

December 2019

# Appendix 07.03.12

## Going beyond to never leave a customer vulnerable without gas

**This output case describes our overall approach to mitigating the risk of a customer being left in a vulnerable situation without gas as a result of a supply interruption. We want to do everything we can to support customers in keeping them safe and warm. There are several ways that we can provide additional support to help customers in the event of a loss of supply. These include providing additional welfare services and going beyond the meter by offering a repair or a replacement of an appliance to the most vulnerable.**

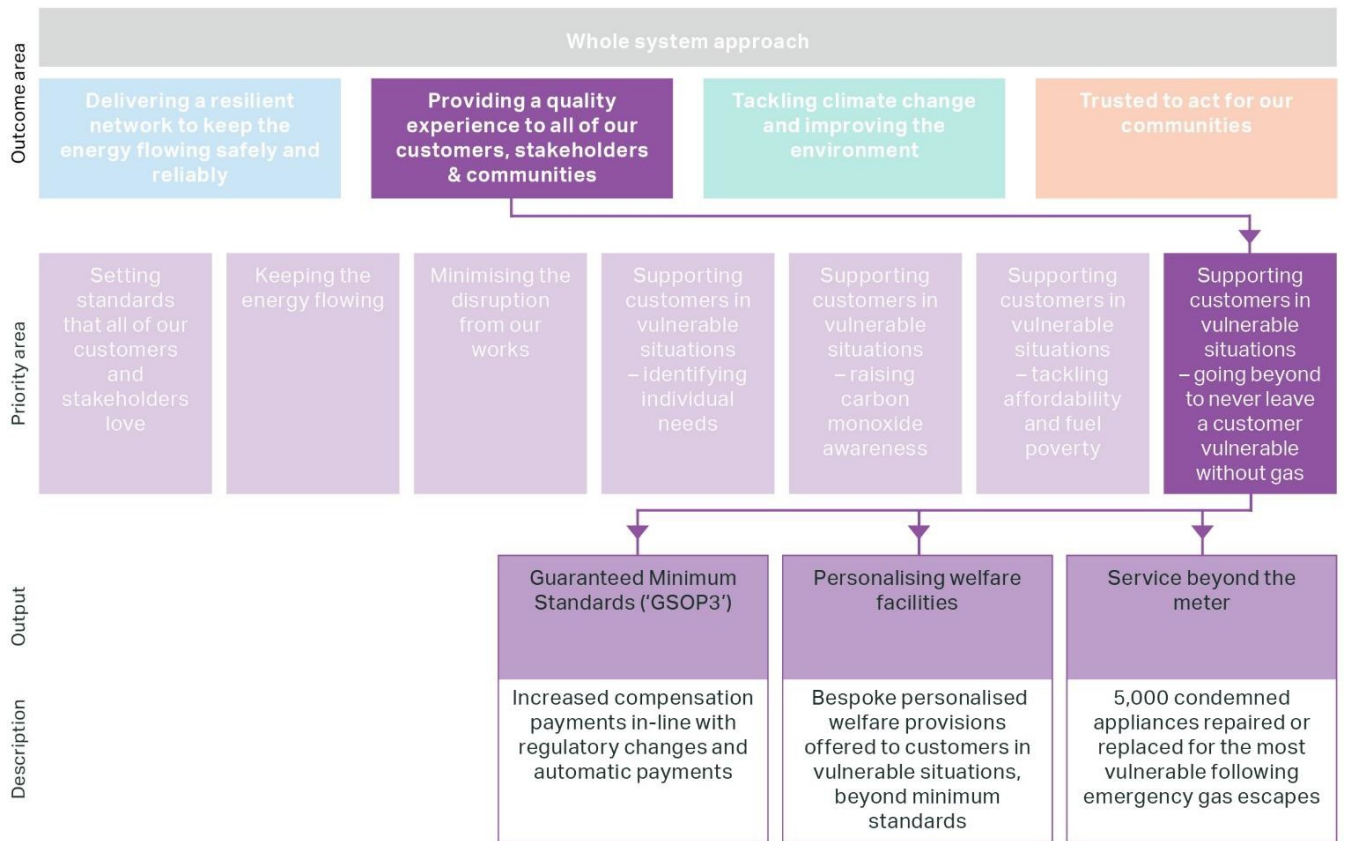
**In RIIO-1, Guaranteed Standard of Performance (GSOP 3) provided protection for customers on the Priority Services Register in the event of an interruption by providing them with alternative heating and cooking facilities within 4 hours. During RIIO-2 we will make the following enhancements to this measure:**

- Increase compensation payments and make payments automatically for GSOP 3, in line with regulatory changes

**During RIIO-2 we want to go beyond minimum standards and stretch ourselves to never leave a customer vulnerable without gas by delivering the following commitments:**

- Although there is a minimum standard in place to provide alternative heating and cooking facilities to customers registered on the Priority Service Register (PSR), we will significantly increase the range of welfare services that we will offer and, in recognising that vulnerability is transitory, we will offer this to all customers who become vulnerable post the gas interruption (beyond those registered on the PSR). Our additional welfare package will include personalised services such as shower facilities, free meals or temporary accommodation. We will develop a decision making application which considers the customer need and length of interruption and allows our field force to order the required provision or service.
- Through expert partnerships we will support vulnerable customers to repair or replace 5,000 unsafe appliances discovered following isolation. This builds on the existing pilot work we have already completed with National Energy Action (NEA) within our West Midlands network. Through this process customers are referred and their eligibility assessed against a number of criteria to ensure that they get the right support, whether it be a repair or a replacement appliance, or even just advice on gas safety. The pilot has already proved a great success and there is strong support from customers and stakeholder to build on this.
- We won't extend the skills of our workforce to carry out summer safety checks based on the triangulation of customer and stakeholder feedback data. However, we may consider this in the future as we continue to engage during RIIO-2.

**We will deliver:**



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## How we have developed our proposals

1. **We started with the main aim of our customer vulnerability strategy** – We aim to keep our customers warm, independent and safe in their homes. A gas supply interruption has the real potential to undermine this aim. We have a separate output case describing how we will limit the impact of interruptions to all customers, see output Appendix '07.03.06 Getting our customers back on gas' . However, there are several ways that we can provide additional support to customers to mitigate the risk of a gas supply interruption from placing a customer in a vulnerable situation.
2. **We reviewed how we currently measure providing welfare services** – Guaranteed Standards of Performance (GSOP) 3 ensures that gas distribution networks (GDNs) deliver minimum standards of providing alternative heating and cooking facilities to customers on the Priority Services Register (PSR) in the event of an interruption. This is a minimum standard only, and we are looking to go above and beyond this.
3. **This provided us with a clear problem statement** – There are additional, more personalised, services that can be provided to ensure that we never leave a customer in a vulnerable situation. This includes additional welfare services and supporting the most vulnerable with repairing or replacing unsafe appliances following an interruption.
4. **We have applied our own lessons learned from RIIO-1** – In certain circumstances, we have gone beyond the minimum requirements and have explored ways to help customers in vulnerable situations (CIVS) with services beyond the meter. We partnered with National Energy Action and Act on Energy to support customers in the West Midlands with repairing or replacing unsafe appliances. This has delivered positive results which can be expanded further to benefit all customers across all of our networks in RIIO-2.
5. **We gathered insights from historical experience and targeted engagement** – Customers told us that people in vulnerable situations, who depend on gas, should always be protected, and support should be given on an individual basis. Cadent should be responsible for additional services for CIVS. Expert stakeholders in particular agree with us that vulnerability is transient and situation specific. For example, an individual may only be in a vulnerable situation in the event that their gas supply is interrupted. We must consider this scenario in our proposals.
6. **We have looked at what other provisions are available for customers** – in addition to GSOP 3 requirements, several additional alternative welfare provisions can be provided to customers to assist them when our works can adversely impact them. These include oil-filled radiators, thermal blankets, large commercial-style kettles, rechargeable portable showers and some intangible initiatives such as access credit or support in accessing a GSOP payment early, or funding a hot meal or temporary accommodation. Although in RIIO-1 during major incidents or lengthy interruptions we have provided additional services, this has not always been consistent.
7. **We assessed how far the current measures and Ofgem's proposed measures take us against the good practice identified** - Ofgem is proposing to increase the compensation payment levels for GSOP 3 in line with inflation and for payments to become automatic. Our customers have informed us that compensation is not a key concern of theirs. Their priority is reducing the impact of interruptions and as such we considered three additional bespoke measures that go beyond baseline expectations.
8. **We have developed and considered a number of options** – We have considered the following options, although clearly option 1 does not meet our own or our customers expectations (but is there for completeness):
  - Maintain the status quo by continuing to deliver GSOP 3
  - Offer enhanced and personalised provisions for customers who find themselves in vulnerable situations (beyond the PSR) during an interruption
  - Provide enhanced, bespoke welfare provisions and minimise the isolation impact on customers by providing services beyond the meter including proactive safety checks
9. **We tested these options with customers and stakeholders** – We provided costed options that broke down the component parts of the options described above. We used both qualitative and quantitative research approaches. After triangulating our customer engagement results, we believe there is strong support to provide personalised welfare provisions to CIVS and to work with expert partners to repair or replace appliances. Our proposal to do proactive safety checks was not supported by our customers.
10. **Our commitments** – Therefore, we are proposing to continue to deliver GSOP 3 (with enhancements), offer personalised welfare provisions to all customers and establish partnerships to repair or replace 5,000 appliances for CIVS following an emergency incident.

11. **We have already started delivering** – We have already undertaken a trial in our West Midlands network, alongside partners, to explore providing additional support by repairing or replacing appliances for CIVS who are off-gas.

The tables below summarise our commitments in this area:

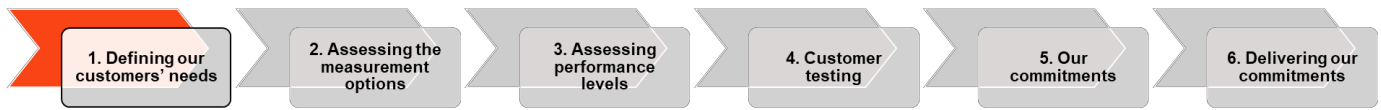
*Table 1 Summary of our commitments*

<b>Guaranteed Standards of Performance (GSOP) 3 – providing alternative heating and cooking facilities</b>	
<b>Common / Bespoke</b>	Common
<b>Output type</b>	Licence Obligation
<b>Comment</b>	Increased compensation payments and caps and some updated targets
<b>Target</b>	If a customer is registered on the Priority Services Register and their gas supply is interrupted, they will be provided with alternative heating and cooking facilities within 4 hours
<b>Cost implications (annual)</b>	£0.3m efficient level of payment across GSOP 2-14
<b>Incentive range</b>	N/A
<b>Net Consumer Value Proposition (CVP)</b>	No financial CVP, qualitative benefits only

<b>Personalised welfare provisions</b>	
<b>Common / Bespoke</b>	Bespoke
<b>Output type</b>	Output Delivery Incentive (R)
<b>Comment</b>	Go beyond the minimum requirements by offering CIVS a choice of personalised welfare provisions (e.g. rechargeable showers, heated blankets, hot meals, temporary accommodation, temporary credit, access to gym shower facilities etc. )
<b>Target</b>	Providing alternative welfare provisions to all vulnerable customers (including those not registered on the PSR)
<b>Cost implications (annual)</b>	£3.26m
<b>Incentive range</b>	N/A
<b>Net CVP</b>	£120.8m

<b>Services beyond the meter</b>	
<b>Common / Bespoke</b>	Bespoke
<b>Output type</b>	Output Delivery Incentive (R)
<b>Comment</b>	Repair or replace unsafe condemned appliances following gas supply isolation
<b>Target</b>	Repair or replace 5,000 unsafe appliances for the most vulnerable customers on emergency visits.
<b>Cost implications (annual)</b>	£0.54m
<b>Incentive range</b>	N/A
<b>Net CVP</b>	£15m

## 1. Defining our customers' needs



### 1.1. What is the area?

Our vulnerability strategy aims to keep customers warm, independent and safe in their homes. Although we sustain high levels of reliability in supplying gas (99.996% in 2018/19), we will sometimes need to isolate a customer's gas supply to respond to an emergency gas escape or carry out planned safety work to upgrade our network. Customers rely on their gas supply to keep warm and to heat their food and water. Therefore, an interruption is likely to have a significant impact, especially for those customers who are in vulnerable situations, although the act of turning off a gas supply can place others into a vulnerable situation too.

In order to minimise this impact, alternative welfare services can be provided to ensure these customers are still able to keep warm and clean and have access to hot food. Although the current guaranteed standards ensure customers on the Priority Services Register (PSR) receive provisions for alternative heating and cooking facilities during a gas supply interruption, we could provide more personalised services tailored to the individual needs of customers beyond those who are on the PSR, recognising the transient nature of vulnerability.

Following an interruption to a customer's gas supply (planned or unplanned), it is important that we restore the supply at their gas meter and appliances. In most cases, we are able to do this quickly or undertake minor repairs if required. However, we are often unable to do this because the customer's boiler or gas appliances require major repair work or replacement. For most customers, repairing or replacing their own appliances is a responsibility that they are able to manage. However, for vulnerable customers those challenges can be very difficult indeed, and exacerbate their vulnerability with potential health impacts. For RIIO-2 there is an opportunity to extend the skills of our workforce to undertake internal repair works or coordinate with strategically appointed partners to better connect CIVS to local Gas Safety Registered Installers (GSRI's) to ensure the internal repair or replacement takes place and we never leave a customer vulnerable without gas.

Although in the long-term, our gas mains replacement programme of works will minimise the occurrences of gas escapes by replacing our metal pipes with plastic pipes, there is an opportunity to use our geographical data to identify key hotspots for leaks and/or vulnerability and undertake a more proactive summer-time programme of works to shift any avoidable interruptions of gas services away from the winter. This approach is widely adopted in Spain and several Scandinavian countries. Results suggest that a proactive approach to identify potential issues before they result can be a more cost effective way of delivering similar reliability figures. However, there are several factors that would limit this approach at any significant scale in the UK (e.g. customer acceptability or willingness to pay (WTP), or, it could be seen as anti-competitive behaviour that extends beyond our licence conditions).

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

Customers who are already in a vulnerable situations particularly rely on their gas supply, and others become vulnerable from the act of turning off their gas supply. We have therefore explored ways to avoid interruptions occurring in the first place (e.g. proactive checks) or to minimise their impact through alternative welfare provisions.

Our responsibility is to get the gas supply restored at the customer's meter and prevent their immediate harm from unsafe appliances or gas installations. However, to avoid situations where a customer has no access to gas supply it is important that in certain situations, we go beyond to undertake repairs or replacements or work with other parts of the industry to ensure a customer is never left vulnerable without gas.

### 1.3. What insights are shaping our thinking

#### Sources of insight



We engaged with the following customers and stakeholders to discuss and understand how we can ensure that we never leave a customer vulnerable without gas:

*Table 2 Customers and stakeholders engaged*

Customers	Charities
<ul style="list-style-type: none"> <li>• Domestic customers</li> <li>• CIVS</li> <li>• Non-customers in rural areas</li> <li>• Fuel poor customers</li> <li>• Multiple Occupancy Building (MOB) customers</li> <li>• English as a second language customers</li> <li>• Non-English-speaking customers</li> <li>• Business customers</li> <li>• Future customers</li> <li>• Employees</li> </ul>	<ul style="list-style-type: none"> <li>• Citizens Advice</li> <li>• Royal Association of Deaf people</li> <li>• Royal National Institute of Blind people</li> <li>• Carers Trust</li> <li>• Alzheimer's Society</li> <li>• National Energy Action</li> <li>• Trussell Trust</li> <li>• Shelter</li> <li>• Disabled Living</li> <li>• Sense UK</li> <li>• Catch 22</li> <li>• Age UK</li> <li>• Islington Chinese Association</li> <li>• Blind Veterans UK</li> <li>• Macmillan Cancer Support</li> <li>• Spinal Injuries Association</li> <li>• HEET</li> <li>• MS Society</li> <li>• Part-sight</li> <li>• Groundwork</li> <li>• Hackney Playbus</li> <li>• Maggie's Trust</li> </ul>
Industry Stakeholders	Community Services
<ul style="list-style-type: none"> <li>• Gas Distribution Networks</li> <li>• Suppliers of welfare products</li> <li>• Yorkshire Energy Solutions</li> <li>• Northumbrian Water</li> <li>• Ofgem</li> <li>• Queen Alexandra College</li> </ul>	<ul style="list-style-type: none"> <li>• Community Action Northumberland</li> <li>• Metropolitan Police</li> <li>• South Yorkshire Fire Service</li> <li>• Essex County Fire and Rescue Service</li> <li>• Rural England Community Interest Company</li> <li>• Leicestershire Police Against Scams</li> </ul>

We engaged with a wide range of customers and stakeholders to understand how we can go beyond minimum standards to never leave a customer vulnerable without gas. 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

We have two broad commitments in this area. We have scored each source against the following commitment area:

- C1 – Going beyond to strive to never leave a customer vulnerable without gas
- C2 – Personalising welfare facilities



Table 3 Engagement activities

Phase	Date	Source name	Source description	Questions asked	# of stakeholders	Score	
						C1	C2
<b>Historical Engagement</b>	Nov-18	Surveys following major loss of gas (Eye, Suffolk and Deanshanger, Northamptonshire)	<p>We surveyed 89 customers who had experienced major interruptions incidents in Deanshanger, Northamptonshire and Eye, Suffolk in order to understand their views of how we managed these incidents as an organisation and how we could improve the experience for future customers in a similar situation. These were over and above the standard CSAT and Rant and Rave surveys we send following works.</p> <p>Overall, customers were extremely positive about Cadent's response to the gas emergency with the vast majority saying that Cadent exceeded their expectations in this regard.</p>	Customers were asked about their awareness of Cadent prior to the incidents. Then, in relation to their experience of the incident itself, customers were asked whether they felt well informed, whether Cadent was communicative and responsive and what methods of communication were used. Their experience of Cadent representatives in the community was sought and whether they were found to be well-trained and professional. Customers were asked whether CIVS were appropriately supported during the incident. Finally, customers were asked for their overall impressions of Cadent and the level of trust in the organisation.	89	-	2.0
<b>Discovery</b>	Nov-17	2017 regional stakeholder workshops	<p>We held four workshops in different regions to seek feedback from key stakeholders on the early development of our business plan. Each workshop began with a short presentation, followed by roundtable discussions. Electronic voting was also used to ask stakeholders about preferred options.</p>	The workshops explored several topics, including safeguarding (e.g. PSR awareness, partnerships and innovation opportunities); the future role of gas and the decarbonisation of home heating. Cadent's general approach to its business plan was also discussed, for example the importance and coverage of the four outcome areas identified, the extent to which the plan should respond to the needs of specific customer groups or regions. - How strongly do you feel that networks should collaborate?	127	2.5	-

<b>Discovery</b>	Sep-18	Deliberative workshops	We delivered full day deliberative workshops in each of our regions to discuss what services customers find important, find our 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	3.0	2.5
	Oct-18	Domestic survey	We ran an online survey of a representative sample of our domestic customers (and non-customers). This aimed to test the findings of the earlier deliberative workshops and focus groups.	Participants were asked closed questions on 14 topics we could cover in the business plan (e.g. minimising leaks, affordability) and asked to rate how important they are. They were then asked more open questions about the level of importance and whether anything was missing from the list of 14. Finally, they were asked a multiple-choice question on their preferred engagement methods for the future.	2,332	2.0	-
	Oct-18	Public survey	We ran an online survey that anyone could take part in (so unlike the domestic survey, it was not a representative sample). This followed the same approach as our domestic survey, aiming to test the findings of earlier deliberative workshops and focus groups.	Participants were asked closed questions on 14 topics we could cover in the business plan (e.g. minimising leaks, affordability) and asked to rate how important they are. They were then asked more open questions about the level of importance and whether anything was missing from the list of 14. Finally, they were asked a multiple-choice question on their preferred engagement methods for the future.	165	1.5	-
	Oct-18	CIVS situations report	We interviewed CIVS and professionals working to support them (e.g. district nurses). We selected participants based on PSR needs codes and recruited via community organisations.	The interviews sought to understand what services were important to CIVS and what expectations such customers had of Cadent to safeguard them and accommodate their specific circumstances. Participants were also asked their views of the four draft outcomes in Cadent's business plan.	20	3.0	-

<b>Discovery</b>	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	-
<b>Targeted</b>	Feb-19	Cadent Customer Forum (February 2019) Safeguarding	The first round of customer forums was held at three locations (London, Manchester, Birmingham) involving 96 customers. The forums are designed to be ongoing conversations with customers, with engaged discussions around the role of Cadent within society. The first customer forum focused on safeguarding and supporting CIVS to inform these sections of the RIIO-2 business plan. Within these themes, we customer expectations and priorities.	Customers were asked what they expected from Cadent in relation to safeguarding, how Cadent should help CIVS. The forums also sought to explore customer priorities for safeguarding and the reasons for that prioritisation.	96	-	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 timeslots 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

<b>Targeted</b>	Jun-19	CIVS, Phase 2	We commissioned Traverse to engage with 37 CIVS and professionals working with such customers to understand their needs and preferences to support our business planning process. The overarching key finding was that CIVS are individuals and, as such, have individual needs and preferences and should be approached on a needs basis. Organisations interviewed included, Maggie's Trust, Age UK and Disabled Living.	The interviews sought to understand the needs and expectations of Cadent to safeguard CIVS and accommodate their circumstances. Topics covered included identification, the PSR, partnerships, alternative cooking and heating solutions during interruptions, safety in the home, tailored services, engagement and communication.	37	-	3.0
	May-19	Stakeholder research	Accent carried our research on behalf of all the GDNs to understand how well the needs of CIVS are met by GDNs; and assess if additional/ revised GSOPs specifically for CIVS might be required. The research included a rapid desk review of existing evidence and 16 telephone interviews with stakeholders working with or in the interests of CIVS.	The desk review included assessment of reports available from GDN research, GDN strategies regarding CIVS and reports from other bodies working in the interests of these customers. Interviews looked to understand stakeholder views on vulnerability, the current GSOP targets and performance levels and if any improvements could be made. They also explored the potential for new GSOPs.	16	3.0	May-19

WTP	Feb-19	NERA & Traverse: Estimating Customers' WTP for Changes in Service during RIIO-2, 28 May 2019 (Stated preference)	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>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 several 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>	3,103	-	3.0
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<b>WTP</b>	Jul-19	NERA & Traverse: Triangulation by attribute, July 2019	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.	N/A	0	-	3.0
<b>Business Options Testing</b>	Jun-19	Cadent customer forum, round 4, Traverse	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 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.	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.	200	3.0	3.0

<b>Business Options Testing</b>	Aug-19	CIVS engagement, Traverse	<p>We commissioned Traverse to engage with 65 customers in vulnerable circumstances, through deliberative workshops and telephone interviews to understand their views on options for our business plan in relation to the protection of CIVS.</p> <p>The option with the highest target delivery levels (option 3) was chosen for raising awareness of the PSR and charity partnerships. Both options 2 and 3 were popular for staff safeguarding training and using innovation to support customers. The specific intention of this session was to ascertain the views of a different (typically hard to reach) group of customers to check if their views were consistent with other customer segments.</p>	<p>Participants were asked about their priorities. We also sought to understand whether business options for several commitments were ambitious enough and identify and understand reasons behind their preferences. The business options discussed related to PSR awareness, partnerships with other organisations, training of Cadent staff, innovation around new technologies and services, the duration of, and provision of services during, interruptions and supporting CIVS.</p>	65	3.0	3.0
	Aug-19	Workshops with customers in fuel poverty, Traverse	<p>We commissioned Traverse to engage with 83 customers in fuel poverty at deliberative workshops in Wolverhampton and Peterborough to understand their views on options for our business plan in relation to several areas of relevance to customers in fuel poverty or vulnerable situations. The option with the highest target delivery level (option 3) was chosen for each of CO awareness &amp; action, priority safety checks and fuel poor solutions (including income &amp; energy advice). The specific intention of this session was to ascertain the views of a different (typically hard to reach) group of customers to check if their views were consistent with other customer segments.</p>	<p>Customers were asked about their priorities. We also sought to understand their views on our business options in relation to carbon monoxide, proactive safety checks, addressing fuel poverty, PSR awareness, the length of, and provisions during interruptions.</p>	85	2.5	2.5

<b>Business Options Testing</b>	Aug-19	Cadent customer forum, round 5, Traverse	We held our fifth customer forum in Ipswich, London, Birmingham and Manchester with 130 participants 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: minimum standards and compensation; options for raising PSR awareness; interruptions - both acceptable length and appropriate provisions; supporting CIVS; options for Cadent's objective to become a carbon neutral business, the merits of connecting off-grid communities; and roadworks information and communication.	Participants were asked questions about a range of topics. On minimum standards, customers were asked whether current standards and levels of compensation were appropriate. With respect to PSR awareness, customers were asked about their preferred package of options. For interruptions, we discussed which provisions customers feel Cadent should provide as a core package and how customers would like to be informed of the availability of those provisions as what an acceptable duration for interruptions was. We also explored if there is an appetite for Cadent's engineers to be trained to do minor pipe and appliances repairs. On environmental options, we discussed Cadent's commitments around becoming a carbon neutral business and the connection of off-grid communities. Finally, we discussed which communications methods customers prefer with respect to roadworks.	130	3.0	3.0
	Aug-19	Public consultation, BOT, qualitative phase, Traverse	We commissioned Traverse to conduct a survey of 2,605 members of the public to understand views on certain aspects of our business plan in each of the 4 outcome areas (environment, quality experience, trusted to act for society and resilience). The survey revealed strong support for utilities working together to minimise disruption and for outstanding customer service, as well as providing useful information on the relative importance to customers of different types of information and different environmental initiatives.	Participants were asked questions to understand their views and preferences on issues within each of the four outcome areas. On resilience, customers were asked which one single improvement we should make to reduce disruption the most. In relation to a 'quality experience', customers were asked what level of service they'd love the most and how much they'd be willing to pay to ensure a vulnerable customer could get enhanced help if their gas stopped working. On the environment, customers were asked their relative preference for initiatives to achieve carbon neutrality and eliminate avoidable waste to landfill. Customers were also asked how much they knew about the decarbonisation challenge. Finally, for 'trusted to act for society', customers were asked what the most important information to know about Cadent was and how we can help the customer / Cadent conversation flow. We also asked about their awareness of Cadent.	2,605	2.0	-



<b>Business Options Testing</b>	Aug-19	Domestic and business surveys, quantitative phase, Traverse	<p>We commissioned Traverse to conduct a survey of more than 2000 domestic customers and more than 500 business customers to understand preferences between the different business options under consideration across 14 different service areas. The options presented combined service provisions e.g. educate 50,000 customers most at risk of CO poisoning and a monetary impact on the customer's annual bill. Across both the domestic and business surveys, the highest weighted average scores, supporting the options with the highest target delivery levels, were achieved in areas relating to safety and protection of vulnerable customers: responding to carbon monoxide incidents, repairing and replacing faulty appliances, helping vulnerable customers without gas and carbon monoxide safety.</p>	<p>Domestic and business customers were asked their preferred options (with varying degrees of delivery targets / cost) for 14 commitments:</p> <ol style="list-style-type: none"> <li>1. Carbon Monoxide Safety</li> <li>2. Responding to Carbon Monoxide incidents</li> <li>3. Repairing and replacing faulty appliances</li> <li>4. Helping vulnerable customers without gas</li> <li>5. Helping all customers without gas</li> <li>6. Getting customers back on gas</li> <li>7. Carrying out safety checks</li> <li>8. Minimising disruption from our works</li> <li>9. Tackling Fuel Poverty</li> <li>10. Awareness of Priority Services Register</li> <li>11. Priority Services Register training</li> <li>12. Becoming a Carbon neutral business</li> <li>13. Communities not currently connected to gas</li> <li>14. Keeping the energy flowing reliably and safely</li> </ol>	2,547	3.0	3.0
	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>	<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.</p>	41	-	2.5

<b>Business Options Testing</b>	Aug-19	Future generations workshops, Traverse	We commissioned Traverse to hold workshops with 45 'future generations' participants (aged between 13 and 18) to understand their priorities. This mainly involved younger people to specifically ascertain their input, given that decisions that we make in RIIO-2 will ultimately impact them. They supported the views of other customer segments but stressed more urgency and a higher priority on our EAP. Most saw this area as a core requirement (on their hierarchy of needs), whereas other customers saw it less as core and more as a psychological need.	Customers were asked about their priorities. We also sought to understand how they thought Cadent should best decarbonise their assets and services, and minimise environmental impact, how Cadent should best approach pipe replacement, their views of new proposals for length of interruptions, provisions and compensation for MOBs, and their views of our proposals to protect CIVS.	45	-	1.5
	Aug-19	Workshops with English as a second language customers (ESL) and non-English speakers, Traverse	We commissioned Traverse to hold three workshops with ESL and non-English speaking customers: 22 Polish-speaking participants with English as a second language and 9 Bengali speaking participants. During this session we asked customers to tell us what role they thought that we should play in relation to carbon monoxide safety, provisions during an interruption and responding to climate change. They agreed that communication was critical with respect to interruptions. For provisions, all agreed oil filled radiators were important, but there were interesting differences too: the Bengali group prioritised hot meal vouchers & kettles, both given low priority by the Polish group which favoured shower access & hot plates. They confirmed that they believed, we as other big businesses should be acting responsibly and seeking to reduce our carbon footprint. The specific intention of this session was to ascertain the views of a different (typically hard to reach) group of customers to check if their views were consistent with other customer segments.	Customers were asked about their priorities. We also sought to understand their views on our business options in relation to carbon monoxide, provisions during interruptions, and decarbonisation.	31	-	2.5

<b>Business Options Testing</b>	Aug-19	Business customer workshops, Traverse	<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 timeslots 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>	74	-	2.5
	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 several exercises to gain input into further iterations. We gained several 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 several exercises to gain input into further iterations. Topics discussed included: improving the environment (including future hydrogen and carbon neutral options), achieving a quality customer experience (including the length of, and provisions during, interruptions; and reinstatements); what trusted to act for society means and our obligations to customers and society; and safety and resilience (including our business plan options and how realistic / ambitious they are).</p>	80	-	2.5

<b>Acceptability Testing</b>	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	3.0	3.0
	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	3.0	3.0
	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 reached 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	3.0	3.0

<b>Acceptability Testing</b>	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	3.0
	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	3.0	3.0
	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	3.0	3.0
	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	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	2.0
	Nov-19	Verve acceptability testing stakeholder interviews	We asked Verve to interview a small number of expert stakeholders and ask for feedback on our plan	We shared a summary of our October plan with stakeholders and asked them for feedback.	5	2.0	2.0

## 1.4. Engagement feedback and insights

Engagement on this topic showed us that our customers value and expect additional services and support in instances of gas interruptions and that we can provide them with a range of services to ensure they are taken care of and feel safe. Insights have clearly shown that safety is of the highest priority and should be our primary focus area for vulnerable customers. We should never leave CIVS without any support and always strive to protect them by providing additional support.

### *Services beyond the meter should be targeted to CIVS*

Interviews with 13 CIVS highlighted ways in which those experiencing vulnerability could be disproportionately impacted by interruptions, for example by not being able to go out to get replacement food or needing hot water because of a medical condition. Therefore, services beyond the meter such as repair or replacement of unsafe appliances should be targeted to these customers.

Most participants in our deliberative workshops with 206 customers stressed that people in vulnerable situations and businesses that depend on gas should always be protected. The disproportionate impact on CIVS was further corroborated at our stakeholder workshop in Birmingham.

### *Making referrals, including customer consent*

When making referrals for repair or replacement of customer appliances, several stakeholders at the CIVS stakeholder workshop felt it is important to establish simple referral routes for engineers to use both internally at Cadent and externally with the various organisations and systems (which are complex and different in different areas). Some suggested having an internal system where simple and quick referrals are made by engineers to a main hub within Cadent, who then know the various links across the areas and do the work of referring customers, or discussing cases, externally.

It was acknowledged that decision-making can be subjective and based on 'common sense' or intuition i.e. 'something not feeling right'. A couple deliberated on how much engineers should be probing and how much training would be required to enable them to ask the correct questions to make assessments or informed decisions. One commented that engineers would need to feel supported.

One professional advises that a decision needs to be taken by Cadent around the degree to which they take responsibility, whether they make referrals, and the systems in place for doing so. Training engineers but not giving them the resources to act, or vice versa, would lack value. There are two routes: policies and procedures, and soft skills such as active listening and conversational skills (which go a long way when dealing with vulnerable groups). Both are felt to be required to make the exercise valuable.

We also discussed what would make a customer feel comfortable or uncomfortable with being referred to a local organisation. Generally, their feedback was to be clear, explaining what would be done, why, how it would benefit them, and to gain their consent. If there is not a safeguarding or safety concern and the recommendation is based on observations of vulnerability, then consent should be respected. However, if there is an urgent safeguarding concern there is a strong case for referring with or without consent, though the customer should be informed, and consent should be sought if possible.

During customer focus groups, when asked what would make them feel comfortable with being referred, customers largely spoke about trust with the engineer (knowing what they were being referred to and why), consent (feeling they were involved the decision) and knowledge (knowing about the organisation they were being referred onto). One stressed the importance of not feeling under pressure to agree to it, and another the importance of choice (e.g. having a choice of several organisations).

### *Proactive safety checks*

Proactive safety checks were seen by some of the 200 participants at our fourth customer forum as a positive initiative for vulnerable customers, with one participant framing it as a preventative measure, while another felt it was a good channel for advice to vulnerable customers as well. While there were some individuals who felt

safety was a right for everyone, overall there was a lot of opposition to a programme of safety checks aimed at everyone.

A lot of participants voiced concerns that this would be moving away from Cadent's core responsibilities. While staff identification and validation was often raised by participants as necessary to avoid the safety checks performed by Cadent engineers being confused with other door-to-door scams, some participants even felt this would be insufficient, as ID's could be faked. There was a strong sense that an opt-out approach was very inefficient, for reasons ranging from customers being out when Cadent called, to the time wasted offering checks to customers who didn't want it.

For keeping CIVS safe in their homes, professionals at the CIVS workshop highlighted accessibility and whether someone has the capacity to remember to service appliances, and whether they have access to the relevant information to get an appliance serviced.

Many professionals felt that the CIVS they support would benefit from free home safety checks, largely because, they may have limited awareness or lack the resources to arrange for safety checks to be carried out without support, and to provide peace of mind in the knowledge their environment is safe (which could have significant positive impacts on many of these customers). Several professionals felt the key element of this service would be promotion, and one felt that a key consideration would be promoting it in a way that enables the customer to easily take up the offer.

#### *Continuity for vulnerable customers and welfare services*

Although some customers we engaged during workshops and our customer forum on interruptions and reinstatement told us they were prepared to accept some disruption as a natural consequence of maintaining a reliable gas network, in winter there is a marked reduction in acceptability.

Our deliberative workshops in North London and East Anglia revealed that customers felt Cadent had a responsibility to provide some support to customers during gas interruptions (e.g. meals). In particular, CIVS should be provided with welfare services. 19% of participants in our London stakeholder event also suggested that we provide alternative cooking and heating provisions.

#### *Tailored services based on customer needs*

The CIVS study, with 40 participants, further revealed that CIVS have individual needs and preferences. As such, support should be given on an individual basis.

Overall, professionals experienced in the area who were interviewed as part of the CIVS study, as well as the 104 customers engaged through the forum on interruptions and reinstatements, felt that alternative heating and cooking solutions during interruptions were 'very important', although the level of urgency depended on the duration of the interruption. On the other hand, the 96 customers in the safeguarding forum had differing opinions on whether Cadent is responsible for ensuring that customers stayed warm through providing electric heaters or even hotel accommodation. Customers did not expect Cadent to provide cooking solutions, although a few suggested hot plates.

The CIVS study highlighted examples of appropriate support that would be relevant for many customers: a point of contact for help during an emergency, alternative communication methods such as Skype, text messages, videos, British Sign Language and foreign language interpreters.

Participants at the Traverse workshops, with 31 ESL and non-English speakers ranked 'Supporting CIVS' highly. Participants highlighted the importance of helping CIVS or those than cannot afford their bills, some commenting that helping communities and charities is one way to achieve this. Many commented on the importance of receiving heating provisions in the winter and food vouchers or compensation for any extra costs incurred (such as increased electricity bills). Other participants expressed that they would not require heaters, blankets or other provisions for 24 hours, if at all, and could instead stay with friends.

Participants from all three workshops viewed heating as the most important, especially during winter, with a preference for oil-filled heaters over electric heaters. Provisions ranked as less important by all participants included seat warmers and groceries. Some participants favoured vouchers for hot meals (rather than hot plates) whilst others saw grocery vouchers as only having 'good-will' merit rather than being a priority.

Access to bathing facilities was seen as the second most important provision by participants, particularly for families. Many participants also ranked provision of hot plates for cooking as high priority, although some commented that they could use their microwave or eat food that doesn't require heating instead for up to 24 hours. Some participants highlighted that additional kettles would be useful for boiling larger amounts of water, which would help with washing.

In addition, participants suggested money off electricity bills to compensate for additional electricity use and the use of interpreters for non-English speaking households when bringing provisions to customers. Electric showers and hot water bottles were viewed as good ways to keep customers warm. Take-away vouchers were also suggested instead of hot meal vouchers to prevent having to go out for meals. Some participants suggested removing the charge for gas and service from the gas bill during the interruption.

At the August 2019, future generations workshops, the 41 participants rated 'supporting CIVS' highly.

Participants emphasised that services should be tailored to the nature of the individual and include the provision of B-Warm heated seat covers, Easy Assist emergency control valves, Bluetooth Beacons, and locking cooker valves. Additionally, hospitals and care homes may be appropriate alternative accommodation for some customers, while hotels may be more appropriate for others. This was echoed in the forum on interruptions and reinstatements, where some customers said that temporary accommodation and facilities were a requirement, and others suggested that they would not want to use gym facilities even if they were available.

Participants in our August 2019 CIVS engagement suggested that meals should be provided only for those with gas cookers, a hotel room should be provided if the interruption lasts for several days and heaters should only be provided in winter. Reimbursement for gas bills or a free gas supply period were also suggested.

#### *Welfare services for businesses impacted by interruptions*

At the August 2019 workshops, with 74 business customers, participants generally felt it was more important to reduce the length of interruptions than to provide provisions for businesses, especially as some already have contingencies or recovery plans that consider the loss of heating, hot water and gas. Business customers support prioritising high-risk or high-dependency organisations, suggesting the use of a database for knowing where to focus efforts. Generally, participants did not expect Cadent to provide business provisions and felt they would be unable to provide suitable provisions. Although, a few liked the idea of providing heaters (and covering resulting electricity costs).

A few participants suggested an optional provisions scheme, so some businesses can choose to keep their bills cheaper. Participants felt that the need for provisions would depend on the business and their dependency on gas. Participants expected Cadent to prioritise businesses reliant on gas (such as nursing homes), offering a tailored approach based on specific needs. Others suggested keeping costs down by collecting and reusing appliances at the end of the interruption.

#### *Good communication and information sharing with customers in cases of loss of gas incidents*

Two surveys with 89 customers following major loss of gas incidents painted a positive picture of Cadent's performance during the interruptions. In both cases, only a minority of customers were aware of Cadent before the incident (around 20% in Eye and less than 5% in Deanshanger). However, once customers understood there was a problem, the vast majority felt well-informed (over 85% in Eye and over 90% in Northamptonshire).

More than 80% of the 65 Deanshanger respondents strongly agreed that Cadent responded well to questions from the community and more than 70% of the 24 respondents in Eye. In both cases, more than 90% of respondents strongly agreed that Cadent communicated well using social media. However, views as to whether



Cadent used leaflets and letters effectively were more mixed, particularly in Eye, where more disagreed than agreed, with just over 60% agreeing in Deanshanger.

Face-to-face communications were rated more positively, with 80% of Deanshanger respondents strongly agreeing that Cadent representatives communicated well in person, with 65% in Eye. 95% of Deanshanger respondents and 83% of Eye respondents strongly agreed that Cadent representatives were professional, and in both cases, more than 90% strongly agreed that they were courteous.

Most respondents thought that Cadent's response to the emergency exceeded their expectations (more than 90% in Deanshanger and more than 80% in Eye). All but three respondents said that they trusted Cadent to keep the energy flowing to their home; those three said that they trusted Cadent 'a bit'.

#### *Additional services Cadent could provide*

Finally, customers engaged in the forum on interruptions and reinstatements had a wide variety of preferences on when support should be offered, ranging from within 2 hours of an incident to after an interruption has continued for over 24 hours. This is another indicator that support should be tailored to the needs of the customer, rather than a 'one-size-fits-all' approach.

The results were also confirmed by our 18 interviews and surveys of 504 business customers. Human health and social care organisations expressed greater concern over interruptions to supply than other businesses did, as they could impact the vulnerable people in their care. Some commented that Cadent should focus on alternate provisions for CIVS.

Most of the 85 customers in fuel poverty that took part in workshops felt that supporting CIVS was very important, although some thought that this was beyond Cadent's remit and was rather the responsibility of the public sector. With regards to Cadent repairing and replacing faulty appliances free of charge, some participants agreed that there should be a special focus on vulnerable customers. With regards to welfare provisions in the event of an interruption, the season was relevant, with more provisions needed in winter and kettles and showers seen as the most useful.

Participants thought that most people would have a microwave for cooking. While participants acknowledged that vulnerable customers would have a greater need for welfare provisions, they thought that these should be provided to all, as everyone will be paying for it on their bills. Participants were also worried about abuse of the system.

#### *Review of GSOP 3 – Alternative welfare provisions minimum standard*

The joint-GDN Accent research into the guaranteed minimum standards revealed that stakeholders believed that generally customers experiencing vulnerability are well served by the Gas Networks and the RIIO framework has been effective in embedding good practices for vulnerable customers. GSOPs are viewed as critical in providing a safety net for the intersection between vulnerability and the absence of network support.

However, stakeholders explained that GSOP 3 could still be improved in the following ways:

- Compensation payments should be automatic wherever practicable: requirement to make a claim is an unnecessary barrier
- Provision of hot food GSOP considered a good idea for those experiencing most acute forms of vulnerability, particularly if mobility difficulties or physical/mental capacity prevent use of alternative facilities
- Alternative accommodation can be appropriate in some circumstances (particularly during extended interruptions/problems of access) but seen as too specific to individual cases to be suitable as a GSOP
- Widespread support for increasing compensation levels
- Exclusion period could compound the problem for some vulnerable customers. (e.g. night time exclusions can cause more problems for customers with strict routines). Times should be seasonally adjusted (most impactful in winter).
- Customer awareness of GSOPs needs to be raised

### *Employee suggestions for improvement*

A few participants at the employee workshops suggested that where provisions require electricity, Cadent would need to compensate customers for increased electricity bills. Some participants suggested that external bodies may be able to help with CIVS. One group noted that Community Liaison Officers (CLOs) could play a useful role. Some participants suggested that Cadent follow up with customers to make sure the provisions are working and that customers have what they need. A few participants felt that the main challenge is providing hot water, which some considered as the most important provision.

The suggestion of providing temporary accommodation stimulated diverse discussions. One group suggested that instead of paying for accommodation, Cadent could support customers with claiming home insurance, perhaps working with insurance companies. One group suggested partnering with food apps rather than paying for people to eat out but come back to a cold house.

### *Customer WTP for welfare provisions*

Our partners NERA and Traverse conducted a stated preference survey with 3,103 domestic and non-domestic customers to estimate customers' WTP for improvements in our services.

The scaled domestic WTP for the provision of welfare services during interruptions was zero for offering further facilities to customers known to be in vulnerable situations, £2.82 for offering facilities for customers believed to be in vulnerable situations and £3.48 for offering facilities and providing additional services such as restoring supply before other customers.

For non-domestic customers, the scaled WTP was zero, but there was evidence of WTP for offering facilities and providing additional services, such as restoring supply before other customers of £10.33, which provides an upper bound valuation.

NERA and Traverse were then commissioned to 'triangulate' the WTP evidence prepared. Valuations were assigned to different service levels per customer per year, on average across all regions. The three service level ranges were defined as follows:

- (0-1): move from current minimum standards to offering further facilities to customers known to be in vulnerable situations
- (1-2): move from offering further facilities to customers known to be in vulnerable situations to offering further facilities to customers believed to be in vulnerable situations
- (2-3): move from offering further facilities to customers believed to be in vulnerable situations to offering alternative facilities and do more such as restore supply more quickly.

As a result:

- For the (0-1) service level for domestic customers, the low and central case valuation was zero and the high case valuation was £0.84.
- For the (1-2) service level for domestic customers, the low and central case valuation was £2.82, and the high case valuation was £4.89.
- For the (2-3) service level for domestic customers, the low and central case valuation was £0.66, and the high case valuation was £1.60.
- For non-domestic customers, the only non-zero valuations were £5.21 for the high-case for service level (1-2) and £5.12 for the central and high cases for service level (2-3).

There were some regional variations with domestic customer WTP higher than average in North London, North West England and the East of England, and lower than average in the West Midlands. There were no variations across regions for non-domestic consumers.

### *Summary of insights*

We have gained a number of insights from our historic experience and our targeted engagement for RIIO-2. This output case focusses on services we can provide to minimise the impact of a gas supply interruption, whilst other parts of our business plan address some of the other insights and we have indicated this in the table below.

*Table 4 Summary of insights*

Feedback/Insight	How we have addressed this
<p>Most customers stressed that people in vulnerable situations should always be protected in the event of a supply interruption.</p>	<p>Today customers registered on the PSR and any other CIVS are always prioritised by our teams in the event of an interruption. Our proposals in RIIO-2 to provide additional services during a gas supply interruption, including welfare provisions and appliance repair/replacement, will also be targeted towards CIVS as we recognise the impact is greatest for these customers.</p>
<p>Stakeholders highlighted the importance of establishing simple referral routes for engineers to use both internally at Cadent and externally with the various organisations and systems.</p>	<p>As part of our proposals to provide services beyond the meter we will build on the good work we have delivered with National Energy Action and develop the relevant criteria and systems to support our engineers in making referrals whilst also ensuring customers are comfortable and in control throughout the process.</p>
<p>Stakeholders acknowledged that decision-making can be subjective and based on 'common sense' or intuition i.e. 'something not feeling right' and therefore engineers should be supported with the right training and tools.</p>	<p>In delivering additional welfare provisions and services beyond the meter, we will ensure that clear processes are defined and supported with appropriate training, technology and systems.</p>
<p>Customers were prepared to accept some disruption as a natural consequence of maintaining a reliable gas network, in winter there is a marked reduction in acceptability.</p>	<p>Repairs to our network following an emergency gas escape, new connections and works to improve our network are essential to keep customers and communities safe. However, they often require us to interrupt customers' gas supply. We appreciate that customers are forgiving that sometimes supply interruptions do need to happen, but we aim to ensure that the likelihood of interruptions and the duration when they do occur are reduced in RIIO-2. See Appendix '07.03.06 Getting our customers back on gas' for more information.</p> <p>Unplanned interruptions are unpredictable and occur throughout the year, however to ensure we are more responsive during winter our emergency and repair teams run seasonal patterns with more capacity in these colder months. Annualised hours are a feature of our new staff terms and conditions we agreed for 2019 onwards. This gives us the flexibility to implement longer winter hours when we need to.</p>
<p>CIVS have individual needs and preferences. As such, support should be given on an individual basis.</p>	<p>Our vulnerability strategy brings together PSR awareness, tackling fuel poverty, CO awareness and going beyond to support CIVS during an interruption. This strategy ensures that we are able to identify the needs of individuals and tailor the services we offer.</p>

	<p>This appendix very much focuses on the individual and understands the needs of a wide range of customers when a supply interruption occurs before developing our tailored commitments to stretch ourselves and go beyond minimum standards for RIIO-2.</p> <p>As part of our commitment to provide personalised welfare services we will develop a decision making application which considers individual customer needs so engineers and customers can be informed on which products and services best suit these needs.</p>
<p>Professionals experienced in working with CIVS felt that alternative heating and cooking solutions during interruptions were 'very important', although the level of urgency depended on the duration of the interruption.</p>	<p>As a minimum standard we offer alternative heating and cooking provisions to CIVS during an interruption (GSOP 3). For RIIO-2 we want to go beyond this and stretch ourselves by offering bespoke, tailored welfare provisions to CIVS (not just those registered on the PSR). The level of provisions offered will be tailored and correlate to the length of the interruption to ensure CIVS are protected for the duration.</p>
<p>CIVS highlighted examples of appropriate support e.g a point of contact in an emergency, alternative communication methods e.g. text messages, videos, British Sign Language.</p> <p>CIVS suggested that hospitals and care homes may be appropriate alternative accommodation for some customers, while hotels may be more appropriate for others.</p>	<p>For RIIO-2 we want to make our services and communications more accessible and inclusive. To see more information on how we will achieve this, see our output Appendix '07.03.05 Measuring and enhancing accessibility and inclusivity'.</p> <p>During a supply interruption, any alternative accommodation for CIVS will be assessed on a case by case basis to ensure we are meeting the needs of the individual whilst not placing a strain on local services.</p>
<p>Some customers highlighted the importance of receiving heating provisions in the winter and food vouchers or compensation for any extra costs incurred. Other participants saw grocery vouchers as only having 'good-will' merit rather than being a priority. Access to bathing facilities was seen as the second most important provision and whilst some customers explained that additional kettles would be useful for boiling larger amounts of water.</p>	<p>We want to offer bespoke, tailored welfare provisions to CIVS during a supply interruption in RIIO-2. This means we will work to identify needs and ensure we provide the most appropriate provisions for each individual. As part of our commitment to provide personalised welfare provisions we will extend the scope of what we offer today and develop a decision making tool which considers specific customer needs, time of year and the length of the interruption so that customers are provided a choice of services which best suit their individual needs. The scope of welfare provisions will include large electric kettles, food vouchers and access to bathing facilities in addition to a number of other products and services.</p>
<p>Business customers generally felt it was more important to reduce the length of interruptions than provide provisions for businesses, especially as some already have contingency plans.</p> <p>Business customers felt that the need for provisions would depend on the business and their dependency on gas. Participants expected Cadent to prioritise businesses reliant on gas (such as nursing homes), offering a tailored approach based on specific needs.</p>	<p>We are committing to reducing the length of interruptions for all types of customers. Please see output Appendix '07.03.06 Getting our customers back on gas' for further information on our RIIO-2 commitments.</p> <p>As previously discussed, we always consider the needs of communities, including local businesses, in areas where we are carrying our major works. We carry our site surevys to understand the impact of local services and will always try to tailor our support</p>

	<p>services to meet the needs of businesses to help minimise the impact of a gas supply interruption. Our proposals to minimise disruption on site will also enable a better experience for specific customers including business customers. See Appendix '07.03.08 Minimising disruption from our works' for more information.</p>
<p>Customers in fuel poverty agreed that when repairing or replacing faulty appliances, there should be a special focus on CIVS.</p>	<p>We are pleased that customers in fuel poverty are supportive of our plans to offer appliance repair or replacement as part of our commitment package. Our intention is to prioritise CIVS when offering this service when we carry out our emergency visits.</p>
<p>Customers voiced concerns that offering proactive safety checks would be moving away from Cadent's core responsibilities.</p>	<p>We are mindful of customers concerns around us offering proactive safety checks as an additional commitment in RIIO-2. We would consider offering the checks via partnership working, therefore using experts in this field to deliver the checks on our behalf. This offering will be explored further in this appendix, taking into consideration results from our customer testing.</p>
<p>Some customers proposed the idea of Cadent covering the additional electricity costs associated with alternative heating and cooking provisions which tend to be higher than gas-related appliances.</p>	<p>We are conscious that alternative electricity products could lead to higher energy costs for customers during the interruption. Therefore we will offer a wide choice of products and services to ensure customers are not forced to take up electricity products only (e.g. temporary accommodation or food vouchers). Due to the complexity in understanding the potential increased electricity cost associated with the interruption, we will not be offering to cover these costs.</p>
<p>Stakeholders suggested improvements to GSOP 3 including increased compensation, automatic payments, and increased scope of services such as hot meals or temporary accommodation.</p>	<p>We recognise that GSOP has not been updated since 2008, therefore we are working with Ofgem and GDNs to make the relevant updates. For GSOP 3 this means increased compensation in line with inflation and automatic payments. We agree that CIVS should be offered a greater choice of services but based on other insights these services should be bespoke and based on individual needs. Our proposals beyond this minimum standard acknowledges this and we have explored a wider range of services which include provision for hot meals and temporary accommodation.</p>
<p>Findings from our customer experience surveys of incidents in Deanshanger and Eye showed the importance of effective communication, keeping customers informed and using social media. Based on the findings, we could have made better use of leaflets and letters during these incidents.</p>	<p>We value the feedback we get from our customers during large incidents and are always looking to improve our performance. For RIIO-2 we want to enhance the accessibility and inclusivity of our services and communication. For more information on this, see our output Appendix 07.03.05. 'Measuring and enhancing accessibility and inclusivity'. We are also looking to make stretching commitments on how we minimise any disruption resulting from our works. For more information on this, see output Appendix 07.03.08 'Minimising disruption from our works'.</p>

## 2. Assessing the measurement options



### 2.1. How is it currently measured

In RIIO-1, there are no specific regulatory output measures related to ‘going beyond to never leave a customer vulnerable without gas’. However, we do have licence obligations and minimum standards to protect domestic customers, specifically those registered upon the PSR.

Standard Special Condition D13 requires us to provide services for specific domestic customer groups (including agreeing on a password for easy identification during works), provide facilities which enable any domestic customer who has additional communication needs to ask or complain about any service provided, and share relevant information with suppliers.

GSOP 3 requires us to provide customers on the PSR with alternative heating and cooking facilities during an interruption to the gas supply. When we fail to do this, we must compensate them £24.

#### How do current measures deliver against customer outcomes and priorities

GSOP 3 is the only relevant measure in place for RIIO-1 that supports CIVS during a supply interruption.

*Strengths* – GSOP 3 provides a minimum standard to ensure that customers receive a set level of service during a supply interruption. If networks fall below this standard, then customers are entitled to compensation.

*Weaknesses* – The current GSOP 3 measure is limited and does not ensure that CIVS have a positive experience during a supply interruption. The GSOPs have not been reviewed or updated since 2008, so performance and compensation levels will likely be out of line with current customer expectations. At present, if a network fails GSOP 3, the customer has to actively request compensation rather than having it paid automatically.

### 2.2. Assessing good practice

#### *Alternative welfare services*

A reliable gas supply is essential for most customers and an interruption in supply can have a significant impact, especially if there is a greater reliance on gas, the customer is in a vulnerable situation, there is cold weather or the interruption lasts for a long time. While GDNs have an obligation to provide alternative heating and cooking provisions to customers on the PSR, there are several additional alternative welfare provisions that can be provided to ensure customers can stay warm and comfortable. Figure 1 shows some examples.

Figure 1 Welfare examples



Oil filled radiators provided in addition to the normal fan heaters supplied at point of disconnections



Large commercial style electric kettles provided to aid provision of hot water where required



Thermal or electric blankets provided to ensure customers can keep warm



Rechargeable portable shower



Mini oven, grill and double hotplate provided in addition to normal boiling ring



B-Warm temperature controlled heated seat cover



Free meal and drink vouchers to allow customers to have access to a hot meal during the interruption



Temporary accommodation for lengthier interruptions lasting over 24 hours



Free gym memberships to allow customers to have access to shower facilities and other amenities

Our provisions offering for CIVS may change during RIIO-2 as we move through our innovation programme to develop new products and services that cater for specific needs. See output Appendix '07.03.09 Identifying your needs and joining up support services' for more detail.

*Supporting vulnerable customers with appliance or installation problems*

When our engineers are called out to an emergency gas escape, we will first make our customers safe and then seek to restore their gas supply. Although we complete the required works to get gas flowing back to the customer's meter, there are often occasions when their appliance or installation is unsafe, and we are required to isolate either the appliance(s) or the whole installation. This is separate to if we are called out to a suspected case of Carbon Monoxide.

On those occasions where we are required to isolate a customer’s appliance or installation, we usually ask customers to get in touch with a GSRI to organise their own follow-on work, which is their responsibility. This means the customer may be unable to use the gas supply to warm their home, cook food, and have warm showers until internal repairs have been made. This can be particularly difficult for CIVS.

In our West Midlands network, we have partnered with the fuel poverty charity, National Energy Action (NEA), to help vulnerable customers during these situations. Under this scheme, our engineers are able to contact NEA’s partner (Act on Energy) to assist the customer. Act on Energy undertakes an affordability and vulnerability assessment with the customer to establish if they are entitled to support. This includes financial assistance to cover the cost of internal repairs or appliance replacement and linking up the customer with local GSRI’s. Where the customer consents, Act on Energy will complete other steps to support them with additional benefits checks, provide energy efficiency advice and register them on the PSR if required.

Over two years, through this scheme, we have repaired or replaced approximately 500 gas heating and hot water appliances (including fires, boilers and internal pipework). This approach has allowed us to support CIVS with appliance or installation-based problems, where the work required is complex or whole appliance or system work is needed.

### 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 industry, we have defined the objectives that the output measures in this area should deliver in RIIO-2:

*Table 5 Defining the objectives*

Objective	Business insights	Customer and stakeholder insight/feedback	Best practice	Strategy / Policy
<b>Ensure CIVS are prioritised and receive an additional level of focus/service</b>	Our RIIO-1 experience informs us that an interruption has a greater impact on customers living in vulnerable situations.	Customers and stakeholders have informed us that CIVS should be prioritised above others.		Ofgem has highlighted the importance of vulnerability and a focus area for RIIO-2.
<b>Provide personalised bespoke services for individual needs</b>	In RIIO-1, we have provided additional services beyond the minimum during large incidents and interruptions in MOB’s to satisfy individual needs.	Additional services to safeguard customers should be bespoke to the individual needs of customers rather than applying a one-size-fits-all approach.	There are a number of welfare services that can be provided to customers – customers should have the choice to select which works best for their needs.	
<b>Ensure services beyond the meter target the most vulnerable customers</b>		Insights inform us that services beyond the meter should target those customers who would not act if we left them due to affordability and/or vulnerability.		Stakeholders are concerned that services beyond the meter may be beyond the role of networks, therefore should focus on the most vulnerable.



Table 6 Options we considered

Option 1: Maintain the status quo – Comply with minimum requirements	
<ul style="list-style-type: none"> <li>• <b>Welfare provisions</b> – Provide hot plates and fan heaters for customers on the Priority Services Register during an interruption as per GSOP 3 with enhancements including automatic compensation payments and increased compensation in line with inflation. Provide additional welfare services such as accommodation and shower facilities on an adhoc basis based on capacity and customer need.</li> </ul>	
Assessing the merits and drawbacks	
Pros	Cons
<ul style="list-style-type: none"> <li>• Provisions reduce the impact of an interruption for customers on the PSR</li> <li>• Today, we do sometimes go beyond the minimum requirement especially during major incidents and lengthy interruptions.</li> </ul>	<ul style="list-style-type: none"> <li>• Largely ignores customers not on the PSR who are vulnerable or who would benefit from support</li> <li>• Does not go beyond the minimum requirement consistently, leaving many customers vulnerable without support.</li> </ul>
Potential unintended consequences	
<ul style="list-style-type: none"> <li>• No additional measures are put in place to support CIVS during a supply interruption therefore the customer experience delivered does not improve and some customers are still left in a vulnerable situation without gas.</li> <li>• Potential unfair treatment as some customers may receive additional support (beyond the minimum requirement) whilst other don't due to lack of a systematic and standardised approach .</li> </ul>	

Option 2: Improved welfare and services beyond the meter	
<ul style="list-style-type: none"> <li>• <b>Welfare provisions</b> - Provide hot plates and fan heaters for customers on the Priority Services Register during an interruption as per GSOP 3 with enhancements including automatic compensation payments and increased compensation in line with inflation. Provide additional welfare services such as accommodation and shower facilities on an adhoc basis based on capacity and customer need.</li> <li>• <b>Minimise the isolations we cause to customers</b> –Undertake minor internal repair work wherever possible to reduce the isolation impact on customers and isolate at meter only where absolutely necessary. All customers would remain responsible for the follow-on repairs or replacement work where required.</li> </ul>	
Assessing the merits and drawbacks	
Pros	Cons
<ul style="list-style-type: none"> <li>• Provisions reduce the impact of an interruption for customers on the PSR and those who may benefit from provisions but are not on the PSR</li> <li>• Improved services beyond the meter</li> <li>• Enables us to reduce the number of customers we may leave vulnerable without gas.</li> </ul>	<ul style="list-style-type: none"> <li>• May not provide sufficient provision, especially those off for much longer periods</li> <li>• There may still be a significant number of customers who are left off-gas as they require major internal repair works which our engineers are unable to deliver</li> <li>• Does not provide support to any customers with follow-on work post isolation.</li> </ul>
Potential unintended consequences	
<ul style="list-style-type: none"> <li>• Some customers may abuse the offering of additional welfare provisions if they are not in a legitimate vulnerable situation</li> <li>• Pressure on Cadent workforce to deliver additional activities (e.g. appliance repairs) that they may not have sufficient time allocated for on the job</li> <li>• Additional welfare services create additional environmental waste at the end of their life/use.</li> </ul>	

Option 3: Enhanced bespoke welfare provisions and joining up the industry	
<ul style="list-style-type: none"> <li>• Welfare provisions – Provide an enhanced, bespoke welfare package to all CIVS and align to the needs of customers and PSR categories. <ul style="list-style-type: none"> <li>○ Personalised welfare provisions to keep warm and have hot showers (e.g. hot plate, fan heaters, oil-filled radiators, kettle, seat warmers, temporary electric shower).</li> <li>○ Advanced on day payments at the door (approximately £10-£30 payments or vouchers) per impacted resident for hot meals for each night off-gas. Temporary accommodation or hotels on a needs basis for particularly vulnerable customers</li> </ul> </li> </ul>	

<ul style="list-style-type: none"> <li>○ Development of a systemised procurement and supply process to ensure customers obtain products and services efficiently and on time</li> <li>○ Engineers trained in identifying and recognising vulnerability and what is required to meet specific needs</li> <li>○ Development of a decision making application which considers customer needs, time of year and length of interruption to provide a choice of welfare services suited to specific CIVS.</li> <li>● Joining up the industry – Extend the skills of the workforce to minimise the impact of isolations on customers             <ul style="list-style-type: none"> <li>○ Improve the connection between customers and gas safe registered engineers through coordination with charities</li> <li>○ Improve the communications with vulnerable and fuel poor customers around charitable or other funding sources for support with paying for work on their appliances or installation</li> <li>○ Train our workforce to undertake appliance repair and replacement work following the condemnation of unsafe appliances or installations</li> <li>○ Undertake a proactive summertime programme of customer installation and appliance safety checks, targeted at hot-spot areas and PSR customers, to proactively shift any avoidable interruptions of gas services away from the winter.</li> </ul> </li> </ul>	
<b>Assessing the merits and drawbacks</b>	
<b>Pros</b>	<b>Cons</b>
<ul style="list-style-type: none"> <li>● Enables us to never leave a customer vulnerable without gas</li> <li>● Radically improved services beyond the meter and scope of welfare provisions</li> <li>● Systematic process for providing welfare provisions will ensure no customer in a vulnerable situation is unable to benefit</li> <li>● Leading the industry in improving protection for those who are vulnerable.</li> <li>● Fewer interruptions from a customer point of view</li> <li>● Improved 'first time fix' rate for customers which reduced the need for multiple visits to customers from Cadent and GSRI's etc.</li> </ul>	<ul style="list-style-type: none"> <li>● Could require changes in legislation and licence</li> <li>● Potential legal barriers e.g. issues with competition and conflict of interest</li> <li>● Proactive safety checks could be perceived as an intrusion by some customers</li> <li>● The cost of this level of service is significant.</li> </ul>
<b>Potential unintended consequences</b>	
<ul style="list-style-type: none"> <li>● Costs escalate beyond what was originally forecasted for RIIO-2 in order to deliver this option</li> <li>● Customer expectations rise as they become more aware of the provisions available to them from Cadent during an interruption (some customers may abuse this)</li> <li>● Proactive safety checks could lead to identifying unsafe appliances leading to greater condemnations and customers being off-gas.</li> <li>● Services beyond the meter may be perceived as impacting the competitive GSRI market</li> <li>● Higher employee turnover associated with staff leaving Cadent after their skills set enabled them to exit our business into the market more easily</li> <li>● Additional welfare services create additional environmental waste at their end of life/use.</li> </ul>	

**2.4. Why are these the options**

We have considered a range of options from rolling over the existing RIIO-1 arrangements which are meeting the minimum requirements within GSOP 3, through to offering bespoke welfare services to all customers and extending the services of our workforce to minimise the impact of gas interruptions on our customers.

Options 2 and 3 build significantly on just meeting GSOP 3 minimum requirements in RIIO-2. Both options look to extensively improve on the current offering and go beyond to try and ensure that we never leave a customer vulnerable without gas. Option 3 would offer bespoke services to all customers, not just those most vulnerable, and further join up the industry to support customers when they are without a gas supply. All options are based on our business insights and findings from customer and stakeholder engagement.

We have mapped these options against the defined objectives:

Table 7 Options appraisal against objectives

	Option 1: Maintain status quo	Option 2: Improved welfare provision	Option 3: Enhanced bespoke welfare provisions and joining up the industry
Ensure CIVS receive an additional level of focus/service	Yellow	Yellow	Green
Provide personalised bespoke services for individual needs	Red	Light Green	Green
Ensure services beyond the meter target the most vulnerable customers	Red	Light Green	Green

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

Based on initial customer and stakeholder insights, ahead of formal customer testing, the preference was Option 3: Enhanced bespoke welfare provisions and joining up the industry. This delivers the key objectives we want to achieve for customers in RIIO-2 and beyond. Our customers have informed us that those who are vulnerable or have a greater reliance on their gas supply should be provided with the required welfare to minimise the impact of an unplanned interruption. We proposed to provide a comprehensive and personalised welfare package which allows customers to keep warm within their homes, have access to hot water and shower facilities, prepare hot meals. In extreme cases, this could even mean temporarily housing customers in hotels or alternative accommodation and/or providing payments at the door on the day.

Although we currently go beyond the minimum GSOP 3 requirements in some occasions, it is not consistent and does not follow a standardised process. Our proposal for RIIO-2 goes well beyond our current offering in four ways:

- Increased choice and scope of services including temporary credit cards, access to shower facilities, hot meal vouchers, temporary accommodation and innovations meeting specific needs e.g. B-Warm blanket
- Development of a decision making application that our engineers are able to use on site which considers the specific customer need (across the 27 needs codes), the length of interruption and the time of year
- This service will be provided to customers beyond those registered on the PSR as we recognise the transitory nature of vulnerability and that the specific circumstance of being without gas can cause vulnerability
- A systemised process to procure and supply the various products or services in a timely and efficient manner.

In order to provide additional protection and never leave a customer vulnerable without gas, we proposed to go beyond by extending the skills of our workforce to enable us to undertake appliance repair works. Where the work required is complex or whole systems require replacement we also proposed to join up the industry by connecting customers with charities who provide additional support to repair or replace their appliances so that they are able to access their gas supply without having to pay significant amounts or wait for long periods to do so. We have seen this model work in the West Midlands, where we have carried out a pilot with National Energy

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Action. We proposed that this is rolled out nationally to help all customers who are vulnerable and are faced with similar problems.

Furthermore, to minimise the occurrences of avoidable unplanned interruptions, we proposed to undertake a proactive summertime programme of customer installation and appliance safety checks, targeting areas of high vulnerability. This would allow us to proactively shift any avoidable interruptions of gas services away from the winter, when those who are vulnerable have a greater reliance on their gas supply. On occasions when we find unsafe appliances which need to be condemned, we will work with charities and partnerships to link customers to GSRI's and ensure a customer is never left vulnerable without gas.

Following business options testing we have revised this to remove the proactive check element which customers and some stakeholders were less keen on. The consensus was that this goes beyond our role and gives rise to concerns customers have about cold-call scams and the risk that such a programme may make some customers uncomfortable, inadvertently. In deliberative workshops customers felt that the complications arising from this (e.g. who is accountable for annual appliance checking and who pays when issues are found) outweighed the benefits. However, otherwise option 3 remained our focus.

### 3. Assessing performance levels



#### 3.1. How we have performed in RIIO-1

As stated in Section 2, the only measure related to providing additional services to vulnerable customers during a gas supply interruption is GSOP 3. Our GSOP 3 compensation payments over RIIO-1 to date (including ex gratia payments) is as follows:

*Table 8 GSOP 3 RIIO-1 payments*

		2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
East of England	Number of payments	2	11	4	1	5	2
	Value of payments	£48	£264	£96	£24	£120	£48
North London	Number of payments	10	18	10	4	3	2
	Value of payments	£240	£432	£240	£96	£72	£48
North West	Number of payments	9	5	14	6	4	19
	Value of payments	£216	£120	£336	£144	£96	£456
West Midlands	Number of payments	5	11	16	3	5	17
	Value of payments	£120	£264	£384	£72	£120	£408

GSOP 3 failures and payments have been relatively low over RIIO-GD1 to date. However, currently, customers must claim for compensation when we have failed to meet the minimum standard. For RIIO-2 compensation payments will be paid automatically. This may mean an increase in the number of payments made but will be a true reflection of where we failed to deliver this important compensation.

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

##### **Welfare provisions**

It is important that we make welfare provisions to minimise the impact of an interruption to supply for CIVS. Currently, we provide hot plates and fan heaters for customers on the PSR and occasionally go beyond this based on capacity. However, as explained there is an opportunity to go much further in terms of what we provide and who we provide it to and develop a consistent process enabled through a decision making application.

*Table 9 Welfare provisions target range and cost to achieve*

		Package 1: Low	Package 2: Medium	Package 3: High
Welfare products	<b>Target/range</b>	Personalised welfare provisions for <b>PSR customers</b> to keep warm and have hot showers	Personalised welfare provisions for <b>all vulnerable customers (including those self-assessed and not on the PSR)</b> to keep warm and have hot showers	Personalised welfare provisions for <b>all customers</b> to keep warm and have hot showers
	<b>Cost to achieve (RIIO2 period)</b>	£6,973,963.75	£13,671,759.38	£27,895,855
	<b>Cost assumptions/calculation</b>	(Total sum of welfare package** x daily quantity required x days	(Total sum of welfare package** x daily quantity required x days	(Total sum of welfare package** x daily quantity required x days

		in the year x 5 years (RIIO period)) Daily cost: £3,821 Yearly cost: £1.39m RIIO2 period: £6.97m	in the year x 5 years (RIIO period)) Daily cost: £7,491 Yearly cost: £2.73m RIIO2 period: £13.67m	in the year x 5 years (RIIO period)) Daily cost: £15,285 Yearly cost: £5.58m RIIO2 period: £27.90m
Advanced on day payments at the door for hot meals	<b>Target/range</b>	<b>£10</b> payment/vouchers per head for hot meals for every evening off gas for <b>PSR customers</b>	<b>£10</b> payment/vouchers per head for hot meals for every evening off gas for <b>all vulnerable customers (including those self-assessed and not on the PSR)</b>	<b>£10</b> payment/vouchers per head for hot meals for every evening off gas for <b>all customers</b>
	<b>Cost to achieve (RIIO2 period)</b>	£821,250	£1,642,500	£3,285,000
	<b>Cost assumptions/calculation</b>	Daily no. of PSR customers off-gas in the evening x advanced payment x days in the year x number of years  (45 customers x £10 x 365) x 5	Daily no. of vulnerable customers off-gas in the evening x advanced payment x days in the year x number of years  (90 customers x £10 x 365) x 5	Daily no. of customers off-gas in the evening x advanced payment x days in the year x number of years  (180 customers x £10 x 365) x 5
Temporary accommodation	<b>Target/range</b>	Offer temporary accommodation/hotels on a needs basis for <b>PSR customers</b> who are left off-gas overnight	Offer temporary accommodation/hotels on a needs basis for <b>vulnerable customers (including those self-assessed and not on the PSR) who</b> are left off-gas overnight	Offer temporary accommodation/hotels on a needs basis for <b>all customers</b> who are left off-gas overnight
	<b>Cost to achieve (RIIO2 period)</b>	£492,750	£985,500	£1,971,000
	<b>Cost assumptions/calculation</b>	Daily no. of PSR customers off-gas overnight x national daily rate of hotel x days in the year x number of years  (3 customers x £90 x 365) x 5	Daily no. of vulnerable customers off-gas overnight x national daily rate of hotel x days in the year x number of years  (6 customers x £90 x 365) x 5	Daily no. of customers off-gas overnight x national daily rate of hotel x days in the year x number of years  (12 customers x £90 x 365) x 5
<b>Total cost to achieve (RIIO2 period)</b>		£8,287,963.75	£16,299,759.38	£33,151,855.00
<b>Average additional costs on customer bill per year*</b>		£0.12	£0.24	£0.49

\*Please note all price figures indicate the amount any bill could rise above regular inflation

**\*\*Unit cost of welfare products**

*Table 10 Unit cost of welfare products*

Product	Unit price (based on procurement quotes)	Product type
Electric fan heater	£6.62	Heating
Oil filled radiator	£25.24	Heating
Heated seat cover	£43.68	Heating
Thermal blankets	£7.55	Heating
Hotplates	£6.63	Cooking
Mini oven grill	£47.50	Cooking
Large kettles	£26.90	Hygiene
Portable shower	£28.75	Hygiene
Draught excluders	£12.99	Other
Freestanding electric towel rail/warmer	£60.00	Other

*Preferred delivery level before customer testing*

Ahead of customer testing, our preference was for targets to be in the medium target delivery range as this would ensure focus is still given to those who are most vulnerable (PSR) and allows us the flexibility to self-assess customers and extend our provisions to those who are vulnerable but not on the PSR.

**Services beyond the meter**

We considered two services beyond the meter that could assist CIVS. The first was a reactive approach in that we would work with expert partners to assist customers with repair or replacement of unsafe appliances that are condemned following an unplanned interruption to supply. We are already working with National Energy Action (NEA) to provide this service to a subset of our customers in West Midlands, but there is an opportunity to extend this to all networks and increase the scope of improvements to include cookers and hobs (which are currently not included as part of the NEA pilot). In addition we explore the opportunity to extend the skill of our own workforce to deliver this service.

The second service we proposed was a more proactive approach where we could use our geographical data to identify key hotspots for leaks and/or vulnerability and undertake a more proactive summertime programme of works and safety checks to shift any avoidable interruptions of gas services away from the winter.

*Table 11 Services beyond the meter target range and cost to achieve*

		Package 1: Low	Package 2: Medium	Package 3: High
Partnerships with charities	Target/range	Continue with NEA pilot to support vulnerable customers with major appliance / installation works in <b>West Midlands (approx. 900 appliances repaired/replaced over RIIO-2 period)</b>	Extend with NEA pilot to support vulnerable customers with major appliance / installation works <b>across all networks (approx. 5,000 appliances repaired/replaced over RIIO-2 period)</b>	Extend with NEA pilot to support vulnerable customers with major appliance / installation works <b>across all networks</b> and extend scope to <b>cover gas cookers and hobs (approx. 5,000 appliances repaired/replaced over RIIO-2 period)</b>

	<b>Cost to achieve (RIIO-2 period)</b>	£486,245	£2,560,700	£2,719,835
	<b>Cost assumptions/calculation</b>	<b>Average unit cost of intervention (service, repair or replace):</b> Including gas cookers and hobs: £494,64 excluding gas cookers and hobs: £525.79  <b>Additional time cost per intervention (Hourly cost x time taken):</b> £70 x 0.25 = £17.50  <b>Training and literature costs are zero - this is incorporated in our CO awareness proposals</b>		
<b>Extend workforce skills</b>	<b>Target/range</b>	Status quo – Do not extend the skills of the workforce	Undertake minor appliance and pipework repairs through follow-on work orders completed within 3 working days	Undertake minor appliance and pipework repairs during the initial visit
	<b>Cost to achieve (RIIO-2 period)</b>	£0	£34,089,800	£38,822,800
	<b>Cost assumptions/calculation</b>	N/A	Based on 300 FCOs to undertake appliance work training - circa £2m in year 1, Equipment cost - £400k p.a Capacity costs (20% workload increase) - £6m p.a.	Based on 800 FCOs to undertake appliance work training - circa £5.6m in year 1, Equipment cost - £650k p.a Capacity costs (20% workload increase) - £6m p.a.
<b>Proactive safety checks</b>	<b>Target/range</b>	Proactive summer-time programme of customer installation and appliance safety checks for <b>50,000 households</b> , targeting hotspots of PSR customers/communities.	Proactive summer-time programme of customer installation and appliance safety checks for <b>100,000 households</b> , targeting hotspots of PSR & low-income customers/communities	Proactive summer-time programme of customer installation and appliance safety checks for <b>200,000 households</b> , targeting all types of customers/communities
	<b>Cost to achieve (RIIO-2 period)</b>	£4,000,000	£15,000,000	£37,000,000
	<b>Cost assumptions/calculation</b>	Cost of undertaking checks (first 50,000 within FCO waiting time - no cost) (50,000 x £0)  (Number of checks x likelihood of appliance condemnation) x cost to repair/replace (50,000 x 20%) x £400	Cost of undertaking checks (first 50,000 within FCO waiting time - no cost, additional checks £140 per check) (50,000 x £0) + (50,000 x £140)  (Number of checks x likelihood of appliance condemnation) x cost to repair/replace	Cost of undertaking checks (first 50,000 within FCO waiting time - no cost, additional checks £140 per check) (50,000 x £0) + (150,000 x £140)  (Number of checks x likelihood of appliance



			$(100,000 \times 20\%) \times \text{£}400$	condemnation) x cost to repair/replace) $(200,000 \times 20\%) \times \text{£}400$
<b>Total cost to achieve (RIIO-2 period)</b>	£4,425,000		£55,514,800	£85,247,800
<b>Average additional costs on customer bill per year*</b>	£0.07		£0.83	£1.27

\*Please note all price figures indicate the amount any bill could rise above regular inflation

*Preferred target delivery level before customer testing*

We aim to never leave a customer vulnerable without gas and therefore proposed to extend the proven NEA partner mechanism across all networks so that all CIVS can benefit from the additional protections.

Before customer testing our preference was to undertake a proactive summertime programme of customer installation and appliance safety checks for 100,000 households, targeting hotspots of PSR and low-income customers or communities to ensure those who are most vulnerable in society benefit from improved safety and a reduced likelihood of an unplanned interruption to their gas supply.

## 4. Customer testing



We have tested our commitments in a variety of ways to ensure we have both quantitative and qualitative responses across a broad segmentation of customers and stakeholders. We have tested the output measures that we are proposing and gathered feedback where options exist. This phase was called business options testing. Alongside customer testing, we have targeted specific groups such as hard to reach, seldom heard, future generations, those in fuel poverty and businesses such as micro-businesses. We really wanted to understand if had heard correctly what our customers and stakeholders wanted and needed from us.

During options testing, we shared the bill impacts to ensure our customers and stakeholders were fully informed before making choices.

Once we had gathered all the feedback from the options testing phase, we conducted acceptability testing to test our plan in readiness for our final plan submission in December.

### 4.1. Business options testing (BOT) and Triangulation

#### Welfare provisions

Feedback from our initial engagement with our customers and stakeholders informed us that we should be providing additional support to customers who are in vulnerable situations and therefore we did not propose to provide enhanced welfare services to all our customers.

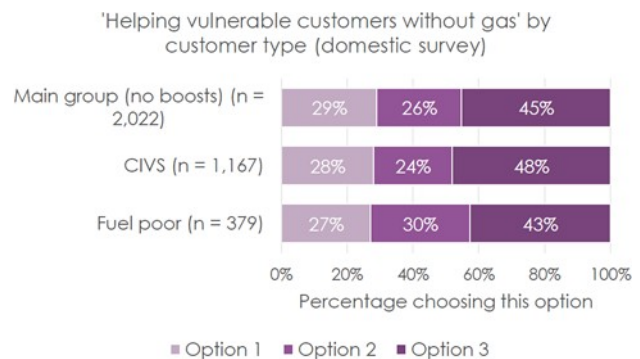
This view has been supported by our customers during the business options testing quantitative survey and qualitative workshops. The majority of customers believed that we should be offering all welfare services (i.e. products, payments, and accommodation) to CIVS during both the domestic survey (44%) and the business survey (51%). This view was the same when we directly asked CIVS (48%) and customers experiencing fuel poverty (43%).

When we asked customers if these services should be provided to all customers, views were balanced with domestic customers showing equal preference (38%) for option 1, offering welfare products to keep warm and have hot showers, and option 3, offering welfare products, payments and temporary accommodation. Most business customers supported option 1 (41%).

This was also supported by our stated preference WTP study which suggested that customers valued additional services being provided to customers believe to be in vulnerable situations (i.e. beyond PSR customers).

Therefore, we will offer personalised welfare provisions to CIVS during an interruption to their supply. We will not offer this service to all customers but in recognising that vulnerability is transitory, we will offer this to customers who become vulnerable post the gas interruption (beyond those registered on the PSR). Our additional welfare package will include personalised services such as shower facilities, free meals or temporary accommodation and we will develop a decision making application which considers the customer need and length of interruption to ensure the choice of provisions and services are best suited to the customer and circumstance.

Figure 2 Welfare provisions BOT survey results



**Repair or replacement of unsafe appliances**

From phase 1 deliberative workshops our customers have encouraged us to go beyond by helping those most in need, for example, by providing additional services during interruptions and never leaving a customer vulnerable without gas.

During the business options testing survey, the majority of customers were in support of the highest target delivery level to repair and replace faulty appliances (Domestic 51%, Business 53%). CIVS and those experiencing fuel poverty also supported this (54% and 52% respectively). However, a cost, in turn affecting bills, was associated with working with charities to do this.

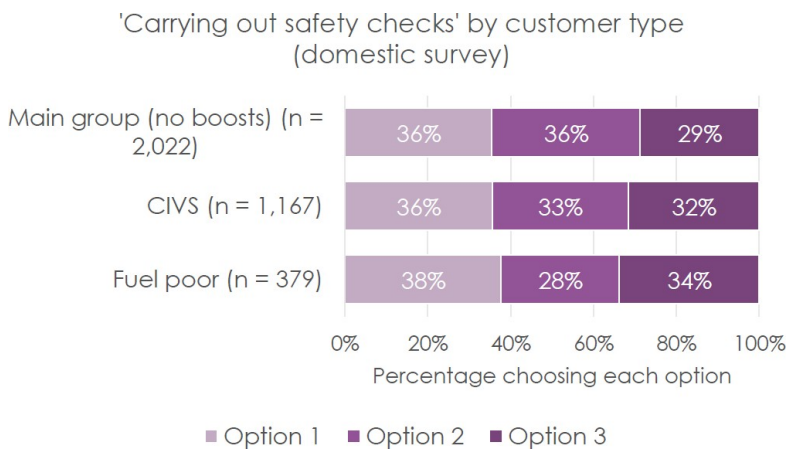
During follow-up qualitative customer forums, customers were provided with additional information and shown how training our own staff to undertake repairs to ensure customers were of left off-gas would impact their bills. Although most customers supported the highest delivery targets to undertake repairs during the initial visit, a significant number of customers believed it wasn't an activity Cadent should be undertaking alone (see graph).

We therefore believe there is strong support for working with charities and partnerships to support CIVS but to a lesser extent training our own workforce to undertake internal repairs to faulty appliances. Further business deliverability assessments reinforced this view, without adding potentially significant costs to the overall direct operation. However, we will review the delivery approach during RIIO-2 and consider alternative delivery approaches beyond this.

Therefore, through expert partnerships we will support vulnerable customers to repair or replace unsafe appliances discovered following isolation. This builds on the existing pilot work we have already completed with National Energy Action (NEA) within our West Midlands network. Through this process customers are referred and their eligibility assessed against a number of criteria to ensure that they get the right support, whether it be a repair or a replacement appliance, or even just advice on gas safety.

**Safety checks**

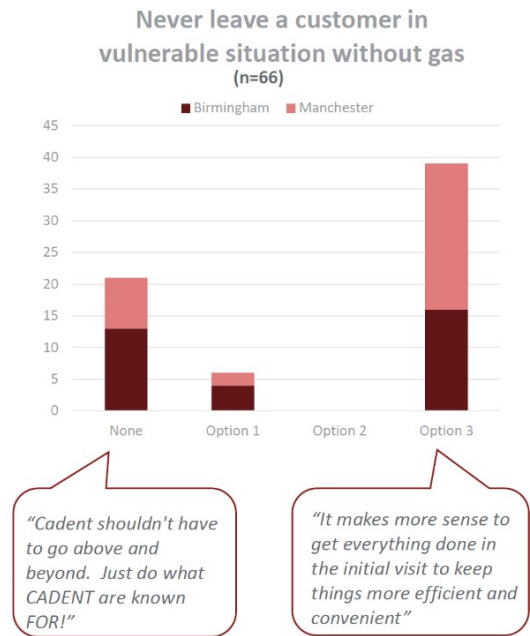
**Figure 4 Safety checks BOT survey results**



There was a mixed response to undertaking proactive safety checks. During the business options testing survey, the majority of domestic customers voted for the option with the lowest delivery targets (Option 1, 50,000 safety checks), while non-domestic customers were quite evenly split between the three options. The majority of CIVS or in fuel poverty also favoured the Option with the lowest delivery targets (Option 1).

This topic was also discussed at the follow-up qualitative workshops in London and Ipswich. Although overall customers supported the option with the highest target delivery levels (Option 3), the majority of London customers voted for Cadent to do nothing (i.e. none) while the majority in Ipswich voted for the Option with the highest delivery levels, to undertake 200,000 proactive safety checks.

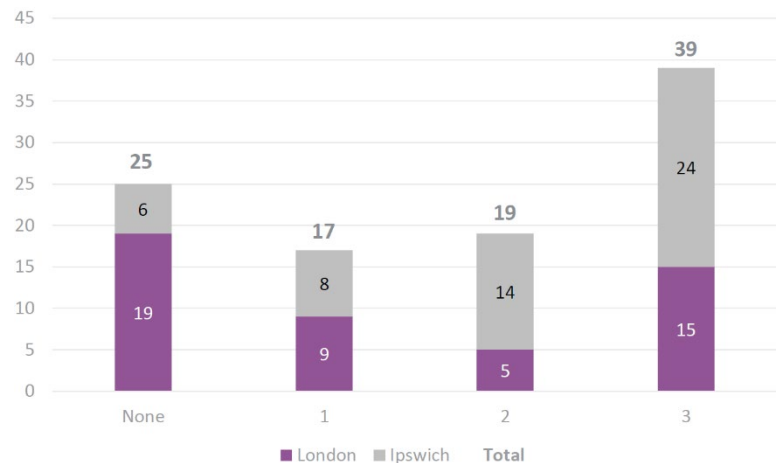
**Figure 3 repair or replacement of unsafe appliances BOT survey results**



During discussions, many customers voiced concerns that this activity would be moving away from Cadent’s core responsibilities and could give rise to safety concerns, as customers had not asked for Cadent to be there, especially for CIVS. Although customers supported the idea that they could opt-out and decline a free safety check, many believed this could lead to inefficiencies, for reasons ranging from customers being out when Cadent called, to the time wasted offering checks to customers who didn’t want it.

Participants voiced concerns that offering safety checks would be moving away from Cadent’s core responsibilities and conflict with landlord or council obligations. Staff identification, validation and trust was also raised as concerns, especially due to the rise of door-to-door scams.

Figure 5 BOT results



Given the feedback from customers and concerns around safety and inefficiency, we are proposing to remove this element from our commitments. Although we see the merits with this service, we are conscious that we are new company developing our brand and trust (see Appendix 07.05.00 Trust Charter’ for our proposals). Therefore, we acknowledge customer concerns of ‘cold calling’ and potentially safety concerns that this proposal could give rise to. In RIIO-2 we will continue to explore how these concerns and issues could be mitigated in delivering this service through trials and further customer testing. However, we will not be committing to deliver this service on a wide scale as part of our RIIO-2 plan.

**After triangulation, our proposed delivery activities in RIIO-2 are:**

- **Welfare provision– personalised welfare facilities for all vulnerable customers (not just those on the PSR) including development of a decision making application that considers customer needs.**
- **Repair or replacement of unsafe appliances following emergency visit– Through expert partnerships, we will support vulnerable customers to repair or replace unsafe appliances discovered following isolation**
- **We won’t extend the skills of our workforce to carry out proactive summertime safety checks**

**4.2. Acceptability testing for 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. However, some customers questioned the feasibility of the plan and some terms used (such as fuel poverty or PSR) were not understood. Many business customers 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.

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Our commitments relating to going beyond to never leave a customer vulnerable without gas were supported in most qualitative acceptability testing:

- Customers at our acceptability testing focus groups with those in fuel poverty felt that Cadent is going 'above and beyond' to support those in vulnerable situations. There was strong support for welfare provisions for CIVS.
- Participants wanted more clarity around needs assessments.
- The majority of discussion on this outcome area focused on how Cadent would ensure that their efforts were targeted at those who needed support most. Concerns raised included:
  - Those most in need would have difficulty accessing provisions
  - Some customers might try to take advantage of Cadent's more philanthropic initiatives (e.g. repairing and replacing a boiler for free). They wanted Cadent to explain how a robust needs assessment would be conducted.
  - The working poor would be missing out on these initiatives.

As part of the Verve business plan consultation, never leaving a customer vulnerable without gas was thought to be an ambitious claim and challenging to deliver. Overall, a quality experience was seen as 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.

Looking into personalised vulnerability services specifically, participants at the Verve business plan consultation started providing support to CIVS had universal appeal but a small number were not clear on why this was Cadent's responsibility and not the gas retailers. In addition, clarity was required on why an innovation fund could be used in this area.

## 5. Our commitments



### 5.1. Our commitments for going beyond to ensure a customer is never left vulnerable without gas

Over the RIIO-2 period, we will measure and report on the following commitments leading to benefits to our current and future customers.

*Table 12 Our output commitments*

Output commitment	Measure definition	Benefits to current customers	Benefits to future customers	Net CVP value over RIIO-2 period
Guaranteed Minimum Standards (GSOP 3) alternative welfare provisions (common)	Provision of alternative welfare for PSR customers	<ul style="list-style-type: none"> <li>Minimum service levels established, and compensation levels updated in line with inflation, payments become automatic</li> </ul>	<ul style="list-style-type: none"> <li>Minimum standards will evolve with customer expectations</li> </ul>	N/A
Personalised welfare provisions (bespoke)	<p>Customers in vulnerable situations provided with personalised welfare provisions e.g. oil filled radiators, thermal blankets, commercial style kettle, mini ovens, rechargeable showers, meal vouchers, accommodation etc.</p> <p>This will be tracked and measured by the field force directly on-site through hand held devices</p>	<ul style="list-style-type: none"> <li>Enhanced welfare package made available to CIVS to improve the customer experience in the event of a supply interruption.</li> <li>A consistent process enabled through the development of a decision making application will ensure all CIVS are provided with the same service.</li> </ul>	<ul style="list-style-type: none"> <li>Greater level of provisions being offered to current customers, raising the bar for future customers</li> </ul>	£120.8m
Services beyond the meter - Repair/replacement of appliances for vulnerable customers following an emergency incident	<p>Establish partnerships for appliance works for vulnerable customers. Target 5,000 appliances repaired or replaced in RIIO-2</p>	<ul style="list-style-type: none"> <li>An additional service that will enhance the experience received when a vulnerable customer is off-gas</li> <li>Prevention of customers living without gas supply or unsafe reconnection.</li> </ul>	<ul style="list-style-type: none"> <li>More appliances / repaired / replaced in properties for use by different generations</li> </ul>	£15m

**Services beyond the meter – eligibility criteria**

We have already discussed the pilot scheme with NEA in our West Midlands network in section two of this document, and how our engineers are able to call the NEA's partner Act on Energy to make a referral or provide the customer with information on how to contact them. Act on Energy will assess the customer to see if they meet the criteria that will entitle them to support with some or all of the costs of any next steps. They will then source and pay for any follow up work through a GSRI or provider of appliances. If the customer doesn't meet the criteria, Act on Energy will assist with locating a GSRI.

Based upon the characteristics of the household that can put them in a vulnerable situation:

- Age (elderly or young family)
- Long-term illness – physical or mental
- Physical impairment

The circumstances of the household are factored in:

- Low-income
- Poor quality housing
- Living alone

High level criteria is:

- Income less than £21k per annum
- In receipt of 'means tested benefits'
- Do not have savings beyond the ECOs criteria (£16k max)

There are occasions when someone is referred and they can support themselves financially but maybe need some guidance to get a GSRI booked. Act on Energy will also support here by providing contact details of a trusted GSRI and even help with the initial/continued contact if required.

*Figure 6 Referral process*

**Referral process – owner/occupier**

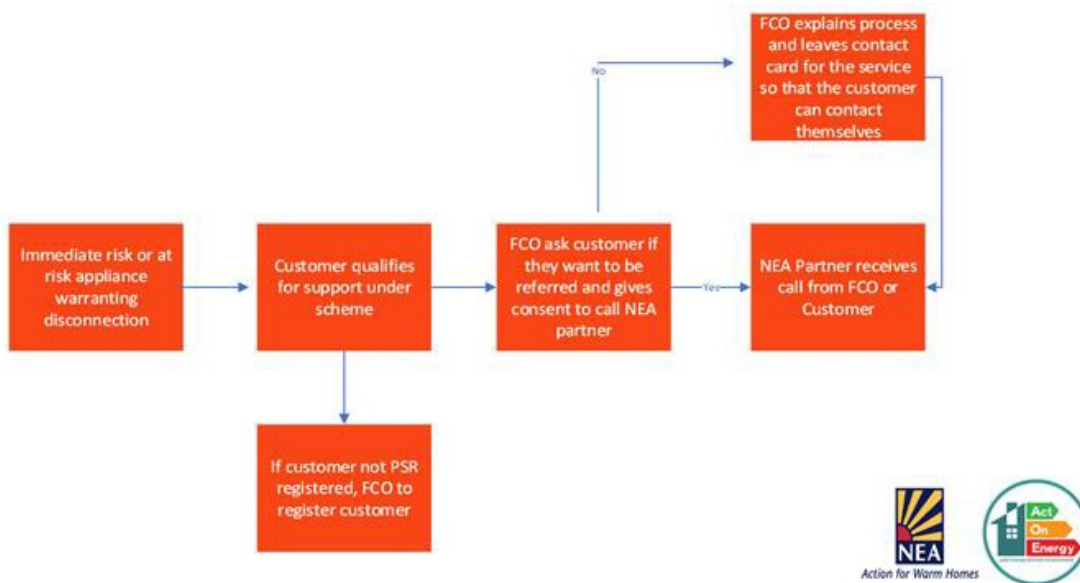
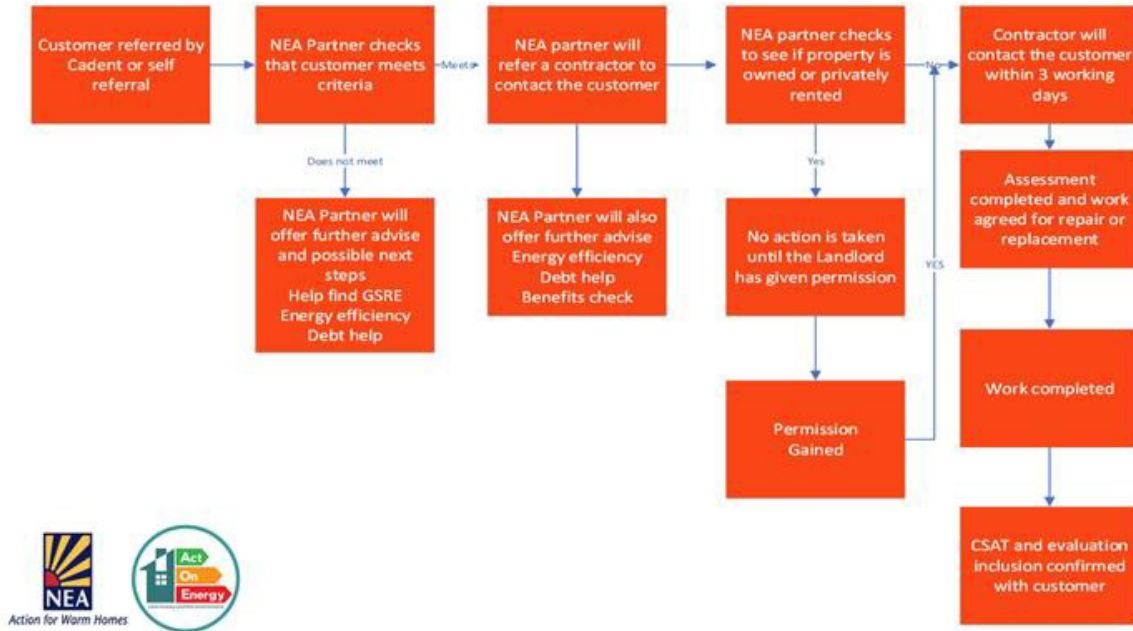


Figure 7 The process once a customer has been referred

## Process – once referred



### Keeping our commitments under review

We aim to never leave a customer vulnerable without gas and therefore propose to extend the proven NEA partner mechanism across all networks so that all CIVS can benefit from the additional protections. The current target delivery level to repair/replace 5,000 unsafe appliances was based on data from the trial in our West Midlands network. As we extend the scheme out from March 2019 to our East, North London and North West networks, it will give us a broader set of data and allow us to fully understand the scale of the challenge. Once we have further data, this combined with the significant customer and stakeholder support to be more ambitious in this area, there may be justification to enhance our delivery targets in this area in order to keep more customers safe and warm following an isolation.

We will keep this commitment under review as more data becomes available from our partnership with the NEA, and will work with Ofgem as we move through the business planning process to determine the final delivery numbers.

### 5.2. Assessment of how to treat commitments

We have undertaken an assessment of these outputs against Ofgem’s criteria to understand the best form of regulatory treatment for personalising welfare facilities and services beyond the meter:

Table 13 Regulatory treatment assessment

Regulatory treatment	Criteria	Rating	Further explanation of assessment
<b>Reputational Output delivery</b>	Demonstrate this is important to customers and/or stakeholders	High	Our engagement for RIIO-2 on this output shows customer support for providing welfare facilities and services beyond the meter to CIVS



<b>incentive (ODI)</b>	Funded elsewhere in our plan, or inappropriate for funding		These costs are not funded elsewhere in our plan. However there is a minimum standard (GSOP 3) which covers some aspects of welfare provision
	Can robustly measure performance improvement		Customers want us to offer a bespoke and personalised service, therefore setting specific tangible measures may not be appropriate
<b>Financial ODI</b>	Demonstrate this is important to customers and/or stakeholders and they are willing to pay		See reputational ODI
	Not funded elsewhere in our plan		Although this is not funded, there is an overlap with GSOP 3
	Can robustly measure performance improvement		See reputational ODI
<b>Price control deliverable</b>	Specific deliverable with a clear timeline and targets		Although we know the average cost of enhanced welfare and services beyond the meter, we are uncertain about how many customers will take up.
	Demonstrable benefit to customers which they support		Our engagement for RIIO-2 on this output indicates customers think there is a benefit to providing welfare facilities and services beyond the meter to CIVS.
<b>Licence Obligation</b>	Absolute minimum, with significant customer harm if we do not deliver it		Enhanced welfare provisions, particularly for customers who are not in vulnerable situations is not a minimum standard (there is already a separate GSOP covering the interruption)
	Applicable to all GDNs		For this output, we have undertaken work specifically to understand the preferences and needs of customers in our area.
<b>Business Plan Incentive</b>	Adds to the quality of our plan, but not a specific deliverable or performance measure		Our preferred option for this output does include performance targets. However they are not specific.
	Funded elsewhere in our plan, or inappropriate for funding		These costs are not funded elsewhere in the plan

Doesn't meet criteria	Weakly meets criteria	Partially meets criteria	Meets criteria	Strongly meets criteria
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We are proposing a price control deliverable (PCD) for the bespoke outputs, in the form of a use-it-or-lose-it (UIOLI) allowance to cover the cost of personalised welfare provisions and working with partners to support CIVS with repair or replacement of unsafe appliances.

Table 14 Summary of proposed measures and targets

Output	East of England	North London	North West	West Midlands	Cadent	Comparison to RIIO-1	Cost
GSOP 3: PSR customers provided with alternative heating and cooking facilities within four hours.	☑	☑	☑	☑	☑	Increased compensation in-line with inflation and automatic payments for failure	<b>£0</b>
CIVS provided with personalised welfare provisions	Bespoke personalised welfare offered to CIVS including alternative heating, cooking, shower products, access to hot meals and temporary accommodation for long interruptions. We will track and monitor this over RIIO-2					Beyond GSOP 3 requirements – additional products/services and customer scope	<b>£16.3m</b>
Repair/replacement of appliances for vulnerable customers following an emergency incident	1,835	1,040	1,230	895	<b>5,000</b>	Establish scheme across all four networks (currently only in WM)	<b>£2.7m</b>

### Funding our commitments

We propose to fund our commitments through the (UIOLI) allowance and bespoke PCDs. We recognise that our costs associated with proposals on vulnerability go beyond the £30m joint fund proposed by Ofgem, of which approximately £11.5m will be allocated to Cadent.

However, our evidence suggests that customers are willing to pay for enhanced services related to welfare provisions and that they deliver a positive social return on investment.

Therefore, we propose that those initiatives which deliver the greatest net social value (i.e. SROI considered with delivery costs) are prioritised first through the common UIOLI allowance, and then bespoke PCDs set for initiatives beyond this.

In Chapter 7.3 we have shown a ranking of the benefits of all the vulnerable initiatives in terms of overall value and by value per £ invested which could be used to prioritise against the Ofgem mechanism.

## 6. Delivering our commitments



### 6.1. How we will deliver our commitments

*Table 15 Delivering our commitments*

Area	What we will do to deliver commitments
Customer communications	<ul style="list-style-type: none"> <li>We will communicate the services we are offering to customers during an interruption through various channels, including our workforce who engage with them directly, to ensure all CIVS can benefit.</li> </ul>
Processes/ systems	<ul style="list-style-type: none"> <li>We will enhance our systems to ensure customers are provided automatic payments when we fail GSOP 3</li> <li>We will develop our systems and processes to offer bespoke and personalised welfare provisions (including accommodation, hot food vouchers, on day payments) for CIVS, minimising the impact an interruption can have on their lives.</li> <li>We have initiated a project via the Energy Innovation Centre to explore what tech and app based solutions the market can provide Cadent with to enable this, with very promising initial results. Our finance team are exploring modern means of offering credit to customers at pace (e.g. for meals in the event of an interruption).</li> </ul>
Partnerships	<ul style="list-style-type: none"> <li>We will build on the NEA trial and partner with industry experts to offer additional appliance repairs or replacement services to CIVS when we encounter unsafe appliances.</li> <li>We are working with the Energy Innovation Centre to find the best partners to support us with exploring innovative techniques and technology to provide customers with bespoke welfare facilities. This will include solutions to the logistical challenges that come with providing increased welfare services.</li> </ul>
Engagement	<ul style="list-style-type: none"> <li>We will engage with key safeguarding groups and organisations to ensure we continually provide the right services to CIVS</li> <li>We will set up regional stakeholder groups with representation from a number of groups who have expertise in vulnerability.</li> </ul>
Skills and resource	<ul style="list-style-type: none"> <li>We will train for front line delivery teams and customer call agents to ensure they are equipped with the knowledge and resources they need to offer bespoke welfare provisions and services beyond the meter to CIVS.</li> </ul>

### 6.2. How we will protect against non-delivery

*Table 16 Protecting against non-delivery*

Regulatory tool	How it will help in protecting customers from non-delivery
Principles-based licence obligation	The updated licence obligation D13 will require GDNs to support CIVS as part of their business as usual operations.
GSOP 3 – alternative heating and cooking facilities	When customers registered on the PSR experience a gas supply interruption, they will be provided with alternative heating and cooking facilities within 4 hours. If we fail, the customer is entitled to compensation.
Price control deliverable	Non-delivery of the targets proposed will lead to any unused funding returned to customers in full.