Customer Perceptions Research

Wave 3 – 2022/2023

Fieldwork: Dec 2022 and January 2023

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V8

Background & objectives

Background

NGN operates in a regulated environment and is in year one of its current business plan cycle, GD2, which commenced in March 2021. NGN wish to monitor and assess stakeholder perceptions on key business areas across GD2.

A baseline of customer attitudes and preferences was conducted by Accent in December 2020 - January 2021 (Wave 1). The survey was repeated in December 2021/January 2022 to assess how customer views have changed over time.

Another wave of research was carried out between December 2022 and January 2023. This report refers to the 3rd **wave of the research.**

Objectives

Main objectives/ what we covered:

- Awareness
- Customer priorities
- Sustainability commitments
- Energy use/ future of energy Hydrogen
- Vulnerability support & recruitment
- NGN communities
- NGN's schemes

Contents

Purpose of research

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Awareness of NGN

Customer priorities

Energy use and concerns

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Future Energy

Vulnerability and recruitment

Keeping your household safe

Appendix and demographics

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Research methodology

1,355 CUSTOMERS

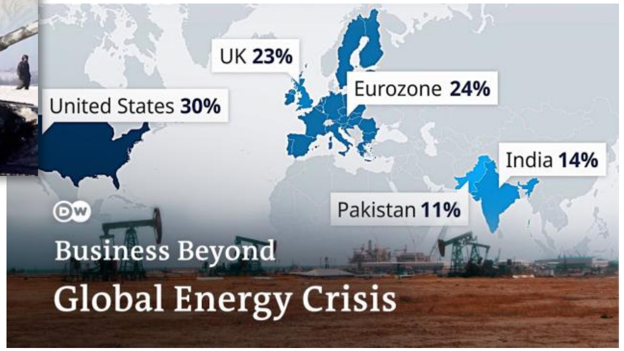
- 1,100 **domestic** customers
- 255 **business** customers

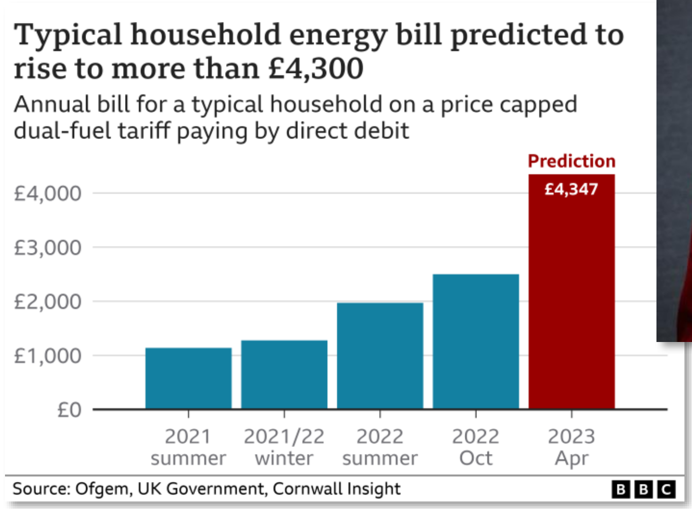
A DUAL APPROACH was used to provide the sample of NGN customers:

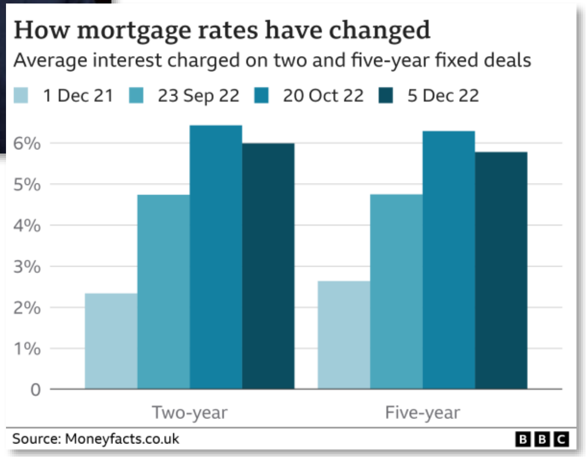
- **Online panel** using Dynata (n=1,255)
- **Face-to-face interviewing** at customer's doorstep (n=100) to capture the views of those underrepresented on panels (i.e. minority groups, older) - £5 cash incentive was offered for those completed the survey

All charts show percentages. Percentages may not total 100 due to rounding. Significant at 95% confidence level.
Total data shown is unweighted, domestic data is weighted, business data is unweighted

2022 – A year of upheaval and change







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Key takeaways

AWARENESS	BILL COST	ENERGY USE	PRIORITY	FUTURE ENERGY	SAFETY ACTIONS
Increased awareness could be due to interest in energy usage	Concerns over bills and cost of living continued	Worries over energy use increased significantly	Lowering bill was most important for all customers	Having a choice in deciding future energy is key	Cost of living crisis may not impact safety maintenance

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Awareness of NGN

Overall awareness remained stable

Most of NGN’s customers know ‘nothing’ or at best ‘a little’ about NGN

Business customers continue to have more awareness of NGN than domestic

Tracking question(s)

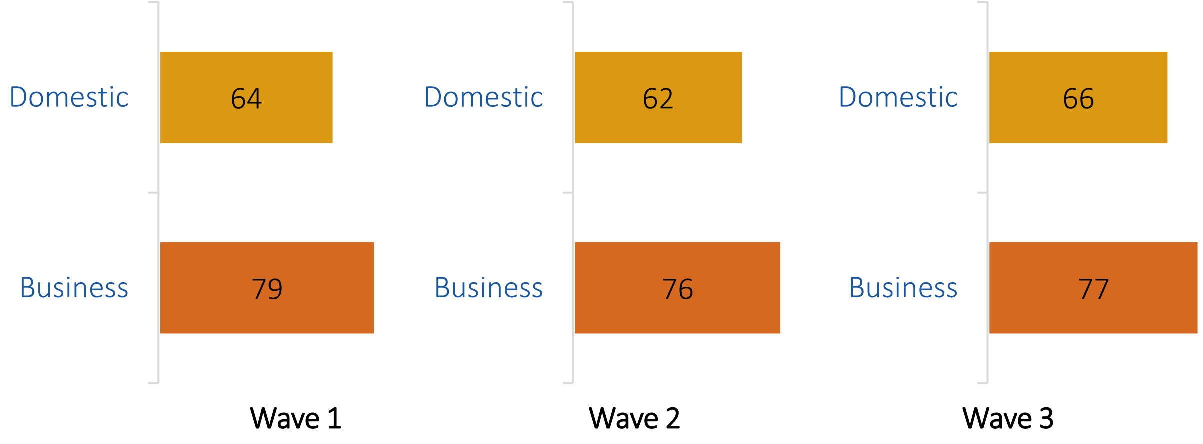
Awareness & knowledge of NGN

Awareness of NGN returned to previously seen levels, with business customers continuing to have better knowledge of the organisation

Awareness of NGN overall

Wave 1	Wave 2	Wave 3
66%	62% Sig lower than wave 1	67%

Awareness of NGN – Domestic vs Business



Q23. Had you previously heard of Northern Gas Networks? + Q24. How well do you feel you know NGN and the services it is responsible for? (Both questions are tracking questions) (wave 1 = 1,411; Domestic: 1,148; Business 263) (wave 2 = 1,124; Domestic 952, Business: 172) (wave 3= 1,355, Domestic 1,100, Business 255)

Customer priorities

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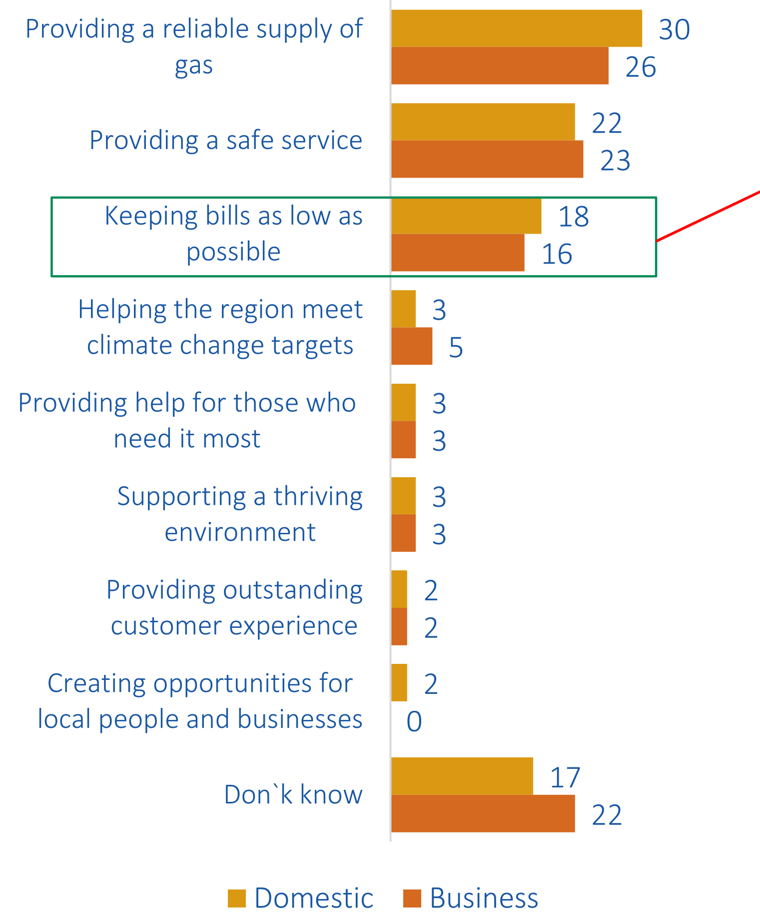
Customers put higher priority on lower bills when compared to providing a reliable service this wave – not only those financially struggling

Tracking question(s)

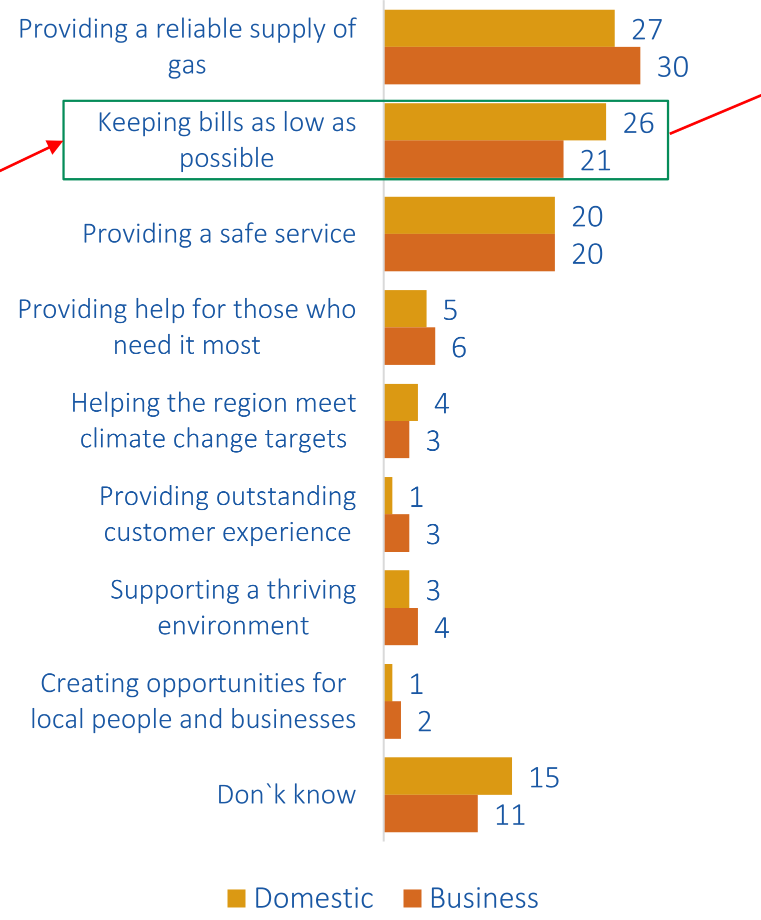
Customers' uninformed priority – by business and domestic

Keeping bills low was the top uninformed priority for both business and domestic customers in wave 3, with a quarter of each group voting this as most important for NGN to focus on.

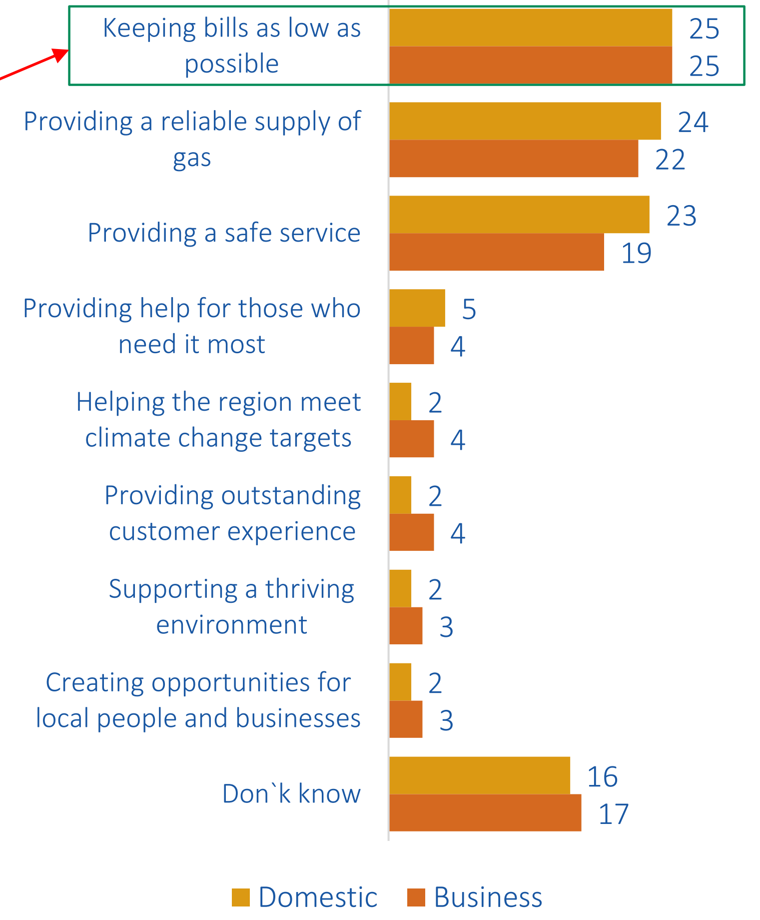
Customer's uninformed priority wave 1



Customer's uninformed priority wave 2



Customer's uninformed priority wave 3



Q26. Please rank the following from 1-8 (where 1 is the most important) to indicate which you feel are the most important for NGN to focus on (wave 1 = 1,411; Domestic: 1,148; Business 263) (wave 2 = 1,124; Domestic 952, Business: 172, wave 3= 1,355, Domestic 1,100, Business 255,)

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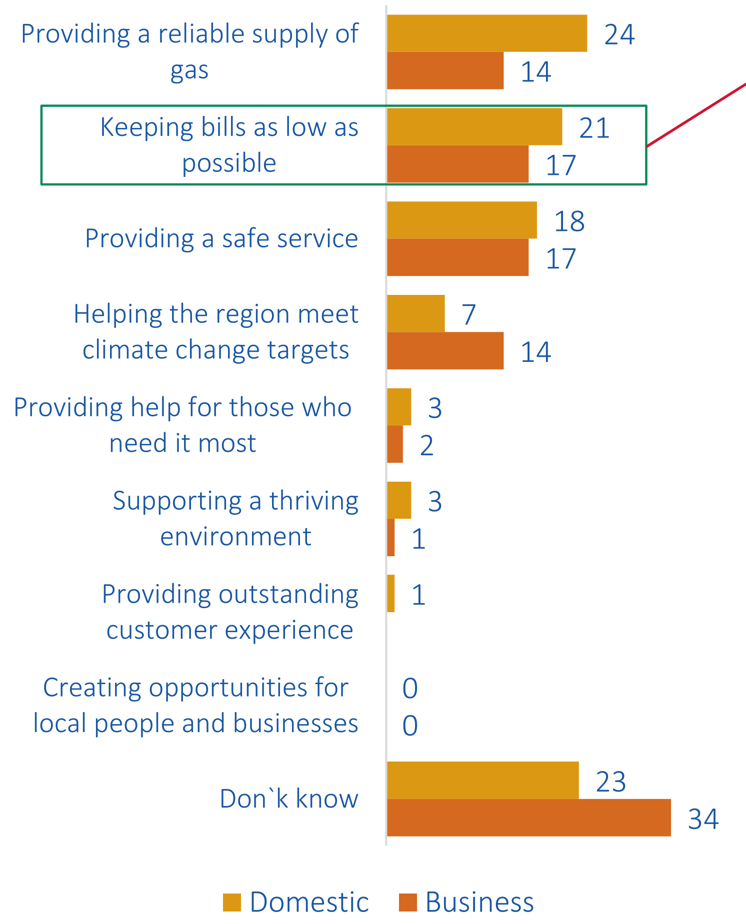
Tracking question(s)

Customers' informed priority – by business and domestic

Informed priorities saw ***keeping bills as low as possible*** move to the top of the priority list for both domestic and business customers.

Customer's Informed priority wave 1



Customer's Informed priority wave 2

Customer's Informed priority wave 3

Q49. We would like you to take another look at the business areas we showed you earlier, having learned more about NGN. Please rank them from 1-7 (where 1 is the most important) to indicate which you feel are the most important for NGN to focus on from 2021 to 2026. (wave 1 = 1,411; Domestic: 1,148; Business 263) (wave 2 = 1,124; Domestic 952, Business: 172, wave 3= 1,355, Domestic 1,100, Business 255)

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Tracking question(s)

Comparing customers' informed priority

Similar to last wave, concerns about ***keeping bills as low as possible*** in wave 3 went up significantly once customers found out more about NGN.

Uninformed vs Informed priority wave 1

Uninformed vs Informed priority wave 2

Uninformed vs Informed priority wave 3

Q26. Please rank the following from 1-8 (where 1 is the most important) to indicate which you feel are the most important for NGN to focus on (wave 2 = 1,124, wave 3= 1,355)

Q49. We would like you to take another look at the business areas we showed you earlier, having learned more about NGN. Please rank them from 1-7 (where 1 is the most important) to indicate which you feel are the most important for NGN to focus on from 2021 to 2026. (wave 2 = 1,124, wave 3= 1,355)

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Energy use and concerns

Customers are more likely to have difficulty paying bills than ever before

Concerns about how much customers spend on energy on the increase

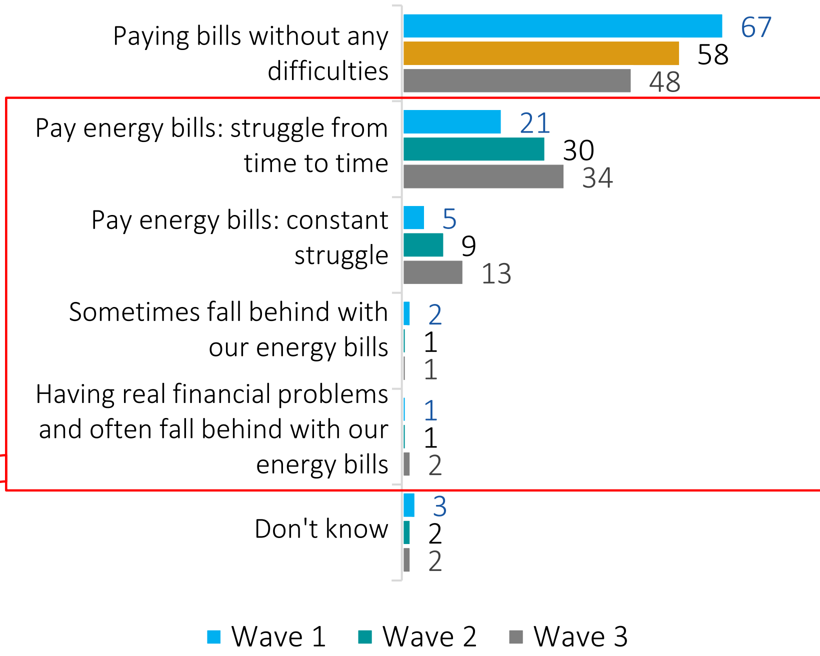
Domestic customers reported a decrease in energy use while business claimed the opposite

Tracking question(s)

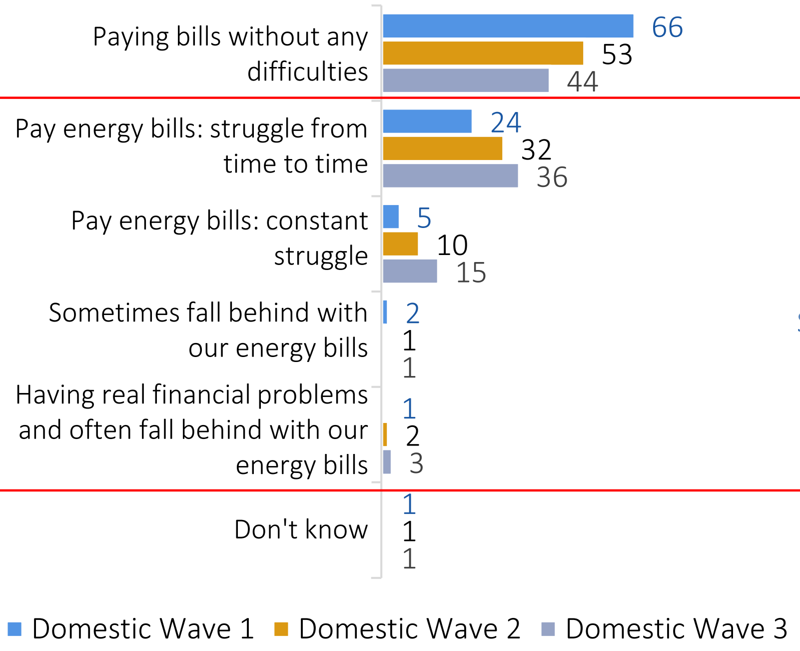
Paying energy bills

In wave 3, significantly more customers claimed they had difficulty paying their energy bills. **Less than half (44%)** of domestic customers paid without any difficulties.

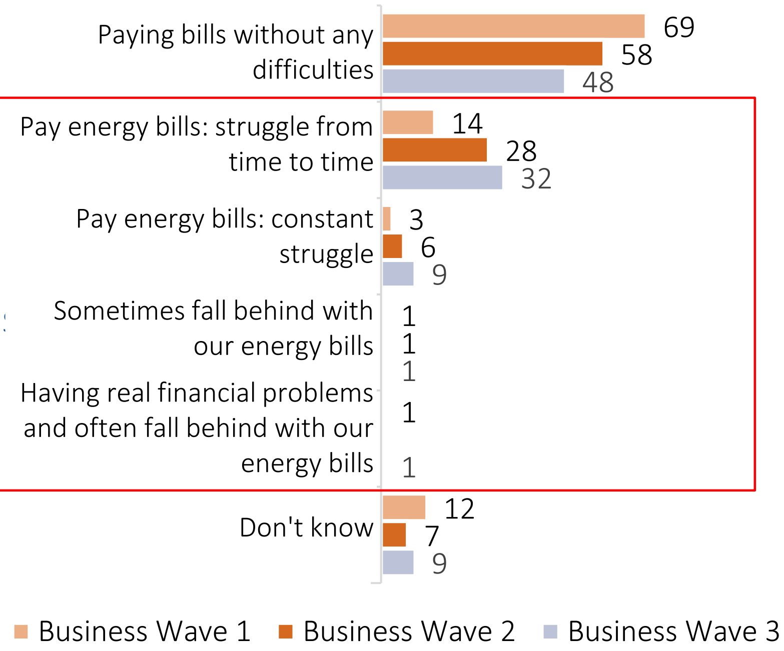
Situation with paying your energy bill – overall



Domestic



Business



Overall	Wave 1	Wave 2	Wave 3
Pay without any difficulties	67%	58%	48%
Pay with difficulties	30%	40%	50%
		Sig higher than wave 1	Sig higher than wave 2

Domestic	Wave 1	Wave 2	Wave 3
Pay without any difficulties	66%	53%	44%
Pay with difficulties	33%	46%	55%
		Sig higher than wave 1	Sig higher than wave 2

Business	Wave 1	Wave 2	Wave 3
Pay without any difficulties	69%	58%	48%
Pay with difficulties	19%	35%	43%
		Sig higher than wave 1	

Q55. Which one of the following statements best describes your situation with paying your energy bill? (Tracking question) (wave 1 = 1,411; Domestic: 1,148; Business 263) (wave 2 = 1,124; Domestic 952, Business: 172; wave 3= 1,355, Domestic 1,100, Business 255)

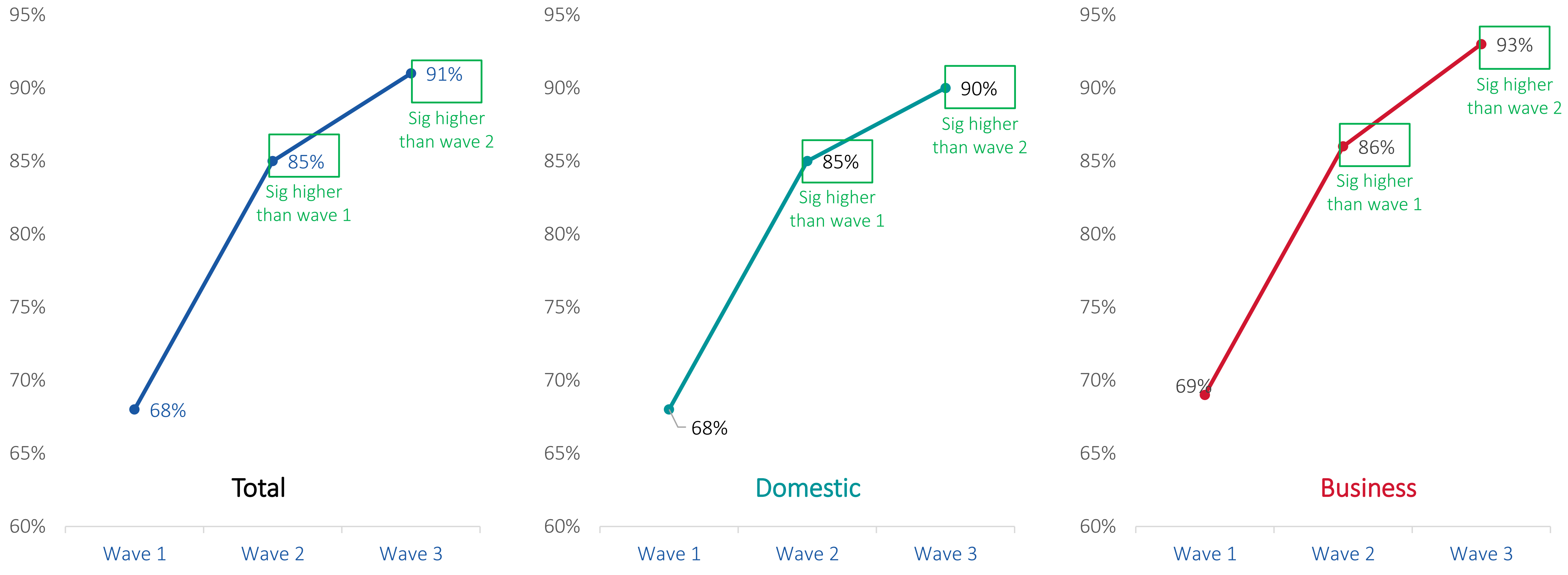
Concerned about spending on energy

9 out of 10 were **concerned about the amount of money** they spend on energy – significantly higher than wave 1 and 2

Tracking question(s)

Concern over energy spend– Top 2 box agreement

I am concerned about the amount of money we spend on energy



Q27r1. How much do you agree or disagree with the following statements? (Tracking question) (wave 1 = 1,411; Domestic: 1,148; Business 263) (wave 2 = 1,124; Domestic 952, Business: 172) wave 3= 1,355, Domestic 1,100, Business 255)

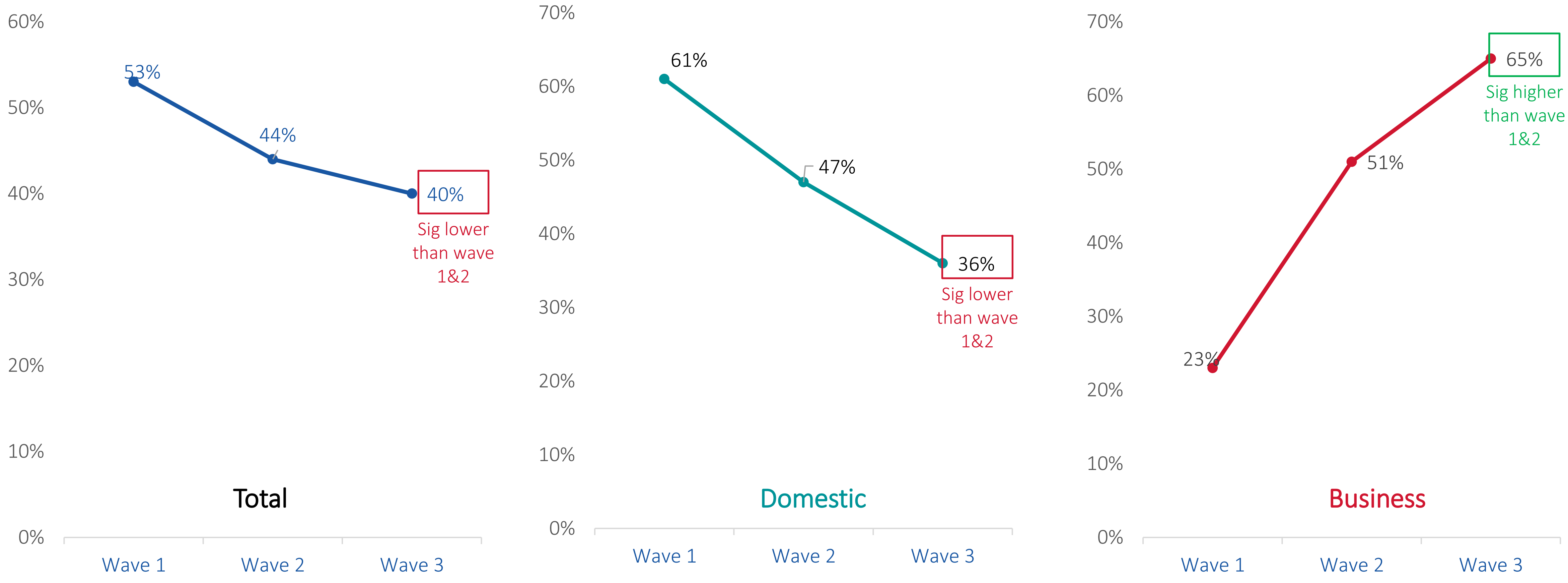
Customers' energy use

In 2022, among the domestic sample, customers reported a decrease in energy use while business customers claimed the opposite.

Tracking question(s)

Energy usage – Top 2 box agreement

Our household/business uses more energy now than we did last year



Q27r2. How much do you agree or disagree with the following statements? (Tracking question) (wave 1 = 1,411; Domestic: 1,148; Business 263) (wave 2 = 1,124; Domestic 952, Business: 172) wave 3= 1,355, Domestic 1,100, Business 255)

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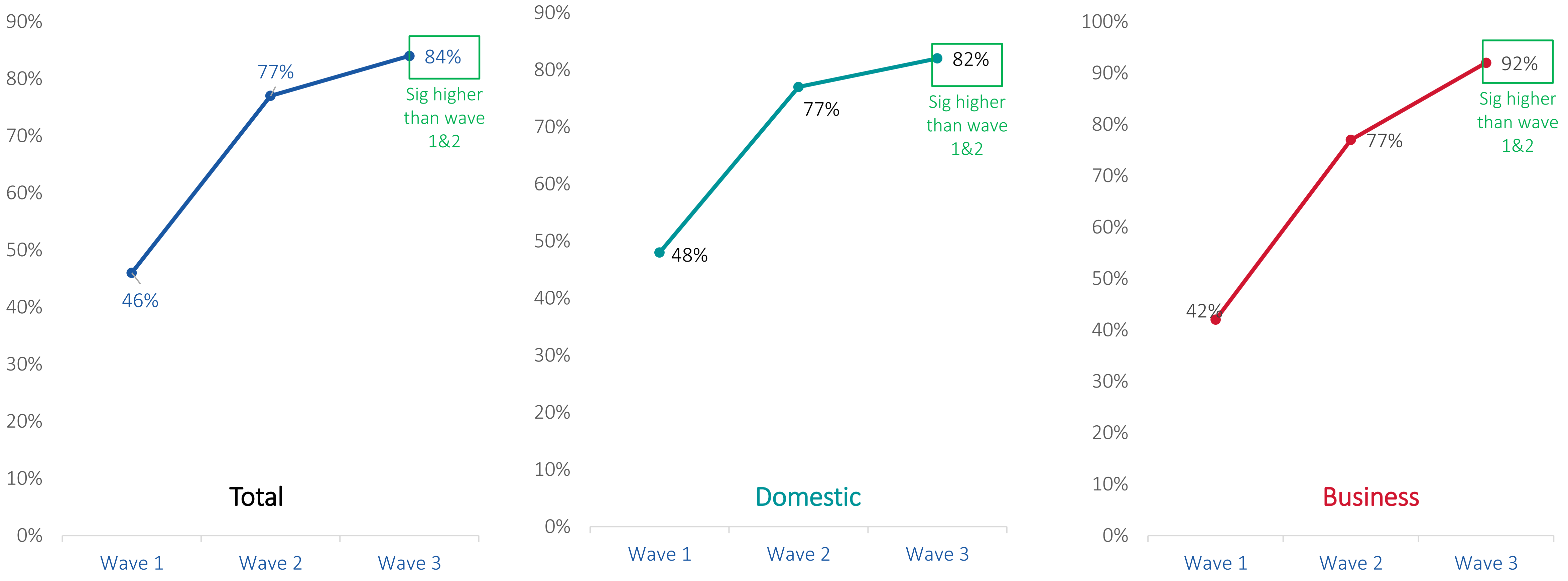
Energy use – thoughts & worries

Thoughts & concerns over energy usage continue to increase in wave 3, with **4 in 5 worried more about their energy usage** now than last year.

Thoughts about energy usage– Top 2 box agreement

I am more worried now about the energy that I use now than last year



Q27r3. How much do you agree or disagree with the following statements? (Tracking question) (wave 1 = 1,411; Domestic: 1,148; Business 263) (wave 2 = 1,124; Domestic 952, Business: 172, wave 3= 1,355, Domestic 1,100, Business 255)

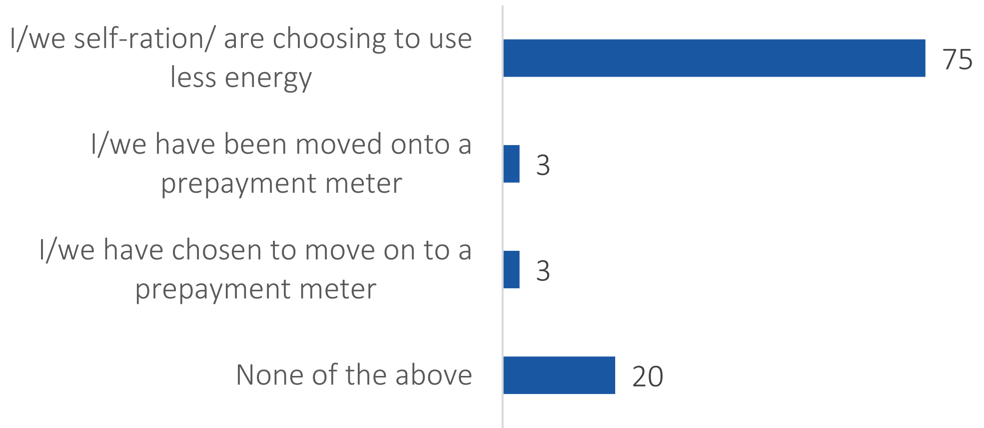
New question(s)

Impact of energy crisis

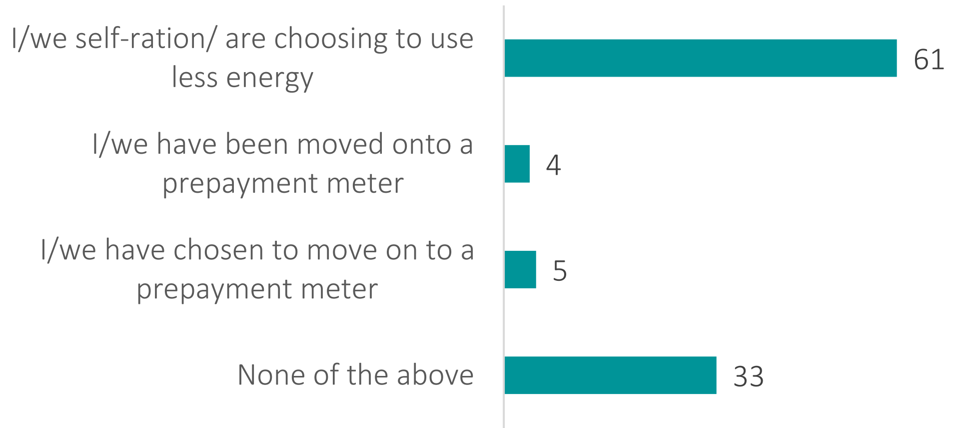
Overall, 7 out of 10 reported using less energy. While the proportion of consumers chose to move or been moved to a pre-payment meter was small – this is significantly higher in certain groups such as younger customers, those on PSR or experiencing financial hardship.

Customers' solution

Domestic



Business



		Age				SEG				Digitally disengaged		PSR		Bill payment			Financial hardship	
Domestic only	Total	16-29	30-49	50-74	75+	AB	C1	C2	DE	Digitally disengaged	Online	On PSR	Not on PSR/Don't know	Pay without difficulty	Struggle from time to time	Constant struggle / fall behind	Yes	No
I/we self-ration/ are choosing to use less energy	75	68	76	78	65	77	77	68	77	62	76	77	75	69	83	77	81	69
I/we have been **moved onto a prepayment meter**	3	11	5	1		1	3	7	4		4	5	3	2	4	7	5	2
I/we have **chosen to move on to a prepayment meter**	3	6	5	1		3	2	3	3	1	3	5	2	2	2	6	3	2
None of the above	20	21	16	21	35	20	19	24	19	37	19	16	22	29	14	13	13	29

Sig higher than at least one attribute in the same category. Significant at 95% confidence level.

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Q55a. Do any of the following apply to you? wave 3= 1,355, Domestic 1,100, Business 255 New question in wave 3

Sustainability Commitments

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Access to affordable energy solutions was the top priority commitment for both business and domestic customers, especially those who struggled financially

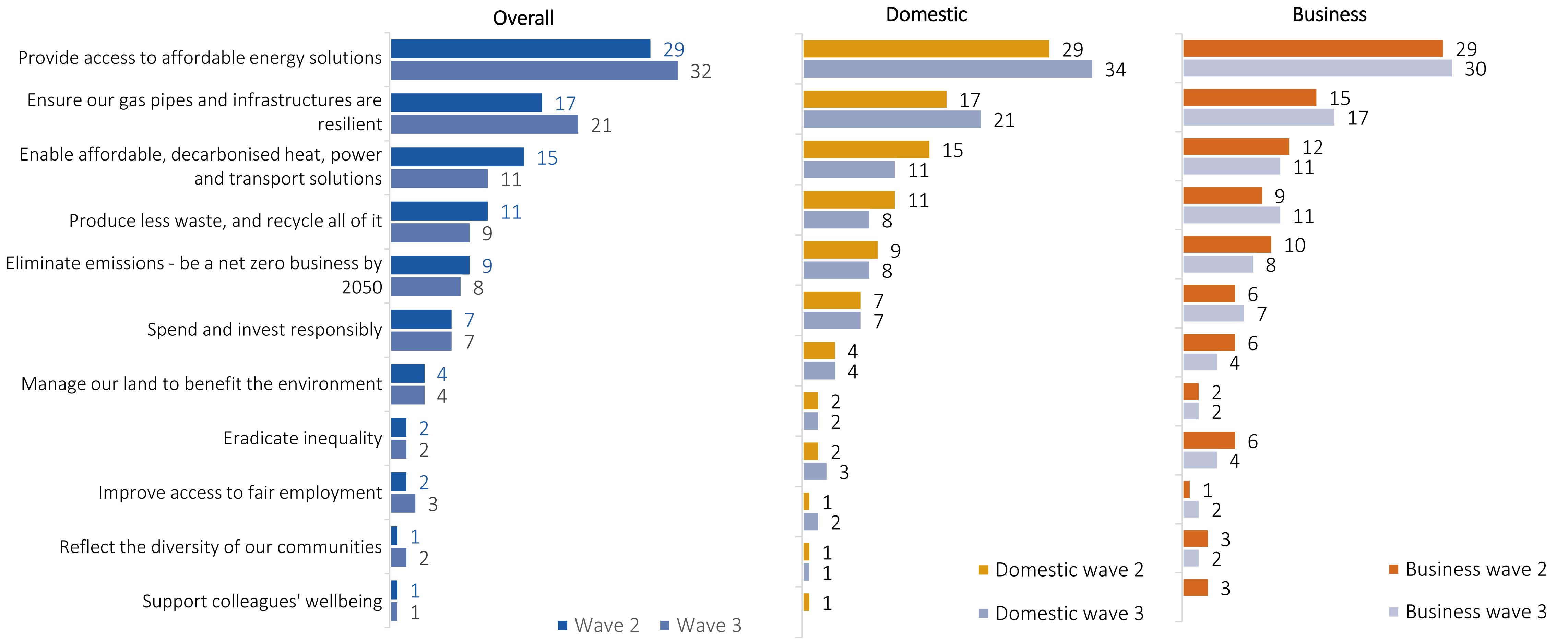
Waste reduction, recycling performance and actions to promote low carbon energy were topics customers would like NGN to communicate about

Tracking question(s)

NGN's sustainability commitments

Access to affordable energy solutions was the top priority for both business and domestic customers in wave 3, followed by ***resilient infrastructure.***

Please choose the 3 commitments you would most like NGN to prioritise– Top choice



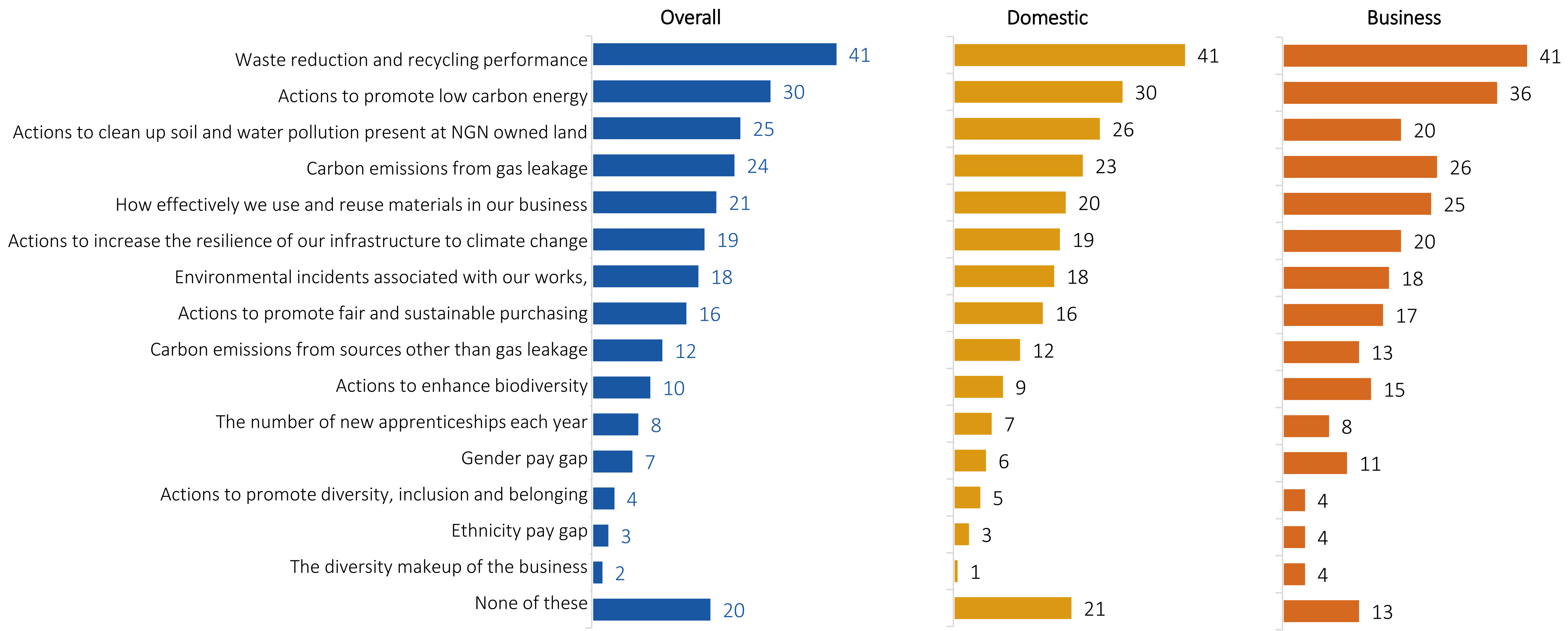
Q30a1. Please look at the list of commitments and choose the 3 commitments you would most like NGN to prioritise: First commitment) (wave 2 = 1,124; Domestic 952, Business: 172, wave 3= 1,355, Domestic 1,100, Business 255) New question in wave 2

Information on NGN's sustainability commitments.

Waste reduction and recycling performance was the top choice, followed by actions to promote low carbon energy.

New question(s)

Information customers like to know about Northern Gas Networks' sustainable performance

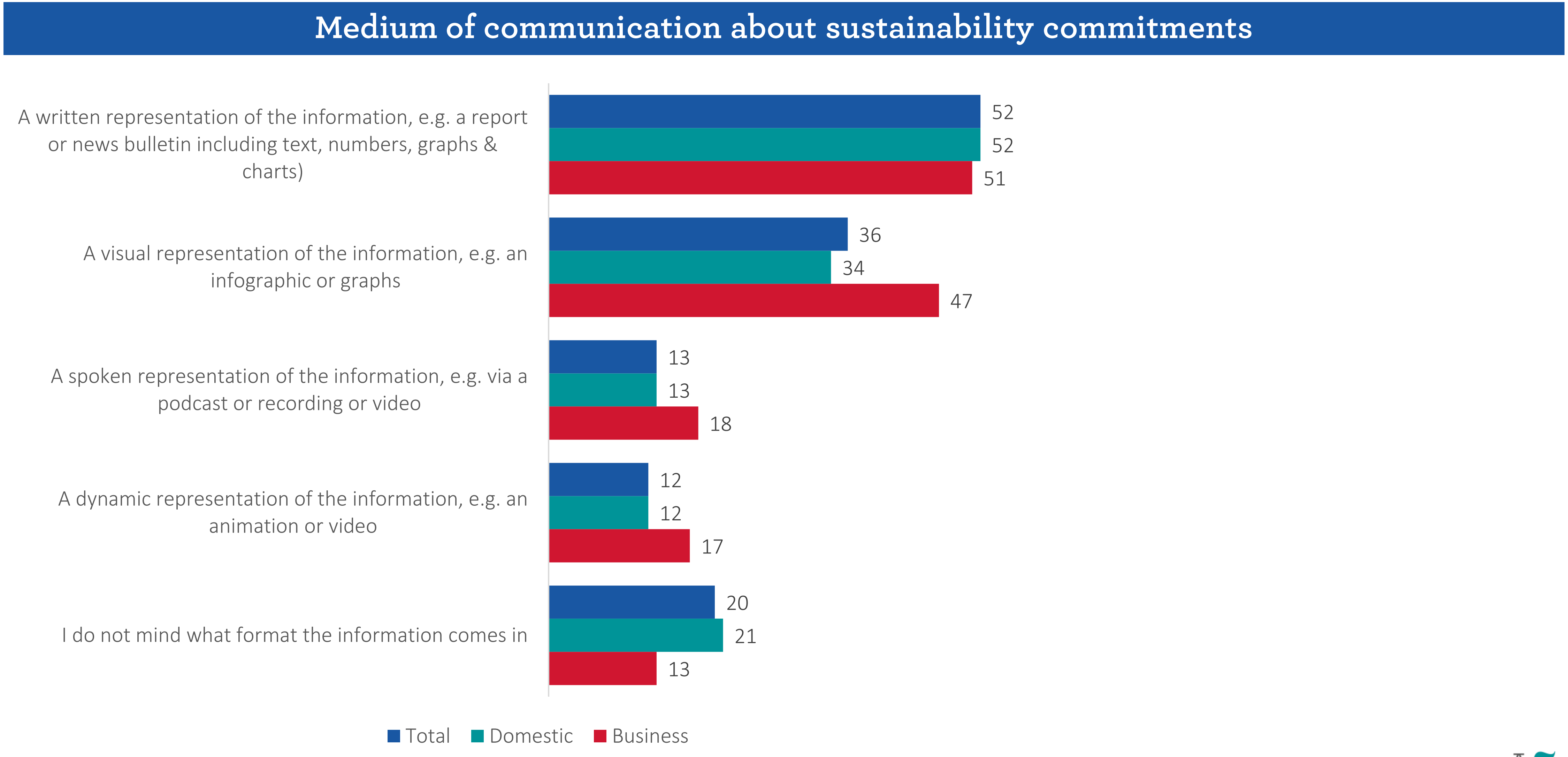


Q33a. What information would you as a customer like to know about Northern Gas Networks` sustainable performance each year? (wave 3= 1,355, Domestic 1,100, Business 255) New question in wave 3

Information on NGN's sustainability commitments

The majority of participants would like to see a written presentation of the information such as a report, followed by a visual presentation such as an infographic.

New question(s)



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Q33c. How do you like the information to be presented? (wave 3= 1,355, Domestic 1,100, Business 255) New question in wave 3

Future Energy

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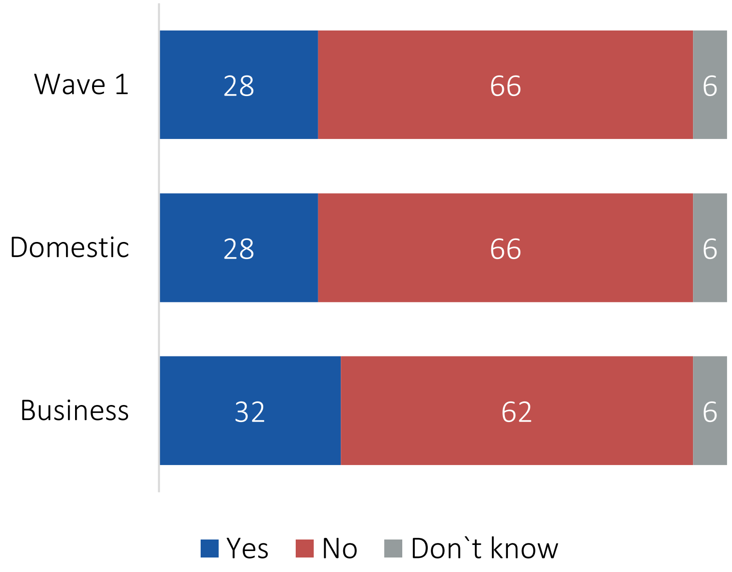
Awareness and positive perception of hydrogen technology remained stable – cost continued to be key barrier

Customers wanted the ability to make a choice about the type of energy in their local area

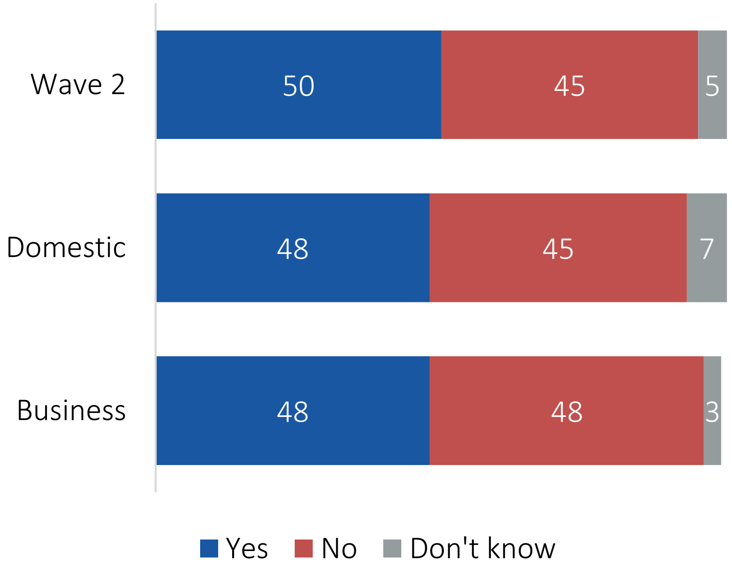
Awareness of hydrogen

Awareness of hydrogen remained stable in wave 3 with just under half (49%) of all participants reporting knowledge of the technology.

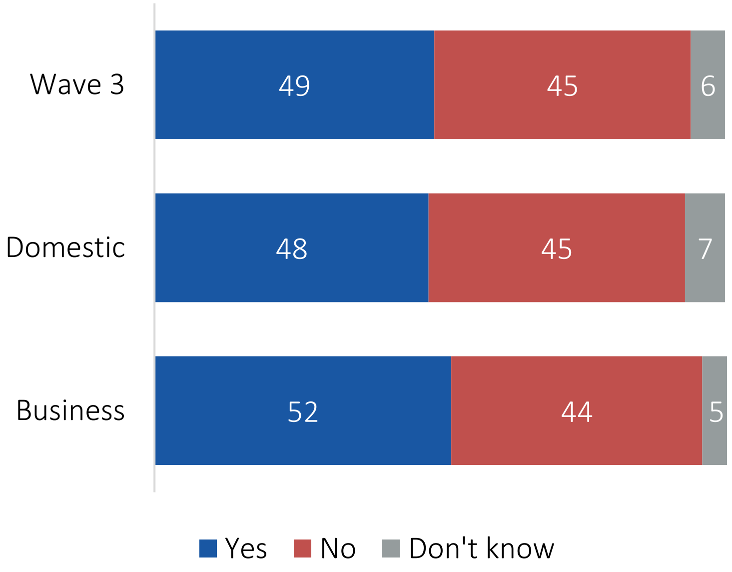
Awareness of hydrogen- wave 1



Awareness of hydrogen- wave 2



Awareness of hydrogen- wave 3

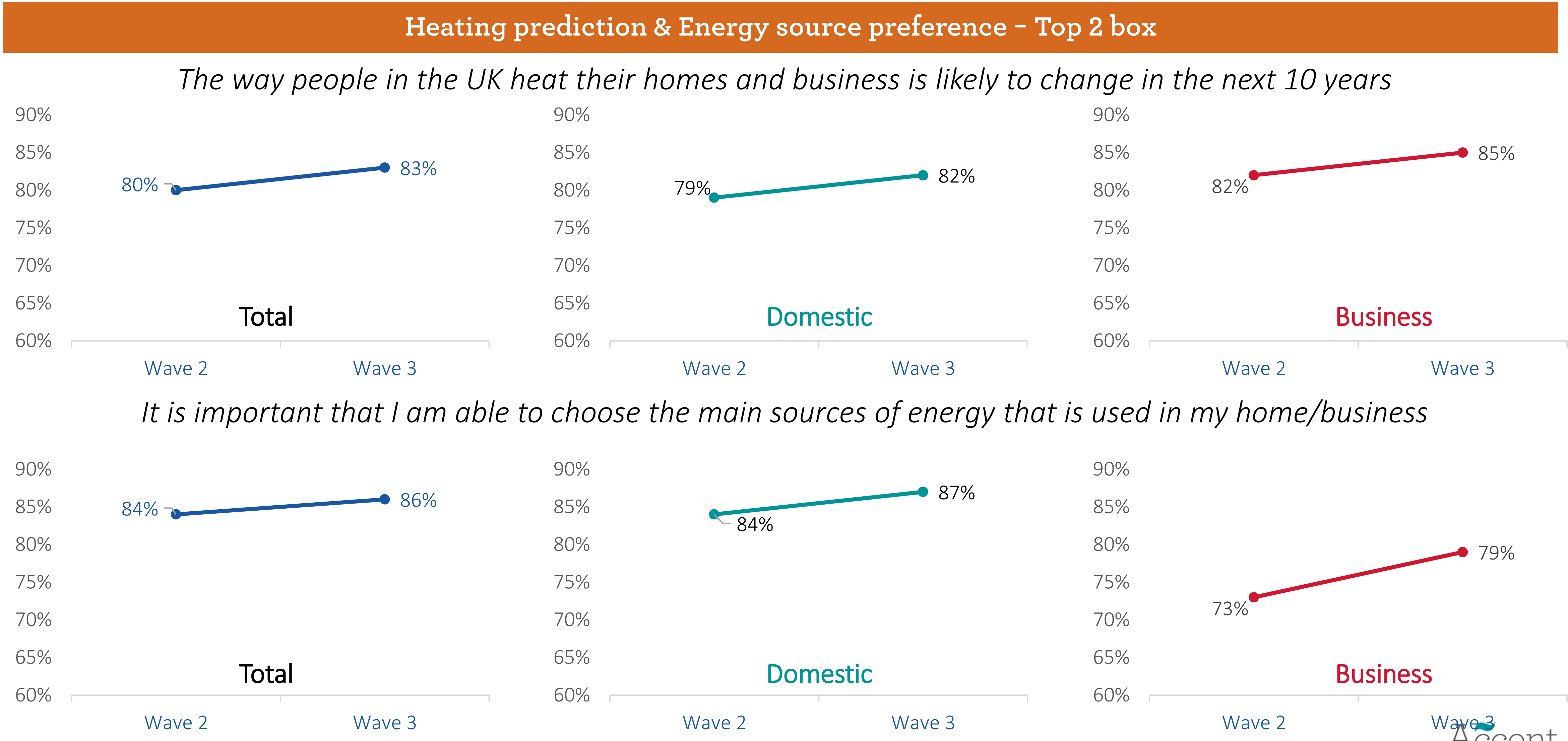


Q35. Before today, had you heard of hydrogen being used as an alternative gas for heating and cooking in our homes and businesses?– Tracking question (wave 1 = 1,411; Domestic: 1,148; Business 263) (wave 2 = 1,124; Domestic 952, Business: 172, wave 3= 1,355, Domestic 1,100, Business 255)

Future of heating and the importance of choice

The majority of customers agreed that the way we heat our homes would change in the next 10 years and it is important to be able to choose the main source of energy.

Tracking question(s)



Q34ar1-r2. How much do you agree or disagree with the following statements? (Tracking question) (wave 2 = 1,124; Domestic 952, Business: 172, wave 3= 1,355, Domestic 1,100, Business 255)

Awareness and perception of future technology

Heat pumps continued to have the highest awareness levels of the 4 future technologies. Awareness and positive perception of future technology remained relatively stable when compared to the previous wave.

Tracking question(s)

Awareness of future technologies overall		
Aware	Wave 2	Wave 3
Hydrogen Boilers	55%	54%
District heat networks	39%	36%
Heat pumps	87%	86%
Hydrogen fuelled cars	67%	67%

Perception of future technologies overall		
Very or Somewhat positive	Wave 2	Wave 3
Hydrogen Boilers	52%	50%
District heat networks	47%	46%
Heat pumps	39%	40%
Hydrogen fuelled cars	46%	48%

Q35ar1. Which of the following technologies have you heard of? (wave 2 = 1,124, wave 3= 1,355) New question in wave 2
Q35B. ASK FOR ALL HEARD OF AT Q35A And what is your perception of the following technologies? New question in wave 2

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We matched hydrogen awareness with positive hydrogen perception.

Knowledge of hydrogen helps to drive positivity about this technology, customers with some information about hydrogen recorded significantly higher positivity compared to those without knowledge

Tracking question(s)

Awareness of hydrogen boiler wave 3 – Overall	Hydrogen positive
Heard of and know a little or a lot about Hydrogen boiler	75%
Heard of but don't know very much about Hydrogen boiler	51%
Never heard of Hydrogen boiler	17%

Awareness of heat pump wave 3 – Overall	Hydrogen positive
Heard of and know a little or a lot about heat pump	58%
Heard of but don't know very much about heat pump	33%
Never heard of heat pump	14%

Hydrogen positive: rated *Very positive* or *Somewhat positive* about hydrogen boilers or hydrogen cars

Q35ar1. Which of the following technologies have you heard of? (wave 3 = 1,355) Q35br1. And what is your perception of the following technologies?

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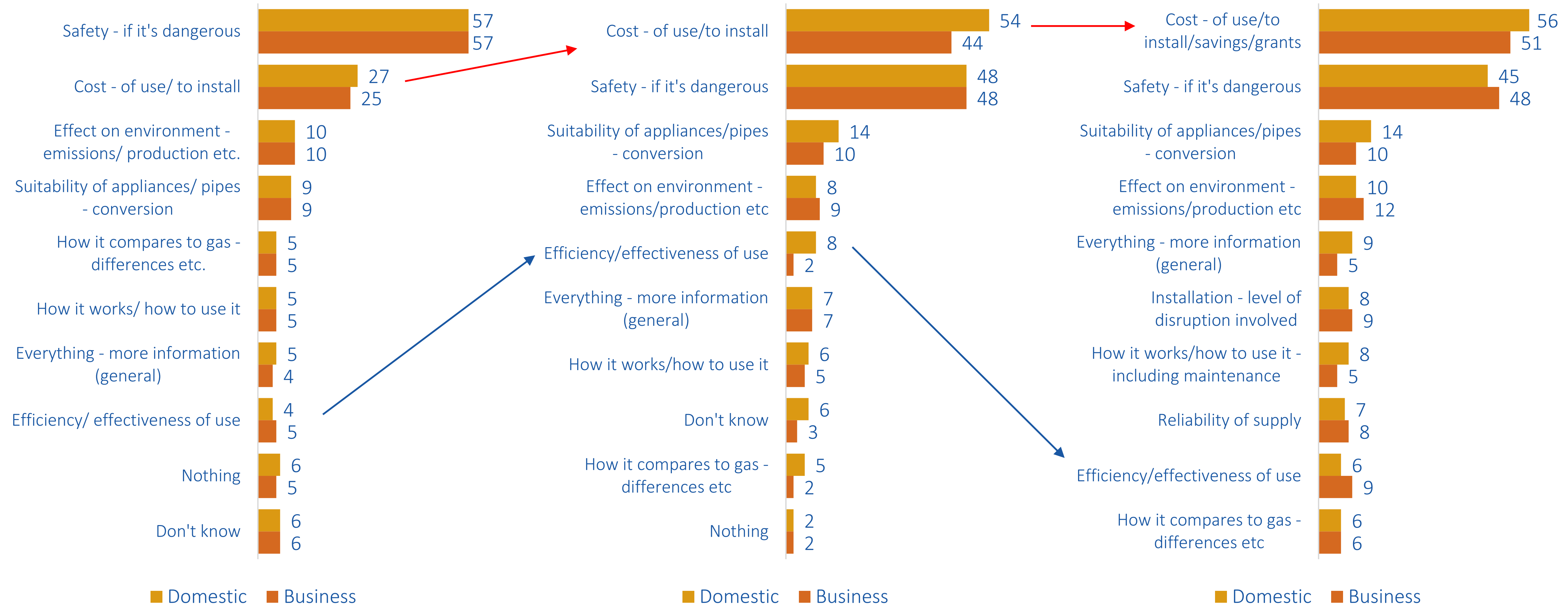
Tracking question(s)

What customers would want to know more about hydrogen

Cost continued to be the most popular information customers wanted to know more about when installing hydrogen with 56% selecting this option.

Want to know more about – Wave 1 | Want to know more about – Wave 2 | Want to know more about – Wave 3

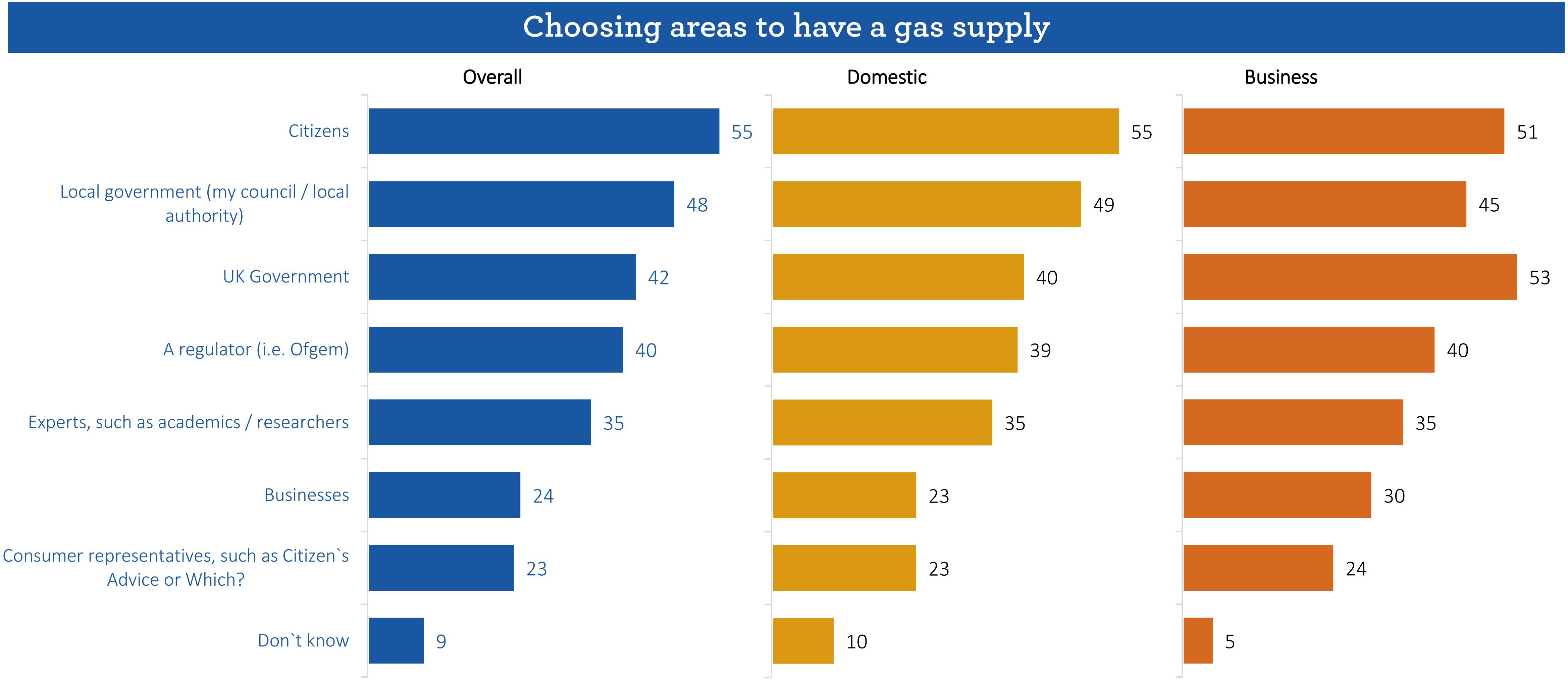


Q37. If the gas network in your local area was to be converted to use hydrogen, what things would you want to know more about? Please type your answer in the box below (wave 2 = 1,124; Domestic 952, Business: 172, wave 3= 1,355, Domestic 1,100, Business 255)

New question(s)

Who should be responsible for deciding which areas have a gas supply

Over half of all participants (55%) thought citizens should be involved in deciding which areas continue to have a gas supply, with local government the second most popular option (48%).



Q37a. Who do you think should be involved in deciding which areas continue to have a gas supply, and which areas will not have a gas supply? wave 3= 1,355, Domestic 1,100, Business 255 New question in wave 3

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Who should be responsible for deciding which areas have a gas supply

The majority of participants (69%) agreed that the decision about the type of heating system in their area should be a localised decision, with them having a say in the decision making process (73%). Less than 3 in 10 (28%) agreed that the decision about the type of heating should be made at a national level and around a third (36%) thought they should leave this decision to others who know more.

New question(s)

	Top 2 agreement
The final decision about the type of heating systems available in my area should be made at a local level, rather than a national level	69%
I want to have a say in the decision about the type of heating systems available in my area	73%
I am content to leave the decision about the type of heating systems available in my area to others who know more about it	36%
The final decision about the type of heating systems available in my areas should be made at a national level	28%

Q37br1-r2. How much do you agree or disagree with the following statements? wave 3= 1,355, Domestic 1,100, Business 255 New question in wave 3

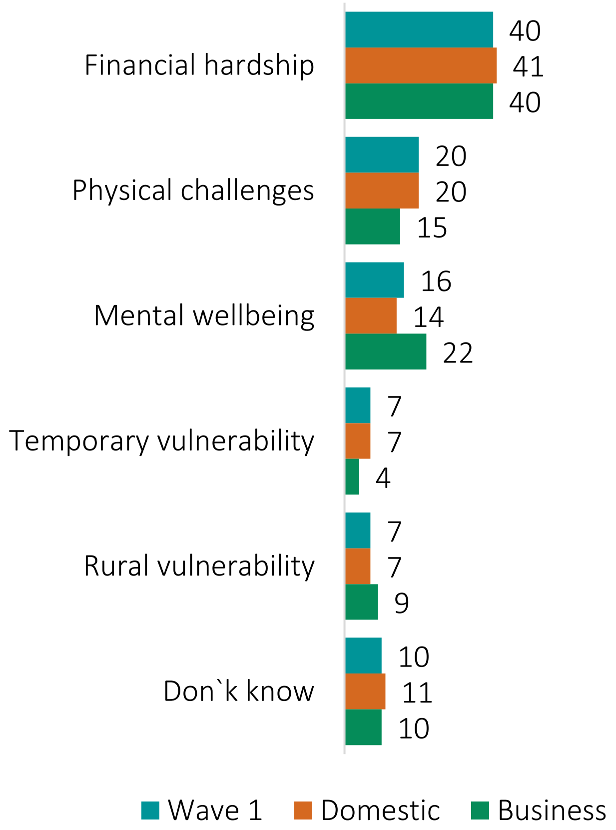
Vulnerability

Tracking question(s)

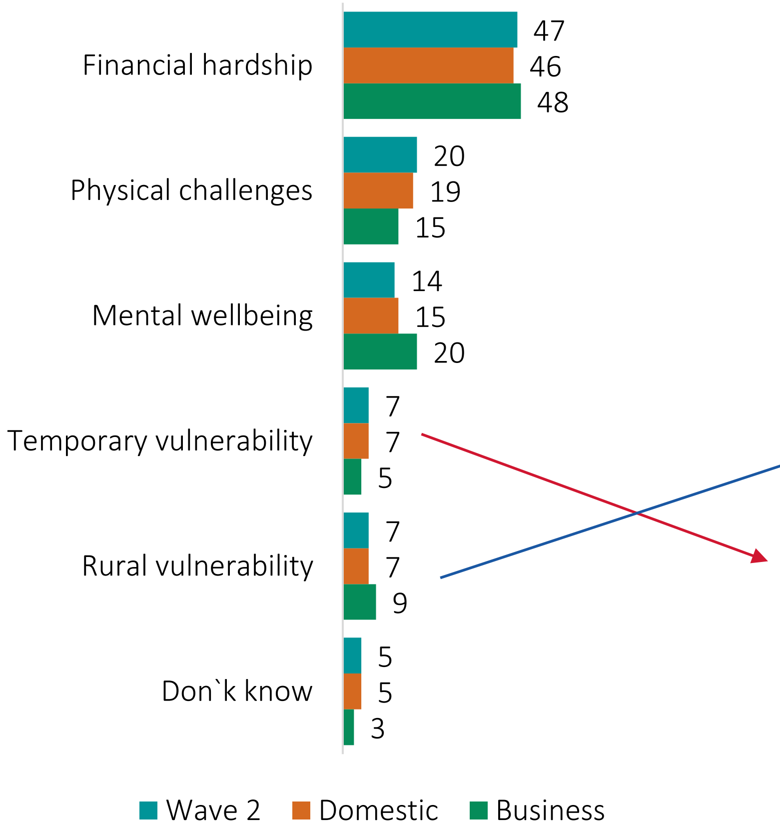
Vulnerability dimensions and initiatives

Financial hardship continued to be the dimension of vulnerability that most customers prioritise, with more customers in wave 3 selecting this as their top priority.

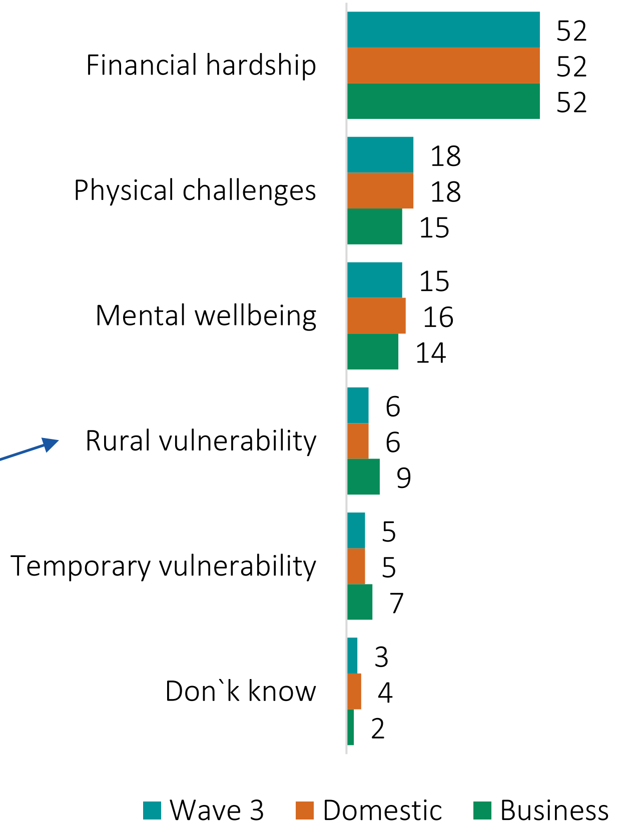
Prioritising vulnerability dimensions and initiatives – wave 1



Prioritising vulnerability dimensions and initiatives – wave 2



Prioritising vulnerability dimensions and initiatives – wave 3



Q38. NGN would like to know which of these categories of vulnerability are personally most important for you. Please rank them in order of importance, with the most important at the top. (Tracking question) (wave 1 = 1,411; Domestic: 1,148; Business 263) (wave 2 = 1,124; Domestic 952, Business: 172, wave 3= 1,355, Domestic 1,100, Business 255)

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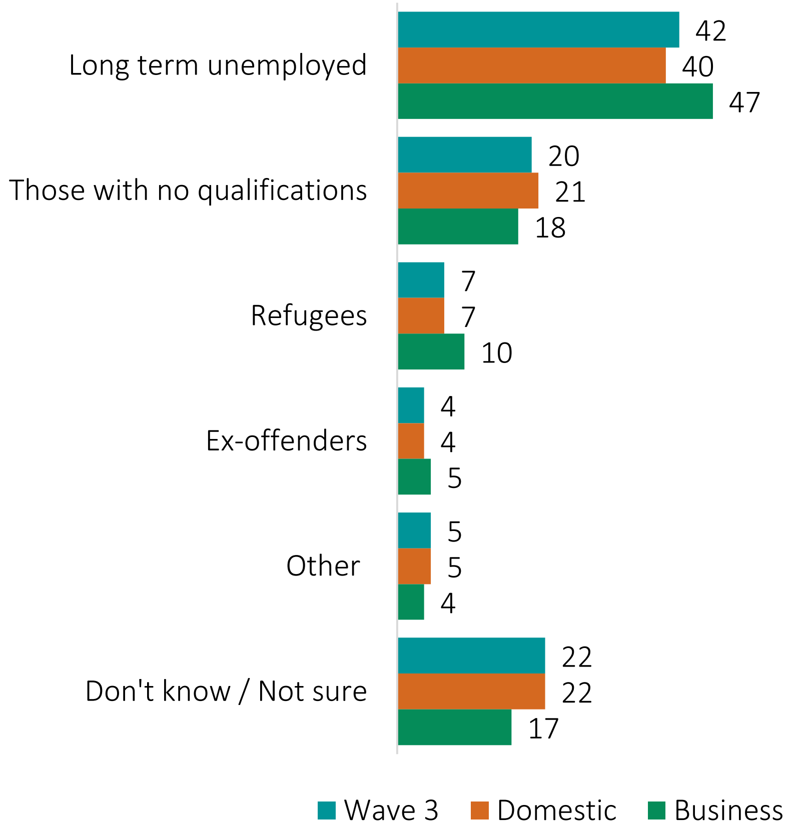
Recruitment

Who should NGN reduce recruitment barriers for

While most participants thought NGN should reduce recruitment barriers for those who were long term unemployed and without qualifications, a small number of customers also mentioned vulnerable and disabled people. Others thought employment should be based on relevant skillset.

Reducing recruitment barriers



OTHERS (5%)

Disabled and vulnerable

none, just hire people that are the best and deserve the job.

The poor and disabled

The best people for the job, not just on race, disability etc

You shouldn't be looking to tick boxes: employ the best/most promising people you can get; their background is irrelevant.

People with disabilities

Should be recruit on merit regardless of ethnicity ,demographic, gender or class.

Young people with additional need and disabilities

use anonymous data when hiring/vetting decisions are being made - employ people on merit, not identity. that is a far less racist/discriminatory approach

Those with no qualifications/Those whom age is now an invisible barrier/Ex-military

None. Jobs should be given on merit

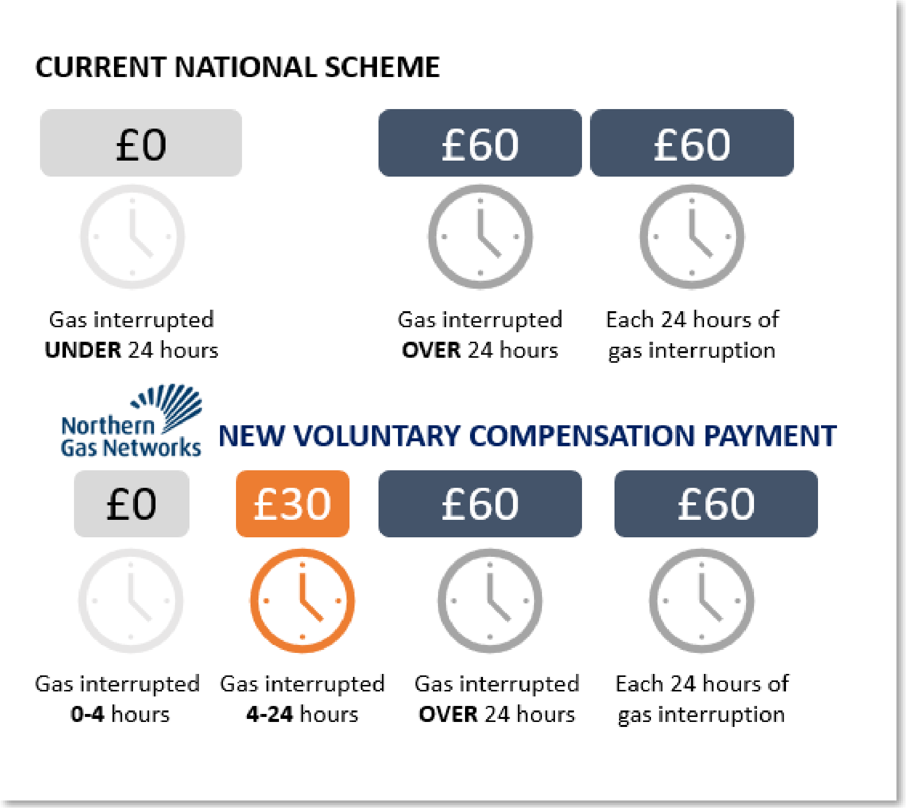
Q45a. Thinking about each of these marginalised groups, which of these do you feel NGN should focus on reducing recruitment barriers for? wave 3= 1,355, Domestic 1,100, Business 255 New question in wave 3

Interruption compensation

Compensation for gas interruption

- Participants were shown the following information about compensation for gas supply interruption, then asked about their opinions on what was considered fair as well as the compensation timeline

Customers are eligible for a compensation payment of £60 if their gas supply is interrupted for over 24 hours, and then for each 24 hours after that. Northern Gas Networks has introduced a new shareholder funded voluntary compensation payment of £30 for customers this winter for any loss of gas supply that lasts between 4 and 24 hours, in recognition of the sharp increase in electricity costs to run alternative heating and cooking during the interruption.

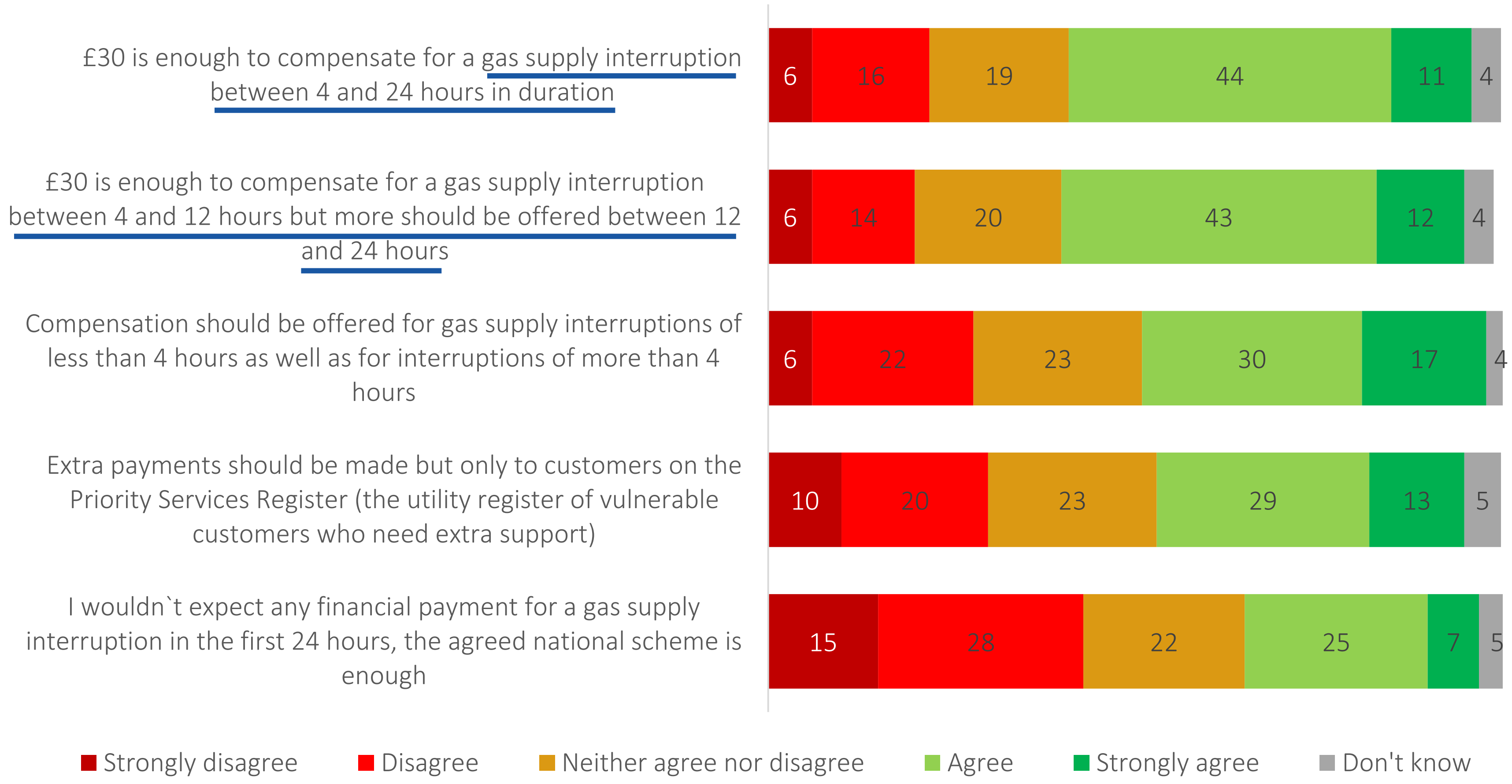


Compensation for gas interruption

While perception of the amount of compensation and cut-off duration were mixed, most preferred the £30 extra. Less than a quarter (32%) agreed they would not expect any further financial compensation beyond the national standard.

New question(s)

Compensating for not having gas for a period of time



Total	Domestic	Business
55%	54%	54%
55%	54%	56%
47%	47%	51%
42%	42%	42%
32%	28%	40%

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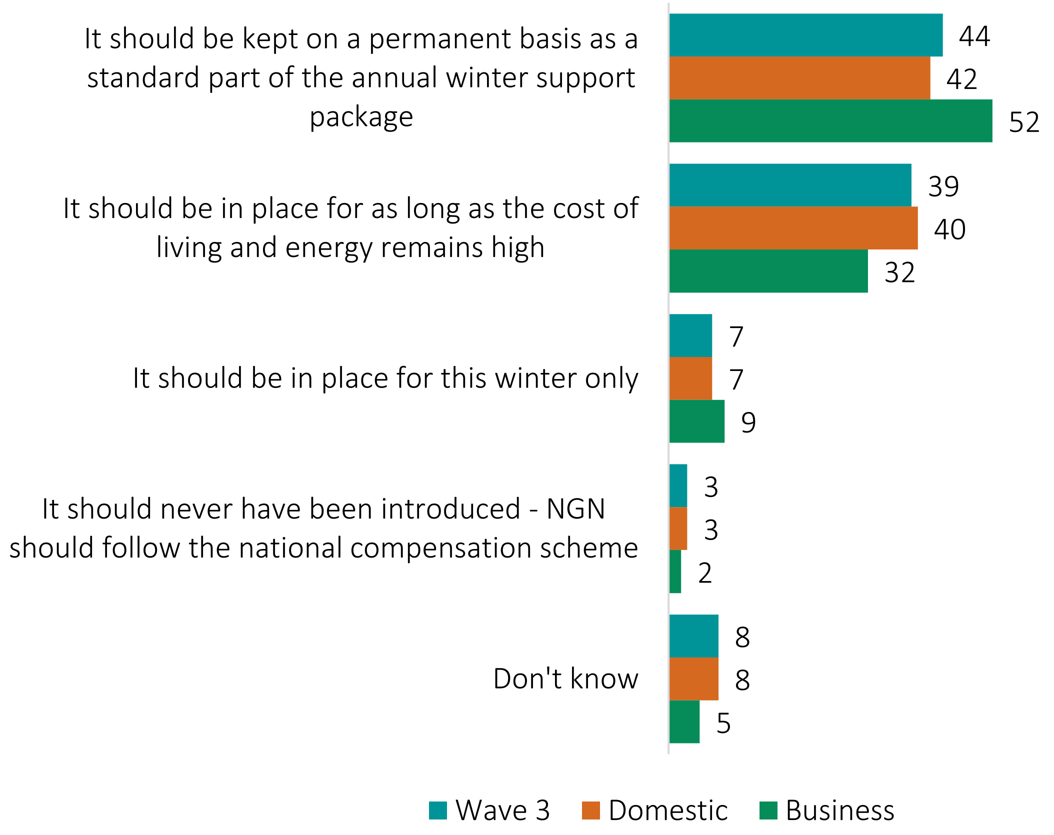
Q46ar1. Please indicate to what extent do you agree or disagree with the following statement: wave 3= 1,355, Domestic 1,100, Business 255 New question in wave 3

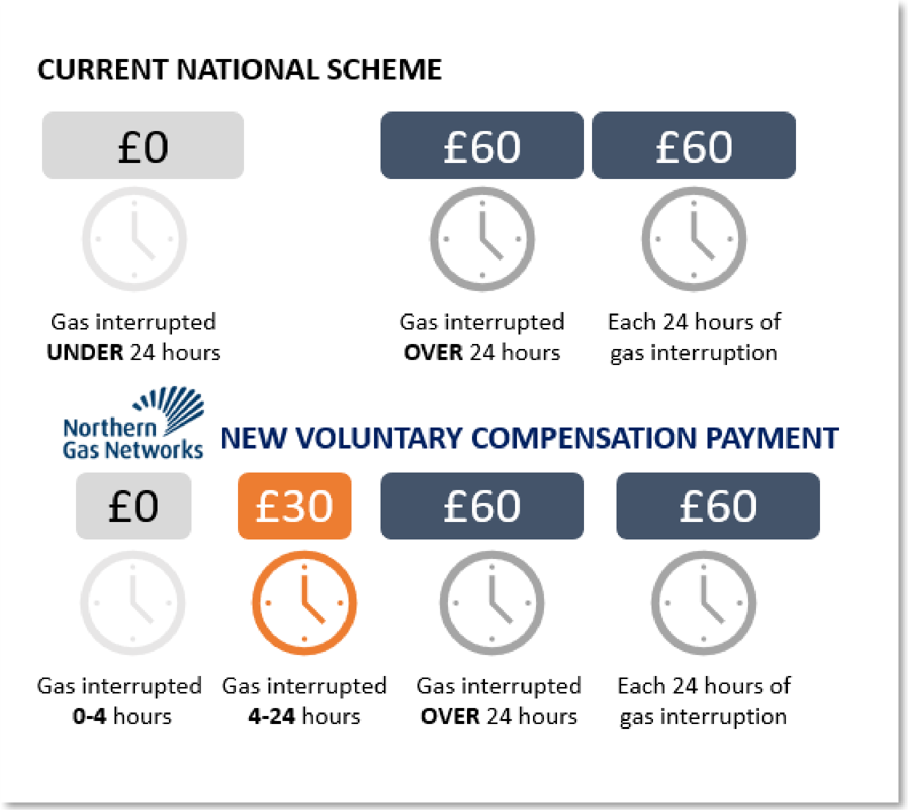
Compensation for gas interruption – timing

Participants were divided between the option of keeping the new voluntary scheme on permanent basis (44%) and keeping it in place for as long as the cost of living remains high (39%).

New question(s)

Timing of compensation scheme





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Q46b. Which of the following best describe your opinion? wave 3= 1,355, Domestic 1,100, Business 255 New question in wave 3

Keeping your household safe

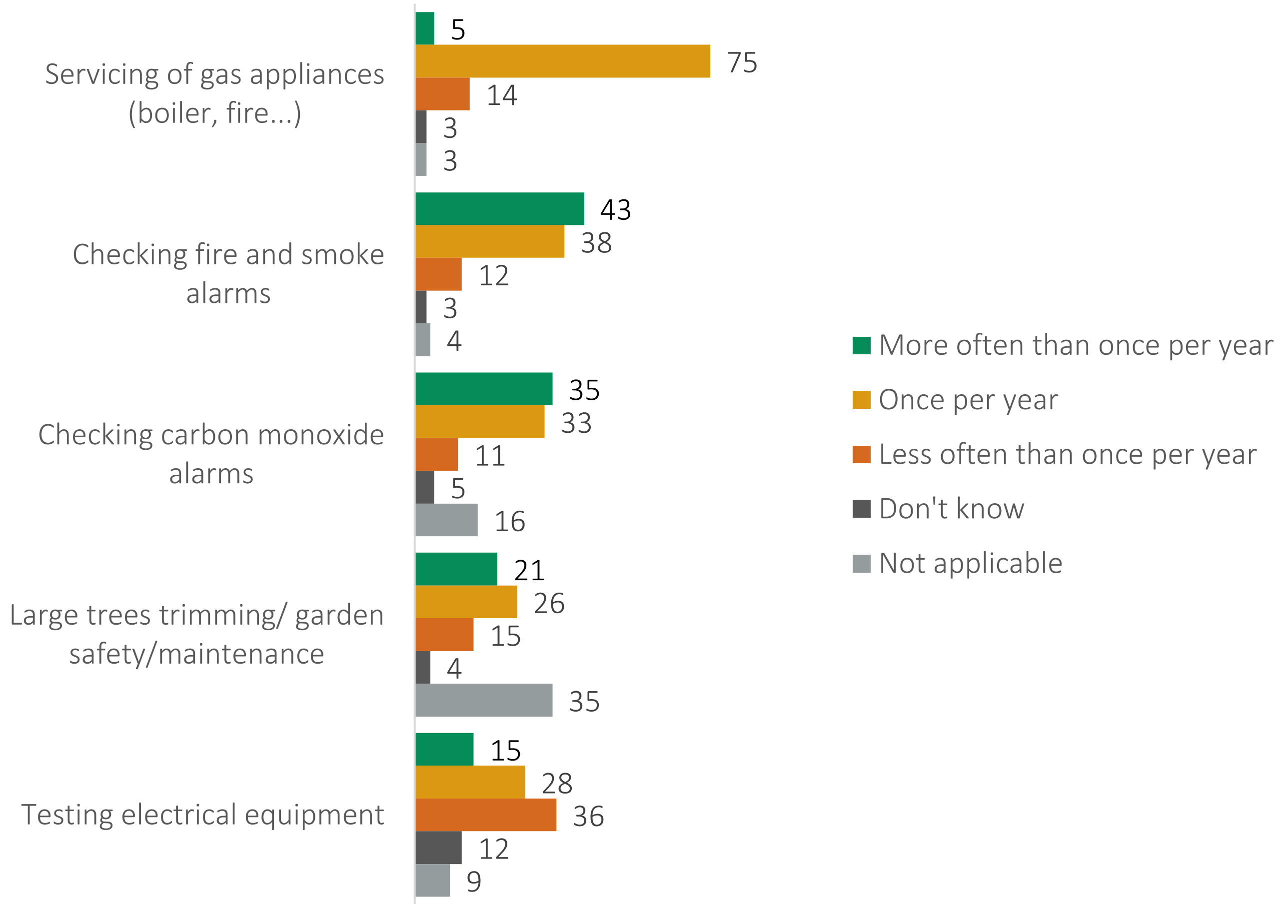
Most customers carried out safety maintenance yearly - the cost of living crisis does not seem to have had a major impact on frequency of maintenance

Safety maintenance actions and impact of the cost of living crisis

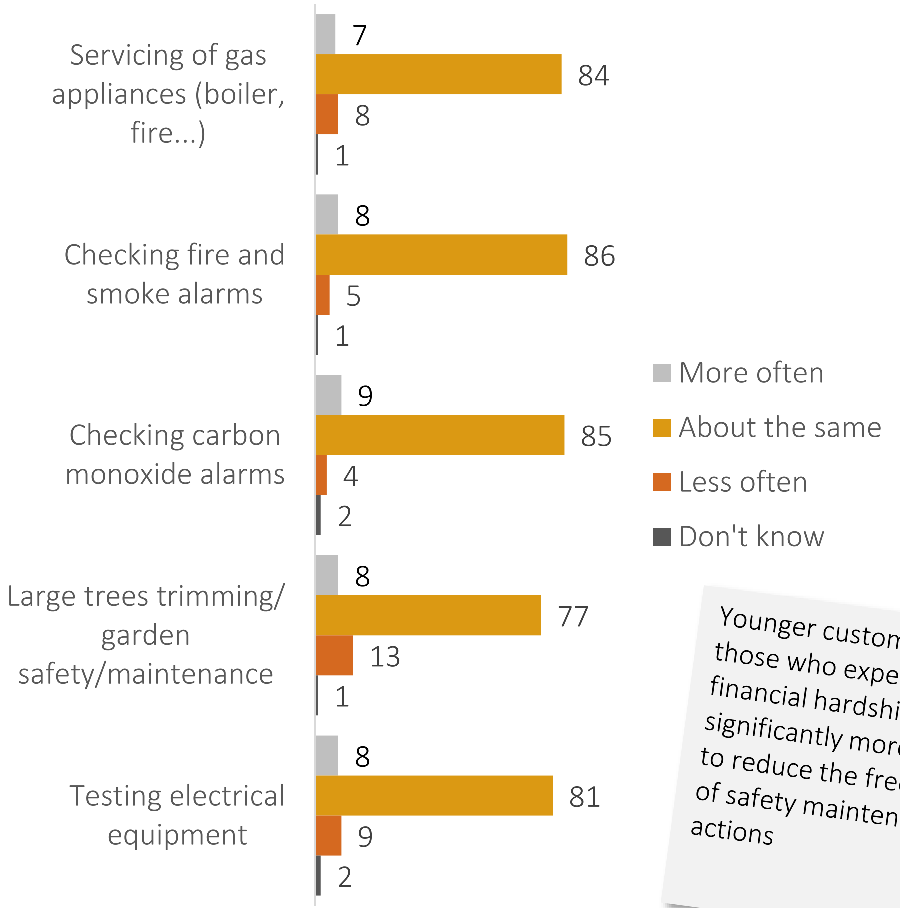
The majority of customers reported carrying out maintenance actions at least yearly for gas appliances (80%), fire and smoke alarms (81%), and CO alarm (68%). The cost of living crisis seemed to have little impact on the frequency of undertaking these actions.

New question(s)

Frequency of undertaking maintenance actions



Impact of the cost of living crisis



Younger customers and those who experienced financial hardship were significantly more likely to reduce the frequency of safety maintenance actions

Q47r1. How often do you undertake the following maintenance actions, in order to keep you and your household safe?Q47ar4. What impact do you expect the cost-of-living crisis to have on how often you undertake the following maintenance actions? wave 3= 1,355, Domestic 1,100, Business 255 New question in wave 3

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Thank you

Accent conforms to the requirements of ISO 20252:2019

Full details of research design and methodology will be made available upon request

ISO 20252 Market Research Services Cert No. 0462 UKAS Product Certification 036

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