

Table 5 – Customer Service – 2

Commentary by REPORTER

DG7 Response to Written Complaints

1. Background

The DG7 indicator shows the total number of written complaints received and the number dealt with within the specified time bands.

2. Key Findings

- The Company report that the total volume of written complaints received has decreased. Overall the number of complaints has decreased by 4% or 95 complaints in real terms.
- We audited the reported data and challenged the processes on a sample basis. Except where detailed below, we consider the data reported in the table is robustly prepared using systems and process that are appropriate and in line with the reporting requirements and that are properly implemented with effective quality control and governance arrangements.
- Our sample audit of DG7 items noted an excellent conformance rate however our DG6 sample audit results suggest that there are some items that should have been classified as DG7. We note that these results are not representative though and do not allow for extrapolation as our audit was targeted at areas deemed to be at higher risk of error.
- Overall we consider that overall compliance for DG7 reporting is satisfactory with our targeted sample showing some minor concern about categorisation of contacts. We therefore recommend that NI Water aim to strengthen procedures, definitions and training in the high risk DG6 category areas.

3. Audit Approach

To check the accuracy of the information reported, our audit consisted of an interview with the NI Water line holder, an audit of the data from the Company's systems to the final table and a review of the current methodology for data collation. This year's data has also been compared with last year's table entries.

4. Audit Findings

We found that the procedures and methodology broadly consistent to that reviewed previously.

4.1 Total Written Complaints (Line 1)

The volume of complaints has decreased by 4% or 95 complaints in real terms.

Decreases in 2015/16 volumes have been attributed to no major incidents and the relatively mild weather throughout the year. However, volumes of complaints in May-August 2015, and November 2015, were above average monthly received figures. The Company have attributed this predominantly to increased disputed liability complaints.

4.2 DG7 Performance (Lines 2 to 5)

The Company has maintained a good level of performance in responding to complaints. Overall, nearly all written complaints were responded to within 10 working days and two written complaints were dealt with in more than 20 working days.

We noted a difference between the data reviewed at audit and that submitted by NI Water for Lines 2 and 3 for which we challenged the Company to confirm the correct figures and if different from those seen at audit confirm what the changes are and why.

NI Water responded:

“The figure 2260 does not include the remaining open DG7s, at the time there were 6 open DG7 complaints. These have been included in line 2 indicating an assumption that these will be closed with 10 days. This data has previously been reported this way and is in line with DG6 reporting. Line methodology and commentary have been updated, please see below:

Table 5 Line Methodology

Line 2: Number dealt with within 10 working days

This includes complaints received in year 15/16 and closed within 10 working days. It also includes any open DG7 contacts at year end for which future closure within SLA is forecast. This forecast is based on the assumption that the closed date for the open DG7 contacts will be backdated to the date on which the first holding response was issued. 6 of the DG7 contacts received in year 15/16 remained open as of 27th April 2016. These have all been reviewed to ensure that a holding response was issued within 10 working days.

The data is obtained by running the “DG7 Received QRY (Live)” report on CorVu. The report was run on 27th April 2016 for the year 15/16 and exported to Excel. The data was summarised using a pivot table to calculate the number of contacts closed within 10 working days.

Table 5 Commentary

End of Year (Contacts not dealt with at end of year)

Based on data extracted on 27th April 2016:

- *3 DG7 contacts were closed following more than 20 working days;*
- *DG7 contacts received during 15/16 complaints remained open;*
- *the oldest open DG7 contact received during 15/16 was 42 working days old;*
- *DG7 contacts received during 15/16 were open for more than 10 working days, each pending completion of agreed actions as outlined in substantive holding responses; and*
- *the average age of the open DG7 contacts received during 15/16 was 25 working days.*

For the purposes of Table 5 and (Table 5a) reporting, those complaints which are open at end of year are included in the reported figures for the number dealt with within 10 working days. This is based on the assumption that a holding response has been issued within 10 working days and that the reported date of closure will, at the point of final resolution, be backdated to the date on which the holding response was issued

It was later verified that, per the assumption above, each of those complaints still open at yearend were closed in line with the aforementioned methodology with a reported closure date within 10 working days of receipt.”

4.3 Audit checks

During our audits we reviewed a sample of correspondence received by the Company during the year. This sample was chosen at random from contacts received throughout the 15/16 year. Our audit checks were designed to check the following:

- the contact has correctly been classified as DG7
- the Rapid system correctly records the incoming and response date
- there was an audit trail evident for each complaint
- the nature of the complaint (to inform table 5a)
- the response to the complaint is substantive.

As part of our DG7 audit we undertook a sample audit of both DG7 and DG6 correspondence. For the DG7 sample the results are as follows:

| DG7 categorisation | Number | Percentage of totals |
|------------------------------|--------|----------------------|
| Total items sampled | 36 | |
| Items unable to check | 4 | 11% |
| Records checked | 32 | |
| Yes | 31 | 97% |
| No | 0 | 0% |
| Telephone complaint | 1 | 3% |

| Substantive response | Number | Percentage of totals |
|------------------------------|--------|----------------------|
| Total items sampled | 36 | |
| Items unable to check | 4 | 11% |
| Records checked | 32 | |
| Yes | 28 | 88% |
| No | 4 | 13% |

| No. of holding responses for DG7 | Number | Percentage of totals |
|----------------------------------|--------|----------------------|
| Total items sampled | 36 | |
| Items unable to check | 4 | 11% |
| Records checked | 32 | |
| 0 | 26 | 81% |
| 1 | 4 | 13% |
| 2 | 0 | 0% |
| 3 | 2 | 6% |

This sample confirms that items categorised as DG7 items have a good level of robustness. We noted only one item that wasn't a DG7 item as it was a telephone complaint. Within the sample we found a few items we would call soft complaints, which appear to suggest the cautious nature that NI Water undertake in classification of written complaints.

The DG6 sample results are as follows:

| DG6 Categorisation | | |
|------------------------------|----|-----|
| Total Items sampled | 60 | |
| Items unable to check | 4 | |
| Total reviewed | 56 | |
| DG6 | 43 | 77% |
| DG7 | 6 | 11% |
| NonDG | 5 | 9% |
| DG6/nonDG | 2 | 4% |

This data result suggests that there are some items that should have been classified as DG7. We note that these results are not representative though and do not allow for extrapolation as our audit was targeted at areas deemed to be at higher risk of error. We also noted at audit the existence of categorisation labels based on the number of DG6 items that relate to each other.

We consider that overall compliance for DG7 reporting is satisfactory with some of the higher risk areas requiring a review to see whether categorisation can be improved. The results were discussed on an individual basis at the point of audit.

Dating of correspondence

During our audit checks, for each complaint we satisfactorily tested the date of receipt was consistent between date stamp on the incoming correspondence and the date recorded on Rapid. Our audit sampling found no errors. NI Water's procedures are that all incoming correspondence is date stamped on date of receipt, we are content that the Company recording of incoming dates is, materially appropriate.

Use of holding replies

Within previous audit checks we noted numerous instances where the Company issues holding responses to customer complaints. This effectively closes the contact for regulatory reporting but the contact remains open on the Company's system to ensure a response is issued to the customer. Our audit sample reviewed 6 holding responses of this type.

Substantiveness of Responses

Out of our sample of 36 DG7 items, four replies reviewed were not considered to be substantive. On the basis of the checks undertaken we are mostly content that the Company's interpretation of a substantive response is sound. We have fed back our findings to NI Water.

As above we have fed the exceptions located back to the Company to assist its continuous improvement processes.

Dispatch

We established at AIR15 the various logistical points of the dispatch process, including the times of collection and dispatch and resourcing issues to ensure all mail is dispatched appropriately. This process has not changed in AIR16, therefore we are content NI Water's approach is consistent with their stated approach and with the UR Reporting Requirements.

4.4 Treatment of emails

We established at AIR15 the processes for email communication and found in general it is treated in the same way as written correspondence. This process has not changed in AIR16. Emails are logged, date stamped, indexed and allocated to an Agent as per the Company's methodology statement. The Company advised its procedures ensuring that all email contacts are logged on the day of receipt which is especially pertinent to emails received on non-working days or out of hours. Our audit sampling found no errors.

4.5 Exclusions from the DG7 indicator

NI Water advised that they do not generally exclude any complaints. In 15/16, a total of 18 written customer complaints were excluded from DG7 reporting during 2015/16 for a variety of exclusion reasons as per the Level of Service Methodology. This is a slight increase on 2014/15 but broadly stable in comparison with the number of exclusions reported in previous years.

The reporting guidance allows complaints to be excluded for a number of reasons (e.g. about non-appointed activities). Practice elsewhere also excludes contacts where they have fully exhausted the complaints process (where complaints are ongoing over a considerable period and any additional information received from the customer would not change the outcome of the complaint).

4.6 Postal strikes

The Company have not advised of any mail strikes having had a material impact on their operations in 2015/16.

4.7 Complaints PPP and other contractors

The process by which to collate these complaint types has remained in place, and NI Water confirms that they have been not received any complaints to PPP concessionaries (or other contractors working on NI Water's behalf) in Year 2015/16.

4.8 Complaint reclassifications

NI Water provides a guidance document to agents detailing the regulatory requirements for the allocation of customer contact.

Despite the controls in place to mitigate the risk of mis-classification, there is possibility that contacts may need to be reclassified as there are at all water companies in England and Wales. During our sample audit, we have seen one instance where an Agent mis-classified the stage of the complaint. We queried what controls the Company employs around the reclassification of contacts. NI Water explained that if an Agent is allocated an item from their work queue and recognises the CMS type is incorrect they are able to change the CMS code and would, if required, seek approval to transfer the item to the correct team. We reviewed a methodology document for re-categorisation of DG7. We did not check the procedures in practice however we believe that the methodology seems to be appropriate.

4.9 Treatment of contacts from CCNI

Please see Table 5a.

4.10 Assumptions

Except where disclosed above, no assumptions have been identified.

4.11 Confidence grades

The Company has applied a confidence grade of B2 to all the DG7 related information in the table. This is consistent with the grade reported in AIR15. Whilst we have not undertaken any statistical tests, this grade appears reasonable on the basis of our audit sampling. Further control and reassurance is also gained from checks undertaken by the Contract Management Team and Internal Audit.

4.12 Consistency checks

We can confirm that:

- Line 1 equals to Table 5a Line 1
- Line 2 equals to Table 5a Line 2
- Line 4 equals to Table 5a Line 3

5. Company Methodology

5.1 Overview

To confirm the methods used by the Company are as described we performed a series of reviews and audit checks. From these checks we are content that the approach adopted is in line with NI Water's stated methodology and is accordance with the Reporting Requirements.

We have provided a summary of our findings and the Company's methodology below:

- The definition of a written compliant is aligned to that stated in the reporting guidance.
- Correspondence is opened and date stamped on the date of receipt. At this point, correspondence is allocated between various categories including correspondence relating to DG6 (billing contact) and DG7 complaints.
- All Customer contact information is managed through customer contact and billing system.
- All mail is logged on the day it is received.
- Once correspondence has been opened and indexed it can then be allocated to an Agent for action. Managers have the ability to run reports from Savvion providing a list of prioritised contacts which ensures that contacts are dealt with in line with the SLA and regulatory timescales.
- Contacts are closed when a final response is sent to the customer. For AIR15 we discussed with the Company various logistical points of this process including the times of collection and dispatch, resourcing issues and contingency plans to ensure all mail is dispatched on the same day a contact is closed. There has been no change to this process in AIR16, therefore we believe the practice adopted by the Company is suitable to ensure satisfactory compliance with the Reporting Requirements.

5.2 Reporting

The Company reports all complaints 'received' during the Report Year within Line 1. To report Lines 2 to 4 NI Water reports the number of contacts closed in the year (which have been received during the Report Year).

To report data the Company relies on data extracted from CorVu reports.

The Company advised that whilst holding responses close the contact for reporting purposes, the contact remains open on their system until a final response is issued. NI Water explained its methodology for reporting complaints received in one reporting period but not closed until the following year. We understand for AIR16, if a contact was received in the 2015/16 Report Year then this would be included in Line 1 of Table 5. NI Water changed its methodology for Lines 2 – 5 in 13/14 whereby if a complaint received in 2013/14 is addressed by a holding response in the 2014/15 year the response time will be reported in AIR14. The same methodology has been applied for AIR16. There were 6 complaints open at the end of 2015/16 and they were included in AIR16 Lines 2 – 5 according to its response of the holding letter.

The Reporter is content that the methodology employed is materially appropriate.

5.3 Quality assurance

During our audit work we queried what QA controls NI Water operates on complaints received. The Company outlined the various controls in place, including the administration of their customer service contract and the checks undertaken by the Contract Office team. We believe these should help to promote good practice, help improve the reporting process and process control.

DG8 – Bills for Metered Customers

1. Background

This indicator identifies the proportion of metered customers who receive bills during the year based on actual meter readings and the proportion based on estimated readings.

2. Key Findings

- The Company report that 99.23% of customers received a bill based on a meter reading in 2014/15. This is similar to the 99.12% reported during AIR15.
- We audited the reported data and challenged the processes on a sample basis. Except where detailed below, we consider the data reported in the table is robustly prepared using systems and process that are appropriate and in line with the reporting requirements and that are properly implemented with effective quality control and governance arrangements.

3. Audit Approach

To verify the information provided by the Company our audit consisted of an interview with the NI Water system holder, a review of the current methodology for data collation, an audit of the data from the Company's systems to the final table and a comparison with last year's table entries.

We also checked the data in the final submission for consistency with previously audited data.

4. Audit Findings

We found that the procedures and methodology broadly consistent to that reviewed previously.

4.1 General

The information to derive DG8 data is supplied from reports produced from the Company's billing records. Summary tables are produced from these records to collate figures for the final table. We reviewed the data in the year-end report and followed the data trail through to the Company's final table. Furthermore we scrutinised the data from the database that the report was created from.

4.2 DG8 Performance

After subtracting the number of exclusions reported in Line 7 from the total number of metered accounts reported in Line 6, a total of 67,888 accounts are included with the DG8 indicator. The Company state that of this total, 99.23% of customers received a bill based on company or customer meter readings in 2015/16. The percentage of meters not read by the Company for two years equates to 0.17% of the total metered accounts or 0.30% of accounts included in the DG8 measure, which is a minor increase from AIR15.

4.3 Total metered accounts (Line 6)

The number of total metered accounts has once again increased (4.2%) from previously year. This is broadly consistent with the number of household and non-household new connections reported in Table 7. The greatest proportion of this increase relates to household customers which are subsequently excluded from the indicator (see below). The actual number of non-household accounts appears relatively consistent to the previous report year.

4.4 Exclusions (Line 7)

As highlighted the above the number of exclusions has increased from 14/15 mainly due to an increase in the number of household accounts being reported in Line 6.

We provide the following breakdown of the exclusions made in the year.

| Reason for exclusion | AIR16 | % of total exclusions |
|--------------------------------|--------|-----------------------|
| Charged on another basis | 52,663 | 94.3 |
| New Property | 288 | 0.5 |
| Occupied <181 consecutive days | 152 | 0.3 |
| Void Property | 2,772 | 5.0 |
| Total | 55,875 | 100 |

Overall, NI Water excluded approximately 45% of its metered base from the DG8 indicator. This is somewhat higher than the average of accounts excluded historically by WaSC's in England and Wales, which is circa 11%. However, whilst providing a useful metric for comparison purposes, it is difficult to make any direct comparisons as NI Water's DG8 statistics include non-domestic accounts only.

During the audit the Company also cited a number of examples where an account would be reported in Line 7 and excluded from the DG8 indicator. Examples of such accounts include:

Meters charged on another basis

- Test meters
- Trade-effluent meters
- DRD or NI Water meters
- Fire supplies
- Properties occupied less than six months
- Complex accounts – Including combination meters
- Void properties

In the cases reviewed we were content that the Company's methodology in this area reliably extracts data relating to the exclusion type.

4.5 Company readings/Company or customer readings (Lines 8 and 9)

The Company methodology outlines that that is encourages customers to provide their own readings and these can be register via NI Water's website or by calling their billing line.

During the audit the Company provided data from the Rapid system to support the figures presented. Based on this and the audit checks undertaken we are content that the data produced is appropriate for reporting purposes.

4.6 Estimated bills only (Line 10)

Whilst the Company has made endeavours to ensure that every non-household customer receives a bill based on at least one meter reading, NI Water reports a number of instances where this was not possible.

The proportion of metered accounts of receiving a bill based on an estimated reading has reduced marginally in the Report Year, although it maintains a stable trend over the 2012-13 period to 2015-16. Approximately 0.6% of those accounts included in the DG8 measure received an estimated bill.

4.7 No bills received during the Report Year (Line 11)

NI Water reports a small number of accounts where the customer has not received a bill during the year. We have no sought to verify the accuracy of the number of accounts reported. We note that the figure has increased to 96 accounts this year from the 54 reported in AIR15, however this remains below the levels reported prior to AIR15.

4.8 Unread by the Company for 2 years (Line 12)

The percentage of meters not read by the Company for two years equates to 0.30% of the metered base included in the DG8 indicator. This maintains a stable outcome when compared to last year and demonstrates management of reading process.

4.9 Assumptions

We consider that there are no assumptions to be disclosed and that the data is based on sound procedures.

4.10 Confidence grades

As in previous years, the Company has assigned a confidence grade of A1 to lines 6 to 12. We understand this grade is assigned on the basis data used to provide DG8 performance driven by a system based report that does not require any manual interpretation. The report is taken directly from the Rapid database source which categories each account automatically based on its status and therefore using the most current and up to date data.

4.11 Consistency checks

Not applicable to these Table Lines.

5. Company Methodology

The Company's methodology is unchanged from the previous year. The primary source of data is the Company's billing system and we confirm that the Company presents all the annual data and that no sampling techniques have been employed.

To confirm the methods used by the Company are as they describe and are in line with the Reporting Requirements, we performed a series of reviews and audit checks. From these checks we are content that the approach adopted is in line with their stated methodology.

On the basis of our audits from AIR16 we have provided a summary of our findings and the Company's methodology below:

- NI Water outsources its billing activities to its third party provider.
- The primary source of data is the Company's billing system, Rapid. Data is extracted via an automatically generated report.
- All customers who are eligible for billing are billed, regardless of consumption.
- Before the start of each reading period all meter accounts which need to be read are transferred from the Rapid system onto the Routestar system. These accounts are then transferred onto the PDA's of meter reader who then visits the meter.
- When in the field, all meter readings (including those not able to be read) are input by the meter reader on their PDA.
- Meter readings are uploaded back from the Routestar system onto the Rapid on a daily basis. Bills are then generated on Rapid based on the consumption recorded and appropriate tariff.

The Company described the processes by which meter readings are managed to the Reporter's satisfaction. When meter readings cannot be obtained the meter reader records this on their PDA as being 'skipped' and this is fed back into Rapid. Such instances are

monitored and managed by way of 'priority list' which a meter reading contractor lists 'unread' customers regularly and prioritise these meters to be read. The Company does also have the facility for customers to enter a reading via the phone or website. If no reading is provided before the subsequent billing run a system estimate is generated and a bill is issued.

DG9 Telephone Contact

1. Background

This indicator identifies the ease with which customers can make telephone contact with the Company.

2. Key Findings

- Overall call volumes have decreased during AIR16 from that reported previously and the abandonment rate in percentage terms has also fallen (less abandoned calls). We have checked and confirmed the DG9 performance reported in Table 5.
- Scores from the customer satisfaction survey are also marginally below target and we note the score has reduced slightly (4.59) compared to last year (4.65).
- We audited the reported data and challenged the processes on a sample basis. Except where detailed below, we consider the data reported in the table is robustly prepared using systems and process that are appropriate and in line with the reporting requirements and that are properly implemented with effective quality control and governance arrangements.

3. Audit Approach

Our audit consisted of an interview with the NI Water system holders, a review of the current methodology for data collation and an audit of the data provided.

We have also checked the data in the final submission for consistency with previously audited data. We have not attempted to reconcile the numbers of calls received to the number of calls logged on the Company's contact management system.

4. Audit Findings

We found that the procedures and methodology broadly consistent to that reviewed previously.

4.1 General

The volume of calls received on each line is taken directly from Call Media reports (and HVCA reports for calls passed from the Waterline number) and we were able to review the process used to derive call volumes satisfactorily.

Data from monthly Call Media reports are translated into a spreadsheet used to monitor and report on DG9 performance. As an audit test we successfully traced data from the monthly Call Media reports for 2 months of 2015/16 into the spreadsheet and then subsequently into Table 5.

The 2015/16 year is the third full year in which the High Volume Call Answering System (HVCA) has operated. Designed to improve the customer experience when demand on the telephony system is high e.g. during an operational incident, the DG9 reporting methodology has been revised to include calls handled by this system. We have consolidated our comments on the HVCA system in Section 4.7 below.

4.2 Calls received (Line 13)

NI Water reported that they have received 210,487 calls from customers during the year. We confirm the total volume of calls received is circa 8.8% lower than received in 14/15.

4.3 All lines busy (Line 14)

The Company report that 159 calls received an engaged tone during the year and we confirmed this through inspection of various telephony reports presented by the Company. This is a significant increase on the previous year (32) and we note that as described in the Company commentary that additional DDI lines have been acquired to mitigate future All Lines Busy events.

4.4 Abandoned calls (Line 15)

Along with an increase in the overall volume of calls handled, the number of abandoned calls has increased. Overall, performance of calls not abandoned was 99.4%.

As reported last year the introduction of the Company's High Call Volume Answering (HCVA) system has appeared to have an impact on the calls abandoned indicator and we comment on the operation of this system in more detail below. Please see Section 4.7.

4.5 Call handling satisfaction (Line 16)

During the audit the Company outlined that they have provided data to the market researcher during the year.

The Company briefly explained the process by which the call data is collated prior to dispatch to the market researcher. All calls are passed to the market researcher and no exclusions are made. NI Water added that they do not manually exclude calls from the data provided which may undermine the integrity of the process. They noted that NI Water does not have 'do not phone' indicator on customer accounts.

In our experience elsewhere, Companies do make a number of small exclusions to the data provided to the market researcher. The possible circumstances where this occurs include:

- Calls (mainly operational) that can be identified as "non-customer" calls (e.g. from field staff or contractors).
- Customers who have ex directory phone numbers.
- From customers sharing the same number (e.g. switchboard).
- If there is a "do not phone" indicator on the account.

These may warrant further investigation by NI Water, although we do not consider that these would materially affect the score obtained.

We have reviewed the OPA scoring from the market researcher and confirm that we have no material issues with the data reported in Line 16.

4.6 Telephone Complaints (Line 17)

The telephone complaints figure is reported as 61,316, which comprises of a 20% reduction in complaint volumes. During our audit we reviewed the spreadsheets used to compile the data and located no errors. The reduction in telephone complaints is attributed to there being no operational events during the AIR16 report year, following on from three years where major events occurred including the industrial action, sewer flooding and the freeze thaw event.

We noted that no Billing Query complaints are reported in this line and that the complaints relate only to operational issues. NI Water stated that:

"As discussed when reviewing the DG9 data the definition does not include billing complaints, these are included in DG6 data."

DG9 - The definition of a telephone complaint is similar to the definition of a written complaint. As a general policy, telephone calls about operational service issues, such as no water, lack of pressure, taste and odour, sewer flooding, blockages, collapsed sewers/manholes and odour from sewage treatment works/pumping stations are all treated as complaints.

DG6 is a regulatory measure to identify the company's response to Billing Contacts.

A billing contact covers 'any communication from a customer or their representative (e.g. their bank) regarding a bill which requires a response or an action by the company and does not constitute a written complaint, which should be reported under DG7. Billing contacts can be received by telephone, in writing, by electronic transmission, by personal visit or written on a piece of company correspondence, for example, a bill which is returned to the company, except where it is offensive or abusive' (NIAUR Guidance 2012)."

We have reviewed the methodology and confirm we consider the reported data appropriate.

4.7 High Volume Call Answering (HVCA) system

Under normal circumstances, a call received from a customer is logged by the telephony system and routed directly to an agent. When all agents are busy, the customer call is placed in a queue until the next available agent is free. Deployed exclusively on the Waterline, the HVCA system aims to direct the customer's call to the most appropriate team or message via a series of routing options.

The system's intelligence identifies and recognises customer details (e.g. location) from the details held on the billing system. Depending on the call routing and this intelligence the system asks various questions to help answer the customer query or raise a work order.

It is important to recognise that whilst the HVCA is constantly available, calls are only routed into the system at busy periods using predefined capacity criteria. This limits the volume of calls fed to the systems and under normal circumstances customers would reach an agent.

Abandonment

Whilst designed to improve customer experience, there is a risk that the deployment of the HVCA system may lead to an increase in the abandonment rate due to initial customer responses to the system, although this year we note that abandoned calls have fallen significantly.

The HVCA has over 200 hang-up locations which customers may reach depending upon the selections they make within the system. There have been no changes to the methodology used by NI Water during AIR15 where NI Water presented a flow chart which illustrated these hang up locations and potential routing options. They also provided a document which mapped each hang up location to an answered or abandoned category.

Reporting

The reporting methodology is as in previous years and makes allowance for calls passed from Call Media to HCVA. This ensure that calls passed from Call Media to HCVA are not automatically categorised as answered. We have previously reviewed the logic presented by NI Water and although complicated in the spreadsheet provided, we consider it to be appropriately based to report data in the DG9 metric.

4.8 Assumptions

We believe that all relevant and material assumptions have been disclosed above by either the Company or the Reporter.

4.9 Confidence grades

We believe the confidence grades assigned to Lines 13 to 17 are appropriate but have not

undertaken any specific or statistically significant checks to verify the volume of calls reported.

4.10 Consistency checks

Consistency checks are not applicable for these lines 13-17.

5. Company Methodology

5.1 Overview

The Company's Levels of Service Methodology describes the configuration of its telephony system. NI Water has also identified the telephone numbers (PACCP's) and locations against which they are reporting in their Methodology Statement.

In summary:

- For Customer Billing the office hours are 8am to 8pm Monday to Friday, 8am to 6pm on Saturday and 12pm to 6pm on Sunday.
- The Company's debt line office hours are 9am and 5pm weekdays only.
- For Service Enquiries, NI Water's Waterline and Leakline are open 24 hours a day 365 days a year.
- The MLA and dedicated lines are also open 24 hours a day 365 days a year.
- Calls received outside of these advertised times are not included are in the report of calls received or calls abandoned.
- NI Water has not utilised any temporary customer contact points during the year.
- No message manager systems or answering machine facilities were used during the reporting year.

5.2 Call Services offered/telephony configuration

During our AIR15 audit we questioned the Company on the call services it offered in terms of non IVR Queuing or automated speech recognition facilities as we are aware from other experience that calls via such services are often difficult to track and report.

NI Water advised that their telephony system in the report year has been configured so that an HVCA capability can be deployed if required (see HVCA comments) however the other services highlighted are not currently offered.

This methodology has not changed in AIR16.

5.3 Reporting

NI Water advised that the telephony system is configured to produce data required by the Reporting Requirements. As such data, with the exception of HVCA, is provided for the total number of calls received and calls abandoned and is taken directly from the Call Media system. Telephone complaint volumes are derived from CMS logs in Rapid and exported via a Corvu query based on the list of CMS codes identified as a complaint and any other contact that has the complaint indicator selected.

We have not undertaken any checks on the configuration of these reports. The Company has a documented methodology of how data is collated from the system and during the audit the representatives outlined the processes they follow. Data for the all lines busy indicator is derived from NI Water's telephony provider's systems. Again, we have not tested the reliability or accuracy of this report.

We have checked and confirm that the totals presented in the DG9 lines of Table 5 are

consistent with the summary Call Media reports compiled by the Company.

5.4 Telephone Complaints

See Section 4.6.

5.5 Call Handling Satisfaction

We found that the Company reports all calls received to the market researcher and no exclusions are made. As such it is possible that allowable exclusions are included in the market researchers' sample in each of the designated weeks.

5.6 Quality Assurance

NI Water advised that regular performance audits take place, including checks on the call handling process, the logging of calls and allocation to CMS code. For reporting purposes the checks (and feedback) given on how calls were recorded onto the Rapid are updated regularly and are used for the reported figures.

These checks are important controls within the reporting process and we would encourage the Company to continue these checks in at least the same level of detail.

Special Assistance Register

1. Background

This table identifies customers registered for special assistance.

2. Key Findings

- We believe the methodology to populate the Special Assistance Register is appropriate and in line with the Reporting Requirements.
- The number of customers registered on the scheme has increased by 2.6%. We believe this is a combination of efforts to promote awareness amongst the customer base. When considering the reduction in the growth of customer numbers, we have recommended that NI Water review how they promote the scheme to ensure those with Special Assistance requirements are aware of the Company's scheme.
- We audited the reported data and challenged the processes on a sample basis. Except where detailed below, we consider the data reported in the table is robustly prepared using systems and process that are appropriate and in line with the reporting requirements and that are properly implemented with effective quality control and governance arrangements.

3. Audit Approach

To check the accuracy of the information reported, our audit consisted of an interview with the NI Water line holder, an audit of the data from the Company's systems to the final table and a review of the current methodology for data collation. This year's data has also been compared with last year's table entries.

We have also checked the data in the final submission for consistency with previously audited data.

4. Audit Findings

We found that the procedures and methodology broadly consistent to that reviewed previously.

The Company's Special Assistance Register is called the Customer Care Register. At the end of the AIR16 reporting period the Company advised that 3,163 customers were recorded on the Customer Care Register. The number of customers registered on the scheme has therefore increased by 2.6%. We believe this is a combination of efforts to promote awareness amongst the customer base.

We note that the data for the Special Assistance Register shows that the increases seen every year are slowing. The following Table highlights the trend.

| Year | 2013-14 | 2014-15 | 2015-16 |
|---|---------|---------|---------|
| Customers on the special assistance register | 2,903 | 3,084 | 3,163 |
| Increase in customers over previous year | 228 | 181 | 79 |
| Percentage Increase over previous year | 8.5% | 6.2% | 2.6% |

We are unable to confirm whether this apparent plateauing of the data is due to an activity decrease in promoting the register or whether the register is reaching a natural peak as it becomes harder to pick-up new households. We recommend that NI Water review how they may be able to get higher growth in this data by targeting new customer subsets, or whether

this is not feasible. This may result in no change to the existing operation of the scheme but is useful to demonstrate that all possibilities are considered to advertise the register to customers.

During the audit we discussed a number of aspects of the operation of the scheme. The following provides an overview of these discussions:

- The reported figure is extracted from the Rapid system and registration on the scheme is managed by the Company's Service Provider.
- During AIR15, we met with a representative from the Company's Service Provider who explained how new registrations onto the scheme and how existing registrations are managed. We were advised that new registrations are managed by a dedicated team and existing registrations have been verified during the year. The methodology for this has not changed during the AIR16 period and we continue to believe the approach is reasonable.
- The Company confirmed and we checked that where a customer is registered for more than one service, they are only counted once in the total number of customers reported in Line 18.
- The Company also confirmed that customers are registered on a household rather than individual customer basis.
- We noted that individuals are counted. In the case of nursing homes this means that a number of nursing home residents are counted for the same nursing home. We noted at audit that it may be possible to count nursing homes using addresses. However reporting of the data is consistent with previous years.

5. Assumptions

We consider that there are no assumptions to be disclosed and that the data is based on sound procedures.

6. Confidence grades

The Company has assigned a confidence grade of A2 to this line. We believe this grade is appropriate.

7. Consistency checks

Not applicable to this Table Line.

Date: July 2016
Prepared by: C Gittings and E Smith