

# Gas Networks Ireland

Response to CER/16243

19/09/2016



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## 1 Introduction

Gas Networks Ireland welcomes the opportunity to respond to the Commission for Energy Regulation (CER)'s Consultation Paper "CER/16243 Gas Networks Ireland Customer Performance Indicators".

Gas Networks Ireland was incorporated on the 13<sup>th</sup> January 2015 as a fully owned subsidiary of Ervia (formally known as Bord Gáis Éireann). Gas Networks Ireland owns, operates, builds and maintains the gas network in Ireland and ensures the safe and reliable delivery of gas to its customers. Gas Networks Ireland is working to continually advance the utilisation of the gas network for the benefit of Ireland. It is a progressive, trusted and responsible gas infrastructure company with a strong customer focus and commercial ethos that contributes to Ireland's social and economic progress.

## 2 Customer Incentives

### 2.1 Background

Gas Networks Ireland is actively engaging with the CER on the development of Price Control 4 to be concluded by Quarter 3 2017.

Gas Networks Ireland understands and values the critical role of the customer and aims, while maintaining current customer care provision, to improve both our understanding and our performance in relation to our customers throughout PC4.

Proposals on customer relations form a key part of this process and will be included in the PC4 submission to the CER in November of this year.

#### 2.1.1 Gas Networks Ireland Customer Commitment

Gas Networks Ireland is committed to putting customers first, this is reflected in our organisations day to day operations and in the Gas Networks Ireland Customer Charter and Codes of Practice<sup>1</sup>.

Gas Networks Ireland's customer commitment is illustrated across all our customer processes for example:

- The Gas Networks Ireland Contact Centre operates ten phone lines on behalf of Gas Networks Ireland, these include
  - the Emergency line (from 8am to 8pm Monday-Friday, 9am-5.30pm Saturday);
  - a dedicated businesslink line for commercial customers;

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<sup>1</sup> <http://www.gasnetworks.ie/en-IE/About-Us/Our-business/Customer-charter--codes-of-conduct/>

- Domestic phone line;
  - Project line; and
  - Project specific lines e.g. New towns line, Dial Before You Dig line.
- Our contact handling customer metrics are subject to daily and monthly reporting and the relationship with the Contact Centre is closely managed and reflect the strategic objectives and values of Gas Networks Ireland.
  - The Gas Networks Ireland Customer Care team monitor customer contacts from a quality perspective and recognise and reward Gas Networks Ireland staff, business partners and Customer Service Representatives who go above and beyond during the course of the work to provide an excellent customer experience.
  - The Customer Experience team are responsible for the Gas Networks Ireland Customer Experience Measurement and Insights Programme which commenced in 2008 and is currently conducted independently by our business partners, (W5). The programme provides feedback on customer journeys to key stakeholders across Gas Networks Ireland. Customers receive a survey which is consistently tailored to match the journey they take, maximising insights captured. Surveys are deployed on a weekly basis post transaction.
  - Internationally recognised customer experience metrics are used in evaluating our surveys. In addition, performance is tracked across key customer touch points, and against our staff exhibiting our brand values. Extensive customer verbatim are also gathered. Individual customer' responses and verbatim are linked back to the Gas Networks Ireland job number of the specific job allowing root cause analysis and enabling us to continuously improve the process and ultimately enhance our customers experience.
  - Reporting is undertaken through an online portal to provide full transparency internally and through our business partners. These are analysed in a structured face-to-face session monthly with key stakeholders and the wider internal business quarterly at our "Customer Experience Days" to gain employee engagement and commitment to change. Gas Networks Ireland's Insights into Action strategy ensures customer insights are systematically listened to, understood, communicated, a solution identified and actioned so that our customers experience is consistently improved. We also have a register that captures all initiatives identified and manage them through to completion. All customer metrics are published widely across Gas Networks Ireland through in-house publications, intranet, noticeboards, staff briefing documents and management reports. The programme has been recognised as 'best in class' winning the 'Confirmit Achievement in Customer Excellence (ACE) awards' in 2015 and 2016.

## **3 Consultation Feedback**

### **3.1 Comparators**

The comparators selected by the CER for the purpose of the consultation are within the Irish and British utilities sector only.

Gas Networks Ireland actively looks to compare performance, standards and best practices within the customer services sector, including both regulated utilities and other industries. This is facilitated through membership of industry bodies such as the Customer Contact Management Association (CCMA), Ireland, and the Customer Contact Association UK .

While comparisons can be drawn between Gas Networks Ireland and utility peers, it should be noted that there are differences between these utilities in services, operations, customer profiles and markets. For example with respect to customer metrics and data, customer satisfaction in Gas Networks Ireland is measured on a scale of 1-10 whereas ESB Networks measure on a scale of 1-5.

### **3.2 Structure of Customer Service Indicators for PC4**

Gas Networks Ireland agree with the CER's proposal that all indicators used to monitor Gas Networks Ireland's performance of customer services should be SMART.

## **4. Proposed Customer Performance Indicators**

In this section 4, we use the framework outlined in the CER's paper to outline Gas Networks Ireland's initiatives.

### **4.1 Call Centre Response**

In this section 4, we use the framework from the CER's Customer Performance Indicators paper to outline Gas Networks Ireland's current position. Through the PC4 process, we will submit further detail.

#### **4.1.1 First Contact Referral**

Our Contact Centre Agents are highly trained and provide customers with detailed and relevant answers to all queries. Gas Networks Ireland has invested a lot of time

discussing 'First Contact Resolution' (FCR)<sup>2</sup> with companies across the UK and Ireland as participants of the Customer Contact Management Association (Ireland) and the Customer Contact Association (UK). However we have been unable to find a consistent definition for how FCR is defined and the sample size and methodology used to monitor it. Companies tend to use a narrow sample of overall processes where FCR is possible and then monitor a % of these calls to identify if FCR is achieved.

Gas Networks Ireland does not believe that the use of this indicator fits the SMART criteria and therefore we believe the proposal to include it as an indicator of customer performance is inappropriate. The reasons are outlined below.

- The Customer Contact industry has encountered difficulties with the definition of FCR.
- The proposal does not define when a customer call is considered resolved in order to measure.
- The nature of Gas Networks Ireland's business and the complexity of a number of key processes often requires site visits to resolve a customer issue and therefore phone resolution to an issue is not always possible.
- If an incentive were to propose forcing FCR, where an issue required a visit by the technically capable person, Gas Networks Ireland would need to review any safety process implications.

Gas Networks Ireland can provide many examples of where the customer can be taken through a number of steps to resolve issues over the phone, yet fail to resolve the issue as it will need a site visit to fix the problem.

Gas Networks Ireland operates a weekly quality monitoring programme to listen to calls and identify opportunities for improvement or training needs. This quality monitoring is then supported by Mystery Shopping from our Customer Experience Business Partner, W5 and customer call back surveys where customers offer their impression of the efficiency dealing with our contact centre, these metrics are used within Gas Networks Ireland to drive quality and efficiency rather than first contact resolution.

#### 4.1.2 Call Abandonment Rate

An abandoned call is one where the caller hangs up before being connected to a Customer Service Representative in the contact centre. Call abandonment rate is the number of abandoned calls divided by all calls offered to the contact centre, and it is one of the most widely tracked metrics in the contact centre industry. Our current call abandon rate target, which was agreed with the CER, is to abandon less than 7% of calls after 10 seconds of the call connecting. Some level of abandoned calls will always be experienced as customers terminate the call on hearing the welcome message and this is positive for our business to prevent us handling unwanted calls, however a high abandonment rate would suggest our call answering time is too long. 5,697 calls were abandoned in 2015 out of >300,000 calls.

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<sup>2</sup> Gas Networks Ireland refer to this as First Contact Resolution as this is the terminology widely used in the contact centre industry rather than First Contact Referral as per the consultation document.

Gas Networks Ireland believes that the current methodology used and target rate of call abandonment is SMART.

#### 4.1.3 Speed of Telephone Response

Call answer speed is defined as the percentage of inbound customer phone calls answered by a customer service representative in the contact centre within 20 seconds of the call connecting, as a percentage of total calls connected. The target for call answer speed is embedded as one of the ten performance commitments in our published Customer Charter, with the current target agreed with the CER. This metric is also a key performance indicator in the framework agreement between Gas Networks Ireland and the Contact Centre and is reported daily and monthly. Achieving this target is dependent on appropriate call forecasting and resource levels. Call answer speed is a standard metric utilised across the contact centre industry and ability to answer calls within a reasonable amount of time can positively enhance customer experience of their interaction with Gas Networks Ireland. In 2015 over 300,000 calls were answered in the Gas Networks Ireland Contact Centre.

Gas Networks Ireland believes that the current methodology used and target rate of call response is SMART.

#### 4.2 Complaints

Customer Operation are responsible for among other things the resolution of complaints. Customers who are dissatisfied with the service they have received can contact GNI to make a complaint. Once the complaint is registered it is then categorised into either a 10 or 30 day. The complaint is then allocated to the relevant Department for resolution through to completion. The compliance figure set by the CER for both 10 and 30 day complaints is 85% resolution. The difference between the complaint types is that while a 10 Day complaint can be completed without a site visit whereas the 30 Day complaint requires a site visit. Gas Networks Ireland contacts customers within 1 day of registering the complaint to acknowledge receipt. Contact is also made within 4 working days to check on progress. This process and the targets are in place since the inception of the customer charter, 2008. Our complaints procedure and Customer Charter are available on our website<sup>3</sup>. Resolved complaints are tracked and analysed to ensure continuous improvement. 2,494 complaints were resolved in 2015.

With reference to section 5.2.2 (a), (b) and (c), Gas Networks Ireland notes as per the consultation paper that resolving complaints within the 10 and 30 day parameters is not used by the other comparative utilities, however, it is a measure that the proposal seeks to maintain. Adding additional incentives in the form of complaints referred to the

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<http://www.gasnetworks.ie/Global/Customer%20Care%20Uploads%20GNI/1%20GNI%20Customer%20Charter%20English%20June%202015.pdf>

CER and total number of complaints would appear to be in excess of what is industry practice.

The proposal fails to establish the exact basis of the incentive for the number of complaints. The number of complaints may vary depending on the extent of field work and construction projects and whether or not they are valid complaints. Clear criteria and definitions would need to be established. The proposed KPI for complaint resolution should form part of the PC4 discussions rather than part of the consultation on the performance indicators. Gas Networks Ireland will welcome the opportunity to discuss this as part of PC4.

Referring to section 5.2.2 (d) Gas Networks Ireland is of the opinion that a fundamental function of the regulator is to act on behalf of the customer, who have a right to refer to the CER in the event of a complaint. This is highlighted in the Gas Networks Ireland Customer Complaints Process and customer communications, Therefore Incentivising this measure could have the undesired effect of undermining the relationship between the CER, Gas Networks Ireland and consumers. It could threaten the required level of transparency which benefits the consumer's common good.

Gas Networks Ireland is of the view that the use of such an incentive could diminish the governance role of the CER. However, Gas Networks Ireland would welcome the opportunity to work with the CER to establish a process for the review of CER referrals to monitor process health and address any patterns or trends.

For the reasons outlined above Gas Networks Ireland does not believe that the complaints indicators other than (b) and (c) fit the SMART criteria.

### 4.3 Customer Survey

Gas Networks Ireland regularly conducts surveys to assess customer satisfaction ratings. Customer satisfaction rating is measured on scale of 1-10, customers who score 7 are considered satisfied<sup>4</sup>.

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<sup>4</sup> The measurement scale used by Gas Networks Ireland is a different scale to that by ESB Networks, and therefore may not be the most appropriate for comparison.



Key surveys conducted by Gas Networks Ireland include the following:

Survey Area	Purpose	Frequency	Method
Meter Replacement Programme	Assess customers' domestic meter replacement experience	Monthly	E-mail / Phone
Domestic Connection	Assess customers' end-to-end domestic new connection experience	Monthly	E-mail / Phone
Emergency	Assess customers' experience of reporting a suspected gas escape	Monthly	E-mail / Phone
Siteworks	Assess customers' meter repair, fit or service pipe alteration experience	Monthly	E-mail / Phone
Customer Call-back	Assess customers' experience of the GNI Call Centre	Weekly	Phone
Mystery Shopping	To assess Call Centre practise and performance	Weekly	Phone
Connections	Assess customers' domestic new gas connections experience	Monthly	E-mail / Phone
Siteworks	Monthly	Monthly	E-mail / Phone
Business Survey	To assess the health of GNI's relationships with key Stakeholders	On-going, annual results publication	Face-to-face

#### 4.4 Customer Callbacks

Survey Calls are made independently by our business partners W5 within one week of our customers contacting our outsourced Contact Centre to assess the quality of the interaction, measuring satisfaction with individual Customer Service Representative personal skills and knowledge. Combined and Individual Customer Service Representative results are shared to the Contact Centre using our Online Portal. Customer Service Representatives are recognised and rewarded for going 'above and beyond' for the customer and all issues identified are addressed through coaching and training.

Customer satisfaction has not been a specific performance indicator with regard to regulated metrics. Qualitative statistics are subjective and therefore while it does not match the SMART criteria in response to Q1. Section 5.2.3. Gas Networks Ireland would welcome the opportunity to discuss this incentive as part of the PC4 process.

## **5 Proposed Structure of Financial Incentives**

As part of PC4, Gas Networks Ireland is actively engaging with the CER on the development of incentivisation proposals for the gas market. These proposal will involve Gas Networks Ireland linking an element of revenue against a set of predefined target outcomes. Gas Networks Ireland will submit detailed proposals to the CER in November of this year and looks forward to further engaging with the CER during the PC4 consultation process.