GD3 Research Programme – Phase A Deliberative Research Report on Customer Priorities

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MRS Inclusion Pledge

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1 Background and objectives

Background and objectives

As part of their regulatory obligations, SGN are required to submit their Business Plan for GD3 to Ofgem and it is vital that the business plan is shaped and informed by customer needs. SGN therefore designed a long-term, mixed-method research programme to engage with their customers and gather both informed and uninformed views on their plans for the future.

The overall objectives of the programme are to:

1

Collect customer input to shape decision making in our business plan.

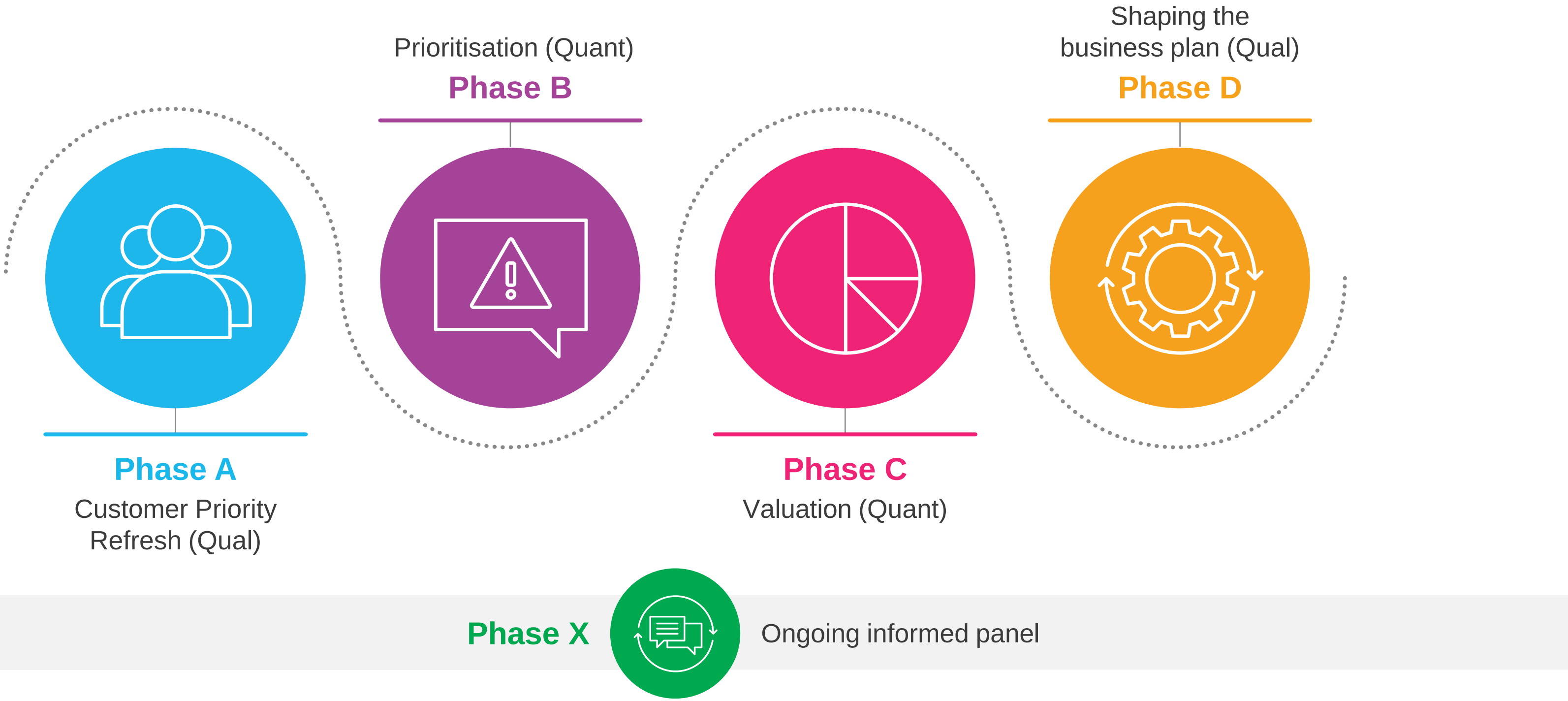
2

Provide a solid evidence base of our customers’ views in our business plan.

3

Submit a business plan that customers consider to be acceptable, affordable and provides value for money.

The overall programme combines qualitative and quantitative research components – each stage will feed into the next:



This report focuses on the outputs from Phase A – the aim of which was to provide an update on customer priorities

This report focuses on the findings from **Phase A only**

Phase A

Customer Priority Refresh (Qual)

Phase A was designed to get a read on current customer priorities, including how much they have changed since GD2 research conducted in 2019. This included:

1. Exploring and understanding current customer context and priorities around energy use, specifically gas usage habits and expectations
2. Exploring perceptions and expectations of SGN (spontaneous and informed) in the short and longer-term
3. Testing SGN's priority areas against customer priorities, including how customers trade-off between cost and need for delivery

This involved speaking to three key audience groups:

1. Domestic Gas Customers
2. SMEs
3. Future Energy Customers

2 Methodology and recruitment

Qualitative research

A methodological note on the interpretation and limitations of qualitative research

When using qualitative research, it is important to keep in mind that the focus is less about quantification than about understanding underlying issues, experiences and motivations.

Therefore, this report cannot talk in percentages or numbers of respondents who answered in a certain way:

Answers should not be seen as necessarily representative of SGN's customer base.

1

But can be seen as strongly indicative of customer views.

2

To give an indication of the strength of a finding from the research conducted we have used terms such as; 'a small number', 'some', 'many' and 'most.'

Phase A deliberative programme outline*

We engaged with over 100 x participants over 3 weeks, educating them on SGN and their priorities over time

Week 1

Pre task & 2 hour opening event

Key dates

- Pre-task launch: Mon 18th Sept
- Zoom groups (30 min main session, 90 min breakout groups of 5-6 participants): Weds 20th and Thurs 21st Sept 6pm to 8pm

Key focus

- Welcome and introduce participants to the programme
- Explore spontaneous understanding of gas industry and challenges it faces
- Introduce how the gas industry works, including who SGN are
- Collect spontaneous priorities (without understanding of SGN's own priorities)
- Introduce SGN priorities and collect uninformed ranking of importance

Week 2

Online tasks & focus groups

Key dates

- Online tasks launch: Fri 22nd Sept
- Zoom groups (90 min focus groups, 5-6 participants in each) : Weds 27th and Thurs 28th Sept 6:30pm to 8pm

Key focus

- Introduce information about the potential 'future of energy' (incl. hydrogen and heat pumps)
- Deep dive on 3 x SGN priority areas: Acting Safely, Keeping the gas Flowing and Keeping costs down
- Gather feedback on SGN's performance in each priority area now, as well as on their potential plans for the future

Week 3

Online tasks & 2 hour closing event

Key dates

- Online tasks launch: Fri 29th Sept
- Zoom groups (30 min main session, 90 min breakout groups of 5-6 participants): Weds 4th and Thurs 5th Oct 6pm to 8pm

Key focus

- Deep dive on 4 x SGN priority areas: Delivering Excellent Service, Minimising SGN's environmental performance, Supporting customers in vulnerable situations and developing low-carbon energy solutions
- Conduct group prioritisation incl. informed ranking of importance and investment

Phase A will directly inform the following phases of the overall programme:

- *The outputs from Phase A will directly inform the attributes tested during Phase B*
- *Participants who took part in Phase A have been invited to participate in Phase X, forming our informed panel*

***Please see appendix for detailed breakdown of weeks 1 to 3, including dates, format and discussion guide flow.**

We spoke to a total of 108 SGN customers across Scotland and Southern England

65 Domestic Gas Customers

- 37 Scotland
- 28 England

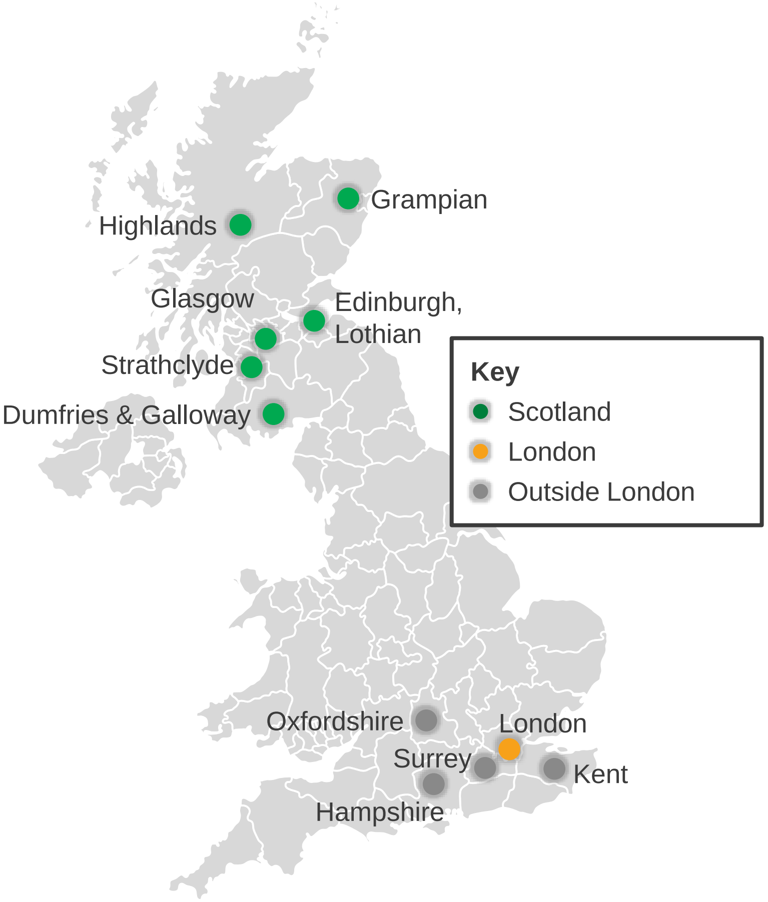
23 Future Energy Customers

- 12 Scotland
- 11 England

20 SMEs

- 9 Scotland
- 11 England

A detailed breakdown of the sample can be found overleaf



Fuel Poverty

- These insights are based on those recruited as being in 'Fuel Poverty' in the Domestic Gas Customer sample, because:
  - Future Energy Customers do not currently pay bills so cannot be classified as being in 'fuel poverty'
  - While some SMEs were recruited as 'fuel poverty', their views did not really vary from the rest of the SME sample – likely because their bill to SGN was considered small and lower-priority compared to other business costs
- 'Fuel Poverty' was defined as anyone who regularly struggles with their energy bills, or closely monitors how much they spend on energy, to ensure they have enough money for basics (e.g. food, housing) and other bills.
- We spoke to a total of 34 Fuel Poverty participants as part of the Domestic Gas Customer sample
- Fuel Poverty participants were grouped together to ensure they had a safe space to share in their experiences

Please note: Phase B (Quantitative research) will provide additional and statistically robust insights about those who struggle to pay across the board.

3 Key learnings

Key learnings

1

Low knowledge but clear expectations

Participants start from a point of low levels of knowledge of SGN and how gas industry works at the outset.

However, there is a sense that not hearing negative stories about SGN must indicate are doing a good job/reliable.

Often seen to offer reasonable VFM.

They can still come up with spontaneous, clear expectations of what SGN should be doing (namely, safe, reliable supply).

2

Rarely consider future of energy

Minority spontaneously express environmental concerns/awareness of environmental impact of heating.

Low knowledge of potential alternative solutions for heating.

Typically not a top of mind concern relative to more pressing aspects i.e. affordability.

No clear sense of ideal future solutions – tend to opt for path of least resistance (i.e. hydrogen).

3

A clear sense of priorities

Both spontaneously and once more informed, participants rank safety and reliability as top priorities – seen as hygiene factors.

Keeping costs down in current financial climate also feels key as does supporting the vulnerable.

Few changes to priorities on more detailed reflection/deliberation.

Striking that priorities tend to be relatively short term.

4

Willing to invest more

Generally willing to pay £5-£10 more to improve network performance and safety.

Hard to take a view on the sub priorities/actions – more concerned about end benefits.

Most likely to be willing to invest more if required in acting safely, keeping the gas flowing and keeping costs down IF investment is required to ensure standards do not slip.

Some increased willingness to invest in low-carbon over time.

Taking forward our learnings around the key priorities to test into the quantification stage: Phase B Prioritisation

Key Themes for Fuel Poverty Domestic Gas Customers

1

Context for fuel poverty participants is different

These customers are struggling more than others to keep on top of their energy bills – makes them more cost-conscious.

Greater cynicism about energy companies and therefore even more difficulty separating GDN's and Energy Providers throughout research– assumed to be all in it for the profit and not for the people.

Often feel as though they have little control over energy / gas systems at home (and therefore in society more broadly) – live in rented accommodation, social housing etc.

2

Control and cost loom large when considering future of energy

Assessment of heat pumps and hydrogen viewed with their personal context in mind.

Heat pumps considered less accessible for 'people like them' due to size (i.e. not suitable for blocks of flats / social housing) and high installation costs – assume reserved for 'wealthy private homeowners'. Tendency towards those options with the lowest initial outlay even if costs more long-term.

Having choice and options is important but hard to conceptualise for those without control over their systems – i.e. rented accommodation / social housing.

3

A lot of consistency with other participants

Just as with other participants, both spontaneously and once more informed, fuel poverty participants rank safety and reliability as their top priorities – seen as hygiene factors.

Keeping costs down has more weight among this audience given personal experiences of financial difficulties as well as wider financial climate.

Few changes to priorities on more detailed reflection/deliberation.

Overall sense that supporting vulnerable customers is important but no change in ranking as, similar to other groups, not considered SGN's role / responsibility.

4

Willing to invest more

Greater sensitivity to price increases in general.

Can understand benefits of paying £5-£10 more to improve network performance and safety but some more ardent rejection of the idea of increased costs on principle.

Some strong feeling that funding should come from elsewhere (e.g. Energy Provider profits) – even when challenged.

As with other participants, some increased willingness to invest in low-carbon after further deliberation.

Should be noted that some non-fuel poverty groups / individuals felt similarly about the principle of resisting price increases and where responsibility lies.

4 The current context

Context – changed and difficult times

Since previous research we have had Covid, the war in Ukraine and a cost-of-living crisis – participants spontaneously raised these as challenges they/the industry faces moving forward (without prior information/prompting)

Cost of living

High food and energy bills.

More people struggling with their finances.

Expenses more front-of-mind.

Increase in short-termism in general, with more people living 'hand to mouth' – keeping costs down in face of economic hardship (and net zero/decarbonisation deprioritised).

Energy supply and price

Reliable gas supply but challenges:

- War and global markets mean increased competition for energy and high prices
- Using up limited natural sources of energy
- UK not storing enough gas reserves

More concerns about price and security of energy supplies including reliance on Russia/East.

Cynicism

Low trust in big corporations:

- Energy companies making large profits

Low trust in Government/public bodies:

- Government/energy regulation insufficient
- Poor infrastructure investment/over-promising
- Government changing policies/targets in relation to energy

Increase in desire for business and government to pay for change (not just consumers).

Context – the news impacts people's views

Energy is not top of participants' minds (unless the boiler stops working) nor an area of particular interest or expertise; Spontaneous views can be coloured by recent national/local news stories which have raised concerns in their minds

Overspending/overpromising?

HS2 West Midlands-Manchester line to be scrapped

4 October · Comments

https://www.bbc.co.uk/news/uk-politics-66998692

Big profits?

UK's 'broken' energy system revealed as firms set to make £1.7bn in profit from customers

Campaigners attack 'murky depths' of market – as suppliers set to increase profits while families struggle

Adam Forrest Political Correspondent • Tuesday 08 August 2023 03:26 BST • 24 Comments

https://www.independent.co.uk/news/business/energy-bills-profits-british-gas-b2388968.html

Safety?

Explosion at Oxfordshire recycling plant after lightning strike

2 October

https://www.bbc.co.uk/news/uk-england-oxfordshire-66990100

Oxford locals reveal they heard massive blast at green energy plant TWENTY miles away - as aerial images show devastation of site struck by lightning and video shows moment huge fireball was sent into the sky

- Did YOU see the blast? How did it affect you? Email jack.wright@mailonline.co.uk

By ELIZABETH HAIGH
PUBLISHED: 08:17, 3 October 2023 | **UPDATED:** 17:16, 3 October 2023

https://www.dailymail.co.uk/news/article-12587491/Severn-Water-gas-tank-exploded-lightning-fireball-ground-shake.html

Reliability?

Aberdeen's hydrogen buses taken off the road due to technical issue

4 February 2022

NB. this issue was a mechanical not hydrogen fuel-related issue, but 'unreliable hydrogen buses' were referenced by a couple of Scottish respondents.

https://www.bbc.co.uk/news/uk-scotland-north-east-orkney-shetland-60266199

Context – different starting points

There are slightly different mindsets and starting points for different audiences that also underlie their views

Customer type

Domestic Gas Customers

Energy bills significant household expense.

Price-conscious.

Future Energy Customers

Don't pay bills yet.

Low understanding of gas industry.

More idealistic and future-facing in outlook.

SMEs

Experienced business decision-makers.

Practical and analytical assessment of costs and benefits.

Nation

Scotland

More experience/understanding of rural energy issues e.g. challenges/cost of connection to gas network.

Southern England

More urban.

More energy suppliers available.

Perhaps more demanding/expect options.

Financial situation

Fuel poor

Struggling with energy bills.

Most concerned about price.

Most cynical about energy business profits.

5 The starting point: Spontaneous perceptions and expectations of SGN

Knowledge of the gas industry

When prompted about how the gas industry works, GDNs are the least familiar part of the system

ofgem

Ofgem

Ofgem are the government department responsible for regulating the gas industry – they set targets and monitor performance. This includes monitoring how much profit gas distributors and energy providers can make.

- Some awareness of Ofgem and role of regulators
- Some cynicism about lack of control of energy providers/ their profits

Gas Distribution Networks (GDNs)

GDN's own the pipes in a specific region which transport gas around the network and into your home or business. They do not own the gas (that is owned by the gas supplier).

- Low awareness of concept
- On reflection it makes sense/someone has to do this

Energy Providers

Energy Providers own the gas that is transported through the pipes. Responsible for maintaining your gas meter and sending you bills for the gas you use in your home.

For example, British Gas or Scottish Power.

- High awareness (if not approval) – able to name own provider and aware of some others (except some Future Customers)

Property owners/Businesses

Property owners/businesses are responsible for maintaining the internal pipes leading from the meter to appliances and making sure all appliances are checked and safe.

For example, yourself if you own your home or business space, your landlords if you are renting or your university if you're in student halls!

- Familiar – that's us/our landlord

Overall

Low knowledge

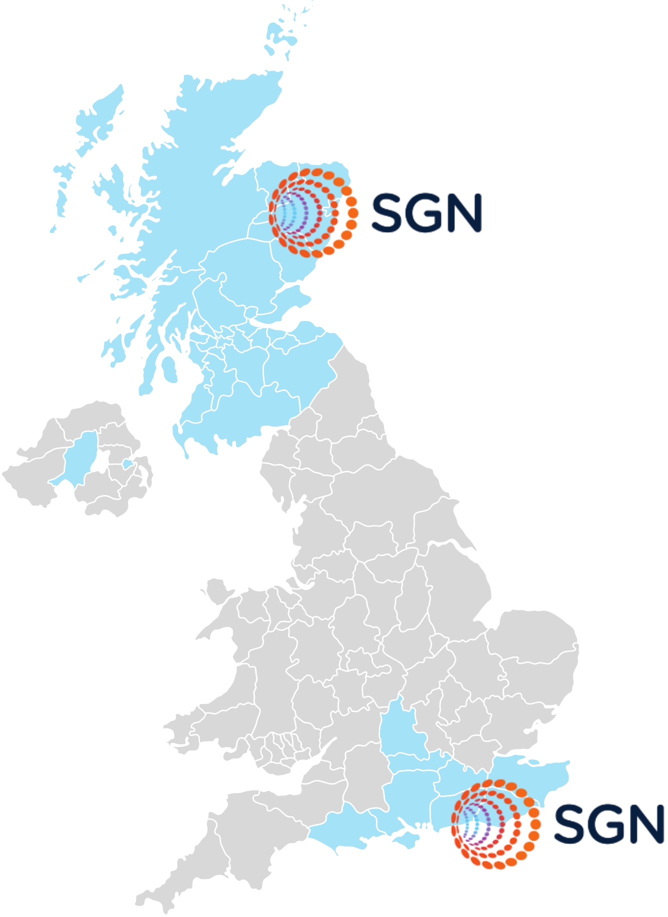
Low overall and future customers almost no knowledge of key players.

Can query the system

Some feel system makes sense.

Some surprised/concerned at complexity:

- Not joined-up?
- Issues hard to resolve?
- Is each player 'skimming profit'?
- Nationalisation – doesn't/ shouldn't the government own infrastructure for security/financial robustness?



Knowledge of SGN

Like GDNs in general, SGN is unfamiliar for most, but that's a good thing!

Low awareness

- Low awareness
- Some have seen SGN vans/name near roadworks

"I've never heard of SGN. No news is presumably good news given their role!

Future Energy Customer, Southern England

Good perceptions on the whole (by inference)

Reliable:

- The gas is flowing/few issues
- Little knowledge of safety issues
- No negative news stories

VFM:

- Surprise – many feel SGN are doing a lot for '£150 a year' on average
- Some want more transparency – could they itemise/break this down on our bill?
- Good value relative to others in the industry:
  - It's not SGN that has put their prices up
  - Better than energy providers (who are making big profits)
  - Better than Ofgem (who aren't controlling the energy providers well enough)
- …but some worry SGN could be too profit driven too (general cynicism)

Unprompted views of what ‘good looks like’ for SGN focus on reliability and safety

Participants perceive the following as key areas for SGN to optimise/focus on to do their job ‘well’:

MORE PREVALENT → LESS PREVALENT

Gas supply and safety	Based on SGN’s role and remit, maintaining the network and ensuring this is done safely (given SGN are dealing with natural gas) was top of mind – crucial for SGN if they are to be seen to be doing their job well.
Awareness raising	Desire for SGN to improve communication / increased awareness of who to call in gas emergency – no news about the network is seen as good news until customers need to contact someone in an emergency. Seen to compare favourably to water companies in terms of not being heard about in the news.
Support for vulnerable customers	Spontaneously raised due to heightened awareness of those suffering as result of the cost of living crisis, as well as prior knowledge of some measures the industry already has in place (e.g. PSR register, vouchers from energy providers, etc.).
Transparency	Desire for greater transparency about SGN as an organisation including visibility of profit margins and SGN costs incorporated into customer bills.
ESG initiatives	Few spontaneously raised a need for SGN to prioritise environmental aims – though a small number felt that as a business, they should be doing what ‘all businesses are doing’ (i.e. ESG initiatives). There was low expectation for SGN to be explore new energy sources – in part due to low levels of salience and knowledge.

Note: These views were collected after providing initial information about who SGN are and what their role is – see slides 69 to 73 in the appendix for the information provided before exploring spontaneous priorities.

Participant quotes: Spontaneous expectations of SGN and their priorities

I wasn't really aware that this was included in the price of the bill that I pay… I think they should at least let people know what they're paying for.

Domestic Gas Customer, Scotland

Not having any gas interruptions caused by pipes being faulty in your area. As long as the pipes are all up to date – I'd want to see that. That constant supply of gas, no issues.

SMEs, Southern England

Maintaining safe supply should be their priority. They are equally important. As a customer you want them to maintain supply, you don't want to be without gas. You also want it to be done safely, you don't want rush jobs.

Domestic Gas Customer, Scotland

That's a lot of people in the process. Seems like GDNs are another person skimming off profits.

Future Energy Customer, Southern England

Having vulnerable members of the community who rely on the network contacted and reached easily. Ensuring SGN respond first to ensure they are up and running. Also just responding to gas leaks quickly for the rest of us.

Domestic Gas Customer, Southern England

It would be nice to have an occasional update to see what they've done and how much money has been saved – let us know what we are getting from our money.

SMEs, Southern England

The only time we would have a vested interest in SGN is when we have a gas leak, or you smell gas. Then you would have to call SGN.

Domestic Gas Customer, Scotland

The fact we haven't heard of them means they are doing alright. The pipes are there, do the job, leave it be. That's about it.

Future Energy Customer, Southern England

Maybe they could think about sustainable futures. Maybe looking at sustainable materials in piping depending on what metal they use etc. From an ESG perspective, try to improve sustainability.

Future Energy Customer, Southern England

6 The future of energy

The future of home energy is not a topic the majority of consumers or SMEs think about day to day

Not top of mind

Had not necessarily previously considered that would need to transition away from natural gas.

Heating in the home being a significant source of UK carbon emissions is typically new news.

Responses are therefore instinctive rather than considered.

Keen not to be burdened with high additional costs

Set against the backdrop of already high (for some unaffordable) energy costs.

Feel that others, in particular Government and the energy industry, should help shoulder the burden if we are to be forced to change.

Concerns over lack of choice/control.

Strong status quo bias

Often a tendency to pick options based on what feels like the least upheaval.

In terms of costs (initial outlay as well as longer term), changes required to the home/business, aesthetics.

Also nervous about making a change too early, only for the Government to change their mind (diesel cards, HS2).

More familiar with concept of electrification

For those that had engaged with the topic heat pumps and electrification were more familiar as potential solutions.

Very few had heard of hydrogen being used in a home energy setting.

Hearing the Government is yet to approve Hydrogen makes it feel more uncertain.

Taken together this means that participants had a lot of additional questions around both hydrogen and heat pump options and some genuine concerns around likely costs/upheaval.

Both options are felt to have their pros and cons – suspect unlikely to be a one size fits all solution
Overall, the idea that there will be a mix of options/choices feels sensible

Hydrogen tends to be the most favoured option overall

Hydrogen gas boilers

Overall

More amenable to the prospect of hydrogen boilers than heat pumps, due to perceived lower personal disruption and upfront costs:

- However, big concerns around safety and the ‘unknown’ ongoing costs

A number of the positives around hydrogen are linked to it feeling like the least disruptive solutions:

- Is a gas which are familiar with
- Would be able to use existing radiators and boiler space
- Future/newer boilers will be hydrogen ready soc can switch over
- Makes use of the existing infrastructure
- Significantly lower installation costs expected – along the lines of a current new boiler
- Can use with existing cooking equipment

Overall it feels more accessible and more suited to those on lower incomes.

Also like the fact that it would heat the home instantly and be easier to control to cope with fluctuations in temperatures.

Overall Hydrogen feels less proven and familiar as a solution.

Raises significant safety concerns around:

- How to detect leaks (& whether health risks) – need reassurance around adding a scent
- It being highly combustible/dangerous – need more safety data/reassurances

There are also a number of big unknowns which make some uncertain:

- Will it be approved?
- Will it be reliable?
- Will the government change their mind?
- Will the costs come down? Seems prohibitively expensive at the moment and unwilling to pay more?
- How green/environmentally friendly is it really?/How is it produced?

Heat pumps are more familiar and yet come with some genuine concerns

Heat pumps

Overall

Heat pumps provoke a more mixed response:

- Some have positive experiences – either personally or among peers
- However, are a number of significant concerns – particularly around costs of installation and practicality

The key benefits are around it being seen as a proven technology.

Have generally heard positive things when peers have installed/when come across personally.

Lower ongoing running costs/bills are a big potential draw (assuming they pay off within a reasonable time period).

And for some they are seen to be more environmentally friendly/'greener' option.

Seen as a safer option than hydrogen/gas & a minority mention it being healthier.

Can feel like a good option in a business property where the up-front costs and the need for a responsive heat source feels less important.

Also should be installed in new builds – better installation and part of development costs.

Can question how inclusive/accessible they will be as a result of high up-front costs (of the pump, installation and property upgrades).

A small number raise concerns about the creation of a two-tier society.

Even the incentive of £7,500 is suspected to only cover around half the costs – question how long it will take to pay off through energy bill savings.

Uncertain as to how effective they will be in the UK;

- Homes poorly insulated
- Weather is highly variable and are slow to react
- Heard don't warm up as much as gas
- Costs of electricity to heat up is high

Lesser concerns over aesthetics, reliability, suitability for certain types of property, a developing technology, shortages of engineers, theft.

Also question who will pay for renters/short business and when you move will leave behind.

Participant quotes: The future of energy

Overall

What scares me is that we don't have any choice... they don't really care what my wee opinion is...

Domestic Gas, Fuel Poverty Customer, Scotland

I still think they should be looking at the cost before anything or I think it will all be a waste of time. I think it would be a massive problem to get people to spend 100’s of pounds on any change over.

Domestic Gas Customer, Scotland

Everything the Government brings in negatively effects those on a lower income. You need money to have either.

Domestic Gas Customer, Southern England

Hydrogen gas boilers

If there are a lot of case studies of bigger businesses that have used it successfully or transferred over that would be a big reassurance for a lot of businesses as it’s a bit unknown.

SME, London

What is the safety profile of having a hydrogen boiler instead of a gas boiler – what are the risks of having these in our homes.

Domestic Gas Customer, Southern England

It’s a similar customer experience to natural gas boilers. It's good that you can use it with your existing boilers, there is similar installation cost and visually it looks similar to what we have now home right now so it feels more a viable option than heat pumps.

Domestic Gas Customer, Scotland

Heat pumps

We live in the UK and so it needs to be responsive to weather changes… if we want to be able to benefit from a heat source it needs to be able to change more immediately with the weather.

Domestic Gas Customer, Southern England

You’ve got £10-15 grand for the heat pump and while the £7.5K is great you’ve then got all the other costs on top for radiators, installation, also the risk of stealing part of it which makes this feel like an unaffordable option for me. There seems to be a lower cost for me if I went for Hydrogen not a heat pump. Its great in practice but in theory it's just too expensive.

Future Energy Customer, Scotland

All depends on how much you save on bills to see if the 7.5k grant is worthwhile.

Future Energy Customer, Southern England

7 SGN priority areas: What's important to customers?

We explored SGN's 7 key priority areas over the course of Phase A:

- Acting safely
- Keeping costs down
- Supporting customers in vulnerable situations
- Low-carbon energy solutions
- Keeping the gas flowing
- Providing excellent service
- Improving SGN’s environmental performance

Detailed information about each priority area was introduced in stages, over time to allow participants the time and space to reflect on the areas and for us to assess how their views evolved over time/with more information. Please see appendix for more detail.

Initial priorities (participants unprompted perceptions of priority headings)

Safety and reliability feel core (and instinctively easier to understand) so are ranked above other concerns

Acting safely Keeping the gas flowing	• Safety and reliability are paramount. • Core to SGN's role • It's what SGN seem to deliver now (given there's a good supply and no bad news) • SMEs view reliability above safety initially due to practical mindset
Keeping costs down	• Keeping costs down is important as customers are struggling with bills
Providing excellent service Supporting customers in vulnerable situations	• SGN don't sound consumer-facing – the public doesn't (and participants haven't) interacted directly with SGN • …so customer service not a top priority • …so SGN probably don't need to consider/ directly support vulnerable people
Improving SGN's environmental performance Low-carbon energy solutions	• Not heard of SGN… so not really thought about their environmental performance • Not certain what future solutions could be even… so limited expectation about SGN being heavily involved/invested in low-carbon solutions

Overall

Ranking based on inference:

- What little they know/ have experienced of the industry
- What has been in the news about energy

STRAT7 JGSW

After gathering unprompted views of the headlines, we used ‘Slido’ to collect rankings at the start and end of the deliberative programme to help identify any shifts in opinion as participants became more informed

We used an integrated PowerPoint tool, Slido, to collect rankings at two key points:

At the end of the **week 1** to collect unprompted views.

1

At the end of the **week 3** to collect informed views

2

We have used these rankings to assess how perceptions of importance changed, as well as any variation by audience.

The following slides show the rankings by audience.

Screenshot of question posed to participants via Slido. They were then able to individual sort the priority areas in their preferred order which was then automatically put into combined ranking which updated live on screen.

Future Energy Customers and SMEs saw the most change in priorities over the course of the research

	Domestic Gas Customers	Future Energy Customers	SMEs
Week 1 Priorities	1. Acting safely 2. Keeping the gas flowing 3. Keeping costs down 4. Supporting people in vulnerable situations 5. Low carbon energy solutions 6. Providing excellent service 7. Improving SGNs environmental performance	1. Acting safely 2. Keeping the gas flowing 3. Keeping costs down 4. Supporting people in vulnerable situations 5. Low carbon energy solutions 6. Improving SGNs environmental performance 7. Providing excellent service	1. Keeping the gas flowing 2. Acting safely 3. Keeping costs down 4. Supporting people in vulnerable situations 5. Providing excellent service 6. Low carbon energy solutions 7. Improving SGNs environmental performance
Week 3 Priorities	1. Acting safely 2. Keeping the gas flowing 3. Keeping costs down 4. Supporting people in vulnerable situations 5. Low carbon energy solutions 6. Providing excellent service 7. Improving SGNs environmental performance	1. Acting safely 2. Keeping the gas flowing 3. Keeping costs down 4. Low carbon energy solutions 5. Supporting people in vulnerable situations 6. Improving SGNs environmental performance 7. Providing excellent service	1. Acting safely 2. Keeping the gas flowing 3. Keeping costs down 4. Supporting people in vulnerable situations 5. Providing excellent service 6. Low carbon energy solutions 7. Improving SGNs environmental performance

Informed responses to priority areas (participants considered reaction to priorities)

Safety, reliability and keeping costs down were consistently seen as the top priorities

Acting safely / **Keeping the gas flowing**

- Safety and reliability remain paramount
- Core to SGN's role – desire for SGN to do the basics well before focusing on perceived 'nice to haves'
- Safety increasingly important due to perceived dropping standards (particularly for those in the South and SMEs)

Keeping costs down

- Difficult for participants to see beyond this – particularly those in fuel poverty
- SMEs – investing in efficiencies to keep costs down makes good business sense

Providing excellent service / **Supporting customers in vulnerable situations**

- Supporting vulnerable feels like 'right thing to do' – but SGN already go above and beyond:
  - Remit should end with advice/referrals – not financial aid (Future Energy Customers deprioritised because of this)
- Customer service improvements are 'nice to have' but non-essential:
  - Concern about over modernising/losing the 'human'

Improving SGN's environmental performance / **Low-carbon energy solutions**

- Improving environmental performance is internal-facing and micro in impact:
  - Difficult to see customer benefit & global impact considered negligible
  - Future customers ranked higher – not paying bills
- Appropriate long-term priority – not as urgent (especially as most not initially aware of 2045/2050 targets):
  - Should be collaborative/industry-wide effort
  - Future energy customers ranked higher – not bill payers.

Overall

Ranking based on life-stage and context:

- Immediate needs – Short-termism driven by financial hardship
- Bill payer vs. non bill payer

Participant quotes: Priorities

Acting safely should be a given. It goes without saying.

SME, Southern England

Keeping the gas flowing? You've got to do that, or there is no point.

Future Energy Customer, Southern England

Keeping costs down is right in the current climate.

Domestic Gas Customer, Scotland

Wouldn't you just call your provider if you had any issues? Who are they helping?"

Domestic gas customer, Scotland

Supporting customers in vulnerable situations is the moral or ethical thing to do.

Future Energy Customer, Southern England

Planting trees is a superficial promise companies make.

Domestic Gas Customer, Scotland

For me as a customer the environment is not my main priority.

SME, Southern England

Sub-priorities

A note on the feedback gathered on sub-priorities during the research

It was challenging for participants to take a view on the sub-priorities as many focused on the 'how' rather than what the benefit would be to the customer.

There were cross-overs throughout priorities, elevating some sub-priorities above others, e.g.:

- Replacing old metal pipes with new plastic ones – potential to reduce leakage, carbon footprint, improve safety and future-proof the network
- Investing in to detect leaks – potential to reduce leakage, carbon footprint and improve safety
- Recruit, train, develop engineers – potential to improve safety, identify vulnerable customers earlier, reduce gas theft and upskill for a low-carbon future

Others just felt like 'good business practice' rather than priorities which customers should/can take a view on (or should be funding), e.g.:

- Collaborating with other utilities, charities and local government – potential to reduce disruption and prevent damage, improve customer experience, identify/support vulnerable customers earlier/better
- ESG focused priorities – e.g. improving biodiversity, working with suppliers to reduce carbon footprint
- Priorities centred on business operations – e.g. invest in new IT systems, work with contractors more efficiently, reduce cyber threats

8 Next steps

Summary of approach

- Taking forward our learnings around the key priorities to test into the quantification stage: Phase B Prioritisation
- In particular used to refine the list of attributes to test in the prioritisation exercise and ensure the language is sufficiently benefits led
- Phase A will continue to have an important role in helping to explain the ‘why’ around the quantification of the priorities in Phase B
- Have now launched the panel with existing participants

Where we are now

Phase A

Customer priority refresh

Deliberative Research with 100 participants over 3 weeks.

Phase B

Prioritisation

Online quantitative research.

Phase C

Valuation

Online quantitative research.

Phase D

Shaping the business plan

Deliberative Research with 100 participants over 4 weeks.

Phase X

Ongoing informed panel

Ongoing Panel overview

Phase X
Ongoing informed panel

100 informed participants participating in 7-month panel alongside phase A-D.

Currently have 86 panellists onboard from Phase A – are in the process of topping up the panel and onboarding to reach 100.

At least one task per month to include:

- Surveys
- Polls
- Discussion forums
- WhatsApp

First panel dip has been undertaken and fed back. Panel name voted on with ‘**Beyond the Pipeline**’ emerging as a favourite:

- An opportunity for SGN/CSEG to input into questions asked

THANK YOU

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