

STRAT7



SGN

Your gas. Our network.

GD3 Research Programme – Phase E

Acceptability Testing

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15th October





Background

Background



Objectives

To test the perceived acceptability, affordability, value for money and attitudes toward SGN’s proposed business plan, outlining the potential price increases that could accompany this plan.

These increases would include price rises both inside and outside of SGN’s control



Method

We invited participants to complete a 15-minute survey related to the proposed price increases, covering:

- Acceptability of the potential annual increases: £30 to maintain existing service, £3 for improvements across six key business plan elements and £50 for potential future policy changes outside of SGN’s (i.e. Accelerated Depreciation)
- Attitudes toward SGN’s proposed business plan
- Any affordability concerns they may have now or in the future

Respondents were shown a video to explain the increases and proposed changes. Stimulus slides were shown for each of the six business plan elements, this included clear descriptions (refined using cognitive testing) and individual bill impacts. Fieldwork ran from 13th to 30th September 2024.



Sample

92 participants took part:

- **57 Domestic Gas Customers**
 - **26 fuel poor**
 - **31 non-fuel poor**
- **19 Future Energy Customers**
- **16 SMEs**

A methodological note on the interpretation of Research Panel results

The Phase X Research Panel was set up in October 2023 with 100 informed customers who had participated in SGN's Phase A Deliberative Research. These customers were informed on SGN's business, its customer base and possible priorities and initiatives for the next GD3 business plan.

Over the last year, new panellists have been recruited to replace any dropouts from the original panel, to maintain the Research Panel sample at ~100 panellists. All new panellists are similarly informed about SGN.

This Research Panel is designed to provide a longitudinal understanding on any new issues arising from the GD3 business plan.

Whilst this panel can provide meaningful guidance for SGN on its GD3 business plan from customers (and future customers) who are informed about SGN, it is not intended to be representative of SGN's entire customer base.

And due to the small sample size (<100), percentages are not shown in this report.





Findings

Summary of findings

1

Participants are broadly in favour of the proposed business plan, and feel that £3 is a fair increase for the 6 key elements

Overall, participants are in favour of all the components in the proposed business plan, with strongest favourability toward Supporting Vulnerable Customers and Biomethane.

Some of the areas, such as Innovation Roll-Out can feel more vague or convoluted, and therefore garner less support.

The proposed increase of £3 feels very manageable to most, with many citing the increase as “about the same as” or “less than a cup of coffee”

2

However, many are concerned about the £30 and £50 increases, both in terms of affordability and acceptability

There is significant frustration and concern over the proposed £30 and £50 increases. Many participants recognise these are outside of SGN’s control, but some still feel the increases are unmanageable given their personal situation or that it’s unfair that they are passed on to consumers.

Some want SGN to be more transparent about how these figures are calculated, even if they lie outside of SGN’s control.

Others ask SGN to do what they can to absorb some of these costs, as they can cause anxiety to those struggling to afford current energy charges.

3

There is some frustration toward a perceived pattern of increases

A few participants complain that the proposed increases are higher than have been mentioned in previous stages of research, and that the additional mention of a £50 increase feels especially difficult for them to manage.

This can cause frustration and a feeling that their concerns are not always being listened to.



Reactions to £30 increase to maintain standards

Around two-fifths of participants were not ok with the £30 increase

Attitudes toward £30 increase

% selected



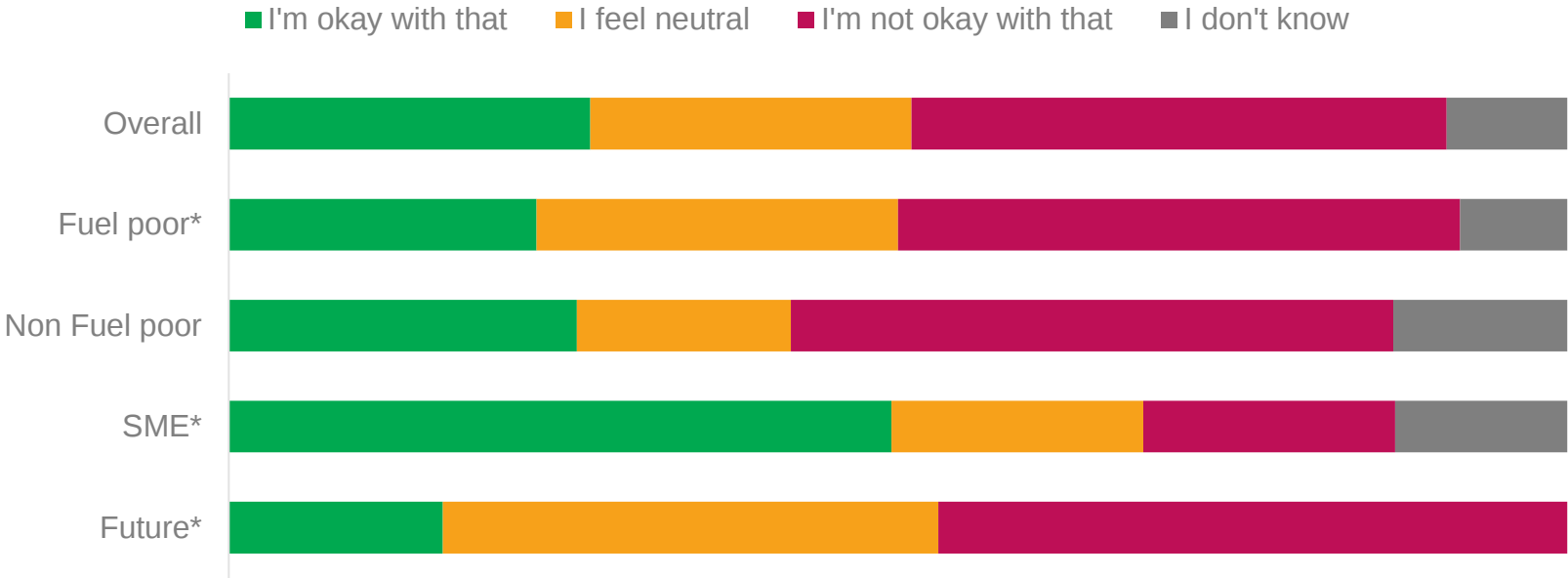
■ I'm okay with that ■ I feel neutral ■ I'm not okay with that ■ I don't know

Q2. How do you feel about the £30 increase to maintain current standards? Base: Total sample n= 92

SMEs are most likely to be neutral or OK

Attitudes toward £30 increase

% selected



Q2. How do you feel about the £30 increase to maintain current standards? Base: Total sample n= 92, Fuel poor* n=26, Non-fuel poor n=31, SME* n=16, Future* n=19 * NOTE LOW BASE SIZE

Though some were happy paying £30 for the proposed improvements in the business plan, others are confused or frustrated by the increase, citing the high amount and increase compared to previous phases



There is perceived value in investing in the priority areas

Participants want their services to at least maintain current standards. Further, many see certain priority areas, such as decarbonising the energy system and supporting vulnerable consumers, as vital, and are willing to pay extra to achieve these goals.

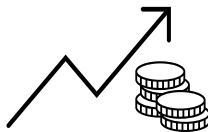
Some also consider the increases to be relatively low in comparison to other inflationary price rises.



Some feel the increase should be paid by the gas industry

Some participants are frustrated by the perception that the price rises are being passed onto consumers and feel that these increases should be paid out of the profit of gas companies themselves.

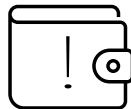
Others argue there should simply be more government funding, or that it should be SGN's responsibility to fund the priority areas internally.



There is confusion over the difference in increases from the previous phases

Some are confused by a perceived difference in the prices they were told about in Phases A through D of the research and these larger increases.

For those who were previously unhappy with the lower increases discussed in the previous research, this higher increase can feel even more unfair and less transparent than previously seen.



Some fear they will not be able to afford any increase

For those who are already struggling to pay their bills, the £30 increase can feel overwhelming and, for some, difficult to pay.

Some argue that those who qualify for means-tested benefits should be exempt from the increase.

Q2. Please explain the reason for your answer? Base: Total sample n= 92

Verbatims



Value in investing

There has to be investment to maintain standards and to protect the vulnerable people (South England, Domestic Gas)

I would only feel happy paying for improvements (Scotland, Future)

I wouldn't want these standards going downhill as they are all very important. Even though no one likes increases I'm ok with it as I understand a lot of bills have gone up and want the standards to continue as a customer (Scotland, Domestic Gas)

Everything has gone up on price and over a year it's not a lot (Scotland, Domestic Gas)

There hasn't been much of an increase for around 5 years and this increase will cover the next 5 years. It also allows for the biggest shift in SGNs business with moving from Natural Gas to renewable, environmentally safer alternatives. (Scotland, Domestic Gas, Fuel Poverty)

I am okay with it, as long as there is transparency on where it is going such as the breakdown above. (South England, Future)

Q2. Please explain the reason for your answer? Base: Total sample n= 92

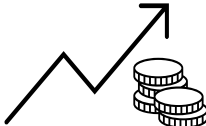


Paid by energy companies

I just think as I explained in the sessions this year that it should be the energy companies who keep hiking up the cost of energy who should absorb these costs, not the consumer (South England, Domestic Gas, Fuel Poverty)

I think the government should be ensuring that the big oil companies pay more tax to help SGN cover the increased costs etc rather than passing it on to the customer. The big oil companies have made enormous profits in recent years, whilst scaling back carbon neutral efforts. Until this is addressed, I don't think I could be okay with a price increase. (South England, Domestic Gas)

I want there to be low carbon and improvements, as well as supporting vulnerable communities but where did this exact amount come from and why should we the customers, vulnerable or not, foot any of this bill. I understand about issues, old infrastructure and keeping up with the future but at the cost of the customers is not always the way forward. Get it from the government or from bosses' bonuses or other companies who have shares. Cost pressures are not the customers problem or fault (South England, Domestic Gas, Fuel Poverty)



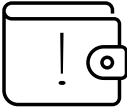
Confusion over difference

I guess it is expected that is more than what was expected as the current inflation is affecting everyone in the UK and SGN is not the exception, I feel neutral about it as I don't think there is anything I can say here to make that a lower number in the future (South England, Domestic Gas)

I'm pretty sure they agreed the increase to be lower than 10%. Seems like everything around us is going up in price, but the service that we are provided with is not living up to its standards. (South England, SME)

That seems way off what we were told in June and seems like an astronomical jump (Scotland, Domestic Gas, Fuel Poverty)

I don't have enough information, but it feels like a lot extra than what was previous planned. I would want more information on why, and especially living in Scotland why has it not only gone up but we are also paying the same as the south? I don't have a problem with paying the same necessarily, but more based on the fact it was going to be cheaper for us, so the relative price hike for Scottish folk is much more. (Scotland, Future)



Affordability concerns

I'm a vulnerable disabled customer, on universal credit.. I am so entrenched in poverty, going to a food bank weekly, I have no savings, and I'm in debt with my energy company.. I don't have a spare £30 a year.. Disabled people on means tested benefits should be exempt from being forced to pay the increase. (South England, Domestic Gas, Fuel Poverty)

We are all working and living in the same climate and we have not been able to pass on rising costs to our customers. Instead, we have had to take a hit on our profit margins. This is especially shocking as you acted as if you were interested in our views and quite clearly have not heard what the panelist's have said (South England, SME)

The increase will seriously impact negatively on people like me who have little income and rely on the service to exist. We don't have access to borrow to pay or other sources of income. (South England, Domestic Gas)

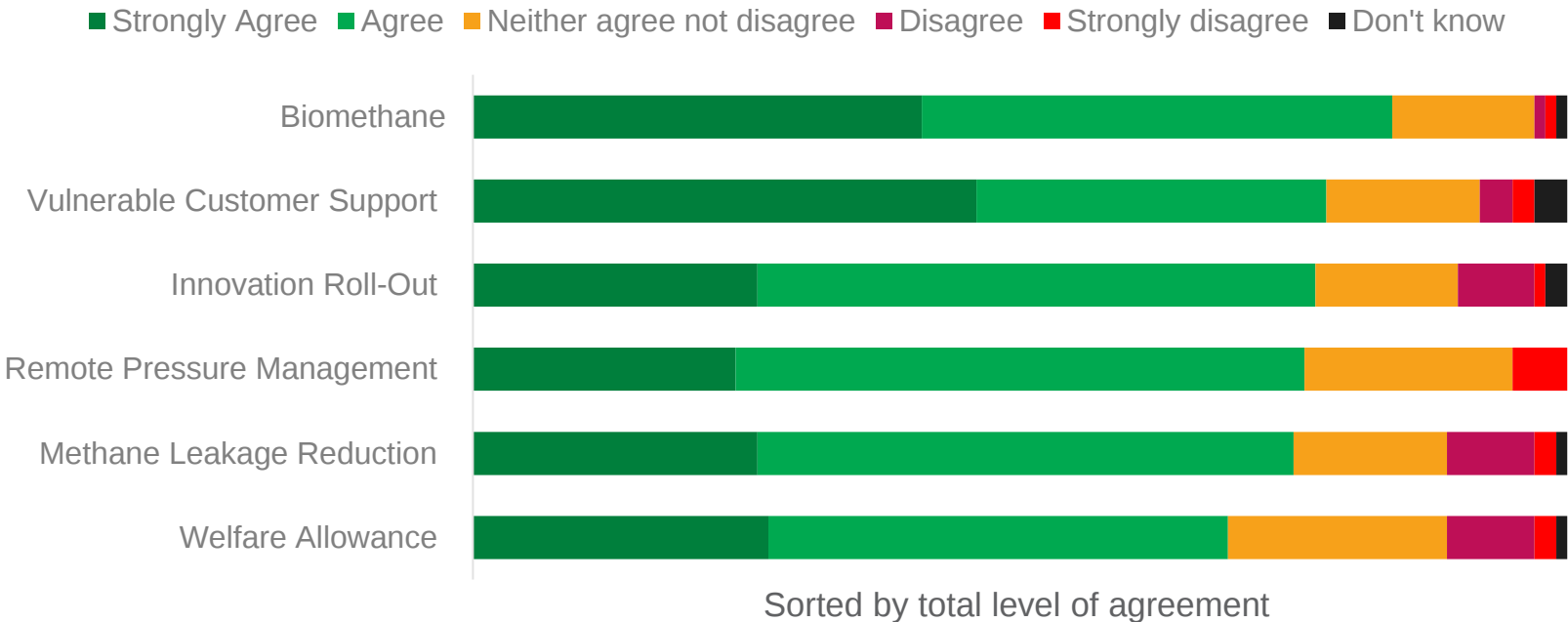
its a real increase and I can't afford it (Scotland, Domestic Gas)



Reactions to proposals

Majority of the informed panel support the six key business plan elements tested

To what extent (if at all) do you agree or disagree that SGN should include this area as outlined in its business plan?



Q(Randomised). To what extent (if at all) do you agree or disagree that SGN should include this area as outlined in its business plan? Base: Total sample n= 92

Many support SGN moving toward low-carbon energy solutions and recognise the potential of biomethane

Biomethane

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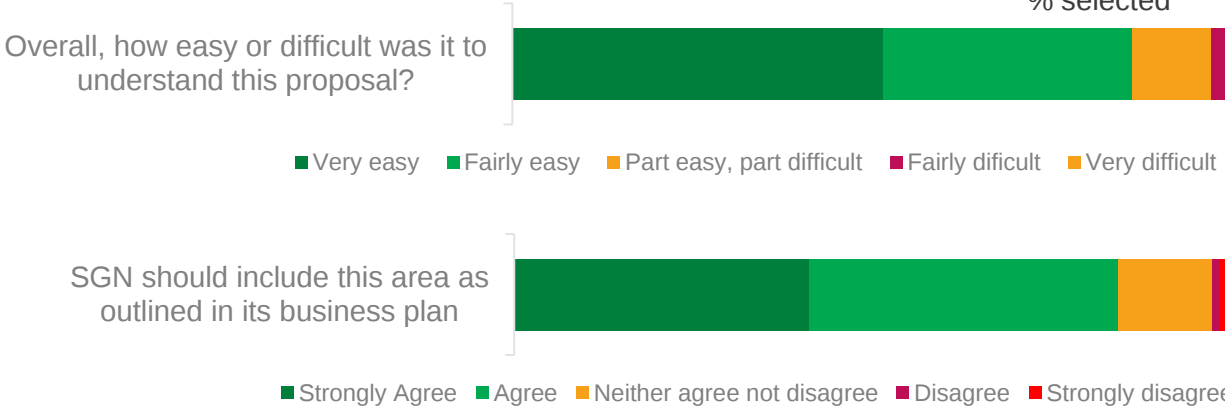
SGN will more than double the amount of biomethane within its network over the 2026 -2031 price control period.

More suppliers will be brought onto the network to increase the amount used.

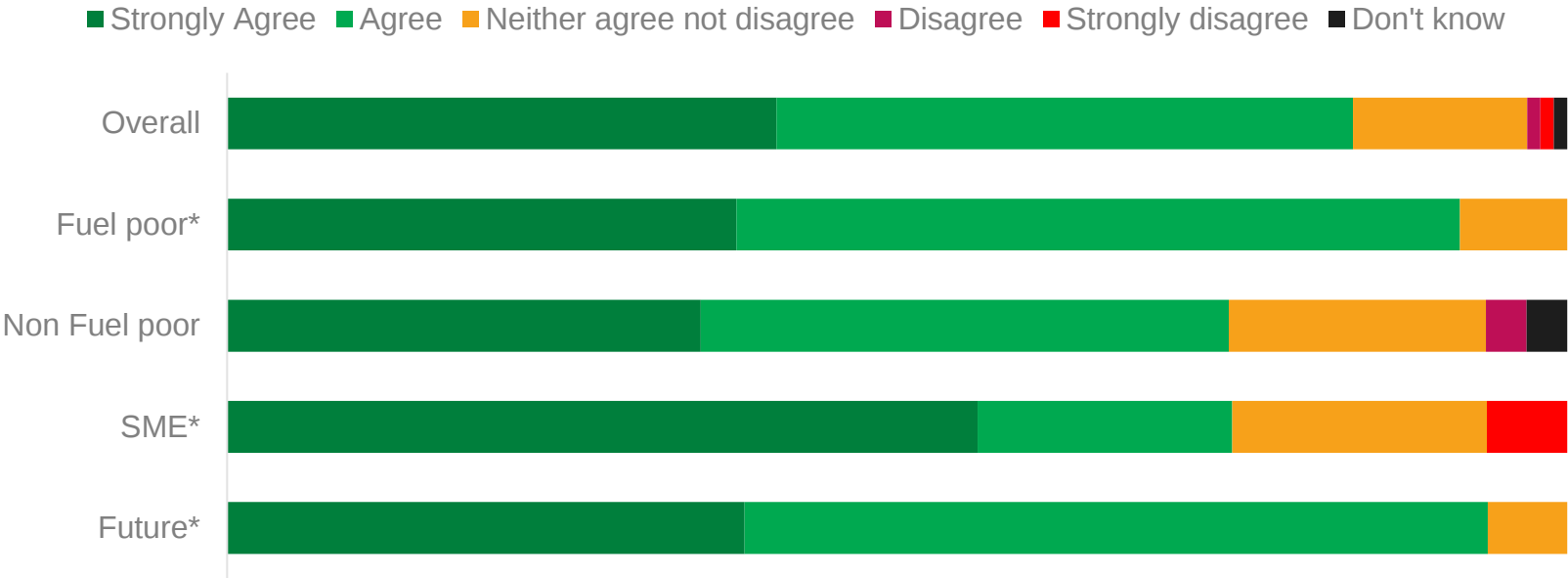
Biomethane can be used in the existing gas network with no modifications needed and is a renewable, low carbon energy source.

Over the 2026 -2031 period, the amount of biomethane in the network will increase to the equivalent required to heat one million homes.

Individual bill impacts were shown with each stimulus slide



...and there is general agreement for its inclusion in the plan



Q(Randomised). To what extent (if at all) do you agree or disagree that SGN should include this area as outlined in its business plan? Base: Total sample n= 92, Fuel poor* n=26, Non-fuel poor n=31, SME* n=16, Future* n=18 * NOTE LOW BASE SIZE

Vulnerable Customer Support is a very emotive area for many and garners strong support, some are unsure of the means testing process

Vulnerable Customer Support

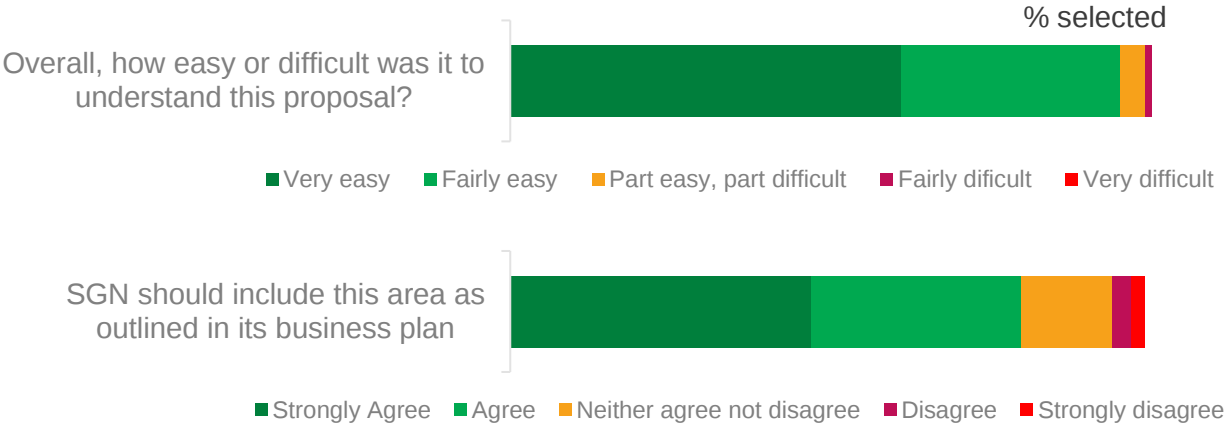


SGN will continue to support & strengthen our vulnerability partnerships (as part of our whole house approach).

This support network helps 650,000 vulnerable households use energy safely, efficiently, and affordably, working hard to enable our customers to be better informed and supported where their needs are most.

Examples of this support:

- To go towards supporting priority customer groups (e.g. those who have energy needs that impact their health or wellbeing such as the elderly).
- To go towards addressing fuel poverty and energy affordability (training partners/local authorities etc. to deliver energy-related advice and support).



Individual bill impacts were shown with each stimulus slide

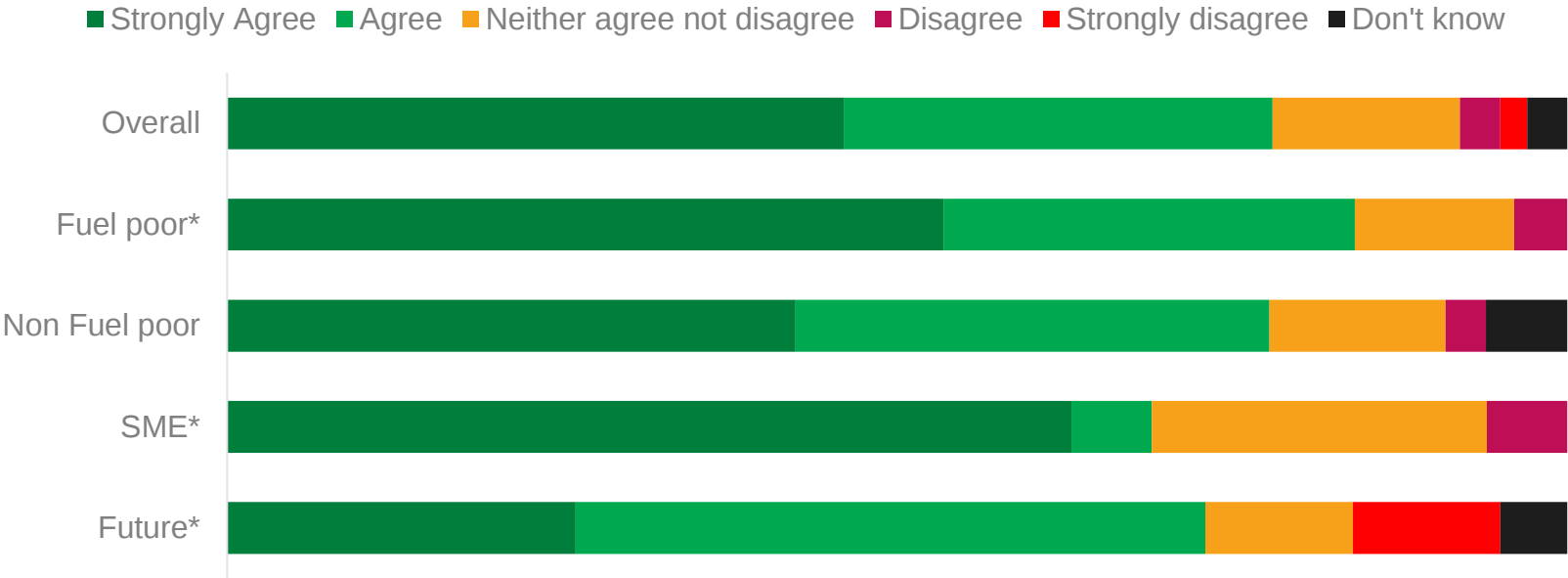
“ Helping vulnerable customers is most important for me like I’ve said before because my mum is elderly and it all relates to me so yes totally get it. *South England, Domestic Gas, Fuel poverty* ”

“ Helping the elderly especially in colder months and its good to work with *[sic]* councils and businesses to help in these situations that might arise is a great thing and having a better understand *Scotland, Domestic Gas, Fuel Poverty* ”

“ Detailing exactly where the proportion of increase will go. Letting customers know exactly where the money is being spent. Open and fair with customers *Scotland, Domestic Gas, Fuel Poverty* ”

Q(Randomised). Overall, how easy or difficult was it to understand this proposal? Base: Total sample n= 92
Q(Randomised). To what extent (if at all) do you agree or disagree that SGN should include this area as outlined in its business plan? Base: Total sample n= 92

...and most agreed that it should be included in the plan



Q(Randomised). To what extent (if at all) do you agree or disagree that SGN should include this area as outlined in its business plan? Base: Total sample n= 92, Fuel poor* n=26, Non-fuel poor n=31, SME* n=16, Future* n=19 * NOTE LOW BASE SIZE

Some struggle to fully understand what Innovation Roll-Out really entails, complaining of vagueness, jargon, and “corporate-speak”

Innovation roll-out



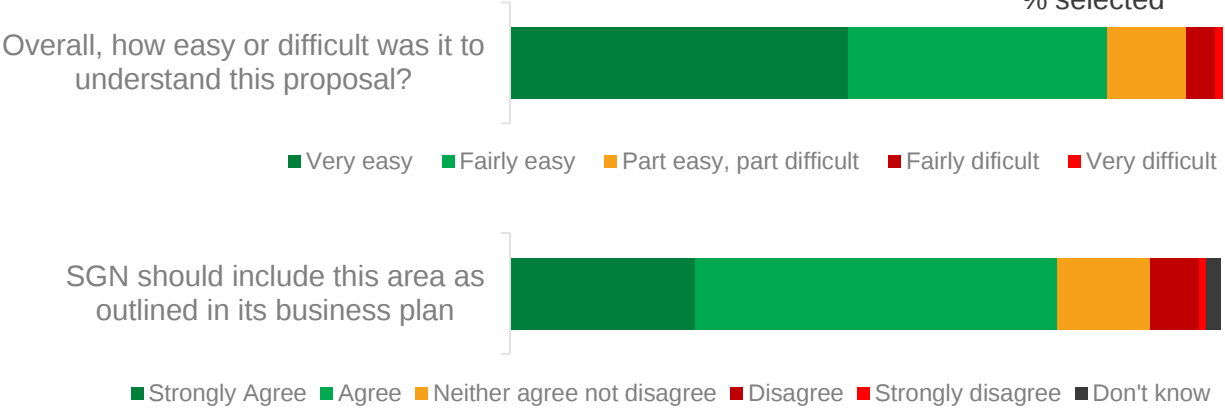
SGN will develop, test and roll out innovative technologies to maintain a safe, resilient and reliable network:

Safety
Fostering a safety-conscious environment & providing ongoing training, support, & targeted innovation to our workforce. Collective responsibility & proactive risk management practices to achieve our goal of 'Zero Harm'.

Efficiency
Using innovation to increase efficiency and productivity across the organisation.

Sustainability
Advancing decarbonisation initiatives & promoting the circular economy (minimising waste by reusing products and materials) within our operations.

Individual bill impacts were shown with each stimulus slide



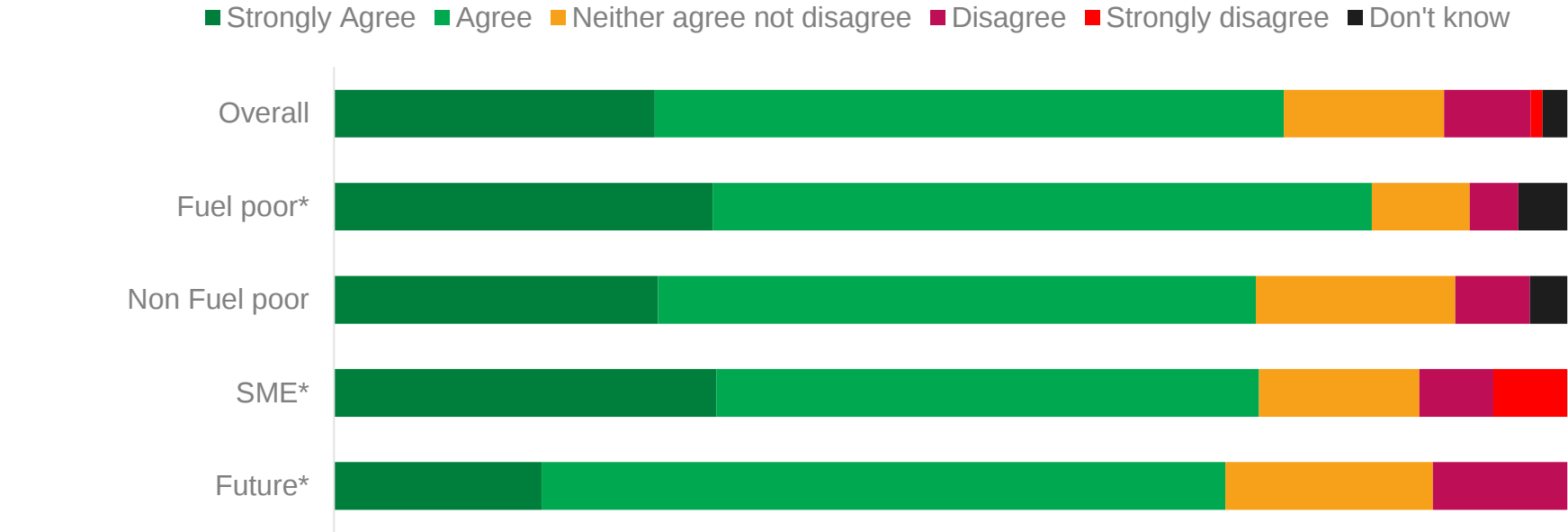
“The mention of ongoing training is reassuring as this is an area of great importance to customers. A safety conscious environment is a positive statement to make. Putting ideas into practice as well as creating new services as well as improving existing ones is a positive way forward.
South England, Domestic Gas, Fuel Poverty

“Too much jargon and corporate-speak. Surely this could be explained in much simpler terms. I had to read it several times to get the jist.
Scotland, Domestic Gas

“What exactly does "using innovation" mean. Seems a bit vague and could use some detail or clarification.
Scotland, Future Gas

Q(Randomised). Overall, how easy or difficult was it to understand this proposal? Base: Total sample n= 92
Q(Randomised). To what extent (if at all) do you agree or disagree that SGN should include this area as outlined in its business plan? Base: Total sample n= 92

...which has may have impacted the perceived agreement with including the proposal in the plan



Q(Randomised). To what extent (if at all) do you agree or disagree that SGN should include this area as outlined in its business plan? Base: Total sample n= 92, Fuel poor* n=26, Non-fuel poor n=31, SME* n=16, Future* n=18 * NOTE LOW BASE SIZE

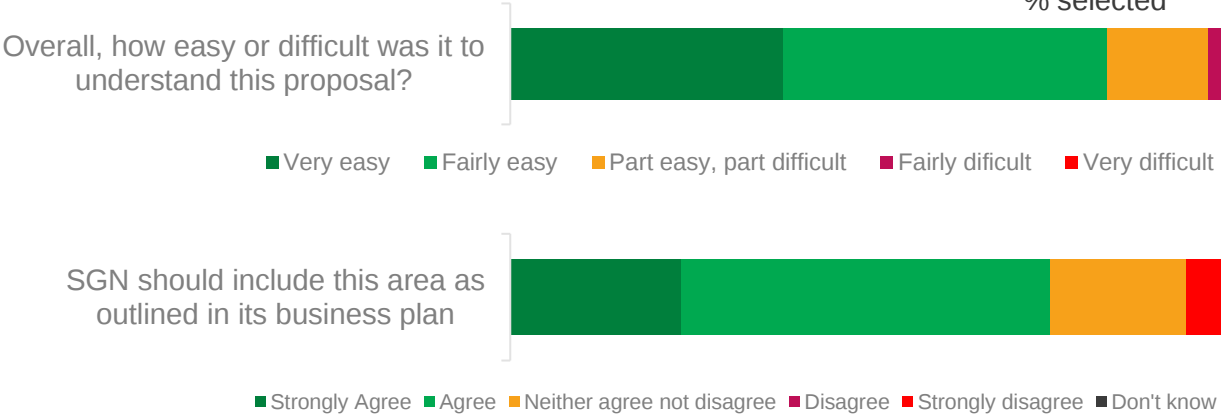
Participants generally believe Remote Pressure Management should be included, some have concerns around the use of AI

Remote Pressure Management

Keeping our pressures as low as possible, while maintaining a secure gas supply, is a key lever available to us for reducing emissions from our network. Building on the successful roll out during the current price control period (2021-2026), in the South region, using the very latest pressure control equipment available, we are proposing a project to extend the roll out into our South-East region in the next price control period (2026-2031).

We have also been developing artificial intelligence (AI) software (AI technology enables computers to think, learn and act like humans) to help manage our pressures even better and ultimately reduce emissions further, with the ambition to implement this on the newly installed equipment in both our South and South-East regions during the next price control period (2026-2031).

Individual bill impacts were shown with each stimulus slide



“ It is easy to understand that they need to keep pressures low while also having a secure gas supply, using pressure control equipment. Developing software for it to think, act and learn like humans ultimately to reduce emissions further and manage pressures during the next price control period
South England, Domestic Gas, Fuel Poverty

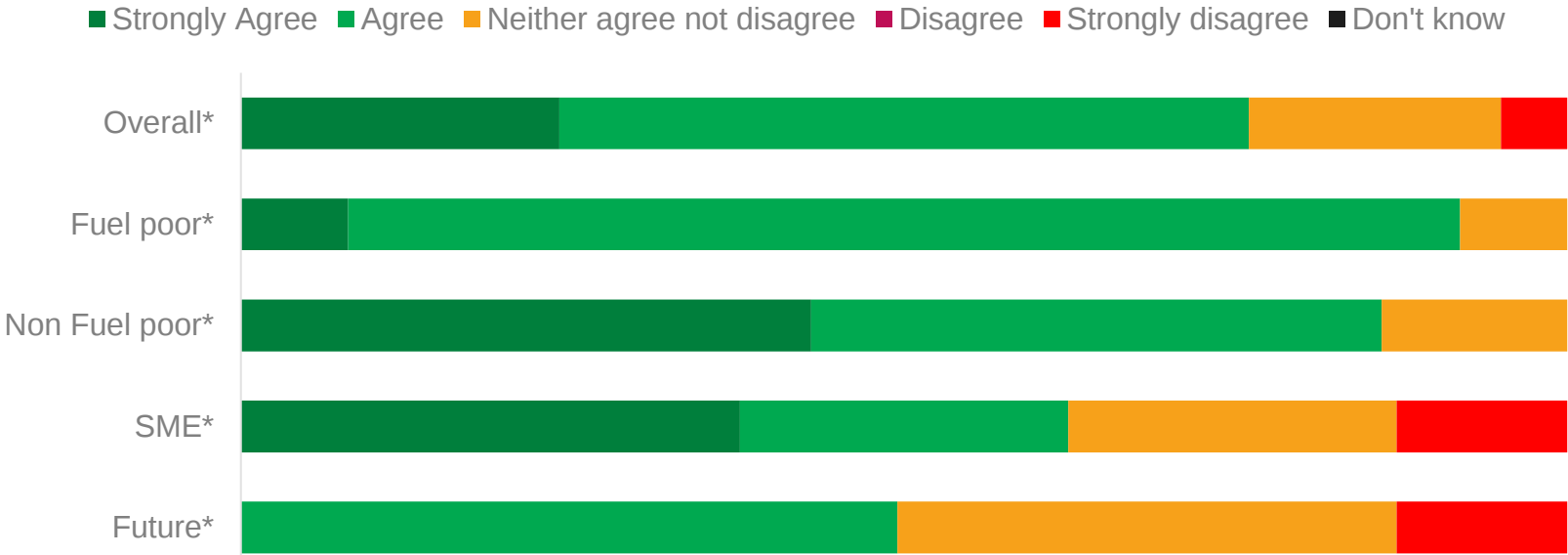
“ To an outsider this makes no sense in comparison to gas leaks that naturally contribute to carbon footprints that everyone’s familiar with
South England, Domestic Gas

“ The message is clear enough, just that I'm unsure how AI's performance would be monitored for potential errors that could be fatal
South England, Domestic Gas

Q(Randomised). Overall, how easy or difficult was it to understand this proposal? Base: Total sample n= 42 * NOTE LOW BASE SIZE
Q(Randomised). To what extent (if at all) do you agree or disagree that SGN should include this area as outlined in its business plan? Base: Total sample n= 42 * NOTE LOW BASE SIZE

Note – this proposal was not shown in Scotland

Broad agreement on the inclusion of Remote Pressure Management but only 4 of the 8 Southern based Future customers agreed this should be included



Note – this proposal was not shown in Scotland

Q(Randomised). To what extent (if at all) do you agree or disagree that SGN should include this area as outlined in its business plan? Base: Southern customers only n= 42, Fuel poor* n=12, Non-fuel poor n=14, SME* n=8, Future* n=8 * NOTE LOW BASE SIZE

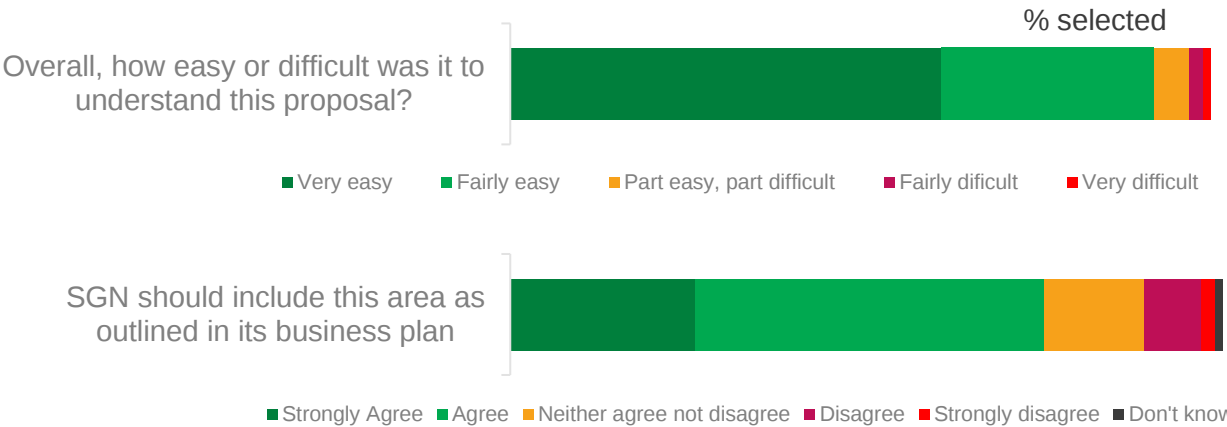
Most believe Methane Leakage Reduction should be included in the plan, but some want to know more about how AI leak detection would work

Methane Leakage Reduction

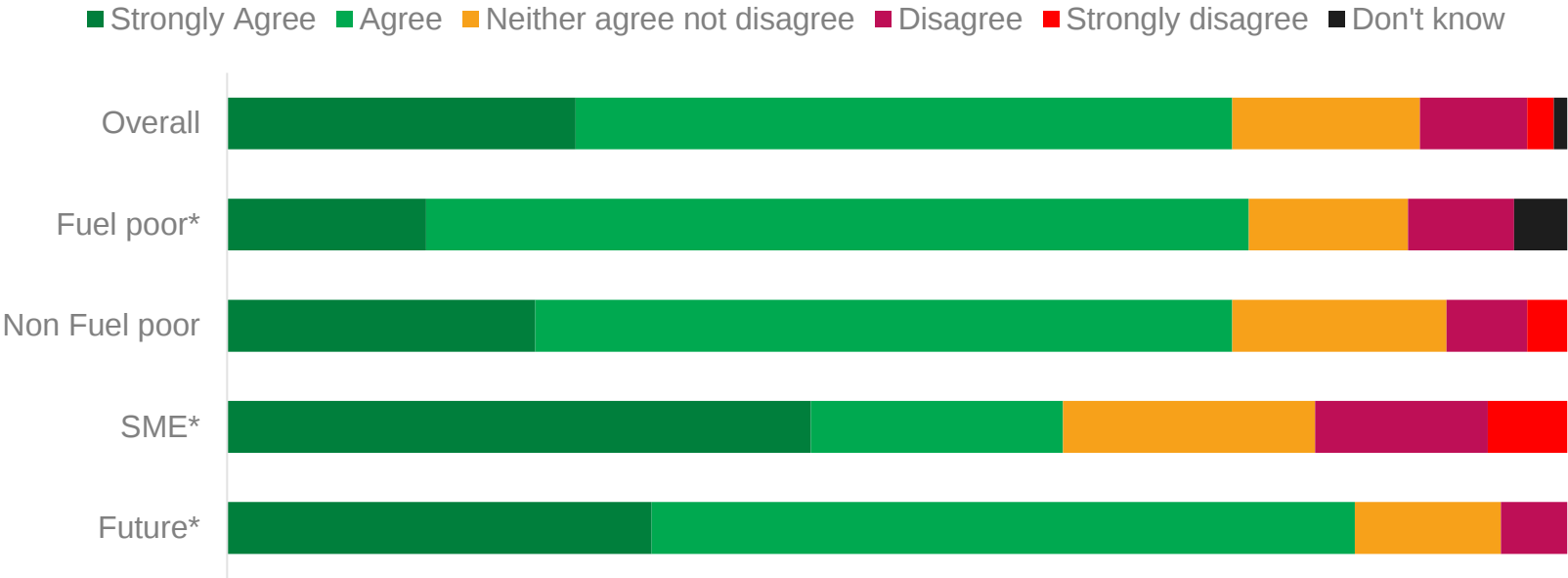


Methane leaking from the pipe network is the biggest contributor to SGN's carbon footprint. Low emission cars will be fitted with leak detection technology and drive round the network to detect leaks and will help to prioritise repairs.

Using the latest hardware and Artificial Intelligence (AI) software (AI technology enables computers to think, learn and act like humans), this will allow for a more proactive approach to leak detection. This will improve safety and efficiency, while lessening our impact on the environment.



...and an important area for SGN to include in the business plan



Q(Randomised). To what extent (if at all) do you agree or disagree that SGN should include this area as outlined in its business plan? Base: Total sample n= 92, Fuel poor* n=26, Non-fuel poor n=31, SME* n=16, Future* n=19 * NOTE LOW BASE SIZE

The phrase “Heat and Eat” feels powerful for many, though some struggle to understand what SGN’s practical impact would be, and want more clarity

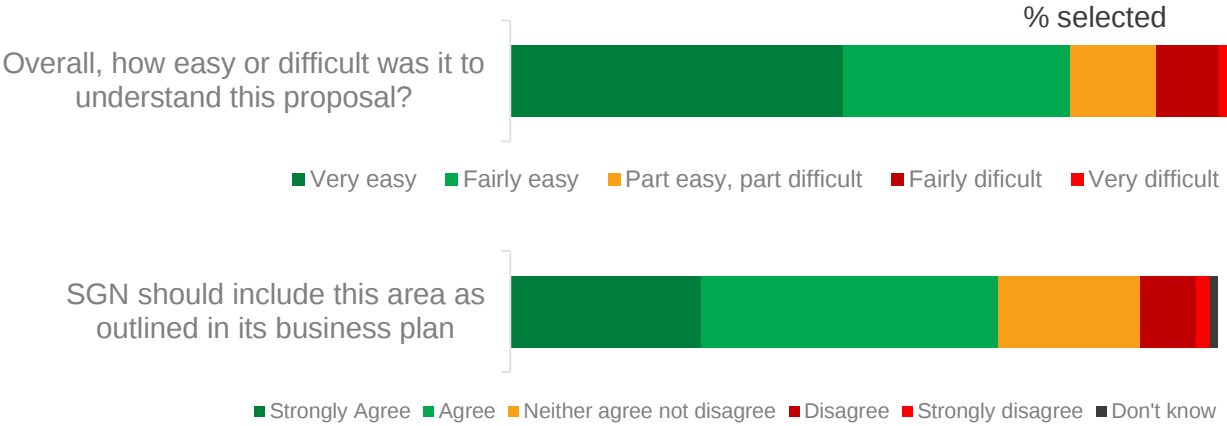
Welfare Allowance



We are proposing to provide additional, personalised welfare facilities (that goes beyond the support required to meet guaranteed standards of performance) to customers in vulnerable circumstances during supply interruptions.

This will become business as usual during the next price control period (2026-2031) and will provide welfare support to vulnerable households (who meet the criteria to access this support) to ensure they can heat and eat during unplanned interruptions or during other similar issues or challenges.

Individual bill impacts were shown with each stimulus slide



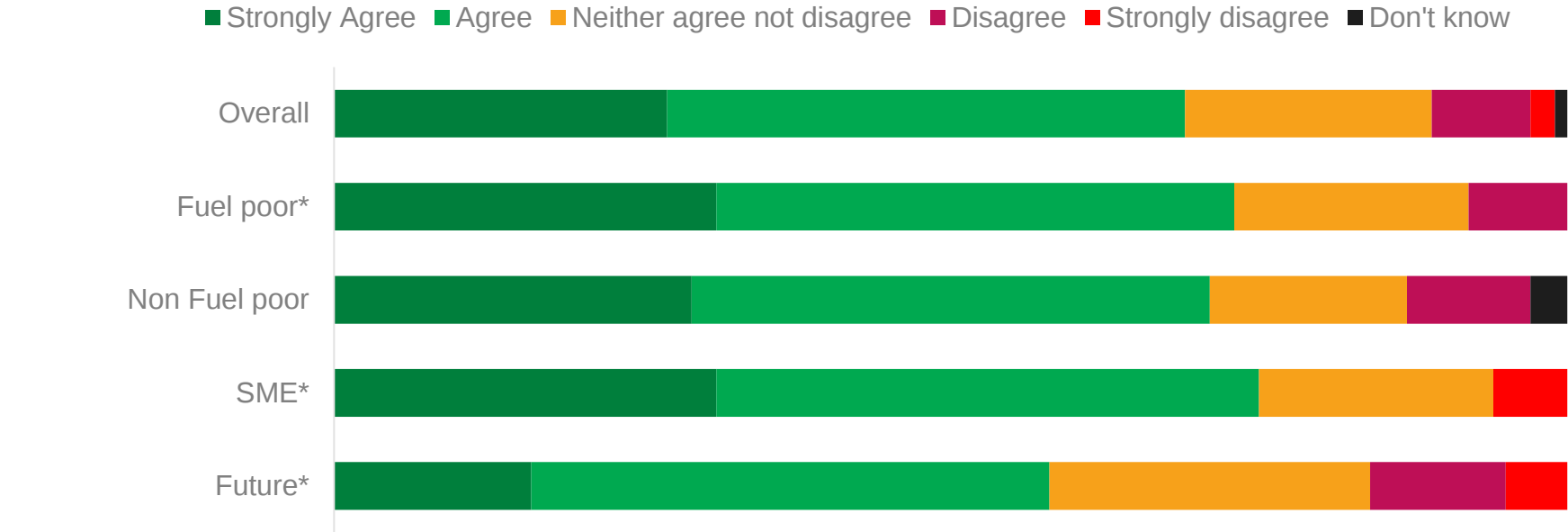
“Heat and Eat a very important phrase tbh so yes it’s easy and incredibly important for the future of everyone’s lifestyles.
South England, Domestic Gas, Fuel Poverty

“I think I understand but I am not 100% sure. I think you are saying if there is a problem with the network you will give poorer households (who meet criteria) an allowance that could help them pay for dinner etc as they wouldn’t necessarily be able to afford to find alternatives in the same way others could.
South England, Domestic Gas

“Not all clear what this means. Obviously it is not help with bills! I'm guessing but sounds like SGN will assist with looking after vulnerable customers in community facilities providing (eg) a warm refuge and hot meals/drinks during unpanned interruptions and similar situations. More clarity of what is proposed would help here.
Scotland, Domestic Gas

Q(Randomised). Overall, how easy or difficult was it to understand this proposal? Base: Total sample n= 92
Q(Randomised). To what extent (if at all) do you agree or disagree that SGN should include this area as outlined in its business plan? Base: Total sample n= 92

..which may have led slightly fewer participants to agree that this should be included in the plan



Q(Randomised). To what extent (if at all) do you agree or disagree that SGN should include this area as outlined in its business plan? Base: Total sample n= 92, Fuel poor* n=26, Non-fuel poor n=31, SME* n=16, Future* n=19 * NOTE LOW BASE SIZE



Overall acceptability

Most participants find the proposed plan with a £3 increase to be acceptable, citing good value for money and a low annual fee as reasons

Acceptability of proposed plan, considering £3 increase

% selected



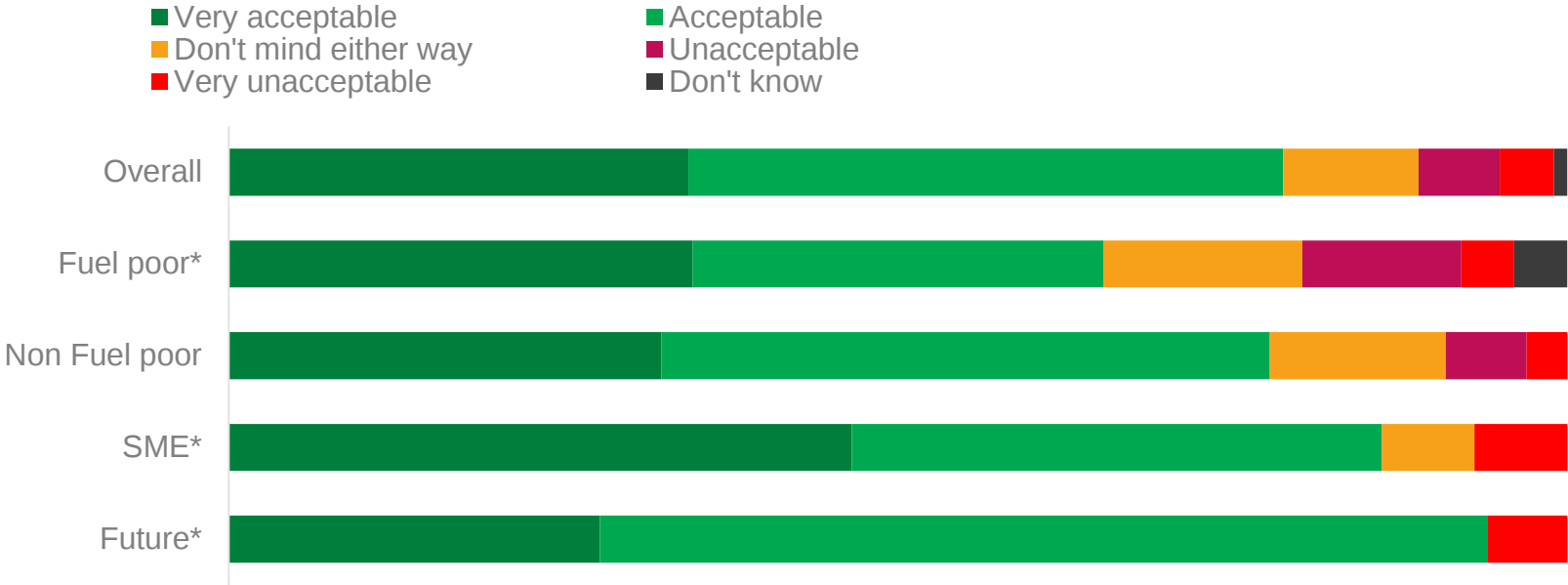
■ Very acceptable ■ Acceptable ■ Don't mind either way ■ Unacceptable ■ Very unacceptable ■ Don't know

Q13/15. Given the information you have been provided, overall, how acceptable do you consider the proposed plan to be? As a reminder the impact on your bill would be approximately £3. Base: Total sample n= 90

Majority of all groups found the £3 increase to be acceptable

Acceptability of proposed plan, considering £3 increase

% selected



Q13/15. Given the information you have been provided, overall, how acceptable do you consider the proposed plan to be? As a reminder the impact on your bill would be approximately £3. Base: Total sample n= 90, Fuel poor* n=26, Non-fuel poor n=31, SME* n=15, Future* n=18 * NOTE LOW BASE SIZE

Most participants see the £3 as good value for money, though some are dissatisfied with the priority areas themselves, or the notion of a price increase at all



Many feel £3 is a very reasonable amount

Many participants feel that the £3 increase is fairly small and reasonable, especially for what they're getting.

Several compared the increase to being “less than” or “about as much as a cup of coffee”.



Some say the priority areas are worth the cost

Some cited being generally willing to pay toward supporting the priority areas. Helping the vulnerable and decarbonising the energy system were particularly salient, given the global focus on climate change and the continuing cost of living crisis.



A few don't agree with all priority areas

There are some who feel generally positive toward investing in certain improvements but are not entirely satisfied with the ones SGN have put forward. These participants do not quibble on the price rise itself, but rather how the money is being spent, for example on Innovation Roll Out.



A small number are confused by the increase

A minority of participants are unhappy or confused by the price rise in principle. The complaints have little to do with the actual rise of £3, but rather the notion that they should have to pay any increase at all. Some cite AI as a cost minimiser, whereas others believe these improvements should be paid by SGN alone.

Q14/16. Please explain the reason for your answer. Base: Total sample n= 90

Verbatims



£3 is a reasonable amount

It's a small amount of money but it can be put to good use and have a big impact (Scotland, Domestic gas, Fuel poverty)

£3 is a small and reasonable amount to be asked to pay to help in these key areas (South England, Domestic gas)

It is understandable that cost are going up and to put in new proposals in to affect it will cost something. (Scotland, Domestic gas, Fuel poverty)

Those who can, should. If I'm able to afford a slight increase to help cover those that can't, I'm happy to do that. (Scotland, Domestic gas, Fuel poverty)

£3 in grand scheme of things is nothing on top of bill. This is the price of a cup of coffee. (Scotland, Domestic gas, Fuel poverty)

£3 is a very reasonable amount of £ to put on the bill considering the impact it will have. (Scotland, Future)

This seems a small price to pay on the ANNUAL bill for SGN's services given the total amount of innovation and additional activity proposed. (Scotland, Domestic gas)

Q14/16. Please explain the reason for your answer. Base: Total sample n= 90



Priority areas worth cost

These are key areas which need addressed and finding needs to come from somewhere. I am happy enough with proposals (Scotland, SME)

Good focus on environment. Not taking too much money. (Scotland, Future)

The general consensus in the grand scheme of things is that all parties need to be doing more in order to achieve the governments net zero targets therefore a £3 increase to fast track these efforts is very fair in my view. (Scotland, Domestic gas)

Plan is broken down well & seems achievable. (Scotland, Future)

Seeing clearly where this additional money would go makes it an easier pill to swallow (Scotland, Domestic gas)

The proposal are fairly transparent and lets us know as consumers in depth what the plans are moving forward. (South England, Future)

There are a lot of priorities and improvements to make so I think there should be an increase based on factors outside SGN's control. (South England, Domestic gas)



Don't agree with priorities

I think the priorities in the plan are in the main very acceptable, in particular the areas around vulnerable customers. The one area which I remain sceptical on is driving around in cars to detect leaks - I'm not technical enough to know what impact driving around would have on the carbon footprint, e.g. or efficiency in other respects (e.g. time spent) which is why I've marked that one neither/nor. (Scotland, Domestic gas, Fuel poverty)

Although I have said that I don't mind either way there was considerable agreement in the group I was in that there were too many organisations doing the same thing with regards vulnerable customers so there needs to be clarity about exactly what activity SGN will carry out and what 'added value' this would bring. (Scotland, Domestic gas)

Its more or less a good plan of action but from my stance and others in my category It will impact us negatively and we do not qualify for your vulnerable group to access help. (South England, Domestic gas, Fuel poverty)

Not enough tangible accountability in this plan lots of words not sure what you get for the money (South England, Domestic gas)



Confused by increase

I understand businesses need to improve however charging the public for that should be the last resort. They should find other ways to potentially cut costs. (Scotland, SME)

While there are good points here, I still think that the main carbon footprint being through leakage should be a cost covered by sgn and not the consumer. Also, if an AI system is put in place, what's the need for driving cars about costing money on manpower and vehicles while also contributing to more carbon emissions. (Scotland, Domestic gas)

I think there are increased costs in most aspects of life and as someone who is willing to also pay a little more to help vulnerable customers and tackle climate change, I feel okay about it, however, think the absolute bare minimum of these costs should be passed on to the consumer and companies should focus on profiting less. (Scotland, Future)

Surely if AI is being used more, it requires less people hence lower wage bill so this cost is not necessary, we are constantly being told technology will lower costs so why charge us more? (South England, Domestic gas, Fuel poverty)

When taken combined with the £30 rise outside of SGN’s control (£33 in total), participants are less accepting of the proposed plan

Acceptability of proposed plan, given price increases inside and outside of SGN’s control
% selected



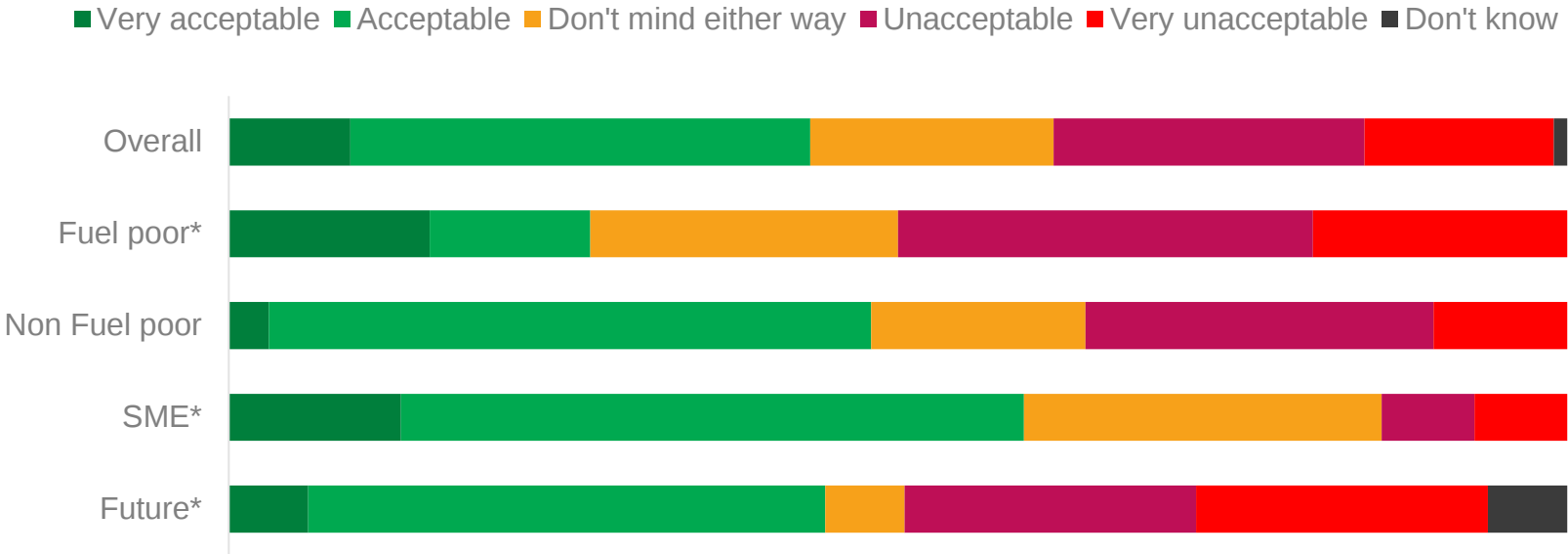
■ Very acceptable ■ Acceptable ■ Don't mind either way ■ Unacceptable ■ Very unacceptable ■ Don't know

Q15/17. And given the information you have been provided based on the bill increases inside and outside of SGN's control, how acceptable do you consider the overall plan to be? As a reminder the impact on your bill would be approximately £33 Base:
Total sample n= 90

Acceptability was lower with fuel poor customers

Acceptability of proposed plan, given price increases inside and outside of SGN’s control

% selected



Q15/17. And given the information you have been provided based on the bill increases inside and outside of SGN's control, how acceptable do you consider the overall plan to be? As a reminder the impact on your bill would be approximately £33 Total sample n= 90, Fuel poor* n=26, Non-fuel poor n=31, SME* n=15, Future* n=18 * **NOTE LOW BASE SIZE**

Most still agree with the proposed plan’s ultimate goals, and support a £3 increase, but some find the £30 difficult to accept or to afford



Some feel the price is justifiable, especially considering what consumers are getting in return

As mentioned before, some participants are happy with what they feel they are getting out of the price increase and find the total number justifiable given SGN’s reasoning.



Many are resigned to bill increases and, while unhappy about the £33, see it is outside of SGN’s control

Many participants cited the £30 as outside of SGN’s control, and, while broadly unhappy about the increase, do not direct their frustrations to SGN. Further, as many other costs go up, these participants are generally resigned to price rises, and feel the overall increase is acceptable, so long as SGN maintains transparency and does its best to keep overall costs low.



Some, however, feel the increase is too high, and should not be paid by consumers

There are still some who feel the increase is unmanageably high, and / or that it is unreasonable to pass on higher costs to consumers.

As before, these participants occasionally cite high profits in the oil and gas industries as arguments against higher prices for consumers.

Q16/18. Please explain the reason for your answer. Base: Total sample n= 90

Verbatims



The price is justifiable

The plan is an adventurous plan however, it is also achievable it has been well researched and thought from. Just by reading about the different area you get the impression the figures were not just conjured up. (South England, Domestic, Fuel Poverty)

Definitely acceptable considering how much is being done (South England, Domestic)

No-one wants their bills to increase, but I feel it is justified given the reasons explained. (South England, Domestic)

The plan is fair, I thought it would have been a big increase but it's not really. (South England, Future)

I think given everything as a whole it is understandable the increase and £33 over a year is a small increase compared to others we are going to see in other areas. (Scotland, SME)

It's the first really rise in a while, and locks in the price for a 5-year period. It helps SGN get moving towards foals that will benefit us all in the long run.(Scotland, Domestic, Fuel Poverty)



Some are resigned to the increase

we have to deal with it and its not something that sgn has complete control over so yeah. (South England, Domestic)

As I said before I don't think anything that we as a panel say here will make that number go down as it seems most of the increase is outside SGNs control (South England, Domestic, Fuel Poverty)

£33 price increase is a big jump but from the information provided, I cannot dispute it. I just hope that SGN maintain the level of safety and help consumers who are maybe struggling. (South England, Future)

I think it's ridiculous how much higher it is going to go up by in short amount of time and the factors why it's given up just don't make sense (South England, Future)

the rise is rather considerable, particularly with factors outside of SGN's control as in what the extending implications would be (South England, Domestic)

Everything these days is increasingly unfortunately due to interest rates and costs, so I find this acceptable (Scotland, Domestic, Fuel Poverty)

I would personally be okay with this shift to my bill but do not feel it would be appropriate for all households to pay this amount, it should be based by income or IMD (Scotland, Future)



Some feel the increase is too high

I think SGN could cover most of the cost for increases inside their control. (South England, Domestic)

Seems a steep rise from the initial plan of increase so I can see how people will be annoyed as some areas are more important than others especially helping people in vulnerable situations. (South England, Domestic, Fuel Poverty)

The increase is just too much considering how much of an increase it is compared to the original bill cost. (South England, Future)

Again, it's hard to see the benefit with someone like SGN and when we start to see increases of £30+ it starts to get tough to justify (South England, Domestic)

increases in business costs such as interest etc should come from profit as its the shareholders who benefit and also who voted for the directors who authorised the expenditure, rather than from the public (Scotland, SME)

About half of participants are confident they can afford the annual future bill (£198), with the remaining half unsure or concerned about affordability

Ease of ability to afford new bill level

% selected

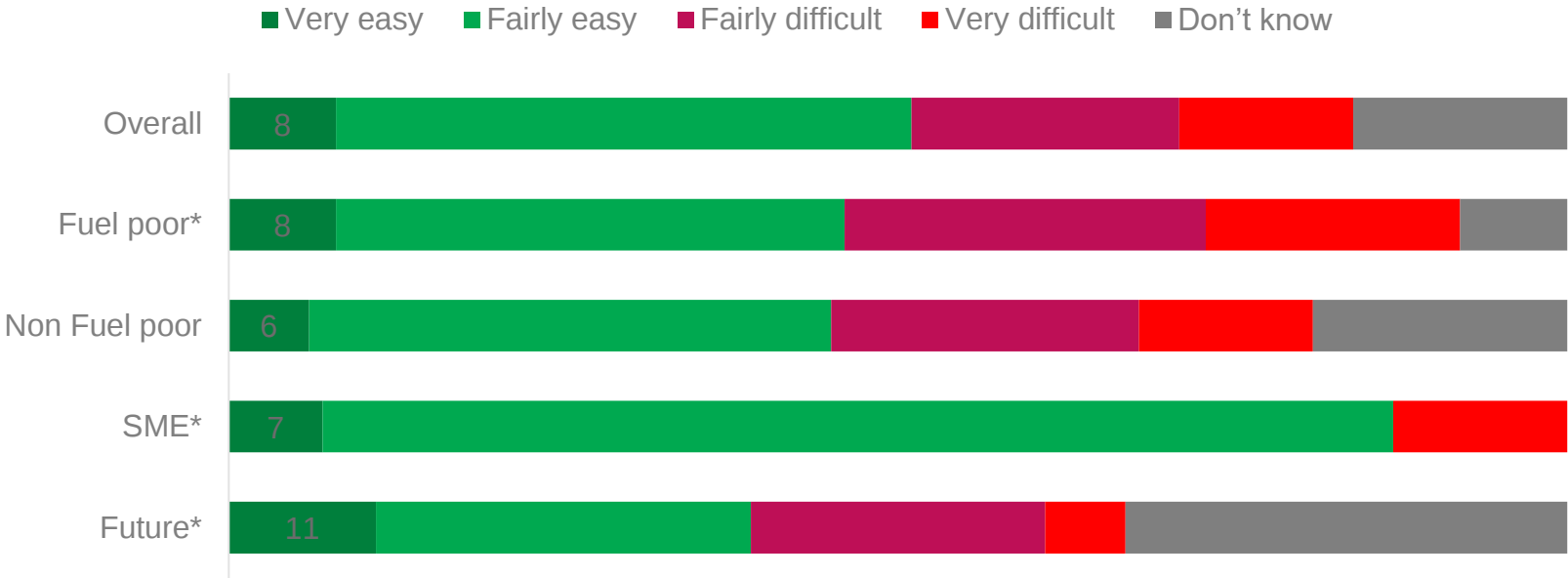


Q17/19. Thinking about how your income may change in the future, how easy or difficult do you think it would be for you to afford this bill level? As a reminder your bill from 2026 would be £198. Base: Total sample n= 90

Many are concerned about affordability regarding the annual future bill

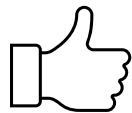
Ease of ability to afford new bill level

% selected



Q17/19. Thinking about how your income may change in the future, how easy or difficult do you think it would be for you to afford this bill level? As a reminder your bill from 2026 would be £198. Base: Total sample n= 90, Fuel poor* n=26, Non-fuel poor n=31, SME* n=15, Future* n=18 * **NOTE LOW BASE SIZE**

There is a strong sense of frustration over the overall increase, including by those who can afford it. Some fear the pressure this increase would put on their families



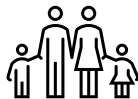
Many feel that they can afford the price increase

About half of participants feel they will be able to afford the increase, owing to stable jobs, financial planning, and currently having disposable income.



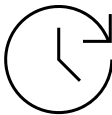
Some believe they can afford the increase, but are still frustrated by it

Some will still feel squeezed by it. Some ask that SGN just remains conscious of their situation and takes any possible steps to reduce any increase now or in the future.



The increase can feel like too much of a squeeze to some, particularly families

A minority of participants do not believe they will be able to afford the price increase. Many reference the financial challenges associated with raising families, and some (particularly with disabilities) are unable to access suitable income to offset the increase.



A few struggle to imagine what their financial situation will be

It is difficult for some to make a judgement call on their financial future, as they are uncertain of future income channels owing to job uncertainty or the potential for other bills to rise.

Q18/20. Please explain the reason for your answer. Base: Total sample n= 90

Verbatims



Can afford increase

Luckily, my partner and I have a stable jobs so don't think the increase will be a challenge to us (South England, Domestic, Fuel poverty)

my money goes up faster than this in term of percentage (South England, Domestic, Fuel poverty)

Thankfully financially I am okay, so I should be able to manage the increase, but I can understand not all can (South England, Domestic)

Me and my wife both have jobs so wouldn't be a issue unless something happened to one of our jobs then all bills would become harder to pay (Scotland, Domestic)

I work and accept most things have gone up. Maybe my salary will too... (Scotland, Domestic)

The extra £3 is just less than the price of a meal deal or a coffee which I can afford now and should easily afford in future. £198 is harder to swallow but doable (Scotland, Future)

I always budget for bills and can cut back on other non-essential goods. Bills are a part of essential needs so come up the top of priority list. (Scotland, Domestic, Fuel poverty)

Q18/20. Please explain the reason for your answer. Base: Total sample n=90



Frustrated by increase

I personally can afford it, however, would hope that any cost savings achieved would be reinvested into further efficiencies or passed onto the consumer. (South England, Future)

We are already taking salary sacrifices and paying more for other essential services. (South England, SME)

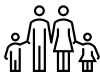
In the context of everything already up, I feel like I'm constantly being squeezed from every direction. (South England, Future)

I could afford it but it's annoying and lots of people can't (South England, Domestic)

Everyone is struggling at this time because of poor wages and increase of everything that people are finding the cost of living to be too expensive (Scotland, Domestic, Fuel poverty)

We live paycheck to paycheck as most do these days. There's no real pressure to cover the increase, we can manage. However, in difficult months, the extra cost may feel like a stretch. (Scotland, Domestic, Fuel poverty)

I am in the fortunate position that I can afford to heat my home using gas however that doesn't make me supportive of such a large increase. (Scotland, Domestic, Fuel poverty)



May not be able to afford

It is placing more pressure on families like mine to come up with this added costs (South England, Domestic)

As a family with young children, anything could change at the last minute and higher bills are a constant worry (South England, Domestic)

Money is tight enough as it is let alone more increases and rises it's just a real worry for everyone as everything is rising. (South England, Domestic, Fuel poverty)

We are struggling as it is and this just adds to what is becoming an impossible situation. It feels like no matter how hard you work it's never enough. We don't get pay rises anywhere near in line with these increases. (South England, Domestic)

We have no spare money currently, so I don't know where it would come from. (South England, Domestic)

with lots of things rising at the moment, this rise in this bill would just add towards the financial strain (South England, Domestic)



Unsure if can afford

don't know what my life will be like them (South England, Domestic, Fuel poverty)

You never know what financial situation you would be in the future. So, it's hard to gauge the difficulty of paying the bill in the future. (South England, Future)

With the slightly rising costs within SGN, I'd imagine all other energy companies will be doing the same resulting in an inflation that's effects everything so it's hard to say where it ends and how financially it'll impact day to day life. (Scotland, Domestic)

It doesn't sound a lot. A lot depends on how much other energy supply costs go up (what we actually will need to pay to our supplier for energy. We may also be faced with costs adapting to net zero carbon-how much will these be subsidised by the government? Too many imponderables to say that this increase to SGN is affordable or not. On its own, yes. (Scotland, Domestic)

Currently living with my parents so fortunately it's hard for me to understand the effect the price increase would have on me. (Scotland, Future)

Though many express concern over price increases, just over half of participants feel the proposed business plan is good value for money...

Rating SGN's business plans and bills in terms of value for money

% selected



Very good value for money

Fairly good value for money

Neither good nor poor value for money

Fairly poor value for money

Very poor value for money

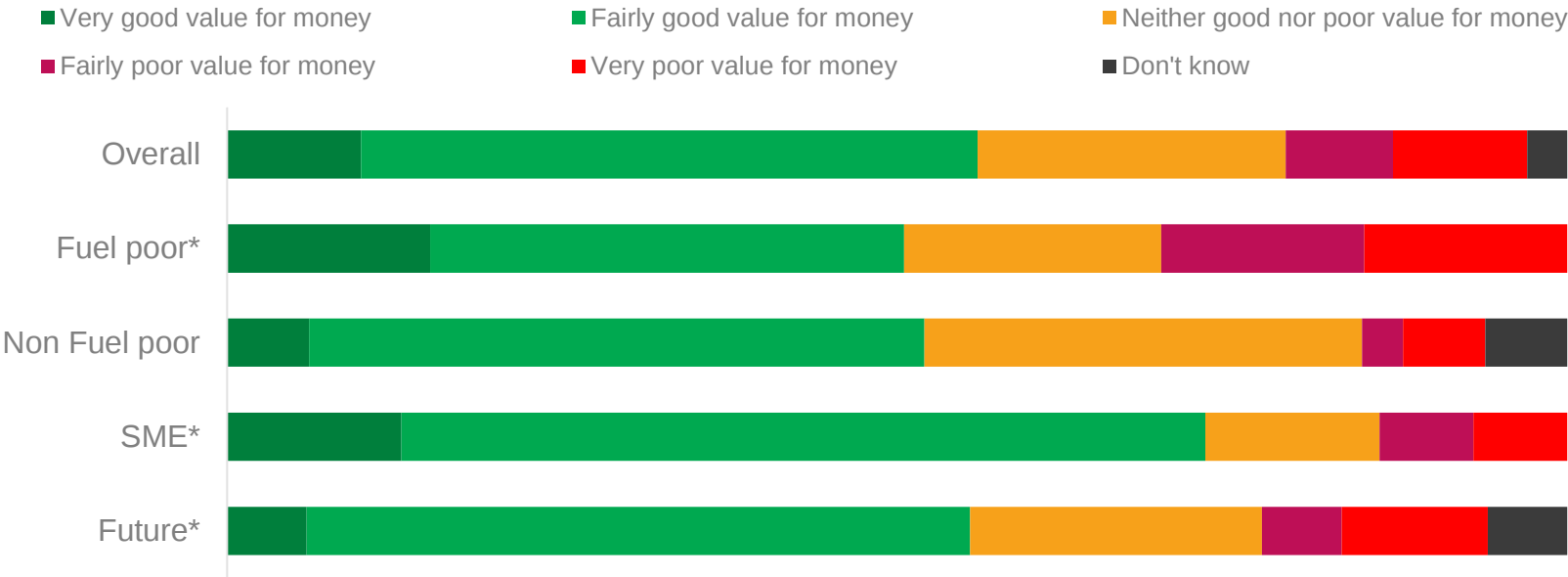
Don't know

Q19/21. How would you rate SGN's business plans and bills for 2026-2031 in terms of delivering value for money (based on your annual bill of £198)? Base: Total sample n= 90

...which is broadly similar for most groups

Rating SGN's business plans and bills in terms of value for money

% selected



Q19/21. How would you rate SGN's business plans and bills for 2026-2031 in terms of delivering value for money (based on your annual bill of £198)? Base: Total sample n= 90, Fuel poor* n=26, Non-fuel poor n=31, SME* n=15, Future* n=18 * NOTE
LOW BASE SIZE

If the total bill increased by £50, just over half of participants would still support the £3 increase for the SGN initiatives

Whether future policy changes would impact support for the initiatives in this survey

% selected



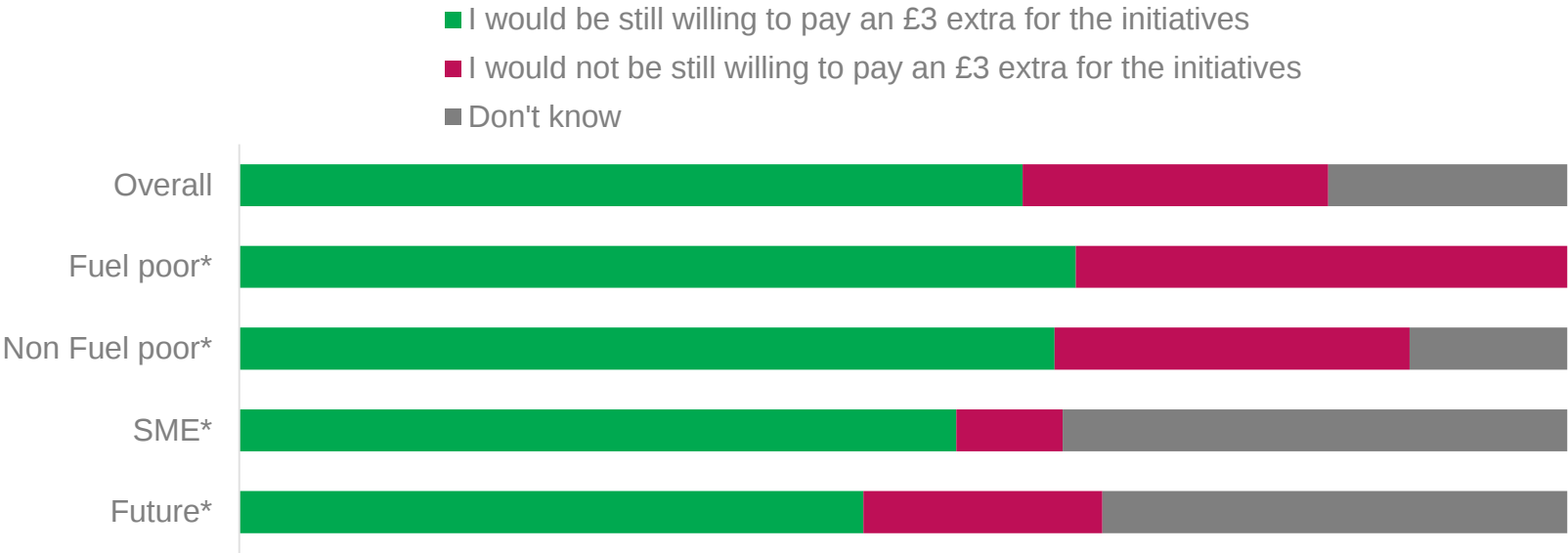
■ I would be still willing to pay an £3 extra for the initiatives ■ I would not be still willing to pay an £3 extra for the initiatives ■ Don't know

Q20/22. Future policy changes outside of SGN's control could increase bills further by an estimated £50. If this was the case, would this impact your support for the initiatives covered earlier in this survey? (i.e. £3 to do more across low carbon energy solutions, improving environmental impact and supporting vulnerable customers) Base: Those who found the plan acceptable n= 71

... some audiences were much less willing than others to pay extra for the initiatives

Whether future policy changes would impact support for the initiatives in this survey

% selected



Q20/22. Future policy changes outside of SGN's control could increase bills further by an estimated £50. If this was the case, would this impact your support for the initiatives covered earlier in this survey? (i.e. £3 to do more across low carbon energy solutions, improving environmental impact and supporting vulnerable customers) Base: Those who found the plan acceptable n= 71, Fuel poor* n=17, Non-fuel poor n=24, SME* n=13, Future* n=17 * NOTE LOW BASE SIZE

There is concern over the potential £50 increase, with some fearing they will not be able to afford it altogether, and others frustrated by a perceived pattern of increases



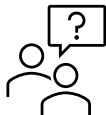
Most still feel SGN's £3 increase would be acceptable

Most participants still felt the increase would be reasonable, especially as the £50 would be outside of SGN's control.



Some are less sure, or feel more steps should be taken to reduce costs

Some are unsure of whether or not they will still be able to afford the increase, given the cost-of-living crisis. A few mention being able to afford the increase, but fearing for other's who may not, and implore SGN to take whatever cost-cutting steps they can.



Some fear they would be completely unable to afford a £50 increase

A few participants are unsure of if they will be able to afford a £50 increase or feel they will ultimately be completely unable to afford it. Others feel the £50 increase would be unacceptable, regardless.



There were some concerns that increases are becoming normalised

Some participants felt the question itself suggested another impending rise, and voiced frustration and anger toward the perceived multiple increases they've been asked about.

Q21/23. Please explain the reason for your answer. Base: Total sample n= 80

Verbatims



£3 increase is acceptable

As stated before an extra 3£ I don't think is a big increase, it will be used to do good things and it's the same that you pay for a coffee in a coffee shop (South England, Domestic, Fuel Poverty)

Because am all for low carbon and helping vulnerable people (South England, SME)

It would be very unfair to sacrifice helping vulnerable customers and finding environmentally friendly solutions (South England, Domestic)

I have the ability to pay and would prefer the service to improve (South England, SME)

It's cheap for all the things you would be getting (South England, Future)

I just feel for the sake of £3 it is going to such important things, and I would rather continue to pay this (Scotland, Domestic)

I feel SGN are doing the right things for the right reasons and understand I why they're commuting to these improvements so I'm willing to pay it (Scotland, Domestic, Fuel poverty)



More steps to reduce cost

The initiatives stated I would not mind paying for, I would only the costs 'outside SGN's' control if more can be done on keeping down costs. (South England, Future)

It is still manageable for me. Other businesses may close?! (Scotland, SME)

I am unsure how I would feel, it would be dependent on what comes into force. (Scotland, SME)

Depends on my salary.. (Scotland, Domestic)

It's very difficult to say anything as the cost-of-living crisis will only increase (Scotland, Domestic)



Unable to afford increase

£50 is a massive jump from £30 I would not be in a position to pay that let alone the extra £3 (South England, Domestic)

I can't really afford more increases so will have to budget my finances it's all a real worry for everyone. (South England, Domestic, Fuel Poverty)

The increase is crazy given the product is the same ultimately (South England, Future)

Yes, bigger cost bigger problems for consumers with the same income (Scotland, Domestic)



Increases become normal

I feel like there are too many price increases at this point. I mean £3 isn't that much but could mean so much to someone else (South England, Future)

It just seem like a Pre advanced warning that they WILL increase the price buy they make out like they do not intend to (South England, SME)

I'm really not sure - it's just more money each year and as mentioned before our pay checks are not aligning with inflation. It seems a big ask when we don't feel like we're being heard. (South England, Future)

I would be worried that the extra £3 would increase year & year & therefore become unaffordable (Scotland, Future)

I think in principle it would create enough distrust that costs are being hiked up again that even if I could afford it, I would probably prefer not to pay it. (Scotland, Future)

Of those who chose to leave final comments, many wished to show gratitude to SGN. However, some aired concerns or frustrations about the price increases



Many want to thank SGN for their transparency in this process

The panel has developed a strong sense of appreciation and loyalty toward SGN, which is always reflected in the comments made at the end of our surveys.

Many are particularly grateful to SGN for their transparency throughout this process and want to urge SGN to continue this transparency moving forward. Some suggest publicising SGN’s work more publicly beyond the panel, as many SGN customers will not know of the organisation or its work in these priority areas.



Some want to express concern or frustrations over the rising costs

Some participants want to express or reiterate their frustrations with the price increases mentioned earlier in the survey. For some – particularly those with disabilities or for whom working full time is not a feasible option – the increases can induce feelings of anxiety and worry about how they will be able to afford the increases.

Though most participants understand much of the increase lies outside of SGN’s control, some feel SGN could be more transparent about how these increases are being decided and calculated. There is still some confusion on why these increases cannot be (or are not being communicated as being) buffered by SGN’s own internal investments, such as from annual profits.

Q23/25. Do have any final comments, clarifications or feedback you would like to share about anything you have seen in this survey? Base: Total sample n= 90

Verbatims



I'd like to see some more positive news, how can technology help reduce bills, tackle waste and increase safety

No, everything is clear and laid out in a way that everyone should be able to understand. There doesn't seem to be any hidden charges and SGN being upfront and honest with customers (Scotland, Domestic, Fuel Poverty)

As I've said at panel discussions, customers don't know who SGN are or what important services they provide - they don't even know that a portion of their bill goes to SGN! I feel strongly that SGN should be promoting their good work to customers, in particular the services around vulnerable customer initiatives and safety for customers. (Scotland, Domestic, Fuel Poverty)

I am glad to be a part of this panel, and I thank SGN for the transparency in terms of the current prices as this was some of things we as a panel suggested last time as we wanted to see more transparency coming from them so I would say well done. (South England, Domestic, Fuel Poverty)

Thanks for giving me the opportunity to have my say I appreciate it (South England, Domestic, Fuel Poverty)

I think keeping us informed all the way they are doing right. (Scotland, Domestic)

Please keep up the good information and communication with us as it makes it so easy to understand and take in (Scotland, Domestic, Fuel Poverty)

I have thoroughly enjoyed this experience with SGN and i hope my contribution in this has made a difference as to how the average person thinks. Thank you (Scotland, Domestic, Fuel Poverty)



This £198 increase will infuriate a lot of customers of course the sections are important and for the future but surely the £198 could be negotiable as the balance of the figures where it's being spread out just doesn't seem right. (South England, Domestic, Fuel Poverty)

I don't like the way the increases are being presented and the questions being asked. It feels like the priority areas are now no longer priority because SGN is trying to sell us the £30 increase that will happen anyway and allocating just £3 feels like they are not caring about something we spent weeks and weeks talking about for which I have said in the past I would be ok with a £10-15 increase (assuming all that money would go into the priority areas). (South England, Domestic)

Not sure what the final business plan will look like, but I think SGN need to be much more specific about why this significant increase is being proposed. Not enough to say it is factors outwith [SIC] your control - why are they outwith your control, what is the baseline for each of the three areas - fees, taxes, interest rates - and what are the forecast increases for each one which necessitates the increase. (Scotland, Domestic, Fuel Poverty)

I implore SGN to hear the voices of disabled people.. I have been pushed to the edge of my sanity this last 2 years due to the relentless trap of every worsening poverty. Please don't add to the burden we face. (South England, Domestic, Fuel Poverty)

I fill the SGN plan is well thought out and fairly good plan. But in this climate of increased costs and low income and high inflation, I suggest the look at funding these targets from energy companies who already have fat profits and avoid passing the costs to consumers (South England, Domestic, Fuel Poverty)

I know SGN are doing what they can to mitigate costs but the £30 hike seems grossly unfair (Scotland, Domestic, Fuel Poverty)

It's crucial that we become more aware of the immense stress these constant price hikes are placing on people. Expanding a network or funding large projects is one thing, but it shouldn't come at the expense of everyday individuals who are already feeling the financial strain. We need to prioritize a balance between development and affordability, ensuring that we're not pushing people to the brink just to support unsustainable growth. At the end of the day, it's about creating a system that works for everyone, without adding unnecessary pressure to those who can least afford it. (Scotland, Future)

THANK YOU



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