



An Coimisiún
um Rialáil Fóntais
**Commission for
Regulation of Utilities**

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Commission for Regulation of Utilities

Network Licence Spot Check Q3 2021

Information Paper

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Our Mission <ul style="list-style-type: none">• Protecting the public interest in water, energy and energy safety.	Our Strategic Priorities <ul style="list-style-type: none">• Ensure Security of Supply• Drive a Low Carbon Future• Empower and Protect Customers• Enable our People and Organisational Capacity
Our Vision <ul style="list-style-type: none">• Safe, secure and sustainable supplies of energy and water, for the benefit of customer now and in the future	

Executive Summary

This information paper details a spot check conducted by the Commission for Regulation of Utilities (CRU), which monitored compliance with distribution system operator licences granted to ESB Networks and Gas Networks Ireland (GNI). The audit focused on licence conditions related to complaint handling procedures.

Robust complaint handling procedures protect customers by helping to resolve customer issues, as well as being an important tool to identify issues which might otherwise go undetected.

The spot check involved an assessment of the network companies' websites, a request for information on internal processes to categorise and close complaints, and a review of a sample of complaints. The sample chosen focused on complaints relating to meter issues, as this issue was the most common complaint type received by the CRU in relation to both network companies in 2020.¹ 48% of complaints against GNI and 29% of complaints against ESB Networks related to meter issues.

The spot check has concluded with one finding and four observations. The finding concerns ESB Networks' failure to publish its complaints handling procedure on its website. The observations, which highlight issues that require action or attention from the licensees, include that ESB Networks' complaint handling procedure was last updated and approved in 2002, and that in one case ESB Networks had not provided a meter read to a property in 17 years due to difficulty in gaining access.

¹ Customer Care Team Annual Report 2020, <https://www.cru.ie/wp-content/uploads/2021/06/D-21-13107-CCT-Annual-Report-2020-1.pdf>, p. 20

Both licensees were provided with a week to respond to the finding and observations. ESB Networks has now published its complaint handling procedure on its website and is updating this procedure as a matter of urgency. While this work is underway, ESB Networks has committed to reviewing the relevant section of its website to identify enhancements that can be made in the short-term. The CRU will continue to liaise with ESB Networks to ensure these actions are delivered satisfactorily.

Public/ Customer Impact Statement

It is a function of the CRU to protect the public interest in energy. In line with the Compliance and Enforcement Policy Statement ([CRU/19134](#)), the CRU aims to promote a culture of compliance amongst regulated entities, provide clear expectations for regulated entities, stakeholders and the public, and deliver enforcement actions that serve as a credible deterrence against non-compliance. Audits and spot checks are an important tool to achieve these aims.

The CRU regulates energy network licensees through the granting of licences, monitoring performance and conducting enforcement actions when required. Licences contain several terms and conditions, which, amongst other objectives, aim to protect the interests of energy customers, maintain security of supply, and promote competition in the generation and supply of electricity and the supply of natural gas. To ensure the licence holders comply with their licence conditions, regular spot checks on their compliance are carried out. This spot check focuses on the electricity and gas distribution system operators' (DSO) complaint handling procedures.

Procedures to ensure good complaint handling are important for ensuring customers encounter a user-friendly complaints system, which listens to, respects and actions their complaints. Robust complaint handling processes also benefit the respective organisation by helping to identify issues, improve service delivery and strengthen public confidence in the service.

The CRU will continue to conduct audits on the energy network owners and operators to ensure a high standard of protection to all customers.

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Glossary of Terms and Abbreviations

Abbreviation or Term	Definition or Meaning
CRU	Commission for Regulation of Utilities
DAO	Distribution Asset Owner
DSO	Distribution System Operator
GNI	Gas Networks Ireland
TAO	Transmission Asset Owner
TSO	Transmission System Operator

1. Introduction

1.1 The CRU

The CRU is Ireland's independent energy and water regulator. The CRU was established in 1999 and has a wide range of economic, customer protection, and safety responsibilities in energy and water. In its role as economic regulator of energy, the CRU's aim is to protect the interests of energy customers, maintain security of supply, and to promote competition covering the generation and supply of electricity and supply of natural gas. The CRU takes an outcome-focused approach to compliance monitoring and focuses spot checks on areas which can provide the greatest overall benefit to the public and network and/or market. Spot checks help ensure that regulated entities are compliant with their requirements.

The CRU grants, monitors the performance of and enforces the following network licences (gas and electricity):

- **Eirgrid**, the electricity transmission system operator (TSO)
- **Electricity Supply Board (ESB)**, the electricity transmission asset owner (TAO) and electricity distribution asset owner (DAO)
- **ESB Networks**, the electricity distribution system operator (DSO)
- **Gas Networks Ireland (GNI)**, the gas transmission system operator (TSO), gas transmission asset owner (TAO), gas distribution system operator (DSO) and gas distribution asset owner (DAO)

The licences specify the conditions that the licence holders must comply with. As part of its function, the CRU monitors the licence holder's compliance with such terms and conditions as are specified in their licence.

1.2 Background

In selecting topics for audit, the CRU takes a risk-based approach by considering the potential for customer harm and potential issues identified through previous audits/investigations, economic developments and complaints received. In terms of conducting spot checks on energy network companies, the topic and scope will dictate which network company is audited.

For the Q3 Spot Check 2021, network licence conditions related to complaint handling procedures was decided upon. Complaint handling is an important element of customer protection as robust complaint handling processes help resolve issues for customers as well as being an important tool to identify issues which might otherwise go undetected. This topic was also selected due to a number

of issues identified by the CRU in reviewing network companies' complaints processes. The sample chosen focused on complaints relating to meter issues, as this issue was the most common complaint type received by the CRU in relation to both network companies in 2020.

As only the DSO licences contain conditions in relation to complaint handling procedures, this spot check was conducted on GNI (as the licenced gas DSO) and ESB Networks (as the licenced electricity DSO).

ESB Networks, under conditions 15-16 of its DSO licence, must prepare and submit to the Commission for approval a complaint handling procedure, comply with the procedure and publish it on its website.

GNI, under conditions 21-22 of its DSO licence, must maintain and comply with a complaint handling procedure and publish the procedure on its website.

2. Methodology

2.1 Scope

This spot check aimed to assess ESB Network and GNI's compliance with the conditions of their respective licences which relate to complaint handling, with an additional focus on complaints related to meter reading/billing issues caused by meter reading. Both licensees have an obligation to maintain a complaint handling procedure, publish it on their websites and comply with the procedure.

ESB Networks is also obliged to prepare and submit its complaint handling procedure to the Commission for approval.

2.2 Approach

The first step of this spot check was to check that these procedures are available to the public on the licensees' websites. Subsequently, licensees were contacted to inform them of the spot check and request information on any internal decision-making process/procedure to categorise a customer contact and to establish that a complaint had been resolved and can be closed.

Licensees were also asked to provide an anonymised list of all complaints received in August 2021. The CRU then selected a sample of these complaints, with a focus on complaints relating to meter readings/billing issues caused by meter readings. Details on the selected sample were returned to the CRU by both licensees. These were assessed with reference to both licensees' complaint handling procedures.

3. Conclusion

3.1 Findings

This spot check identified the following finding of non-compliance:

1. **ESB Networks complaint handling procedure not available on its website**

Condition 16(4)(c) of ESB Network's DSO licence requires it to publish the complaint handling procedure on its website. While the website provides contact details for registering a complaint, some advice on having the customer's MPRN available when making contact and outlines that the CRU provides a complaints service, the complaint handling procedure is not available on ESB Network's website.

3.2 Observations

In addition, a number of observations were made. These observations are not considered to be non-compliances but highlight issues that require action or attention from the licensees.

ESB Networks

1. ESB Networks' complaint handling procedure was last approved in 2002. It is best practice to continually review and update procedures to ensure they are fit for purpose. Pursuant to Condition 16(2) of the DSO licence, the CRU has requested that ESB Networks prioritises an urgent review of this procedure, which should be updated and submitted to the CRU for approval. ESB Networks should also ensure that it is compliant with Condition 16(4)(d) of its Licence, which obliges it to make any code of practice or procedure required by licence available in a format appropriate for customers with a visual impairment.

While this review is underway, the procedure should be made available to customers on the ESB website, as per Condition 16(4)(c) of the Licence, and ESB Networks should review the relevant section on its website to ensure clear information is provided to customers.

2. A customer's complaint related to a lack of meter readings dating back to 2004. ESB Networks confirmed that it did not provide this service for 17 years, in this case due to the presence of a dog on the premises. Following receipt of the complaint, the customer's mobile phone number was updated to facilitate prior notice.

ESB Networks is obliged to provide data collection services to customers and should ensure that every effort is made to fulfil this obligation. A lack of actual metering data can

cause customer harm, particularly as it may lead to large ‘catch-up’ bills when an accurate read is finally received.

However, if it is not possible for the meter reader to access the meter, the meter reader may leave a card with contact details so the customer can send their own reading. A long term no access (LTNA) letter should also be sent. ESB Networks has confirmed that it sent a LTNA letter to the customer on an annual basis between 2009-2020.

The CRU notes that its Price Review for the current period (PR5) retains a target for ESB Networks to obtain at least one actual meter read from 98% of its customers annually and ensure that 99% of customers do not receive back-to-back meter estimates.²

3. The CRU has identified that ESB Networks failed to action a complaint at the Local Area Office, which led to a delay in the resolution of the issue until the customer contacted ESB Networks again, almost four weeks’ following the initial contact. ESB Networks stated that this was due to a high volume of construction work within the area at the time. The customer was contacted the following day to apologise for the delay and an update was provided.

GNI

1. Given the complaint handling procedure was developed in 2017, GNI may consider reviewing and updating procedures to ensure they are fit for purpose. It is best practice to continually review and update procedures to ensure they are fit for purpose

4. Remedial Actions & Next Steps

ESB Networks and GNI were contacted to inform them of the CRU’s preliminary findings and a period of one week was provided for the receipt of any representations or observations.

GNI responded to note that it undertakes regular internal reviews of its procedures, which is welcomed by the CRU.

ESB Networks has now published its complaint handling procedure on its website and is updating this procedure as a matter of urgency. While this work is underway, ESB Networks has committed to reviewing the relevant section of its website to identify enhancements that can be made in the

² PR5 Regulatory Framework, Incentives and Reporting, <https://www.cru.ie/wp-content/uploads/2020/12/CRU20154-PR5-Regulatory-Framework-Incentives-and-Reporting-1.pdf>

short-term. The CRU will continue to liaise with ESB Networks to ensure these actions are delivered satisfactorily.