Obligation
Comment	Increased compensation payments and some standards updated in-line with regulatory changes
Target	Performance standards tightened on GSOP 4 (provision of standard quotations and GSOP 9 (provision of commencement and substantial completion dates)
Cost implications (annual)	£0.3m p.a. efficient level for GSOP 2-14
Incentive range	N/A
CVP	No financial CVP, qualitative benefits only

Customer Satisfaction Surveys – Connections	
Common / Bespoke	Common
Output type	Output Delivery Incentive (F+/-)
Comment	Updated scope, questions and increased number of response channels
Target	Baseline targets to be established following GD2 CSAT trial (October 2019 – March 2019)
Cost implications (annual)	N/A
Incentive range	Up to +/- 0.5% of base revenue
CVP	No financial CVP, qualitative benefits only

15-minute household connection quotes	
Common / Bespoke	Bespoke
Output type	Output Delivery Incentive (R)
Comment	Household connection quotes provided within 15 minutes
Target	90% adherence
Cost implications (annual)	N/A (funded in RIIO-1)
Incentive range	N/A
CVP	No financial CVP, qualitative benefits only

3-day site visits following household quote acceptance	
Common / Bespoke	Bespoke
Output type	Output Delivery Incentive (R)
Comment	A site visit is arranged with the customer within 3 days of the household quote being accepted
Target	85% adherence
Cost implications (annual)	N/A (funded in RIIO-1)
Incentive range	N/A
CVP	No financial CVP, qualitative benefits only

How to read this appendix and signposting to related appendices

Households connections make up approximately 60% of all of our connections work. The commitments made in this output case are largely targeted at households. However, as explained above, our overall Service Transformation Project captures all customer journeys and we will continue to roll out the various improvements that we have identified through this project through 2020. For more information on how we will be introducing new measures for non-domestic connections customers see Appendix 07.03.01 'Establishing and raising the bar for all our customer and stakeholder experiences.'

For more information on how we plan to make it easier for industrial customers to connect to our network see Appendix 07.04.08 'Entry Capacity Enablement'.

Our service transformation approach – an overview of our Service Transformation Project

To support us on our service transformation journey, we recruited an external consultancy company who specialised in customer experience. Each of the consultant team has worked within multiple blue-chip companies and therefore have great experience they can use to help us understand how we can considerably improve and refocus our business and the services we offer to our customers.

To understand where we needed to improve, we took a combination of customer satisfaction data, complaints data and customer feedback from instant text messaging for our household customers and invited in business customers to come and talk to us to share their experiences and suggestions on how we can improve.

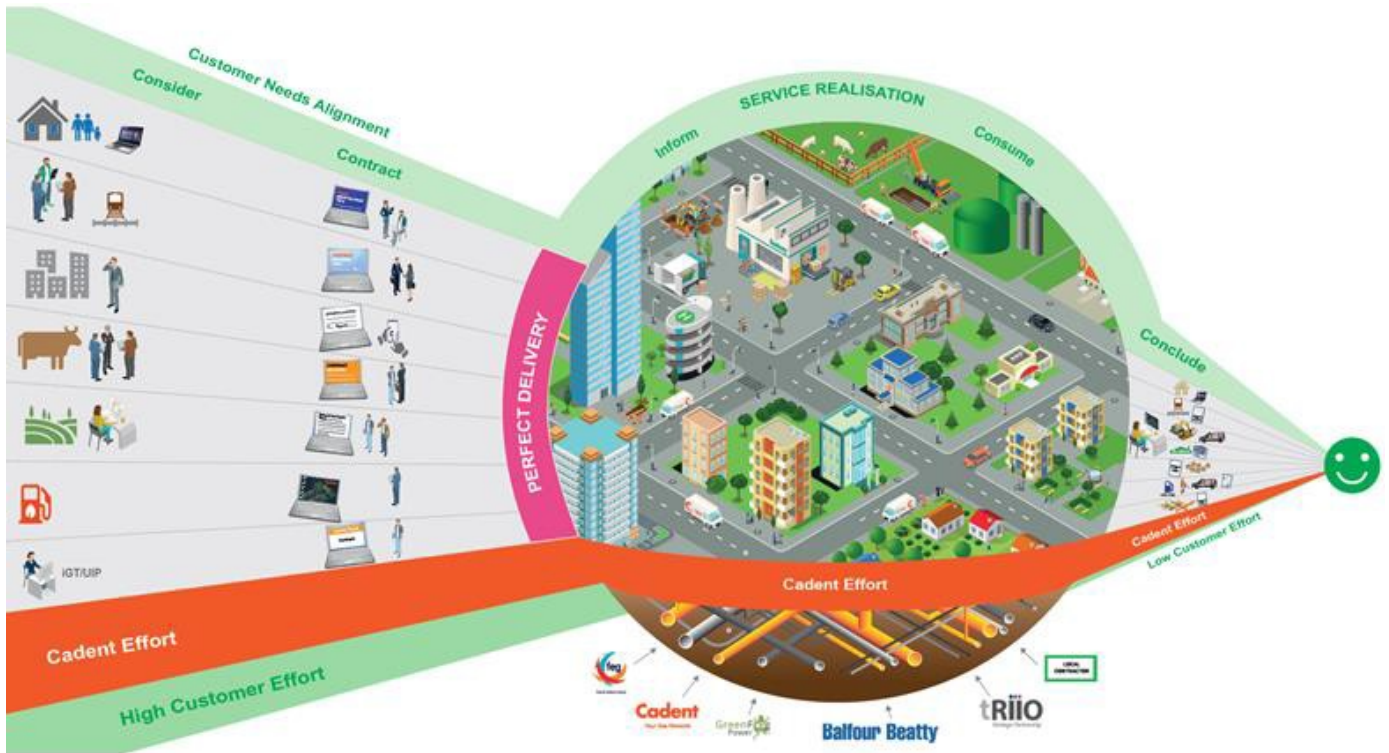
We also spent time with our internal teams who work closely, day-to-day, with these customers, to ask for their input, especially any barriers or frustrations and expectations of the customers and their ideas and suggestions on what we need to do differently to achieve delivery of the outstanding service we aspire to.

In summary, the feedback said that we are difficult to do business with, it takes too long to serve, our processes are unclear, that we take a long time to provide a quote, that we do not understand customers' need, and customers felt as though they were imposing on Cadent rather than buying a service.

By completing the activities described above, we identified 52 opportunities for improvement. These were all investigated and validated further when developing our future service blueprints, and 43 of the 52 have been included in our future plans for service blueprints and change roadmaps. Nine of the improvement opportunities have not been included in our future plans or change road maps. Some of the elements were not pursued at this time as they were more long-term projects requiring industry-wide change, whilst others cannot be progressed without more viable technological solutions or our initial thinking had evolved. An example of this was the initial idea to bring capability within Cadent closer to our own control. However, when we investigated this further, we identified it made more commercial sense to use a tender process to gain this capability, therefore increasing market competition.

Alongside this, we mapped out the existing customer journey for connections services. This enabled us to identify and highlight the inefficiencies and bottlenecks in our processes and the number of hand-offs between departments, business functions and delivery partners, and allowed us to determine whether these were necessary or if there could be a more streamlined approach, therefore reducing unnecessary time delays and inconsistencies in the service for our customers. Having seen these, we established a principle of reducing the customer effort where it did not add value to the customer's journey. The model demonstrates this:

Figure 1. Service transformation model

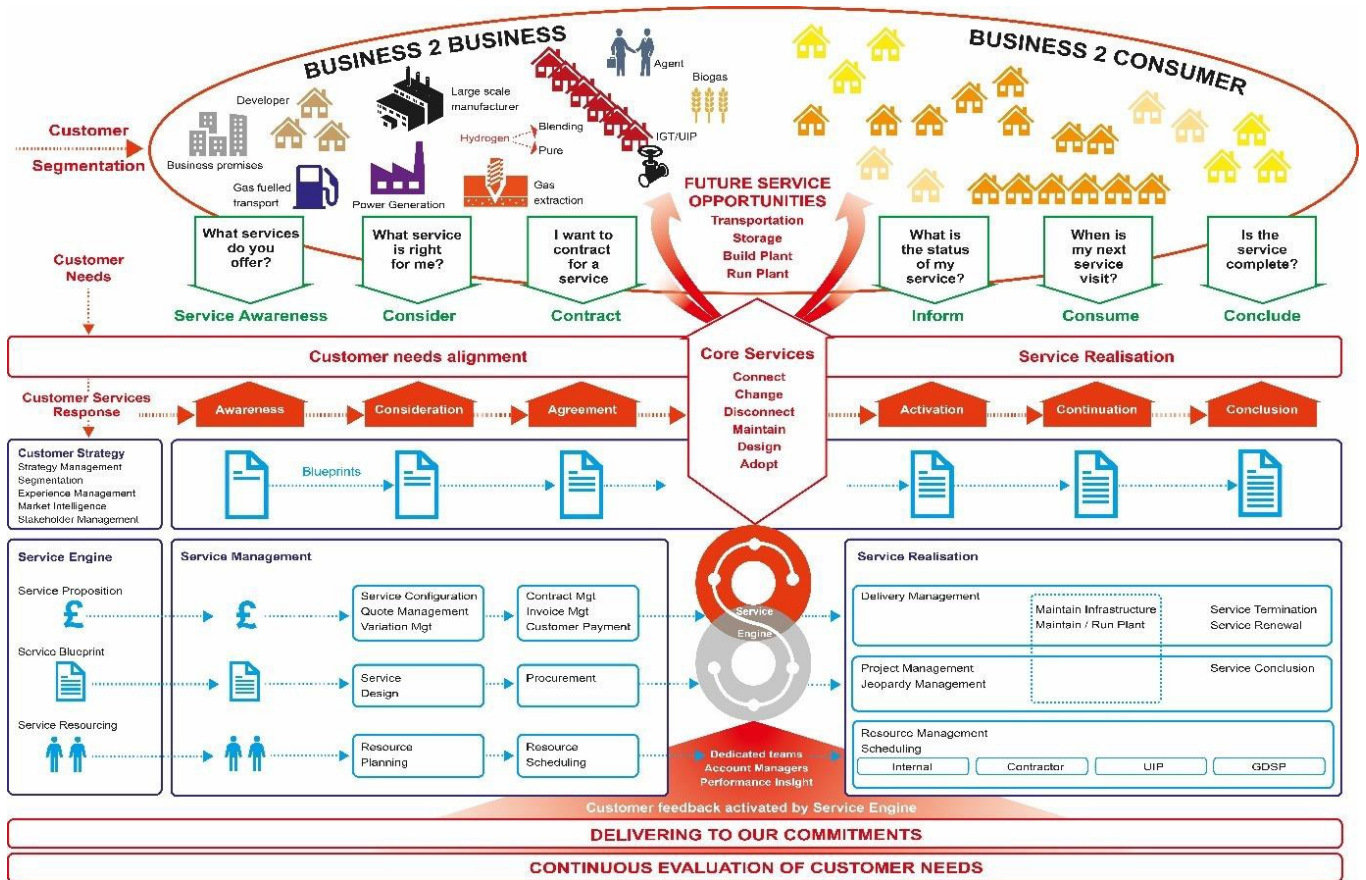


The model above from left to right shows a potential customer scenario for each service type (connect, change disconnect etc). Running along the bottom of the diagram, it shows the amount of effort required to be input by the customer (in green) and Cadent (in orange). At the beginning of the journey, the input by the customer is high, because it is adding value to the customers journey, allowing the customer to provide necessary information relating to their service need to enable Cadent to deliver. The customers effort stops at Perfect Delivery because this is where Cadent deliver the service and the customer should have no need to put effort in. Then there is a small amount of customer effort required at the end of the customer journey, where we may ask the customer to confirm they are happy with the service that was delivered and to provide feedback via a survey.

Creating a customer journey approach

Now understanding our existing customer journey and how it needed to improve, we designed a future-state customer journey model to ensure that our approach to each stage of the journey was consistent across all our connections services. The model below shows our future customer journey, which demonstrates the different customer types and the different stages of the journey which a customer will go through from beginning to end of the service.

Figure 2. Customer journey



To help us design core repeatable services in a consistent way we have identified six key stages to a customer journey within Cadent. By understanding the outcomes that we need to deliver for our Customers and Cadent at each stage we can design services that deliver an end to end experience that meets our customer’s needs.

There are six key stages of the customer journey are shown below:

Figure 3. Key stages of the customer journey



Our service vision – how do we know its ambitious?

We are being ambitious in our approach to completely turn around the way we provide services to our connections customers. We have taken the time to understand the needs of our customers and will be delivering services that at a minimum meet these and wherever possible exceed them.

The Cadent vision is “Setting standards that all our customers love and that others aspire to.” For our connections customers, this means we need to deliver market-leading outcomes for our customers, in a way that improves the experience for our customers, partners and us, long into the future. To actively encourage the use of our network keeping us relevant and sustainable long into the future.

This is ambitious because it is the first time Cadent is setting standards that our customers are asking for rather than working to GSOP minimum standards.

For the first time, we have designed into our core service the ability to add customer personalisation which will be used by our teams from the very beginning to the end of the customer journey.

In recognising the needs of our customers, we understand the need to design services based around their needs rather than engineering or regulatory parameters. For example, the classification of standard and non-standard connections is not recognised in our new service offerings. This is because it confuses customers as they do not recognise this as a their requirement.

Ensuring that our services always meet the needs of our customers

To enable this new approach to ensure that our services are always meeting the needs of our customers, we have introduced the Service Engine. This is a process that reviews, designs, refines and launches our core services. It has 9 key principles:

Figure 4. Principles for the Service Engine



This process allows us to design core repeatable services based on customer needs. It can also be used to review the performance of existing services to ensure they’re delivered as per the service blueprint. It supports us to review and make improvements if we become aware things aren’t working as planned.

The Service Engine has 4 key stage gates. It also involves customers to ensure their needs are validated throughout the process by gathering their feedback.

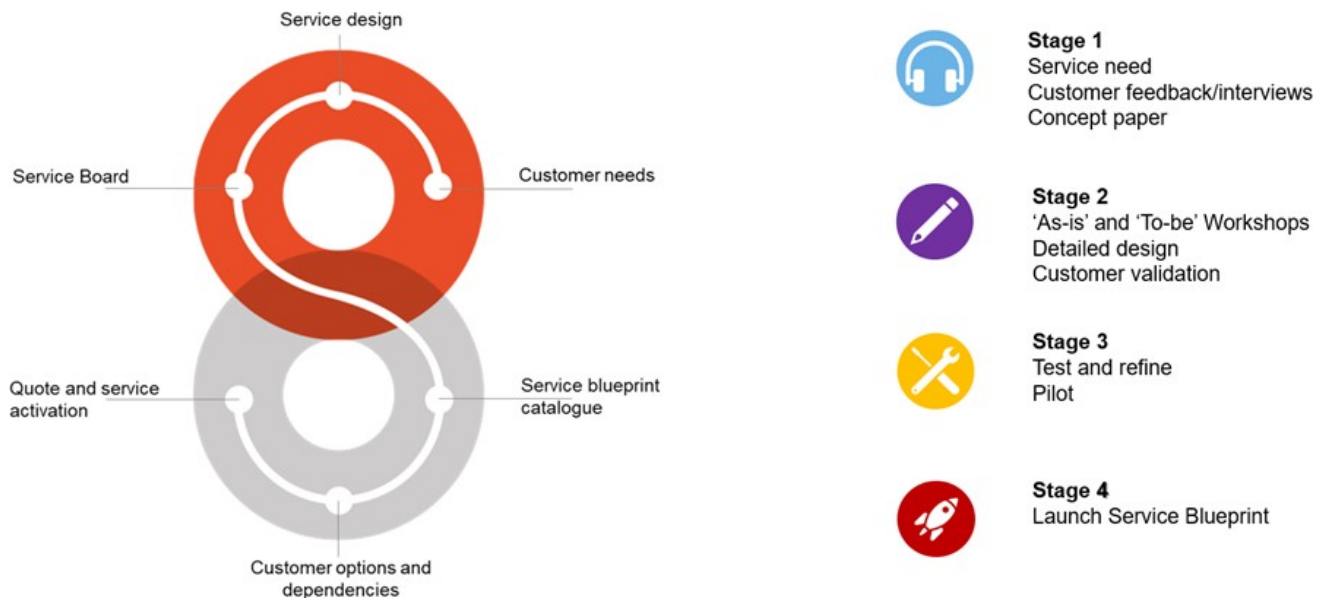
- Stage 1 – Understand the needs of customers and document these in a concept paper. This helps the Service Board to understand the size of a new market opportunity or what customers are telling us can be improved for a current or new service idea.
- Stage 2 – Design a new service to meet the needs as outlined in the concept paper.
- Stage 3 – Build the capabilities and test the new service.
- Stage 4 – Launch the service.

Customers are at the heart of the Service Engine and at every stage from design to launch this will be validated with customers.

At each gateway, the Service Board are accountable for deciding which service ideas/designs are progressed and launched.

The below diagram shows the steps involved in the Service Engine:

Figure 5. The Service Engine



Segmentation to define customer journeys and improve performance for all

Cadent’s consumer and business customers have significantly different needs and characteristics. We have taken time to segment our customer base to ensure we focus on each group of customer’s needs, recognising that a household customer is different from a gas supplier or a biogas producer and that their needs and knowledge base are completely different. Therefore, the service we offer and the way you manage a customer’s experience needs to be dependent on their specific needs. By following this approach, it allows us to design and develop services to meet that customer segments specific needs instead of applying a one size fits all approach, like we do today with following a standard/non-standard blanket approach.

Dividing a broad range of customers into segments based on their shared characteristics or needs brings benefits to customers and Cadent.

Customer benefits:

- Services are designed specifically to meet the needs of each customer segment.
- Customers easily recognise themselves and their service needs on our website and easily access the services that are right for them.
- Customers feel valued, understood and become loyal brand advocates.

Cadent benefits:

- Potential growth opportunities identified and allows forward planning to meet future demand.
- Understanding, defining and delivering a sales and marketing strategy to deliver the business plan.
- Clear accountability for delivering great customer outcomes.

Cadent’s consumer and business customers have different needs and characteristics. Consumers are purchasing for themselves and most often start their journey as uninformed purchasers. They are likely to only ever request one or maybe two connections from us in their lifetimes and, therefore, they have no requirement to have an ongoing relationship with Cadent, they expect the service to be personalised to meet their circumstances.

Business customers are more complex, acquiring services for the production of other goods and services which they then sell, more often than not these customers will seek longer-term relationships with mutually beneficial

outcomes, therefore expecting a level of customisation that reflects their ongoing relationship. They often start from a place of expertise within their field or have sourced expertise from a third party.

The table below shows each of our customer segments along with a description and our vision for each of them.

Table 2. Our customer segments

Customer Segment	Description	Vision
Household	Regardless of why or what household customers are purchasing from Cadent, their needs are similar and that is to either connect, upgrade or disconnect gas from a domestic dwelling. Customers generally order the service themselves i.e. not via a Third Party.	Within 15 minutes, the customer has received their price, can place an order, pay a deposit, and select a convenient date for work to start. The service will be delivered on time, as they expected, and respectful of their personal circumstances.
Business Premises	Businesses order and purchase services from Cadent to become gas ready as part of their overall need to start using premises to sell goods or services to make a profit.	We will get a customer's business premises ready for gas in the most cost-effective way. We will be efficient and easy to do business with, working with customer and their contractors to ensure a seamless fit within the project.
Property Developer (small and large)	Housing and commercial developers are seeking to build or renovate properties to sell and make a profit. Ordering and purchasing services is an enabler to them achieving their overall needs. We have split this segment into small and large developers, as we recognised that they can have different needs either by the volumes of connections they require or also by their frequency of purchasing and their pre-purchasing knowledge base.	We will get a customer's development ready for gas in the most cost-effective way that meets their project timeframes. We are efficient and easy to do business with, working with the customer and their contractors to ensure a seamless fit within the project.
Independent Gas Transporter (IGT)/Utility Infrastructure Provider (UIP)	IGT: Businesses that design, install, develop, operate and maintain local gas transportation networks on behalf of land owners, developers and industry. UIP: Third Party organisations laying gas infrastructure and transferring ownership to Cadent or laying infrastructure on behalf of an IGT to connect to Cadent's network.	We provide the capacity required to enable our customers to deliver their services in line with their commitments. We are efficient and easy to do business with, maximising each other's profit margins.
Agent – Energy Supplier and Utility Consultancy	Businesses that order and purchase services on behalf of their customers have similar needs and share a requirement with Cadent, to deliver services well, to please customers and make a profit.	We will get supplier's customers premises ready for gas in the most cost-effective way that meets their project timeframes. We are efficient and easy to do business with, working with supplier and their customer to ensure a seamless delivery of their needs.
Energy Producer – Bio Gas, Hydrogen, Gas Extraction	Businesses that can make profit from injecting gas into the network share similar needs and characteristics whether they produce natural gas or hydrogen (in the future) or extract gas from the earth's resources.	From initial contact to ongoing portfolio management, we partner with our customers to provide the expertise and tailored services required to deliver a return on their investment.
Industry – Power Generation	A business that is reliant on using large volumes of natural gas, manufacturing goods in factories or is a particular branch of economic activity and therefore reliant on gas to enable the	From initial contact to ongoing portfolio management, we partner with our customers to provide the expertise and tailored services required to deliver a return on their investment.

<p>Industry – Gas Fuelled Transport</p>	<p>onward sale of goods or services to make a profit.</p>	<p>From the initial contact to ongoing portfolio management, we partner with our customers to provide the expertise and tailored services required for them to be able to decarbonise industry transport and deliver a return on their investment.</p>
<p>Industry – Large Manufacturer</p>		<p>By understanding a customer’s business needs we design and deliver the gas connection they require to meets their timescales and commercial objectives. We are efficient and easy to do business with, working with customer and their contractors to ensure a seamless fit within the project.</p>

1. Defining our customers' needs



1.1. What is the area?

Our ambition is to establish and raise the bar for all our customer and stakeholder experiences. Despite the successes that our Transformation has brought and will continue to bring, in order to deliver against our vision statement, there are opportunities to enhance our service further for our connections customers.

We provide gas connections services across our four network areas. Arranging for a new connection, or work to facilitate a connection, may seem complicated or confusing to customers. We aim to reduce this complexity and make connections activities as simple and customer friendly as possible.

For most of RIIO-1 household customers have received an inconsistent experience and have therefore generally rated us poorly compared to other GDNs when we have asked for feedback on their experience. As a consequence of this, our focus has been on service recovery rather than delivering excellent services from the start.

To consistently deliver great outcomes for our customers, we need to understand their needs today and in the future and design our core services to meet these needs. Our ambition is to provide market leading service and to do this, we must change how we design, market and sell ourselves.

We are currently measured on CSAT for standard connections, domestic and non-domestic (below 73,200 kwh) alone. However, we recognise that all our customers expect a quality service from Cadent, whether that be households, businesses, biomethane or power generation. We are well advanced with our Service Transformation programme which is focused on delivering significant improvements for all types of connections customers and this builds on that throughout RIIO-2. However, as household connections make up around 60% of all our connections we have rolled out improvements in this area first and this output case focuses on defining the right output measures in this area. A key challenge for other customer segments is developing the detailed understanding of current performance, hence the requirement to establish additional measures – see our output Appendix '07.03.01 Establishing and raising the bar for all our customer and stakeholder experiences' for more information.

1.2. Why is it important to customers and stakeholders?

We connect around 30,000 new customers every year. These connections can range from a single service being connected to a new build, to a major new industrial development that can take over a year to complete. For a domestic customer, our connection provides them with the ability to heat their homes. For a commercial customer, our service allows them to operate a new plant worth millions of pounds in revenue a year. This shows the diversity and range of customers we serve when delivering connections. We must take these differences into account, ensuring that every customer receives a personalised, value for money service. It is also important to take customer differences into account when measuring our service standards to ensure we are hitting the right touch points for specific customer groups.

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 views on connections and where improvements are needed.

Table 3. Customer and stakeholder groups

Customers	Industry stakeholders
<ul style="list-style-type: none"> • Domestic (household) customers • Biomethane customers • Power generation customers • Industrial and business customers • Independent Gas Transporters • Utility Infrastructure Providers • Employees 	<ul style="list-style-type: none"> • Gas Distribution Networks • Ofgem • Citizens Advice • Explain Market Research • Perpetual Experience

Insights were gathered through historical engagement, BAU 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		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 4. Engagement activities

Phase	Date	Source name	Source description	Questions asked	# of stakeholders	Score
Historical Engagement	May-18	Connections transformation: industrial customer interviews	We interviewed four connections customers to discuss what could be improved in our approach to connections.	Customers were asked about their views on our connections process and what could be done to improve it for them.	4	2.0
BAU Insights	Nov-18	Citizens Advice analysis of consumer helpline cases	Citizens Advice run a helpline for consumers, which may include issues relating to Cadent or other network companies. They provided us with analysis both general calls relating to all networks and Cadent specific calls, as well as potential common issues or concerns.	N/A	976	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	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	1.5
	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	1.5

Discovery	Apr-18	Third party connections customer satisfaction survey	Each quarter since April 2018 we have surveyed Independent Gas Transporters and Utility Infrastructure Providers (independent connection providers) to better understand how we can meet their needs.	Respondents are asked to score Cadent's service overall, and then score different aspects such as account management separately.	43	2.0
	May-19	RIIO-2 Employee engagement, May 2019	We engaged with 783 of our employees through a survey to test the latest RIIO-2 business plan proposals to ensure that the plan was robust, fit for purpose and accurately represented what our customers want from us. Employees were asked for their views both as customers and as subject matter experts. Participants were asked for their priorities from their perspective as customers. Then, as subject matter experts, they were asked to rate, and provide their views, on different service offerings (Customer Contact, Emergency Response and Repair, Domestic Connections, Commercial Connections and Mains Replacement).	Employees were asked for their views both as customers and as subject matter experts. Participants were asked for their priorities from their perspective as customers. Then, as subject matter experts, they were asked to rate, and provide their views, on different service offerings (Customer Contact, Emergency Response and Repair, Domestic Connections, Commercial Connections and Mains Replacement).	783	1.5
	Aug-19	Gas Connections Customer Journey, Explain Market Research	We commissioned Explain Market Research to help us to understand the current connections customer journey for domestic customers, where this is working well and where it may be improved. 27 recent connections or alterations customers were invited to participate in one of four regional focus groups. The majority of participants reported a wholly or predominantly positive experience with Cadent, however, there was scope to improve the support offered to domestic customers.	These workshops explored customers' experience of the connections / alterations process at each stage: pre-installation, installation, post-installation and what went well and what could be improved.	27	3.0

Acceptability Testing	Oct-19	Phase 4 - Business interviews and surveys	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.	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.	549	2.0
	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

Acceptability Testing	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	2.0
	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 customers in vulnerable situations (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	2.0

<p>Acceptability Testing</p>	<p>Oct-19</p>	<p>Verve business plan consultation</p>	<p>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.</p>	<p>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.</p>	<p>25</p>	<p>2.0</p>
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Positive feedback about the connections process

Our 2,000 CSAT surveys and 10,000 Rant & Rave responses indicated that our customers are mostly satisfied with connections to the gas grid, albeit with lower scores in London (until post Transformation in 2019 where London is now scoring higher than any other GDN).

72% of connections customers who completed the survey gave us scores of 8-10 out of 10, although this fell to 64% in London. The highest-scoring questions for this process included (i) skill and professionalism of the workforce and overall quality of work.

Rant and Rave scores showed that satisfaction was approximately the same across regions within the application and planning stages of the connections process (95% satisfied and 98% satisfied, respectively). However, while 91% of customers were satisfied with the completion stage in other regions, this fell to 88% in London.

Areas where we can improve the connections process

Connections customers who completed CSAT surveys gave low scores to our performance in certain areas, with the poorest scoring questions being (i) time to schedule work, (ii) reinstatement and excavations, and (iii) overall communication during work. We have proposed separate output cases to improve standards related to reinstatement (see our output appendix '07.03.08 Minimising Disruption from our works') and improving communications (see our output appendix '07.03.05 Measuring and enhancing accessibility and inclusivity'). This output case responds to the timing issue to schedule work.

In addition to the 2,000 CSAT survey returns we have analysed, engagement with 4 industrial and commercial connections customers and 194 reviews of IGT's and UIP's revealed a variety of ways that we can improve the experience for connections customers.

Industrial and commercial customers

In-depth interviews with four industrial and commercial connections customers as part of our connections transformation project identified three areas of improvement. First, Cadent should be proactive, rather than reactive in responding to customers' needs. Second, Cadent should strike the right balance between safety and commercial considerations and increase the level of awareness of the financial impact of Cadent's decisions. This finding implied that safety concerns are holding customers back currently, as well as echoing the calls for better communication indicated in CSAT survey responses. Finally, customers suggested that Cadent should learn from what has gone wrong in the past and make the connections process less rigid.

Our customer satisfaction surveys of 194 IGTs and UIPs revealed considerable dissatisfaction with the connections process; the majority of categories surveyed had customer satisfaction scores that fell below the 8.04 regulatory RIIO-1 CSAT target for connections. IGTs' and UIPs' responses were consistent across quarters, with no trends of either improvement or deterioration across any categories over time. In the last quarter, the average score across all categories was 6.71. The only type that exceeded the regulatory CSAT target was land enquiries, which received an average score of 8.4. The weakest categories were reinforcement (5.4), outstanding completion files (5.7), sufficiently complex jobs (5.8), and adoption letters (5.9).

Areas identified for improvement in the surveys included communication and lead times (similar to CSAT responses), completion files, reinforcement, design submissions and deviations. Several respondents commented that service performance dropped when non-standard issues or complications arose.

Internal employee survey on the connections process

Employees surveyed internally also suggested several ways we can improve our domestic and commercial connections activities. For domestic connections, 91.89% of our employees surveyed felt that processes could be improved, 64.85% said systems, 62.16% said people, and 62.16% said training. With respect to processes, employees felt that customers needed to be better kept informed and have a clear point of contact at every stage of the process. Systems were said to be slow and outdated. Employees recommended that engineers and connections agents should see and understand the difficulties that each other face during the end-to-end connections process.

For commercial connections, 81.25% of employees thought that processes could be improved, with 62.5%, 62.5%, and 50% for people, training, and systems, respectively. These figures are broadly in line with the results for our domestic connections activities as well. Suggestions included defining end-to-end processes, ensuring agreed processes are followed, and reducing handoff within Cadent.

Citizens Advice

Connections were a key issue discussed in 200 Cadent social media posts and on Citizens Advice consumer helpline.

Connections or alterations to supply were the most common reasons 198 Cadent customers called Citizen's Advice's consumer helpline from November 2017 to November 2018, accounting for 58% of calls across all energy networks, and 43% of calls related to Cadent specifically. Of the 200 social media posts about Cadent that related to connections, 25% were general queries or asking for advice, 14% were comments about the application process, and 12% regarding getting things right first time.

External research

Further detailed research into our connections customer journey, based on 27 alterations and connections customers, provided more clarity on a range of issues and priorities. In the Explain Market Research report from August 2019, Cadent scored highly on the clarity of communications around packages and costs. There was an uncertainty regarding the ease of amending or cancelling an order, as few had attempted to do so, and half of the participants did not score this outcome.

Levels of satisfaction were lowest when it came to scheduling a date for the work. A number of customers reported feeling that they had no or little input into this decision. *"I knew the price of what I bought"* scored 9.3, *"It was clear what I had bought"* scored 9.1, *"I could amend or cancel my order"* scored 7.8, and *"I could select a convenient date"* scored 7.6. Some customers' first port of call was the website; for others, it was a call to the connections team. There was praise for both the online and the telephone services as they were seen to be straightforward, helpful and transparent.

None of the participants reported a negative experience of customer service from the connections team or a poor online experience. For the majority of participants, obtaining a quote from Cadent felt like an easy and quick process. There was a degree of uncertainty amongst customers over whether the initial quote was definitive or an estimate.

The time that participants felt that it was reasonable to wait for a gas connection or alteration varied by location - from 2-3 weeks in Wolverhampton to 4-8 weeks in Nottingham. Those who required alterations typically expected a faster turn-around than new connections customers did. This was due to the perception that it would be easier to alter an existing connection than install a new one. Moreover, those already living in the property that required work were understandably keener for it to be completed quickly. Participants would welcome an online calendar that calculated the time needed to prepare for your installation and then showed suitable, available dates allowing them to select a preferred date. There was strong customer support for the idea of a website account where you could log in to review a pending order, provide additional information or documentation and keep track of progress.

All new connections customers, and where relevant alterations customers, had been given the opportunity to choose between levels of service. Most commonly this choice was whether they preferred to dig their own trench or pay Cadent to do so. This flexibility was appreciated. The concept of extending this to a fully tailor-made package was therefore universally popular. An extended or end-to-end service was appealing to those who prioritised convenience. It was generally felt that it would be beneficial to offer the option to pay for priority handling of urgent jobs, as long as this did not significantly impact waiting times for other customers. Suggestions for an appropriate cost varied from £40 to £100 or from 10% to 20% on top of the standard job cost. The majority of participants in Altrincham and Nottingham would not have opted for Saturday or Sunday installation at extra cost. However, they did support its inclusion as an optional extra.

In Wolverhampton and Harrow there was more enthusiasm, the suggested cost in Nottingham and Wolverhampton was approximately £100. Participants in Harrow were willing to consider £95-£200 or 20% on top of the standard job cost.

Participants placed a high value on the surveyor. The popularity of the service translated into a reluctance to do away with surveyor's visit and rely upon online records. Having come to expect the surveyor as part of the process, the majority were reluctant to pay extra for it, particularly on simpler jobs.

While the average score for pre-installation communications was high, it was felt that there was some room for improvement. Suggested improvements focused on visual aids to help customers understand the process and what Cadent required from them. Respondents who felt less well informed than the average, typically felt that communications had faltered when work was outsourced. Ensuring a consistent standard of communication

across and between teams is therefore essential to maintain customer satisfaction. *“I was clear what I needed to do”* scored 8.7 and *“I was kept updated”* scored 8.4.

With communication preferences varying between individuals, there was strong support for specifying your communication preferences upon ordering. Customers stated that they wanted to know the date and time, timescales, process breakdown, likely disruption, and named contacts for workforce/problems. Participants expected to be able to call Cadent during working hours on weekdays. They would like the call centre to be open later in the evenings and on a Saturday morning, however there was a concern that this additional cost to Cadent may be reflected in customer bills.

For the majority of participants, the day of the installation was a positive experience, with one describing it as *“seamless”* and another as *“platinum service”*. With a few exceptions, there was praise for the professionalism of the work force. Where problems occurred, or the service did not live up to expectations, the level of communication between teams was the most common cause. Satisfaction scores were high for the installation process, with a very small number of dissatisfied customers bringing down the average score. Two participants complained about rubbish being left behind, there were complaints about the time taken to backfill or remove barriers and one criticised the apparent lack of a back-up plan when the original work team had a broken-down van and could not reach the property on installation day. *“Cadent looked after my property”* scored 9.0, *“Cadent delivered what I’d bought”* scored 8.9 and *“the work was carried out on time”* scored 8.6.

It was typically at the post-installation stage that the customer experience faltered. Expectations at this stage varied with some expecting their property to be left in the condition it was pre-installation and others happy to tidy up themselves. However, the delays in backfilling and removing barriers and a lack of communication over timescales caused widespread bewilderment. The expectation was that trenches should be backfilled within several days of installation.

Table 5. Summary of insights

Feedback/Insight	How we have addressed this
Insights from CSAT and customer engagement highlight that the time taken to schedule work is a key area of dissatisfaction and requires improvement.	Scheduling site visits to agree the start/end dates for works is a key area of improvement in RIIO-1. We want to continue this into RIIO-2 and set a stretch target of arranging site visits within 3 days following household quote acceptance with a minimum 85% adherence.
Activities following the completion of the engineering works such as backfill, reinstatement and site tidiness were other key areas of improvement.	We recognise this to be a key improvement area across all our services, therefore we have a separate commitment to complete private reinstatement within 3 days on average and remove spoil from customer property. See our output case '07.03.08 Minimising disruption from our works' for details on how we developed this commitment.
Customers indicated that communication across the overall end to end process is an important area of focus.	As part of our Service Transformation we will be improvement communication across the end to end connections journey. This include having dedicated account managers in place to allow customers a single point of contact and improved accessibility and inclusivity of our services through enhanced online and offline communication. See our output case '07.03.05 Measuring and enhancing accessibility and inclusivity' for details on how we developed these commitments.
Employees highlighted that current systems are slow and outdated and require enhancement.	As part of our Service Transformation and Back Office Transformation projects we will be making enhancements to our systems to enable greater functionality for our colleagues to deliver an efficient and improved service to all our customers.
Some customers asked us to consider expanding the working hours of the connections call centre to evening and weekends.	Our general enquiries line operates 24/7 and allows customers to contact Cadent if they need to out of hours. We have explored specific evening and weekend working for the specific connections team in

	the call centre, however do not believe it to be the most efficient use of customers money.
Customers and stakeholders have indicated a clear need for us to improve the end to end customer experience of our connections process.	Our Service Transformation Programme has helped us to understand where we need to improve by analysing data, talking with our internal teams and using industry best practice to start on our journey in delivering step change performance across the end to end customer journey across all services and customer segments.
Industrial and commercial customers want us to be more proactive in responding to their needs as well as echoing the calls for better communication indicated in CSAT responses.	Industrial and commercial customers have formed a core part of our Transformation Programme and designing our customer journey, therefore their needs have been fully taken into account as we explore our commitments for RIIO-2.
Results from the Explain Market research suggested that for the majority of participants, obtaining a quote from Cadent felt like an easy and quick process.	We are pleased to hear positive feedback on our quotation process from the customers sampled in the Explain Market research. We are mindful that this feedback is not necessarily representative of all customers and providing quotations accurately and efficiently is still a key focus area for us. We are confident that we can make further improvements in the time taken to quote which will reduce the overall lead time. In addition, our vision is to ensure the connection is delivered on time, as expected, and respectful of personal circumstances.

2. Assessing the measurement options



2.1. How is it currently measured?

In RIIO-1, minimum standards for our connections delivery service is measured via GSOPs 4-11. Customer satisfaction is measured via a sample of domestic and non-domestic customers consuming less than 73,200kWh per annum.

RIIO-1 GSOP standards for connections

The GSOP's set out a minimum level of service that gas GDNs should deliver to all of their customers and are applied in the same way across all GDNs. Customers are entitled to a compensation payment if their gas network operator fails to deliver against these standards. There are currently 14 GSOPs, six related to customer service, GSOPs 1-3, GSOPs 12-14 and eight related to connections, GSOPs 4-11. In 2018/19 we exceeded the 90% delivery target for each connections GSOP and this has been a regular pattern for our performance in RIIO-1. However, these standards are put in place as a minimum to protect customers. We still receive feedback from dissatisfied customers, therefore we want to set our aspirational performance levels much higher than specified within the current GSOPs.

Table 6. Connections related GSOPs

GSOP	Description	Compensation
GSOP4: Provision of standard quotations (up to 275kWh). 90% target	If you request a standard quotation from your Gas Transporter (GT) for a new connection or an alteration to an existing connection up to and including a rate of flow of 275kWh, the GT will issue it within 6 working days.	If the GT fails, you will receive a payment of £10 and an additional £10 for each succeeding working day up to the quotation sum or £250 whichever is lowest.
GSOP5: Provision of non-standard quotations (up to 275kWh). 90% target	If you request a non-standard quotation from your GT for a new connection or an alteration to an existing connection up to and including a rate of flow of 275kWh, the GT will issue it within 11 working days.	If the GT fails, you will receive a payment of £10 and an additional £10 for each succeeding working day up to the quotation sum or £250 whichever is lowest.
GSOP6: Provision of non-standard quotations (greater than 275kWh) 90% target	If you request a non-standard quotation from your GT for a new connection or an alteration to an existing connection exceeding a rate of flow of 275kWh, the GT will issue it within 21 working days.	If the GT fails, you will receive a payment of £20 and an additional £20 for each succeeding working day up to the quotation sum or £500 whichever is lowest.
GSOP7: Accuracy of quotations. 90% target	If the quotation is found to be inaccurate in accordance with the GTs published accuracy scheme, the GT will reissue you with a correct quotation and any overcharge paid will be funded. You can contact your GT on the details provided for further information on their accuracy scheme.	If the quotation is found to be inaccurate in accordance with the GTs published accuracy scheme, then you will be entitled to payment(s) until an accurate quote is issued.
GSOP8: Response to land enquiries. 90% target	If you ask for a Land Enquiry from your GT in relation to a new connection or an alteration to an existing connection the GT will	If the GT fails, you will receive a payment of £40 and an additional £40 per working day thereafter up to a maximum of £250 for

	issue a response within 5 working days.	connections up to and including 275kWh and £500 for connections exceeding 275kWh.
GSOP9: Provision of commencement and substantial completion dates (up to 275kWh). 90% target	If the GT receives an accepted quotation for a new connection or an alteration to an existing connection up to and including a rate of flow of 275kWh, it will offer a planned date within 20 working days for commencement and substantial completion of this work.	If the GT fails, you will receive a payment of £20 and an additional £20 per working day thereafter up to the quotation sum or £250 whichever is lowest.
GSOP10: Provision of commencement and substantial completion dates (greater than 275kWh). 90% target	If the GT receives an accepted quotation for a new connection or an alteration to an existing connection exceeding a rate of flow of 275kWh, it will offer a planned date within 20 working days for commencement and substantial completion of this work.	If the GT fails, you will receive a payment of £40 and an additional £40 per working day thereafter up to the quotation sum or £500 whichever is lowest.
GSOP11: Substantial completion by agreed date. 90% target	Where the GT has agreed a substantial completion date for a new connection or an alteration to an existing connection it will meet that date. However, this does not necessarily mean that gas will be available for use inside the premises as the fitting of a meter, which will enable the flow of gas, must be arranged by you and your chosen gas supplier.	If the GT fails, you will receive a payment related to the value of the contract and a payment for each working day thereafter up to a maximum level.

RIIO-1 connections CSAT survey

The Connections CSAT survey is one of the three services measured under the CSAT incentive. Customers who have received a connected or alteration and consume less than 73,200kWh per annum may receive a postal survey after completion of works to indicate their satisfaction in the service they have received. A number of questions are asked covering the end-to-end experience of the service with most questions asking for a score between 1 to 10. However, only the overall satisfaction question counts towards the incentive.

This is set as a financial incentive with reward and penalty of up to +/- 0.5 % of base revenue across all three surveys. The connections targets for RIIO-1 are as follows:

Table 7. Connections targets for RIIO-1

Survey	Maximum reward score	Target (no reward/penalty)	Maximum penalty score
Connections	8.4	8.04	7.3

2.2. How do current measures deliver against customer outcome/priority?

The current RIIO-1 GSOP measures allow us to monitor minimum performance standards for our connections delivery service. The CSAT survey allows us to understand the feedback from a sample of connections customers. Both the GSOP measures and CSAT survey have been reviewed and will be enhanced for RIIO-2.

Strengths

GSOP: Minimum standards are in place to ensure customers receive a given level of service and compensation payments are paid to customers if we fail to meet these standards.

CSAT Survey: A sample of customers have the opportunity to provide feedback to us via a paper-based survey. We can then use this feedback to help shape and improve our connections service (for standard customers).

Weaknesses

GSOP: Standards are set at a minimum level. Therefore, networks should be aiming for performance over and above this level. Standards have been in place since 2008 and performance targets have not been updated since this time.

CSAT: The survey takes a sample of standard customers only. Therefore, industrial and commercial customers do not have a formal channel to provide feedback on their experience. The current survey is paper-based only via the post and there is no option to provide customers with a choice of response formats to suit them.

Overall there are no measures that focus on the overarching connections services we deliver, split by customer segment. Our aim is to build upon the GSOP and CSAT measures and make specific commitments to different groups of connections customers.

2.3. Assessing good practice

As part of our Service Transformation, we wanted to understand how other industries operate and streamline their purchasing processes. We looked at the retail industry in particular as we wanted to learn from purchasing processes that customers would be most familiar with. Based on the learning, we were then able to re-map our purchasing processes and create a smoother customer journey that customers would be familiar with from the retail environment.

Some examples of best practice benchmarking we have completed are:

- Virgin Media use a service-led approach. They have created customer-centric blueprints and manage them through a cross-department board. Virgin Media have clearly documented the 'Virgin' experience to all partners and frontline colleagues, focusing on reducing time to install and completing the job in line with customer expectations.
- Scottish Water set up a standalone commercially sustainable company that encourages growth and development of new technologies in the water industry. They have a clear customer segmentation of consumer and business and have designed and developed services that meet their needs. This has, in turn, improved their performance within their regulated environment.
- Vodafone delivers technical solutions to business customers and has developed strategies to simplify the purchasing process by using 'configure, price and quote' systems with standard designs and pricing methodologies that are configured per project.
- Atom Bank used customer effort and emotion when developing new services to assess the overall satisfaction and feeling associated with a service and improve the design.

2.4. What options have we considered?

Given that we had already embarked on our Service Transformation Programme, the key options we needed to consider were how we supplemented this into RIIO-2 to ensure that the changes were fully embedded and continually improved.

The additional customer and stakeholder feedback was very helpful. Much focussed around accessibility and communication, which we built into our '07.03.05 Measuring and enhancing accessibility and inclusivity' output appendix. As anticipated, another core area of feedback related to the timeliness and quality of reinstatement work, which we have built into our '07.03.08 Minimising disruption from our works' output appendix. Many other

areas of feedback, such as that specific to industrial and commercial customers are already being addressed through the latter phases of our Service Transformation Programme. And the challenge of ensuring that we are measuring the standards that we are delivering to all of our customers (and not just domestic customers) is addressed through our '07.03.01 Establishing and raising the bar for all our customer and stakeholder experiences' output appendix.

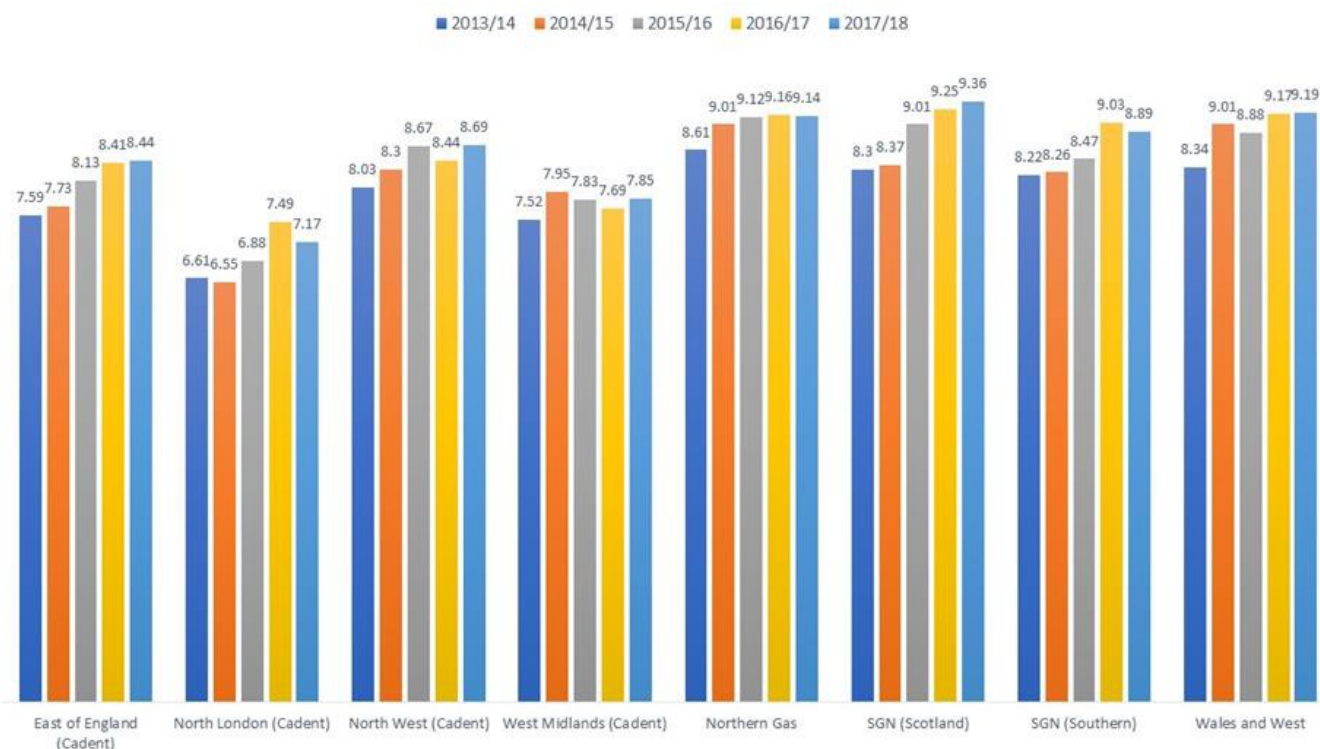
Therefore, we have considered the additional options that customers believe will help us go past the performance improvements delivered through Transformation and those commitments that are not covered by other outputs in the Plan. The main area of additional customer feedback that we have not directly covered elsewhere relates to the timeliness of the end-to-end process, and often described by customers as the start of the process, or the time to generate an accurate quote and survey, providing clarity of costs and timescales thereafter. This comes out consistently in the insights received and described above. We have therefore focussed on this with two proposed output commitments to significantly reduce the time to develop a quotation and the lead time to the first site visit (where a firm price and work scheme is generated).

3. Assessing performance levels



The graph below summarises the average connections customer satisfaction scores (out of ten) for standard connections over the past five years for Cadent and other GDNs. It shows that we still have work to do to improve our customer performance.

Figure 6. Connections customer satisfaction scores (out of 10)



Performance against the Connections GSOP is strong (see 2017/18 Cadent performance below). However, as mentioned previously within this appendix, the standards have not been reviewed / updated since 2008 therefore performance targets require modernisation.

Table 8. Connections GSOP – Pass rates and payments over RIIO-1

GSOP	2013/14	2014/15	2015/16	2016/17	2017/18
GSOP4 - % within 6 working days	99.11%	99.16%	99.92%	99.92%	99.93%
GSOP4 - value of payments	£5,871	£11,186	£1,030	£1,130	£690
GSOP5 - % within 11 working days	96.40%	98.30%	98.58%	98.10%	95.86%
GSOP5 - value of payments	£5,140	£2,780	£3,400	£3,800	£6,350
GSOP6 - % within 21 days	97.16%	98.39%	99.53%	98.26%	97.42%
GSOP6 - value of payments	£3,100	£3,310	£2,140	£6,290	£10,580

GSOP7 - % of quotations challenged but found to be accurate	84.58%	79.75%	83.75%	81.25%	87.86%
GSOP7 - value of payments	£0	£318	£628	£0	£0
GSOP8 - % within 5 working days	98.69%	98.97%	98.61%	98.43%	98.91%
GSOP8 - value of payments	£10,460	£8,120	£13,960	£13,480	£12,630
GSOP9 - % plan date offered within 20 working days	98.76%	98.08%	96.74%	97.51%	97.50%
GSOP9 - value of payments	£28,414	£43,471	£106,004	£69,843	£53,640
GSOP10 - % plan date offered within 20 working days	98.76%	97.17%	94.38%	100.00%	95.39%
GSOP10 - value of payments	£960	£1,040	£3,000	£0	£2,140
GSOP11 - % substantial completion on agreed date	94.16%	95.48%	94.59%	93.07%	93.72%
GSOP11 - value of payments	£200,472	£214,293	£291,298	£338,963	£339,162

4. Customer testing



We tested our connections services commitment as part of our Service Transformation Programme. At the time of writing this document we are in the process of implementing and testing our transformed services through short pilots to obtain live feedback that can be used to make further enhancements. The approach and blueprints for the customer segments are being tested via the establishment of customer reference group across each of our networks. We started with our household connections service and targeted London, our lowest scoring network for customer satisfaction. Although we are in the process of implementing the changes, we have already seen significant increases to CSAT scores, regularly achieving scores in excess of nine since the changes were implemented.

Household connections case study

Customers of our connections process who completed CSAT surveys gave low scores to our performance in certain areas, with the poorest scoring questions being (i) time to schedule work, (ii) reinstatement and excavations, and (iii) overall communication during work.

Our customers have told us when they order and purchase a service, they want to be kept informed during their journey and are seeking certainty about the price they will pay, and a clear understanding of what is included in the service. Convenience, flexibility and quicker delivery dates, and confidence that what is delivered will meet their expectations. Customers expect us to take account of their personal circumstances and for these to be respected and acted upon from order through to delivery. We recognise that our core service design and delivery must meet these needs if we are to meet our household customers' expectations.

Our household service vision:

Within 15 minutes, a homeowner has received their price, can place an order, pay a deposit, and select a convenient date for work to start. The service will be delivered on time, as they expected, and respectful of their personal circumstances.

We are committed to challenging ourselves to not just make this a little better but really pushing ourselves to deliver the outcomes that customers expect when purchasing services. That is why when we designed 15 minutes to get a price, place an order, pay a deposit and select a convenient date for work to start in our household service vision, we did this because we wanted a timeframe that didn't feel burdensome to customers.

We have looked at other industries such as retail, where businesses create a confident and informed purchasing process. We followed the approach based on what the customers' expectations would be and created a journey that they are familiar with from other industries. We have not just compared ourselves to other GDNs.

To validate this we used Virgin Media, Sky and insurance comparison websites to see what timescale expectations customers had got used to experiencing when they went online to gain a price for services they required. We found that on all websites customers could choose their service package and gain a price within 15 minutes.

We looked at other utility companies and other gas distribution websites, we found these to be very manual and the information displayed on websites felt repetitive and timely to read and navigate through.

How does our approach deliver this?

Our approach to designing the Household service ensures we meet the below customer expectations:

1. It is clear what I have bought
2. To know the price of what I have bought
3. To be able to select a convenient date
4. To be able to amend or cancel my order

5. It to be made clear what I need to do
6. To be kept updated
7. Cadent to deliver what I bought
8. The work to be carried out on time
9. Cadent to look after my property

For each stage of the Household customer journey we have described the outcome that is delivered to the customer during their service experience. See figure 7.

Figure 7. Outcomes at each stage of the customer journey

1. Awareness *What services do you offer?*

- Household customers can quickly and easily recognise themselves on our website by entering their postcode to understand if Cadent can deliver services to this address.

2. Consider *Which service is right for me?*

- Customers are able to set up an account online or via telephone to allow them to easily track and amend their order.
- Service bundles across differing price points are tailored to meet the customers needs from answering a few simple questions or through a surveyor visit if required.
- Customers are able to select the service bundle that best meets their needs and matches their budget. It is clear what is included for the price and customers are able to amend this order up to 14 days prior to the delivery date.

3. Contract *Agreeing the contract for a service*

- Customers are able to select a delivery date which takes into account their location, service bundle and any external considerations. This date can be amended up to 14 days prior to the initial delivery date.
- Customers pay a deposit based on 10% of the value of the service bundle in addition to any costs for external considerations. Customers can select their preferred payment method when doing this.
- 14 days prior to service delivery, the customer pays the final amount, receiving confirmation outlining what has been purchased, when it will be delivered and any obligations the customer has agreed to.
- The customer can also inform us of any further information that would be helpful for us to know on the delivery date.

4. Activation *Delivering the service we agreed*

- Reminders and information are provided to the customer appropriate to the service bundle that has been selected. The customer will be given a named from the delivery tea, and the expected time of arrival.
- On the day the delivery team will introduce themselves, confirm what will be delivered, how long they will be at the property, and what the customer can expect to have happened when they leave.
- If the customer wants a variation on the day this will be accommodated and payment will be taken on the day. If we need to make a change to the service delivery then this will be explained to the customer to gain agreement with no additional charges.

5. Conclude *Everything is completed*

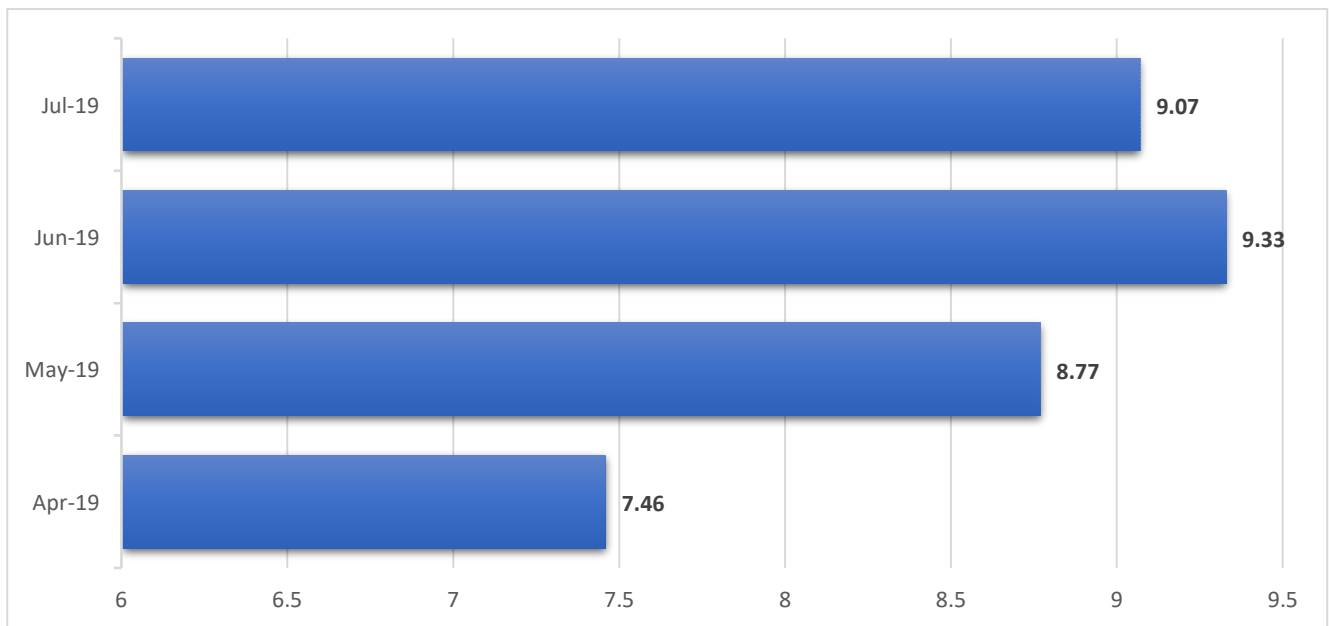
- On the final day the service delivery team will confirm with the customer that everything has been delivered and ensure the customer also believes that everything has been delivered to their expectation. A map showing the completed works will be shared with the customer.

Knowing we are dependent on new system capability to deliver our full household service vision. We have made improvements straight away rather than waiting for our new systems to be designed and implemented. We have already made significant changes to respond to our household customer needs, creating clearer accountability lines, streamlined the operation and placed a much more customer-focused approach in driving performance. Improvements such as:

- Creating network aligned teams and introducing mini account managers that know their network
- Aligning site managers to smaller geographies within their area.
- Having site managers visit customers at the property within three days to provide an accurate quote and agree an appointment date for the work to be completed.
- Introducing 'jeopardy management', enabling us to source another team, if the original work team are unable to make the date agreed with the customer for work to be completed.

We started to make these initial changes during March and April 2019 and scores we have already begun to see improvements, specifically in our North London network which has always been our most challenging network to improve our CSAT scores. Figure 8 shows the improvement between April and July's North London scores.

Figure 8. Connections CSAT scores in North London (Apr 2019 to July 2019)



Acceptability testing of our quality experience customer outcome

In the October acceptability testing, run by Traverse, the quantitative acceptability testing of business customers showed 49% of Cadent business customers saying that they found the quality customer experience aspects of Cadent's business plan "very important" and 37% "fairly important" (86% in total). 30% of business customers found these aspects of the plan "very acceptable" and 55% "acceptable" (85% in total). The breakdown across business sizes was broadly consistent, but overall acceptability increased with business size.

The same business customers said that a quality experience was an essential element of delivering a service and said that the proposals around fuel poverty and supporting those in vulnerable situations demonstrated that Cadent were making efforts to go above and beyond their remit. However, some customers questioned the feasibility of the plan.

As part of the Traverse quantitative acceptability testing of domestic customers (October 2019), 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 had answered that they found it neither acceptable nor unacceptable suggested a further reduction in process (14%) or wanted more detail on how it would be implemented (6%). This was broadly consistent across the regions.

Overall, participants in our acceptability testing customer forum (109 customers) found the plan acceptable, and thought it was good that Cadent was exceeding their legal responsibilities. For example, participants felt that Cadent was 'filling a gap' in the legal framework by making an ethical decision to provide CO detectors. This was echoed at our acceptability testing focus groups with members of the general population, and the focus groups run with a sample of future customers.

Overall, customers in our acceptability testing focus groups with CIVS were supportive of the quality experience commitments outlined by Cadent, particularly the additional support for customers in vulnerable situations. This

was in line with feedback from participants that attended fuel poor specific focus groups. However, they felt that Cadent would need to make it clearer how customers should access this support if needed.

As part of the Verve business plan consultation, engaging a pop-up community of 25 customers, a quality experience was seen as a critical obligation for any organisation. In fact, some saw it as an expectation, and were surprised it formed a prominent part of the plan. Providing detail of what the commitments should entail provided comfort, though failure to deliver will quickly harm trust.

Whilst the above feedback is not directly in relation to our proposals to continue with the existing regulatory connections GSOPs and provide bespoke measures to improve the timeliness of the front end of our household connections process, it clearly points to support for us raising the bar in all customer interactions.

5. Our commitments



The output commitments below will be delivered in addition to those that relate to connections customers that we describe in other output cases. These include:

- Establishing a benchmark and measure for all of our customer services and improving performance over RIIO-2 – See output appendix ‘07.03.01 Establishing and raising the bar for all customer and stakeholder experiences’.
- Providing an accessible service for all – See output appendix ‘07.03.05 Measuring and enhancing accessibility and inclusivity’.
- Private reinstatement completed within 3 days on average – See output appendix ‘07.03.08 Minimising disruption from our works’.

We will continue to embed our Service Transformation Programme. Our commitment is to provide services that our customer love, and as we have detailed in section 2, this will be different for each customer segment. For our non-domestic customers, we are committed to providing a bespoke service which is flexible to their needs and aligns to their own project delivery objectives and milestones. Therefore, we will not tie down to tangible quantifiable commitments as these will be different for each customer and will continually evolve.

For our household connections customers, however, we believe there is a stable and repeatable process in which firm commitments can be made to satisfy customer needs. This means in the vast majority of cases the household customer will receive a quote of the estimated cost of the works as close to real time as possible aiming for within 15 minutes of the start of their journey either online or over the telephone. In addition, a site manager will visit the customer within 3 days to confirm their individual needs including a firm definitive quote and in the majority of cases an appointment with the customer will be agreed on the door step for when the work is to be carried out. Our aim is to achieve 90% adherence for 15-minute quotes and 85% adherence for site manager visit within 3 days.

Table 9. Outputs relating to connections

Output	East of England	North London	North West	West Midlands	Cadent	Comparison to RIIO-1	Cost
Connections GSOPs 4-11	>90%	>90%	>90%	>90%	>90%	Increased compensation payments, automatic payments and updated targets (in-line with regulatory GSOP changes).	£1.3m efficient level across GSOP 2-14
Customer satisfaction	<i>Confirmed following CSAT trial between October 2019 – March 2020</i>					Updated scope, questions and increased number of response channels.	£0
15-minute household connections quotes - % adherence	90%	90%	90%	90%	90%	GSoP4 minimum standard – 4 working days.	£0
3-day site visits following acceptance - % adherence	85%	85%	85%	85%	85%	Not measured in RIIO-1.	£0

5.1. Regulatory treatment

We have undertaken an assessment of these outputs against Ofgem’s criteria to understand the best form of regulatory treatment.

Table 10. Regulatory treatment

Regulatory treatment	Criteria	Rating	Further explanation of assessment
Reputational ODI	Demonstrate this is important to customers and/or stakeholders	Strongly meets criteria	Insights from customers and stakeholders show support for improving the service we currently provide around connections.
	Funded elsewhere in our plan, or inappropriate for funding	Weakly meets criteria	Connections is a paid for service. Justification for funding on this output case is reliant on any willingness to pay evidence, supporting improvements beyond existing GSOP minimum standards.
	Can robustly measure performance improvement	Strongly meets criteria	This output contains distinct measures in order to track performance improvements.
Financial ODI	Demonstrate this is important to customers and/or stakeholders and they are willing to pay	Strongly meets criteria	As described for Reputational ODI.
	Not funded elsewhere in our plan	Doesn't meet criteria	As described for Reputational ODI.
	Can robustly measure performance improvement	Strongly meets criteria	As described for Reputational ODI.
Price control deliverable	Specific deliverable with clear timeline and targets	Doesn't meet criteria	This output contains distinct measures in order to track performance improvements. However, we are not requesting any funding to deliver this.
	Demonstrable benefit to customers which they support	Strongly meets criteria	Our insight from customers and stakeholders show support for improving the service we currently provide around connections.
Licence Obligation	Absolute minimum, with significant customer harm if we do not deliver it	Doesn't meet criteria	Our preferred package for this output goes beyond the minimum standards covered by existing GSOPs for new connections.
	Applicable to all GDNs	Doesn't meet criteria	For this output, we have undertaken work specifically to understand the challenges and needs of customers in our area.
Business Plan Incentive	Adds to the quality of our plan, but not a specific deliverable or performance measure	Doesn't meet criteria	Our preferred option for this output includes delivering an improvement in our performance.
	Funded elsewhere in our plan, or inappropriate for funding	Doesn't meet criteria	Justification for funding on this output case is reliant on any willingness to pay evidence, supporting improvements beyond existing GSOP minimum standards.

Doesn't meet criteria	Weakly meets criteria	Partially meets criteria	Meets criteria	Strongly meets criteria
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As connections is a paid for service we are proposing a reputational Output Delivery Incentive (ODI) for the proposed bespoke outputs.

How are we incentivised to perform?

For the bespoke outputs we are proposing that reputational ODIs are set. There will be a positive reputational impact of measuring all our customer and stakeholder experiences and setting a robust baseline for future improvements.

We are supportive of the continuation of financial incentives against the existing customer measures, including GSOP (financial compensation for missing standards) and CSAT incentive (reward and penalty).

Table 11. Outputs relating to connections

Output	Type	ODI	Target levels	Incremental cost	Incremental benefit	Min (collar)	Max (cap)
Guaranteed standards of performance	Common	F-	Compensation levels increased in line with inflation	£10.4m (efficient level across all GSOP)	Zero	Caps against connections related GSoP	Zero – penalty only
Customer satisfaction	Common	F+/-	Ofgem will decide based on results from the GD2 CSAT trial	Zero – improvements expected to come at no cost (e.g. through other commitments)	Ofgem common ODI – assumed incentive rate is as-per RIIO-1	Ofgem proposed range of -0.5% revenue	Ofgem proposed range of +0.5% revenue

6. Delivering our commitments



6.1. How we will deliver our commitments

Table 12. Actions to deliver our commitments

Area	What we will do to deliver commitments
Customer communications	<ul style="list-style-type: none"> We have already established performance visions for a number of customer segments. These visions will be tested and continue to evolve as we further understand our customer wants and needs.
Processes / systems	<ul style="list-style-type: none"> Our internal systems and processes are also being transformed to match the ambitions of our strategy and to ensure delivery for customers. Customer journeys have been refreshed and touch points identified for all customer segments. Our processes are designed to focus on the customer experience delivered at each and every touch point.
Partnerships	<ul style="list-style-type: none"> We are continuing to work with Perpetual Experience on our service transformation journey. This work will help to ensure that our service design and delivery is aligned to our customer ambition.
Engagement	<ul style="list-style-type: none"> Engagement with customers to understand their needs and develop a blueprint and then manage this through the service engine. The key is aligning the organisation around the customer's need rather than our processes. We will be establishing network-level reference groups to continually review our plans and performance.
Skills and resource	<ul style="list-style-type: none"> We will train our front line delivery teams and customer call agents to ensure they are equipped with the latest skills in engaging with customers and ensuring they are always satisfied with our services.

6.2. How we will protect against non delivery

Table 13 Protecting against non delivery

Regulatory tool	How it will help in protecting customers from non-delivery
Guaranteed standards of performance	<ul style="list-style-type: none"> Minimum delivery standards for Connections. Compensation is payable to customers if GDNs fail to meet a minimum standard. (Connection standards are also stipulated in the GDN licence). Connections Guaranteed Standards of performance have been reviewed and performance standards, together with compensation payments, will be refreshed for RIIO-2 to reflect the expectations of both current and future customers.
Customer satisfaction incentive	<ul style="list-style-type: none"> Financial incentive +/- 0.5% of revenue for customer satisfaction performance for Connections. Cadent's Connections service delivery will be continued to be measured in RIIO-2 as part of the CSAT survey. The survey will be refreshed for RIIO-2 and will reach out to a wider range of connections customers and offer the choice of multiple channels to respond. Incentive +/-0.5% of revenue for customer satisfaction performance across Emergency Response and Repair, Planned Work and Connections processes.
Reputational	<ul style="list-style-type: none"> Non-delivery against the reputational incentives proposed will have a negative reputational impact.