

## Monitoring suppliers' social programmes 2008-09

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**Target Audience:** Gas and electricity suppliers and potential new entrants, consumer groups in particular those representing the fuel poor and those vulnerable to fuel poverty as well as pensioners, people with disabilities, who are chronically sick or on low incomes and any other interested parties.

### Overview:

In the 2008 Budget, the Chancellor announced an increase in suppliers' collective expenditure on their voluntary social programmes. This document reports on the range of measures suppliers undertook to assist their vulnerable and fuel poor customers in the first year of the voluntary commitment (April 2008 - March 2009).

The key findings of the report are:

- Suppliers' collective expenditure for 2008-09 totalled £157m - an almost three-fold increase compared with the 2007-08.
- £130m or 83% is attributable to the contribution from social tariffs.
- At the end of March 2009, 1 million customer accounts were benefiting from social tariffs.
- Suppliers also contributed £9.9m on rebates, over £11m on trust funds and £5.9m of other assistance.

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## Context

In the 2008 Budget, the Chancellor announced an increase in suppliers' collective expenditure on their social programmes.

Government requested that Ofgem set the parameters for what can be included by suppliers as part of this spend on social initiatives and annually monitor the suppliers' progress against the voluntary commitment. This report confirms that all suppliers have met their social commitments for the period 1 April 2008 - 31 March 2009 and reviews each of the suppliers' different social initiatives.

This report is one of the deliverables in Ofgem's Social Action Strategy for 2009-10. Ofgem's Social Action Strategy describes how we seek to meet our social responsibilities and help Government to meet its targets for eradicating fuel poverty.

## Associated Documents

- Monitoring suppliers' social programmes 2007-08, December 2008, Ref 171/08  
<http://www.ofgem.gov.uk/Sustainability/SocAction/Suppliers/CSR/Documents1/Monitoring%20Suppliers%20Social%20Spend%20171.08.pdf>
- Monitoring suppliers' social initiatives, July 2008, Ref 105/08  
[http://www.ofgem.gov.uk/Sustainability/SocAction/Suppliers/CSR/Documents1/Monitoring\\_suppliers\\_10508.pdf](http://www.ofgem.gov.uk/Sustainability/SocAction/Suppliers/CSR/Documents1/Monitoring_suppliers_10508.pdf)
- Review of suppliers' voluntary initiatives to help vulnerable customers, August 2007, Ref 203/07  
<http://www.ofgem.gov.uk/Sustainability/SocAction/Suppliers/CSR/Documents1/Review%20of%20suppliers%20voluntary%20initiatives.pdf>
- Ofgem's review of suppliers' voluntary initiatives update, October 2007, Ref 235/07  
<http://www.ofgem.gov.uk/Sustainability/SocAction/Suppliers/CSR/Documents1/CSR%20update%20open%20letter%2023507.pdf>
- Social Action Strategy 2009-10 Update, July 2009  
<http://www.ofgem.gov.uk/Sustainability/SocAction/Documents1/SAS%202009.pdf>

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## Summary

In the 2008 Budget the Chancellor announced an increase in suppliers' collective expenditure on their voluntary social programmes to at least £150m a year by 2011. This document reports on the range of voluntary measures suppliers have undertaken to assist their vulnerable and fuel poor customers in the first year of the commitment (2008-09). It also confirms that suppliers have each met the first year spend target as set by Government.

In July 2008 we published guidance setting out the categories of expenditure we would include in reviewing suppliers performance against their social spend commitment. We also introduced a new stricter definition of a social tariff. For the purpose of this report, however, we have continued to use the previous definition of a social tariff - being at least equal to the supplier's standard direct debit tariff - in recognition of the fact that the new definition was introduced mid-way through the first year of the commitment. Nevertheless, we will also comment on those tariffs currently available in the market that meet the new definition.

Our main findings are:

- Suppliers' collective **expenditure for 2008-09 totalled £157m**. This is an almost **three-fold increase (175%) compared with 2007-08** when the total contribution was calculated at £57.12m and exceeds the Government set target for the first year of the agreement (£100million) by 57%.
- The vast majority (over 96%) of suppliers' spend on their social programmes is directed at their social tariffs, rebates and trust funds which provide direct assistance to customers in, and vulnerable to, fuel poverty.
- Across all suppliers, **£130.5m is attributable to the contribution from social tariffs<sup>1</sup>** or savings to customers from being on a social tariff. This is a **near four-fold increase (285%)** compared with the 2007-08 period when the savings to customers figure was calculated at £33.86m.
- The above increase is reflected by a doubling in the number of customer accounts in receipt of social tariffs. At the end of March 2009, **1 million customer accounts were benefiting from social tariffs** - an increase of 118% from 460,000 customer accounts on social tariffs as at 31 March 2008.
- Individually, all suppliers have met the spend targets agreed with Government.

It should be noted that British Gas contributed £82million towards its social initiatives. This equates to 52% of the £157million overall total contribution made across all suppliers, although it only had a 33.55% market share<sup>2</sup>. It should be noted however that, while British Gas contributed more than any other supplier, fuel poor customers not in receipt of its social tariff are likely to have been paying more than those of other suppliers as a result of less competitive pricing strategies (see Chart 3).

<sup>1</sup> Under the previous definition of being at least as good as the supplier's standard direct debit tariff.

<sup>2</sup> This proportion is based on CERT customer numbers for December 2007.

In addition to social tariffs, suppliers also offer a range of other one-off rebates and discounts to their vulnerable and fuel poor customers. Rebates are typically offered once a year to specific customers or a specific group of customers. Almost 254,000 customer accounts received some form of rebate from their supplier in 2008-09 totalling savings to customers of almost £9.9m.

Suppliers have also provided over £11m support through trust funds and £5.9m of other assistance such as partnership working, energy efficiency measures additional to CERT (Carbon Emissions Reduction Target), benefit entitlement checks (BECs) and cross-industry initiatives aimed at targeting advice and support to those most in need.

Since July 2008, suppliers have been considering the implications of our new definition for their existing social tariffs. Since then, five of the 'Big 6' energy suppliers have introduced or amended their tariffs in order to meet this new definition - British Gas Essentials, EDF Energy Assist, Npower Spreading Warmth, ScottishPower FreshStart and SSE EnergyPlus Care (see paragraph 2.15 for further details).

We will continue to count other discounted tariffs which suppliers offer to vulnerable customers but which do not meet this stricter criteria towards their social spend commitments in our future reports. We would not, however, expect these other discounted or reduced tariffs to be marketed or labelled as social tariffs. This stricter definition will ensure that the 'social tariff' label is credible, providing consumers and consumer advisers with assurance and a much simpler message.

The identification of fuel poor customers continues to raise very real difficulties for targeting support to those customers that most need it. Suppliers have taken different approaches to targeting and marketing their schemes and, in a situation where there is no simple solution, this innovation and variety of approach is to be welcomed.

One of the key commitments given at our Fuel Poverty Summit in April 2008 was for Government and suppliers to progress proposals to enable data sharing. Provisions have now been included in the Pensions Act 2008 which enables the Department for Work and Pensions (DWP) to share its data on pension credit recipients with energy suppliers so they can target their assistance to these vulnerable customers. Government is currently working with energy suppliers and Ofgem to agree principles and design a data sharing model.

The Department of Energy and Climate Change (DECC) is currently considering plans to ensure continued support after the voluntary agreement comes to an end post-2011. It has recently published the white paper (UK Low Carbon Transition Plan<sup>3</sup>) detailing the Government's strategy for moving to a low carbon economy. One of the key elements of the White Paper is its plan to develop a mandated price support scheme for the vulnerable after 2011. Government is currently working with energy suppliers and other stakeholders to develop the detail of this scheme.

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3 [http://www.decc.gov.uk/en/content/cms/publications/lc\\_trans\\_plan/lc\\_trans\\_plan.aspx](http://www.decc.gov.uk/en/content/cms/publications/lc_trans_plan/lc_trans_plan.aspx)

## 1. Introduction

1.1. In the current climate of unprecedented global recession, increasing unemployment and high energy prices, the issue of fuel poverty is of continuing and growing concern. Energy suppliers play an important part in helping fuel poor and vulnerable consumers through their social initiatives, as well as through statutory CERT (Carbon Emissions Reduction Target) obligations. Each of the six major energy suppliers undertakes a wide range of initiatives as part of their social programmes to assist their most vulnerable and fuel poor customers.

1.2. This report provides a summary of the different initiatives undertaken by the energy suppliers as part of their social programmes throughout the 2008-09 period (1 April 2008 - 31 March 2009). This is the first year of the suppliers' voluntary social commitment as announced by Government in the 2008 Budget and is the second time we have reported on suppliers' social programmes under the revised framework published in July 2008<sup>4</sup>.

### Background<sup>5</sup>

1.3. The Chancellor announced in the 2008 Budget an increase in suppliers' collective expenditure on their social initiatives to at least £150m per year in 2011. Government secured an agreement with suppliers that they would build up to deliver this commitment over the 2008-2011 period resulting in an additional £225m spend over three years. The increase has been split across suppliers based on market share and will be delivered incrementally between 2008-11 so that suppliers' collective spend in 2008-09 is at least £100m; £125m in 2009-10 and £150m in 2010-11.

1.4. Government asked Ofgem to lead a process to set the parameters for what can be included as part of this spend and the associated reporting arrangements. We consulted widely on our proposals and in July 2008 published our guidance<sup>6</sup> on the types of measures that would be counted towards the commitment. It also set out the framework against which we will calculate, monitor and report suppliers' progress towards these targets.

### Next steps

1.5. This report reviews suppliers' performance in the first year of the commitment and confirms that suppliers have met the 2008-09 target set by Government. It reports on the range of measures suppliers undertook to assist their vulnerable and fuel poor customers from 1 April 2008 - 31 March 2009.

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<sup>4</sup> The first report using the new framework set the baseline for the social commitment and was published in December 2008 - Monitoring suppliers' social programmes 2007-08, Ref 171/08

<sup>5</sup> Full background details are available in the following document: Monitoring suppliers' social initiatives, July 2008, Ref 105/08

<sup>6</sup> Monitoring suppliers' social initiatives, July 2008, Ref 105/08

## **Monitoring and reporting framework**

1.6. Under this monitoring and reporting framework, we have included suppliers' contributions towards:

- social and discounted tariffs,
- rebates,
- trust funds,
- partnership initiatives,
- energy efficiency measures (where these are additional to suppliers' existing statutory obligations under CERT),
- benefit entitlement checks (BECs), and
- joint industry initiatives such as the Home Heat Helpline.

1.7. The report provides a summary of suppliers' expenditure in each of these categories and also on a per customer account basis. This report is based on information submitted by suppliers, in accordance with our guidance, which has been reviewed and agreed as accurate by the Chief Executive of each of the suppliers' main UK businesses.

1.8. The report includes analysis undertaken by Ofgem, with input from DECC statisticians, on the relative value of suppliers' social tariffs when compared to their other tariffs and those available in the market more widely. This report also considers suppliers' overall pricing strategies and the contribution that this can make to alleviating fuel poverty, particularly given the difficulties in identifying the fuel poor.

1.9. It should be noted that all references to "suppliers" and "all suppliers" refer to the six major energy suppliers in Great Britain ie British Gas, EDF Energy (EDF), E.ON (formerly Powergen), npower, ScottishPower and Scottish and Southern Energy (SSE).

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## 2. Social and discounted tariffs

### Chapter summary

In 2008-09 we saw a large increase (285%) in suppliers' spend on their social tariffs. We have also seen a marked increase in customer accounts benefiting from social tariffs from 460,000 in March 2008 to 1 million in March 2009. This is primarily due to the increase in the suppliers' spend target for the period and increased awareness of social tariffs amongst customers.

In July 2008, we tightened the definition to ensure that any tariff labelled as a social tariff reflects the lowest tariff available from that supplier in that region. In recognition of the fact that this definition was introduced mid-way through the first year of the agreement, we have reported social and discounted tariffs together for the 2008-09 period. In future years we will report these two categories of spend separately.

### Introduction

2.1. The suppliers offer a range of social tariff offerings which differ in approach in terms of the level of discount provided compared with standard tariff prices, who is eligible and how the schemes are promoted.

2.2. Throughout 2008-09, all suppliers offered some form of social tariff. For the purposes of this report, we have included social tariffs where they are at least as good as the supplier's standard direct debit tariff. As part of the revised guidance published in July 2008, we outlined stricter qualifying criteria for social tariffs which will be used in our reporting for the remaining two years of the commitment. For the purpose of this report, however, we have continued to use the previous definition of a social tariff in recognition of the fact that this definition was introduced mid-way through the first year of the commitment. We have however set out which tariffs meet the new definition (see paragraph 2.15).

### Suppliers' contributions from social tariffs

2.3. In calculating the savings to customers on a social tariff, we have used:

- actual average consumption data for customers on these tariffs for both gas and electricity;
- monthly data on the number of customers on social tariffs split across the different payment methods; and
- monthly price information split across different payment methods.

2.4. This data has been provided by each of the suppliers and allows us to accurately reflect price changes and changes in customer numbers on social tariffs. Table 1 provides a summary of suppliers' social tariffs in 2008-09. Appendix 2 provides further detail on the methodology used in calculating these savings.

**Table 1: Social tariffs savings and costs as at March 2009**

Supplier	Tariff name	Tariff offer	Customer accounts on tariff at 31/03/09	Actual average consumption (kWh)	Total savings to customers	Average saving per account
<b>British Gas</b>	Essentials (Electricity)	Equalises to Direct Debit tariff	181,590	4,120	£10.5m	£58
	Essentials (Gas)		311,509	16,530	£62m	£199
	Price Promise (Electricity)	Tariff closed to new entrants in 2007. Customers have had prices frozen since its launch. One price increase in March 2008 of 15%. Tariff is generally cheaper than Essentials	11,558	4,240	£1.7m	£150
	Price Promise (Gas)					
	<b>Total</b>		<b>11,622</b>	<b>18,580</b>	<b>£3.13m</b>	<b>£269</b>
			<b>516,279</b>		<b>£77.4m</b>	
<b>EDF Energy</b>	Energy Assist (Electricity)	15% discount off tariff	99,073	4,215	£6m	£60
	Energy Assist (Gas)		45,939	15,153	£2.8m	£62
	<b>Total</b>		<b>145,012</b>		<b>£8.8m</b>	
<b>E.ON</b>	Staywarm social (Electricity)	Fixed annual price regardless of consumption levels	25,019	5,097	£15.6m	
	Staywarm social (Gas)		23,572	29,577		
	WarmAssist (Electricity)	15% discount	428	3,108	£5,665	£13
	WarmAssist (Gas)		36	16,588	£800	£22
	WarmAssist (Dual fuel)		2,826	3,108/16,588	£37,093	£13
	<b>Total</b>		<b>51,881</b>		<b>£15.65m</b>	
<b>npower</b>	First Step (Electricity)	Equalises to lowest tariff – a legacy tariff and is closed to new entrants.	2,757	6,408	£0.64m	£233
	First Step (Gas)		1,823	19,220	£0.32m	£176

	Spreading Warmth (Electricity)	Annual discount of £125 per fuel (£250 for a dual fuel customer). Customers joining after December 2008 received a credit for one quarter applied to their account.	62,494	3,767		£104
	Spreading Warmth (Gas)					
	<b>Total</b>		46,762	16,162	£11.32m	£104
			<b>113,836</b>		<b>£12.28m</b>	
<b>Scottish Power</b>	Fresh Start (Electricity)	All customers pay the same lowest price in their area regardless of payment method	43,383	4365	£0.77m	£18
	Fresh Start (Gas)		27,852	16711	£0.7m	£25
	Carefree Plus (Electricity)	Daily discount to the value of £111.56 plus additional other benefits eg BECs	2,136	NA	£0.030m	£14
	Carefree Plus (Gas)		1,151	NA	£0.013m	£11
		<b>Total</b>		<b>72,386</b>		<b>£1.5m</b>
<b>SSE</b>	Energyplus Care (Electricity)	Minimum 20% discount plus excluded from Aug 2008 price increase	64,661	4,558	£3.7m	£57
	Energyplus Care (DF)		38,279	4,558/19,044	£11.2m	£293
		<b>Total</b>		<b>102,940</b>		<b>£14.87m</b>
<b>Total</b>	<b>Electricity</b>		<b>493,099</b>			
	<b>Gas</b>		<b>470,266</b>			
	<b>Duel Fuel</b>		<b>41,105</b>			
	<b>Total</b>		<b>1,004,470</b>		<b>£130m</b>	£130

2.5. Across all suppliers, the collective contribution from social tariffs totals **£130m**. This represents an increase of 285% to the savings customers received from being on social tariffs compared with the previous reporting period when the savings were calculated at £33.87m (2007-08).

2.6. At the end of March 2009, there were approximately **1 million customer accounts** benefiting from social tariffs. This represents a 118% increase compared with the previous period; 460,000 customer accounts were in receipt of social tariffs at the end of March 2008. This highlights the significant and growing contribution that suppliers are making to support fuel poor households through their social and discounted tariffs.

2.7. It should be noted that British Gas contributed £72.5million in savings to customers on its Essentials tariff and £4.83million to customers on its Price Promise tariff during the period; this is a total contribution of £77.4million on its social tariffs. This is an increase of 339% compared with 2007-08 (£17.6m). British Gas' contribution through its social tariffs alone represents 49% of the £157million total contribution made across all suppliers although it only had a 33.55% market share<sup>7</sup>.

### **British Gas Price Promise**

2.8. British Gas has, throughout the reporting period, continued to operate the Price Promise joint initiative with Help the Aged. Although it ceased taking on new Price Promise customers in late 2005, it has contributed £4.9m to this price support scheme over the reporting period. The Price Promise scheme, targeted at pension credit customers and promoted in partnership with Help the Aged was launched in 2004 to cap eligible customers' energy prices until October 2007. At the price change in January 2008, Price Promise customers had their capped tariff rate increased by the same percentage rate as Essential customers. At the price change in July 2008, British Gas again froze Price Promise customers' rates until April 2009.

2.9. Ofgem considers this tariff offers significant savings to customers and is targeted at fuel poor customers or those vulnerable to fuel poverty as required by the reporting framework. It is this targeting which sets it apart from other fixed rate or capped deals available on the open market and allows the tariff to be counted against British Gas' social spend obligations. For future periods, this tariff will be included as a discounted tariff rather than a social tariff as it does not meet the new definition.

### **E.ON's StayWarm Social tariff**

2.10. E.ON's StayWarm Social tariff is difficult to compare with other suppliers' discounted tariffs in the same way because of its tailored pricing structure. The StayWarm tariff offers customers an annual fixed price for their energy based on where they live, the number of bedrooms and occupancy of the property to customers in receipt of certain benefits or with special medical needs. This provides these elderly and vulnerable customers with the peace of mind to be able to heat their homes to an adequate level of warmth without incurring higher bills.

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<sup>7</sup> This proportion is based on CERT customer numbers for December 2007.

2.11. Given the price structure of this tariff, we are not able to undertake the same analysis to calculate E.ON's contribution from this tariff. Following the same processes as used in our previous reports<sup>8</sup>, E.ON has provided us with data from a sample of its StayWarm customers and the methodology used to calculate the savings to all StayWarm customers. We are therefore satisfied with the integrity of their figures.

2.12. For future periods, this tariff will be included as a discounted tariff rather than a social tariff as it does not meet the new definition.

## Recent developments

### Definition of a social tariff

2.13. As part of the process of setting the guidance and framework for monitoring and reporting on suppliers' social spend commitments, in July 2008 we specified stricter qualifying criteria for the definition of a social tariff<sup>9</sup>. Under the new definition, a 'social tariff' must be at least as good as the lowest tariff offered by that supplier to a customer in that region on an enduring basis<sup>10</sup>. This is regardless of that customer's payment method and includes online tariffs.

2.14. This stricter definition sets a much clearer standard and ensures that the 'social tariff' label is credible, providing consumers with assurance and a much simpler message. It also gives consumer advisers greater confidence that customers on a social tariff will be on the best tariff that their existing supplier can offer them and will no longer need to worry about advising the customer on complex choices around payment methods.

2.15. Since July 2008, suppliers have been considering the implications of our new definition for their existing social tariffs. The following suppliers currently offer social tariffs which meet the new definition:

- British Gas - Essentials  
Re-launched in June 2009, the Essentials tariff is now 15% below British Gas' standard rates and is equal to the lowest tariff (Websaver 3 at launch). Existing Essentials customers have been moved onto the new tariff.
- EDF Energy - Energy Assist  
Re-launched in May 2009, the Energy Assist tariff offers all eligible customers EDF Energy's direct debit price plus a £37.50 annual discount (£75 for dual fuel). Existing Energy Assist customers have been moved onto the new tariff.

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<sup>8</sup> See Monitoring suppliers' social programmes 2007-08, December 2008, Ref 171/08, paragraphs 2.7-2.9

<sup>9</sup> See Monitoring suppliers' social initiatives, July 2008, Ref 105/08 for full details

<sup>10</sup> Previously, for a supplier's tariff to qualify as a 'social tariff' it had to be at least as good as the supplier's standard direct debit tariff.

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- **npower - Spreading Warmth**  
Re-launched in April 2009, the Spreading Warmth Tariff now consists of a reduced unit rate in each region which is consistent across payment methods. It is estimated that savings to the average customer will be over 20% (based on a dual fuel standard credit customer with annual notional consumption).
  - **ScottishPower - Fresh Start**  
Launched in January 2009, the Fresh Start social tariff is open to customers aged over 60 and in receipt of benefits. The tariff provides customers with the lowest prices in their area regardless of payment type. Existing Carefree Plus customers have been moved onto the new tariff.
  - **SSE - EnergyPlus Care**  
Revised in November 2008, EnergyPlus Care has now been equalised so that all customers pay the same rate in the region regardless of payment method. Customers will now receive a minimum 20% discount.

2.16. Suppliers are currently free to decide which of their customer groups should be eligible for their social tariff. Typically social tariffs are only available to a supplier's existing customers.

### **Other developments**

2.17. Looking ahead, DECC has recently published the UK Low Carbon Transition Plan that includes an outline of the Government's plans to develop a mandated price support scheme for vulnerable customers from 2011 to ensure continued support once the voluntary agreement comes to an end. Government is currently working with energy suppliers and other stakeholders to develop the detail of this scheme including who will be eligible for this support.

2.18. As part of Ofgem's ongoing contribution to the fuel poverty debate, Ofgem hosted a Fuel Poverty Summit in April 2008 bringing together Ministers, Government officials, industry participants and consumer groups. An update on the fuel poverty action programme emanating from the Summit was published in March 2009<sup>11</sup>. The update provides the broad agenda of action that is being jointly undertaken to target existing help and assistance to benefit vulnerable and fuel poor customers who need it most. As part of Ofgem's ongoing work, we have committed to:

- Continued monitoring of supplier's social programmes for the duration of the commitment and reporting annually;
- Contributing to the debate around data sharing between Government and suppliers which aims to help suppliers identify pensioners more likely to be in fuel poverty;
- Working with the suppliers and eaga as part of an advice referral pilot. Under this pilot which has now finished, eaga advised vulnerable customers of the benefits

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of checking they are on their suppliers' best tariff given their circumstances and referred the customer to its supplier for more tariff information;

- The national roll out of the Energy Best Deal campaign. Funded by DECC and operated by Ofgem and Citizens Advice Bureau (CAB), this programme aims to provide vulnerable energy consumers who can be more difficult to reach with tariff and energy efficiency information advice;
- Introducing from 1 September 2009 licence changes to address unfair price differentials for domestic consumers; and
- As part of Ofgem's energy supply markets probe consulting on a range of licence changes that will help customers to fully enjoy the benefits of the competitive energy market.

2.19. These initiatives, together with wider government communications and action from individual suppliers, will have contributed to consumers being more confident about the legitimacy of suppliers' social tariffs and hence encouraged their take-up.

### **Comparisons between social tariffs and other market tariffs**

2.20. Table 2 below illustrates the potential savings available to customers on a social tariff compared with both the best tariff available from their own supplier and the best tariff available in the market from any supplier.

2.21. The average annual bill column shows a standard average bill for customers on a supplier's social tariff for 2008-09 based on a notional consumption level (3,300kWh for electricity and 20,500kWh for gas) and averaged across all regions. Any range indicates the highest and lowest average bill across direct debit, standard credit and PPM payment methods where prices are not aligned. Comparisons are made between each supplier's average annual social tariff bill and the supplier's best non-social tariff ('Savings over supplier's best offer') and the best tariff on the open market ('Savings over best market offer (all suppliers)'). The calculations include online tariffs where possible.

**Table 2: Average savings to customers on a social tariff in comparison to the best offer available with that supplier or in the market (April 2008 - March 2009)**

Supplier	Tariff name	Average Annual Bill	Savings over supplier's best offer	Savings over best market offer (all suppliers)
British Gas	Essentials (Electricity)	394	(57)	(61)
	Essentials(Gas)	588	<b>88</b>	<b>65</b>
EDF Energy	Energy Assist (Electricity)	357-364	(24)-(31)	(24)-(31)
	Energy Assist (Gas)	619-633	<b>109-95</b>	<b>34-20</b>
E.ON <sup>12</sup>	WarmAssist (Electricity)	415	<b>11</b>	(66)
	WarmAssist Assist (Gas)	688	<b>73</b>	<b>35</b>
npower	Spreading Warmth (Electricity)	313-346	<b>65-32</b>	<b>21-(12)</b>
	Spreading Warmth (Gas)	576-622	<b>77-31</b>	<b>77-31</b>
ScottishPower <sup>13</sup>	Fresh Start (Electricity)	389	<b>21</b>	(24)
	Fresh Start (Gas)	770	<b>41</b>	(63)
SSE	EnergyPlus Care (Electricity)	308-323	<b>122-108</b>	<b>25-11</b>
	EnergyPlus Care (Gas)	454-476	<b>234-212</b>	<b>199-177</b>

Note: Negative figures are presented in brackets and illustrate the average cost disadvantage of the social tariff over the best offer from the same supplier and best market offer.

2.22. It should be reiterated that Tables 1 and 2 represent historical tariff information. Paragraph 2.15 provides details of current tariffs that meet the new definition of a social tariff.

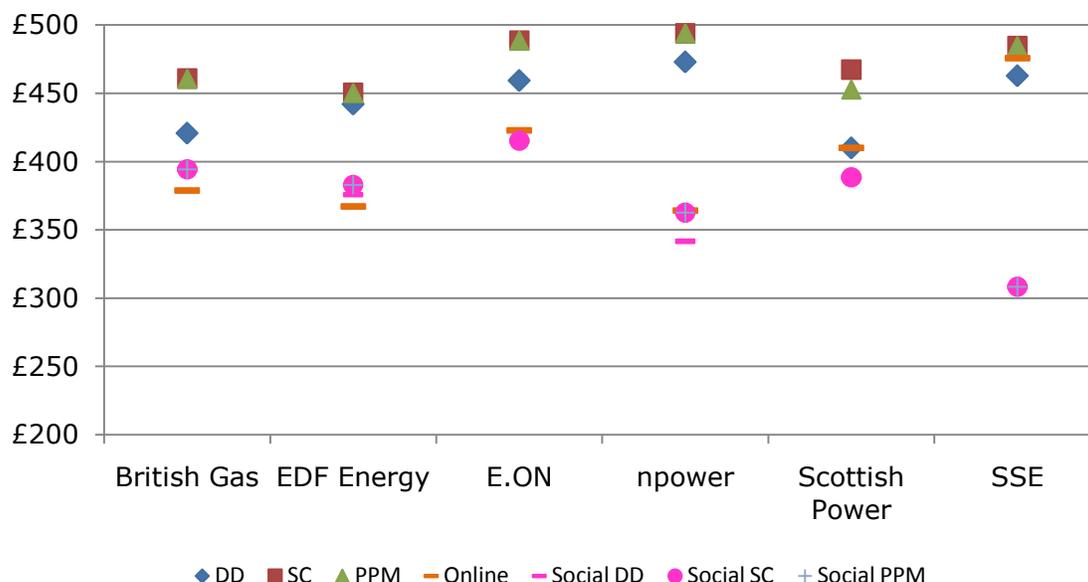
2.23. Table 2 shows that in 2008-09 four suppliers offered social tariffs that were at least as good as their own best open market tariffs for both gas and electricity. British Gas, EDF Energy, E.ON and npower each offered gas social tariffs which were better than both their own best open market tariff offering and the best market offer. SSE offered gas and electricity social tariffs that were better than both their own best non-social tariff offering and the best market offer. The table shows that, for customers on a social tariff who were able, there were still potentially greater savings to be made by switching supplier either to another supplier's social tariff, if possible, or to a non-social tariff.

<sup>12</sup> The WarmAssist tariff was launched in November 2008. Average bills for this supplier have been taken from November 2008 to March 2009. The best market offer was also calculated for this period to allow for the savings to be calculated.

<sup>13</sup> The Fresh Start tariff was launched in January 2009. Average bills for this supplier have been taken from January to March 2009. The best market offer was also calculated for this period to allow for the savings to be calculated.

2.24. Charts 1 and 2 below provide further details on suppliers' average annual bills by payment method. These charts compare the different tariffs offered by suppliers across payment methods in March 2009.

**Chart 1: Comparison of average annual electricity bills for customers on social, direct debit, standard credit, PPM and online tariffs (average bill in March 2009)**



**Notes:**

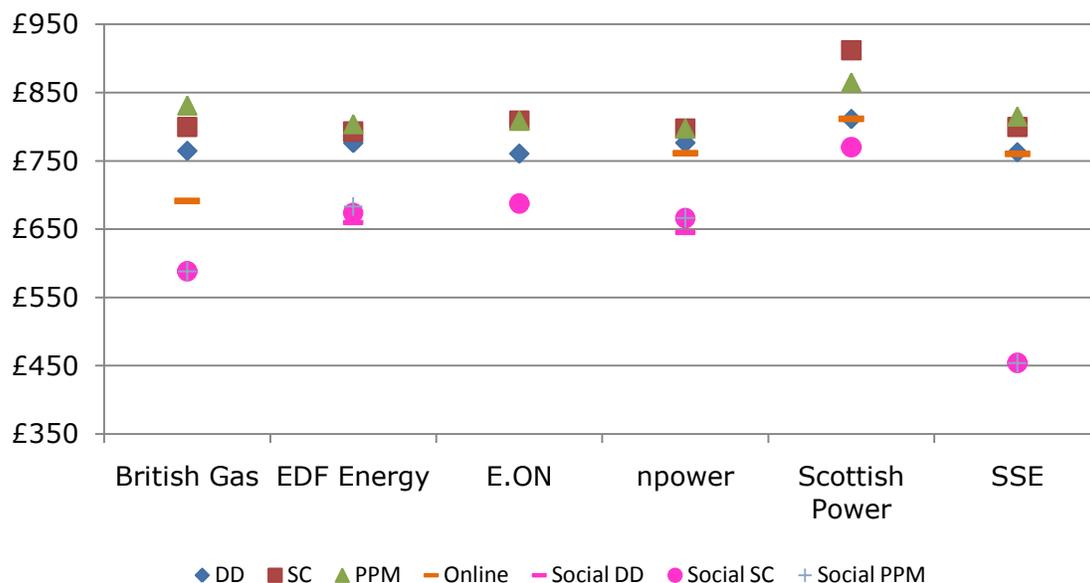
- Annual bills have been calculated based on a consumption level of 3,300kWh and are averaged across all regions.
- Prompt pay or other discounts have not been included in this analysis.
- British Gas and SSE's social tariffs were aligned for all payment methods.
- E.ON did not offer PPM social tariffs however they aligned their social tariff rates for standard credit and direct debit customers.
- ScottishPower offer its PPM social tariff customers a biannual rebate. This rebate had not been made to customers by the end of March 2009 and is therefore not included in this report.

2.25. The above chart shows that in March 2009 for electricity:

- all suppliers' social tariffs were better than their direct debit rates;
- the suppliers' tended to narrow the differential between PPM rates and the other payment methods. We believe that this is as a direct result of Ofgem's probe findings and subsequent consultations covering unfair price differentials. British Gas, EDF Energy, E.ON, npower and SSE have aligned their PPM rates with their standard credit rates. ScottishPower's PPM rates continue to be cheaper than their standard credit rates;
- British Gas and EDF Energy offered online tariffs that were slightly cheaper than their social tariff rates;

- E.ON, npower, ScottishPower and SSE's social tariffs were the cheapest rates that they offered; and
- some customers may still have been able to make greater savings by switching to another supplier's non-social tariff. However, in most cases, savings can now only be made by switching to another supplier's online tariff. This is a change to the 2007-08 period where it may have been possible to make savings by switching to another supplier using any of the payment methods.

**Chart 2: Comparison of average annual gas bills for customers on social, direct debit, standard credit, PPM and online tariffs (average bill in March 2009)**



Notes:

- Annual bills have been calculated based on a consumption level of 20,500kWh and are averaged across all regions.
- Prompt pay or other discounts have not been included in this analysis.
- EDF Energy's online tariff was not available as a single fuel gas product during this reporting period and so is not included in this analysis.
- British Gas and SSE's social tariffs were aligned for all payment methods.
- E.ON did not offer PPM social tariffs however they aligned their social tariff rates for standard credit and direct debit customers.
- ScottishPower offer its PPM social tariff customers a biannual rebate. This rebate had not been made to customers by the end of March 2009 and is therefore not included in this report.

2.26. The above chart shows that in March 2009 in gas:

- the suppliers' tended to narrow the differential between PPM rates and the other payment methods. We believe that this is as a direct result of Ofgem's probe findings and subsequent consultations covering unfair price differentials. E.ON and npower have aligned their PPM rates with their standard credit rates.

ScottishPower's PPM rates continue to be cheaper than their standard credit rates. All other suppliers have reduced the differential between the payment methods;

- all suppliers' social tariffs were better than their direct debit rates and were in fact their lowest tariffs including online tariffs (for those suppliers offering a gas online tariff). This shows that eligible customers could make savings by switching to their current gas supplier's social tariff; and
- customers may still have been able to make savings by switching to another suppliers online tariff.

### **Suppliers' general pricing strategies**

2.27. In our previous reporting on suppliers' social initiatives, we have aimed to capture the benefits of suppliers' more general pricing strategies to vulnerable and fuel poor customers. While competitive pricing is not targeted and savings are therefore not included towards the suppliers social commitments, we recognise that general pricing strategies will benefit all customers, including those who are fuel poor and vulnerable and those who are hard to reach who have not been otherwise identified for assistance.

2.28. We have undertaken some analysis to evaluate the value to fuel poor customers of suppliers' pricing strategies. Chart 3 below shows the difference in each supplier's average annual gas and electricity bill from the average bill. The graph is formed by calculating each supplier's average bill weighted by the proportion of fuel poor customers on each payment method<sup>14</sup>. An average across all suppliers is then taken and the difference from the average is calculated for each supplier.

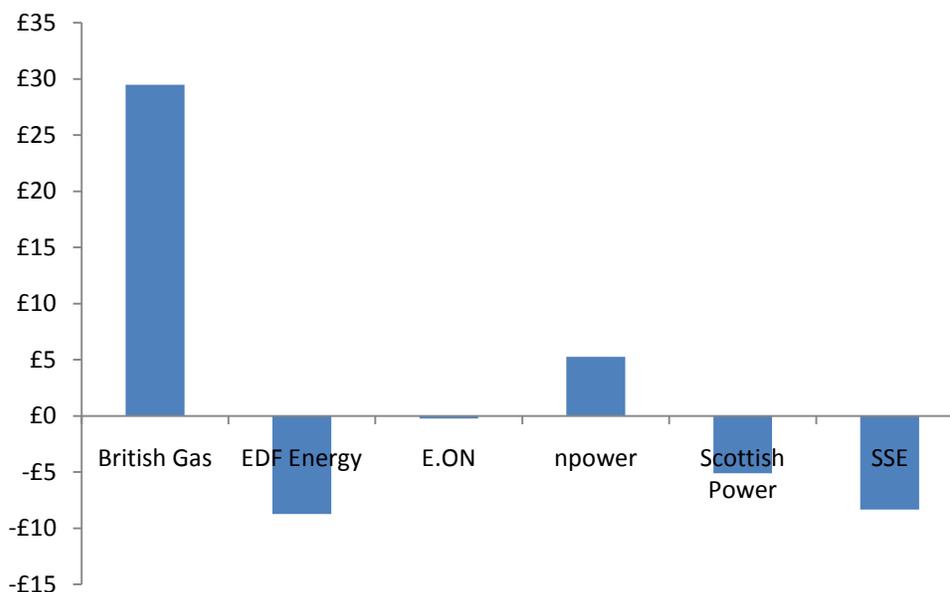
2.29. Chart 3 below shows that for 2008-09, EDF Energy and SSE's fuel poor customers were around £9 and £8 per annum better off respectively than the average as a result of their competitive pricing strategies. And, while British Gas contributed more than other suppliers, vulnerable customers not in receipt of its social tariff are likely to have been paying £30p.a more on average than those of other suppliers.

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<sup>14</sup> The proportions of fuel poor customers by payment method used in creating Chart 3 are taken from 'The UK Fuel Poverty Strategy - 6th Annual Progress Report 2008'

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**Chart 3: Difference in each supplier's average annual gas and electricity bill from the average bill, weighted by fuel poor customers' payment method (April 2008 - March 2009)**



### Ofgem's energy supply markets probe

2.30. Ofgem has looked closely at the issue of payment differentials as part of our seven month probe into the energy supply market<sup>15</sup>. We published our initial findings report in October 2008<sup>16</sup>. We have now published our final proposal (August 2009) for the remedies to give consumers more power and help to address the flaws identified in the probe<sup>17</sup>.

2.31. As a part of the findings from the probe we identified that, while on average differences between prepayment and direct debit prices reflect cost differences, some prepayment customers (particularly high energy users) paid a higher premium than was justified by the differences in costs. This was also the case for those that pay by standard credit.

2.32. Suppliers have responded to our findings with price cuts for prepayment meter users and customers who are off the gas grid - this can be seen in Charts 1 and 2 above. Any changes that increase competitive pricing and ensure that customers are not unfairly penalised are welcome, however Ofgem wants to go further. We have announced the introduction of new conditions into the suppliers' licences to end

15 <http://www.ofgem.gov.uk/Markets/RetMkts/ensuppro/Pages/Energysupplyprobe.aspx>

16 Energy Supply Probe Initial Findings Report, October 2008, Ref 140/08

17 Energy Supply Probe - proposed retail market remedies Ref 99/09

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prices that are not justified by associated cost to the supplier. These new licence conditions will be introduced from 1st September 2009<sup>18</sup>.

### **Effectiveness of the targeting of social tariffs**

2.33. It is widely recognised that there are very real difficulties in identifying and targeting the fuel poor. One of the key commitments given at our Fuel Poverty Summit in April 2008 was for Government and suppliers to progress proposals to enable data sharing. Provisions have now been included in the Pensions Act 2008 to enable DWP to share its data on pension credit recipients with energy suppliers so they can target their assistance to these vulnerable customers. Government is currently working with energy suppliers to agree principles and design a data sharing model.

2.34. Whilst there is clear focus and action in the area of data sharing, there remains some way to go before data is shared and the benefits of this approach are realised. It is therefore encouraging to see suppliers making use of the quite extensive data they already have on their own customers' circumstances. It is also welcome to see the suppliers utilising the expertise of other advice agencies such as SCOPE and the RNIB in identifying customers some of whom will fall outside of the current data sharing proposals. Below are some examples of good practice in targeting:

- British Gas works with a number of housing authorities to identify poor housing stock and priority customers whose homes require insulation and other energy efficiency products. The Here to Help Programme also offers these groups of customers benefit health checks and referrals to charity partners for additional help. British Gas sets eligibility criteria for its Essentials tariff which are notified to a number of third party partners.
- EDF Energy has undertaken a number of initiatives that enable customers in need to receive support without having to take action themselves. For example, at the time of the summer 2008 price increases, customers that had already encountered debt problems and paid for their energy through 'Fuel Direct' were automatically transferred to EDF Energy's social tariff rate. Customers on the Priority Services Register (PSR) who were considered by EDF Energy, on the basis of modelling, to be fuel poor were also automatically transferred. This resulted in benefits being received automatically by 33,000 customers. They have also developed a range of initiatives intended to target help to those vulnerable customers who are hardest to reach through partnerships with WRVS, Plymouth CAB and London Warm Zone.
- Npower's Health Through Warmth programme (HTW) operates through locally based partnerships that seek to identify vulnerable people of any age, whose health is adversely affected by cold and damp conditions in their home. This is achieved by facilitating the installation of appropriate energy efficiency and heating measures. Through the scheme community workers, such as nurses,

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<sup>18</sup> Notices of Modification requiring cost reflectivity between payment methods and prohibiting undue discrimination in domestic supply Ref 100/09 and 101/09

midwives, occupational therapists, the police and fire service are trained so they can identify people who need help and refer them to their local HTW co-ordinator. If clients aren't eligible for statutory national and local grant schemes, financial support may be offered from the HTW Crisis Fund, depending on their circumstances. Between April 2008 and March 2009, 8,690 referrals were received and 1,656 workers trained.

- SSE has significantly enhanced their working relationships with external agencies, such as CAB, Age Concern and local Councils across Scotland, England and Wales. SSE has provided these agencies with information packs to ensure that they have the information about the services available through SSE. In addition, they have contacted all MPs with information about how to contact SSE's Parliamentary Liaison Team.
- SSE has also carried out data mining exercises to identify customers within their existing customer base who are likely to be fuel poor. The most recent of these exercises was carried out in summer 2008 which resulted in 25,000 customers being transferred onto the energyplus Care tariff.
- ScottishPower transferred their PSR and Fuel Direct customers onto their social tariff without these customers having to take any action themselves. They also used existing partnerships with Warmzones and other agencies to target vulnerable and fuel poor customers through the provision of hardship and income maximisation funding.

## 3. Other social initiatives

### Chapter summary

We recognise the benefit of suppliers' diverse approaches to helping vulnerable and fuel poor customers and will continue to report on the wide range of other initiatives and support suppliers offer their vulnerable customers, which do not fall into the social and discounted tariff categories.

This chapter summarises the other elements of suppliers' social programmes which contribute towards their social spend commitments including rebates, trust funds, partnerships, benefit entitlement checks, energy efficiency and joint industry initiatives.

### Rebates

3.1. Rebates are typically offered once a year to specific customers or a specific group of customers. Around 250,000 customers received some form of rebate from their supplier in 2008-09 (down from 303,000 in 2007-08). The total savings to customers were £9.9 million, a 20% increase compared with 2007-08 when the suppliers jointly spent £7.97 million.

3.2. Most suppliers offered some form of rebate to eligible customers. The following descriptions show the variety of different rebates available in the market:

- British Gas offered the Essentials Advance rebate of £50 for both gas and electricity customers to customers in receipt of certain benefits.
- E.ON offered the Age Concern Cold Weather Payment to gas customers aged 60 and over who were on their Age Concern tariff. While similar numbers of customers received this rebate during the period (160,000 compared with 150,000 in the 2007-08 period), the value of the rebate to an eligible customer increased from £14.11 in 2007-08 to £22.88 in 2008-09.
- Npower offered the Direct Debit Winter Bonus to customers with an income of less than £13,500. The rebate had a value of £25 per fuel.
- ScottishPower offered two rebates during the 2008-09 period:
  - the Carefree Winter Rebate of £85 to gas and electricity customers who were on ScottishPower's Carefree tariff. This is a significant increase to the average value of the rebate from £13.90 in 2007-08, however the number of customers in receipt of the rebate decreased from 62,000 in 2007-08 to 32,600 in 2008-09.
  - the Fuel Direct Debt Assistance rebate of £474 on average per fuel to customers paying for their fuel using the Fuel Direct payment method and

who have a debt on their electricity or gas accounts of greater than £180<sup>19</sup>.

- SSE offered various welfare rebate payments to customers identified as being vulnerable or in fuel poverty and in need of assistance. Customers targeted for these rebate payments were either on SSE's Priority Services Register, EnergyPlus Care tariff or were typically on a low income and hence paying for their energy bills through a budget scheme.

3.3. **Table 3** below shows the overall value of the rebates that were offered by suppliers in 2008-09.

**Table 3: Rebates offered by suppliers to their customers during 2008-09**

Supplier	Scheme name	Number of customers receiving rebate	Total savings to customers (£m)	Average payment to customer
<b>British Gas</b>	Essentials Advance	300	£0.015m	£50
<b>EDF Energy</b>	N/A			
<b>E.ON</b>	Age Concern cold weather payment	159,211	£3.64m	£22.88
<b>npower</b>	Direct Debit Winter Bonus	6,012	£0.15m	£25
<b>Scottish Power</b>	Carefree Winter Rebate	32,635	£2.77m	£85
	Fuel Direct Debt Assistance	3,431	£1.6m	£474
	<i>Total</i>		<i>£4.4m</i>	
<b>SSE</b>	Special needs marker	12,644	£0.63m	£49.75
	Energyplus Care	1,743	£0.11m	£64.62
	>Monthly payers	343	£0.04m	£129.98
	DSS (Fuel Direct) payments	580	£0.2m	£356.48
	Backdating of transfer to energyplus Care tariff	36,705	£0.7m	£19.00
	<i>Total</i>		<i>£1.69m</i>	
<b>Total spend</b>			<b>£9.9m</b>	

## Trust Funds

3.4. Trust funds refer to a trust run and funded by a supplier, or funded by the supplier and independently run by a third party. The main forms of assistance provided by trust funds include direct assistance to customers in debt and the funding of third party projects or organisations aimed at customers in fuel poverty or with severe financial difficulties. Below is a summary of suppliers' trust funds.

<sup>19</sup> See paragraphs 3.5-3.8 for further information on debt write-off activities.

- British Gas contributes to the independently managed British Gas Trust Fund. Customers are referred by call centre staff or a third party agency such as CAB and can apply to the fund for a grant to clear arrears and for help with other household bills.
- EDF Energy contributes to the independently managed EDF Energy Trust. EDF Energy customers can apply to the Trust for grants to clear energy debts and can also get help to clear other essential household bills. Awards are granted based on the likelihood that the money will make a long-term difference to the household situation, offering a fresh start and the opportunity to remain debt-free in the future. Trustees also provide funding to not-for-profit organisations to promote the Trust.
- E.ON's Trust Fund is managed internally and provides their home-owning low income customers with assistance in affording heating systems and insulation to improve the energy efficiency of their property (outside of their CERT obligation).
- Npower manages two funds internally through its Health Through Warmth and First Step programmes:
  - The Health Through Warmth Crisis Fund provides heating and insulation measures to customers who cannot afford to pay and who are not eligible for any other grant or funding. The consumer does not have to be, or become, an Npower customer. The main eligibility criteria for accessing the fund is that the consumer is ill due to living in a cold, damp home.
  - The First Step Fund is used to arrange personalised payment arrangements for customers' ongoing consumption and to clear energy arrears.
- The ScottishPower Energy People Trust was established with the objective to provide a sustainable solution to fuel poverty. The independent Trust aims to do this by providing funds to not-for-profit organisations and voluntary groups that work directly with those in fuel poverty. The Trust funds projects which deliver energy efficiency measures or advice, crisis funding, and income maximisation projects.

3.5. Table 4 below shows how much each supplier donated to their trust fund in 2008-09 along with how much the trust fund spent and how many customers were assisted.

3.6. For the purpose of assessing suppliers' spend against their commitment we have used the amount donated to the fund rather than the amount that is spent where the fund is independently managed. This is because the funds are committed at the point of donation and suppliers have no control over when it is spent. On this basis the total contribution to trust funds, in 2008-09 was £11m, an increase from £9m in 2007-08.

**Table 4: Suppliers' contribution to trust funds during 2008-09**

Supplier	Scheme name	Amount donated to Fund	Total spent by Fund	Number assisted by the Trust
<b>British Gas</b>	British Gas Energy Trust	£3.3m	£3.3m	5,658
<b>EDF Energy</b>	EDF Energy Trust	£2.24m	£2.14m	3,622
<b>E.ON</b>	Caring Energy Hardship Fund	£0.4m	£0.4m	452
<b>npower</b>	Health Through Warmth Crisis Fund	£1.4m	£1.4m	7,575
	First Step Fund	£1.36m	£1.36m	4,648
<b>Scottish Power</b>	The ScottishPower Energy People Trust	£2.3m	£1.6m	122,577
<b>SSE</b>	N/A			
<b>Total</b>		<b>£11m</b>	<b>£10.2m</b>	<b>144,532</b>

3.7. Over the period, ScottishPower contributed £2.3m into the fund, of which £1.6m was spent by the fund. We have received confirmation from ScottishPower that this money will be spent within a reasonable timescale. Any under-spend in this period will not be counted towards the 2009-10 social commitment.

### **The role of debt write-off as part of suppliers' social spend**

3.8. A number of the Trust Funds reported above are either partly or wholly used for debt write-off for customers who are struggling to pay their bills. In addition, some of suppliers' rebate payments are designed to assist customers with debt.

3.9. The valued assistance and relief that debt write-off can bring for low income and fuel poor customers is well recognised and, in setting our guidance in July 2008, we agreed to include it towards suppliers' commitments. We have stressed however that we will not include debt write-off that is provided as part of normal debt management processes. We recognise there is a balance to be struck between allowing spend by suppliers for debt write-off given the benefits this provides to fuel poor customers and allowing significant levels of suppliers' spend to be used for debt write-off.

3.10. We have previously flagged our concerns about the balance between spend on initiatives that focus on debt write-off and other initiatives that provide on-going and sustainable support to fuel poor customers<sup>20</sup>. We consider that suppliers should adhere to some key principles if debt write-off is to be counted as a part of their social programmes. Specifically we have said that it should be well targeted at the

<sup>20</sup> Monitoring suppliers' social initiatives, July 2008, Ref 105/08

fuel poor, part of a holistic package of measures and not related to any billing errors etc where the customer would not have been responsible for the debt in the first instance. We would also expect that debt write-off would not form a significant proportion of a supplier's total social spend.

3.11. To date, we have not defined 'significant levels' however we believe that it is important to clarify our interpretation for future periods. Going forwards we would expect rebates relating to debt write-off to form no more than 10% of any supplier's total spend.

### **Other eligible social initiatives**

3.12. We remain of the view that it is important to take account of, and recognise, the wide range of other initiatives and support suppliers offer their fuel poor and vulnerable customers, which do not fall into the social tariff, rebate and trust fund categories in providing a holistic approach to tackling fuel poverty. Below is a summary of suppliers' spend on partnerships, benefit entitlement checks, energy efficiency measures in addition to CERT obligations and joint industry initiatives during 2008-09.

#### **Partnerships**

3.13. Partnerships can be schemes which are run by suppliers in partnership with other organisations, or where the supplier provides funding to another organisation for the delivery of assistance and advice. They can be particularly effective at providing targeted assistance and/or advice to fuel poor consumers particularly those who may otherwise be hard to reach.

3.14. All suppliers undertook a range of partnership activities in 2008-09 which are summarised below. Collectively suppliers spent £3.8 million on their partnerships over this period.

**Table 5: Summary of suppliers' partnerships during 2008-09**

<b>Supplier</b>	<b>Partnership organisation</b>	<b>Description</b>
<b>British Gas</b>	Help the Aged	Partnership to help older British Gas customers and UK citizens. During this reporting period, approx 2,751 referrals to Here to Help. Recently been trialling referrals from the Essentials programme and due to the success of this trial British Gas will be rolling out and offering the facilities of Help the Aged SeniorLine facility where appropriate.
	NEA	Programmes funded by British Gas throughout 2008. NEA developed and delivered 'Fuel Debt Advice in the Community Training' for British Gas charity partners and agencies.
	Save the Children	British Gas sponsored the 'Save the Children' community grants programme. Throughout 2008 more than 50 projects were funded. Crisis Funding for Families was launched in March 2009 and will run throughout the remainder of the year. Providing 900 families in fuel poverty grants to enable them to buy the most basic households items.
	SCOPE	SCOPE dealt with more than 1,000 referrals from the Here to Help Programme.
	RNIB	RNIB dealt with 2,264 referrals from the Here to Help programme, during the reporting period.
	Carers UK	Carers UK are carrying out benefits assessments with British Gas customers who are also Carers.
	Money Advice Trust	British Gas refers customers who are in debt and request financial advice to Money Advice Trust through the Here to Help and Essentials programme. They have also provided training to British Gas' specialist team and debt teams.
	<b>TOTAL</b>	<b>£1.00m</b>
	<b>EDF Energy</b>	Devon & Cornwall CAB
WRVS		Sponsorship of Energy Advisor post to train WRVS volunteers to identify signs of fuel poverty and vulnerability when working with clients in their homes and to signpost them to available assistance. Safe Warm & Well winter risk campaign to highlight the risks of cold to older people and signpost them to support.
NEA		Sponsorship of several NEA events to raise awareness of fuel poverty and energy

		efficiency issues.
	Savings from Poverty	Funded feasibility study by Savings From Poverty to investigate options for future financial inclusion of customers without bank accounts.
	EEPH	Sponsorship of annual national conference to raise awareness of fuel poverty issues among groups and agencies.
	National Right to Fuel Campaign	Sponsorship of events to raise awareness of fuel poverty issues, including a seminar at Houses of Parliament with DECC Parliamentary Under Secretary, Joan Ruddock.
	<b>TOTAL</b>	<b>£0.32m</b>
<b>E.ON</b>	NEA	Energy efficiency awareness training was provided to 3 charities within East Midlands for them to pass on energy efficiency advice and awareness of grants to disabled householders. Sponsorship of East Midlands and Eastern Fuel Poverty Forums to give news and information to local businesses including housing providers on fuel poverty issues and energy efficiency advice.
	Auriga	Supplied A-rated white goods to 120 E.ON customers who Auriga identified as needing new appliances, (spend £39,595). In addition partially wrote off the debt of 307 customers (spend £80,451).
	<b>TOTAL</b>	<b>£0.15m</b>
<b>npower</b>	NEA annual conference	The annual conference provides an opportunity to provide workshops and attend presentations to discuss the key issues around fuel poverty.
	Microgeneration Project - NEA	Microgeneration Project - The NEA managed a project to install microgeneration onto some of the households on the First Step Programme.
	Health Trainers - NEA	Health trainers work across communities targeting those particularly disadvantaged via a variety of community access points. As well as establishing health plans, health trainers are key in recognising the signs of fuel poverty.
	Fuel Poverty Forums - NEA	These forums aim to bring together policy makers and service providers to examine policy, practical initiatives and the delivery of solutions.
	Your Homes Newcastle	A project to install Community Care alarms in the homes of the elderly. These alarms measured the temperature within the property. If the temperature was not at a safe level, the system automatically dialled an external agency who would be able to assist.
	<b>TOTAL</b>	<b>£0.11m</b>

<b>Scottish Power</b>	Aberdeen City Council, Age Concern Cymru North Wales, GoWarm, Energy Action Scotland, Manchester Warm Homes, and Gateshead, Kirklees, Newcastle, North Staffordshire, North Tyneside Warmzones.	Funding provided for the provision of Income Maximisation service.
	Gateshead, Kirklees, Newcastle, North Staffordshire, North Tyneside Warmzones	Funding for the provision of a Hardship Fund to assist those in fuel poverty who do not qualify for any other grant assistance.
	NEA	NEA Wales Fuel Poverty Forum, NEA House of Lords Reception, NEA Spotlight on Fuel Poverty Forums
	NEA and EAS	Cost of Affordable Warmth Report
	EAS	EAS 25th Anniversary Luncheon
	<b>TOTAL</b>	
<b>SSE</b>	EAS	In addition to sponsorship of EAS to tackle fuel poverty, funding was allocated for a leaflet to be distributed across GP surgeries in Scotland providing energy efficiency advice and promoting social tariffs. SSE was also involved with a partnership with the Energy Action Scotland Business Supporters Group.
	NEA	NEA Park Homes: Funding to manage a project to promote and raise awareness of the benefits of a holistic approach to energy efficiency and new technology in UK park homes stock. This partnership won "Key Project" in the Micropower Council Awards in April 2009. SSE was also involved with a partnership with the National Energy Action Business Supporters Group
	CAB	Funding provided to enhance the level of advice and support provided by CAB in relation to energy efficiency advice, fuel debt advice and general assistance with energy related problems.
	<b>TOTAL</b>	

### Benefit Entitlement Checks (BECs)

3.15. In total, suppliers carried out over 5,000 BECs during 2008-09 and spent slightly less than £168,000. This figure includes BECs undertaken for customers who are fuel poor or vulnerable to fuel poverty as part of discrete initiatives only. For most suppliers, BECs are undertaken as part of their other programmes and therefore spend on these initiatives has been captured elsewhere.

### Energy efficiency initiatives

3.16. In order to be included as part of a supplier's social commitment, any energy efficiency initiative targeted at fuel poor customers or those vulnerable to fuel poverty must be offered in addition to any statutory commitments under the Carbon Emissions Reduction Target (CERT).

3.17. Some suppliers have highlighted examples of where they make additional contributions to provide measures under CERT that in their view would not otherwise be seen as cost effective. We have not included such measures as the extent of the additional contribution is subjective and the supplier is receiving a CERT credit for the measure anyway.

3.18. We have, however, included supplier contributions that act as 'top-ups' to Government funded schemes, such as Warm Front, or that provide support for community based initiatives, bringing together support from a range of sources.

3.19. EDF Energy, E.ON and SSE were involved with a number of energy efficiency initiatives over the period collectively spending £1 million. Table 6 below shows the different energy efficiency initiatives the energy suppliers were involved with in 2008-09.

**Table 6: Summary of suppliers' energy efficiency initiatives during 2008-09**

Supplier	Scheme name
EDF Energy	London Warm Zone Partnership involves sponsorship in addition to the CERT spend to secure wider fuel poverty objectives.
E.ON	The CaringEnergy Fund contributed towards costs of heating installation where the Warmfront grant was not enough to cover the costs of work.
SSE	CFLs for energyplus Care customers <sup>21</sup>
	Work with four Warm Zones projects
	Payments under Energy Efficient Fridgesavers programme
	Discounted Appliance trial at Pitlochry Shop
<b>Total</b>	<b>£1m</b>

<sup>21</sup> SSE did not receive any credit under the CERT scheme for this activity.

3.20. DECC have recently consulted on the new Community Energy Saving Programme (CESP). CESP is intended to be an obligation on energy suppliers and electricity generators to deliver CO<sub>2</sub> savings in the domestic sector via a whole house, street by street approach. Incentives are incorporated into the programme structure to encourage this type of delivery. Ofgem will administer the CESP programme and we will be publishing a consultation on the administration of the CESP later in the summer.

3.21. CESP is expected to play an important part in the suppliers' contribution to tackling fuel poverty. Until the administration of the scheme is finalised, community activity (that will then count under CESP) will be included within the energy efficiency element of the social spend provided it is not also covered by CERT. Once the CESP becomes a formal obligation we will cease to include spend on these activities unless this goes beyond the CESP obligation.

### **Joint industry initiatives**

3.22. We continue to include suppliers' delivery and administration costs where they relate to specific projects involving joint working across industry and where they are targeted at assistance or advice to fuel poor consumers and those vulnerable to fuel poverty.

3.23. The Home Heat Helpline is run through the Energy Retail Association and is funded by the energy suppliers. It provides a telephone line to advise and refer customers on energy efficiency and fuel poverty issues<sup>22</sup>. Earlier this year, the Home Heat Helpline launched a new interactive website and now accepts email requests for information.

3.24. As part of commitments agreed with the energy suppliers at Ofgem's Energy Summit in April 2008<sup>23</sup>, a pilot exercise was established with eaga funded by the suppliers. The pilot involved eaga contacting a sample of 3,000 customers about the benefits of being on the most appropriate tariffs and offering to transfer the customer to their supplier for more advice and help. The supplier then checks and confirms that the referred customer is on the best tariff and offers any other appropriate help. As a result, 41% of customers who were referred to their supplier for tariff advice were moved onto a cheaper tariff, including social tariffs. eaga and DECC are currently discussing with suppliers how this initiative might be rolled out permanently across the country.

3.25. In 2008-09, suppliers' collective expenditure on the Home Heat Helpline and the eaga pilot totalled £0.9 million. These were the only two initiatives counted under this spend category.

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22 Home Heat Helpline website [www.homeheathelpline.org.uk](http://www.homeheathelpline.org.uk) and Tel: 0800 33 66 99

23 Updated Fuel Poverty Summit Action Programme:  
<http://www.ofgem.gov.uk/Pages/MoreInformation.aspx?docid=130&refer=Sustainability/SocAction/Publications>

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**Further information**

3.26. Appendix 1 to this report sets out more detail on the different elements of suppliers' current social programmes.

## 4. Calculation of suppliers' contributions

### Chapter summary

The total spend across all suppliers on social programmes in 2008-09 was £157m (£3.29 per customer account). This exceeds the commitment's first year target of £100m and exceeds Government's overall target set in the 2008 Budget for suppliers spend on social initiatives to reach at least £150m a year by 2011. We also confirm that all suppliers have met their first year's social commitment.

### Calculating suppliers' social spend contribution

4.1. Suppliers' collective expenditure for 2008-09 totalled **£157 million**. This is equivalent to an average of **£3.29** per customer account. The spend comprised:

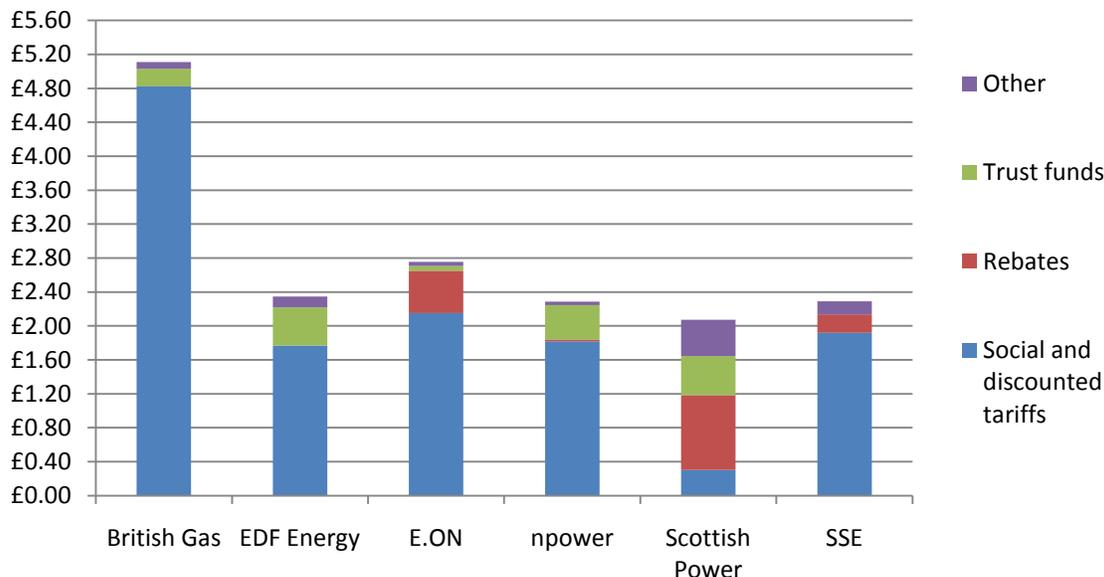
	<b>£m</b>
Social and discounted tariffs	130.0
Other rebates and discounts	9.9
Trust funds	11.0
Other initiatives	5.9
<b>Total</b>	<b>£157 million</b>

4.2. This expenditure greatly exceeds the target set by Government for the first year of the social commitment of £100m (£2.10 per customer account). It also exceeds the overall commitment for social initiatives of at least £150 million a year by 2011 as set in the 2008 Budget. We confirm that all suppliers have met their first year's social commitment.

4.3. This expenditure represents an almost three-fold increase (175%) compared with 2007-08 when the total spend was calculated at £57.12m.

4.4. The largest contribution to the overall commitment was made by British Gas with a total spend of £82 million (52%) or £5.11 per customer account. British Gas greatly exceeded their part of the target set by Government. All other suppliers met their social spend targets and we expect to see increased spend on social initiatives in line with Government's targets from these suppliers in the remaining two years of the commitment.

4.5. Chart 4 below shows suppliers' spend contributions for 2008-09 (April 2008-March 2009). This is shown on a per customer account basis. The chart shows that the vast majority (over 96%) of suppliers' spend on their social programmes was directed at their social tariffs, rebates and trust funds which provide direct assistance to customers in, and vulnerable to, fuel poverty.

**Chart 4: Suppliers' social spend contribution for 2008-09 on a per customer account basis**

Note: In calculating these figures we have used December 2007 customer numbers (from CERT).

#### 4.6. The conclusions from this analysis are that:

- There has been a significant increase in spend on social initiatives in 2008-09 with the main focus for all suppliers (with the exception of ScottishPower) being on social and discounted tariffs;
- British Gas contributed significantly more than any other supplier both overall and per customer account. British Gas had two social tariffs during the period providing significant benefits to large numbers of their vulnerable customers;
- E.ON followed a different approach through their StayWarm fixed bill tariff and also offered rebates across a broad number of customers; and
- ScottishPower launched its new social tariff, FreshStart, in January 2009 and has therefore contributed the least towards its social tariff compared with all other suppliers. The majority of ScottishPower's contribution comes from rebates.

## 5. Other assistance for vulnerable customers

### Chapter summary

This chapter summarises suppliers' support for vulnerable customers that is not counted as part of their social spend commitment. Suppliers play an important role in helping vulnerable customers through their wider pricing policies and debt management/customer services practices, and through their statutory CERT obligations.

### Assistance for Prepayment Meter (PPM) customers

5.1. As discussed in chapter 2, Ofgem has reviewed the issue of payment differentials as part of the energy supply markets probe. We have announced the introduction of new conditions into the suppliers' licences to end prices that are not justified by associated costs to the supplier. These new licence conditions will be introduced on 1 September 2009. Following the publication of our initial findings report in October 2008, a number of suppliers have responded with price cuts for prepayment meter users; the effect of these price alignment policies can be seen in Charts 1 and 2 above.

5.2. We have been clear in our previous social spend reports that, as part of this monitoring and reporting framework, suppliers' costs associated with their PPM equalisation policies would not be eligible for inclusion towards their commitments given that they are not well targeted at the fuel poor. However, in order to highlight the full range of assistance that suppliers' offer their customers we have included this information as part of our reporting.

5.3. Key areas of assistance for PPM customers during the 2008-09 period are outlined below:

- With effect from December 2008, British Gas introduced new tariffs for its Pay-as-You-Go customers. Customers saw an average reduction of £22 (dual fuel customers). These new tariffs narrowed the differential between the cost of prepayment accounts and other payment types offered by the company. Electricity rates were aligned to electricity cash/cheque tariff. This change assisted 2.3million customers with a saving on average of £22;
- EDF Energy continued to offer electricity PPM prices equalised to standard credit assisting 612,000 customers and saving on average of £20;
- npower does not charge a surcharge for electricity or gas prepayment customers and estimate this results in a saving of £30 per year for gas customers and £29 for electricity customers; and

- SSE equalised their electricity PPM and standard credit tariffs during the previous period and maintained this equalisation throughout the 2008-09 period, giving a saving of £16 per household.

5.4. SSE also offers equigas and equipower tariffs via their longstanding partnership with EBICo, a not for profit organisation. This arrangement costs SSE around £500,000 per year. Customers on equigas and equipower tariffs pay the same price for their energy supply irrespective of payment method with no separate standing charge. This means that in effect direct debit and quarterly credit customers pass on their savings to prepayment meter customers, whose rates are cheaper than SSE's standard prepayment tariff. EBICo targets its marketing of the tariffs to customers who wish to help other customers who are in financial hardship. EBICo also works to ensure those on PPM tariffs who would benefit from this 'subsidy' are indeed in need of that assistance.

### **Other assistance**

5.5. Suppliers offer a range of other assistance to their customers, often as part of good debt management practices, which does not qualify towards their social spend targets. We do, however, recognise the important part this can play in providing assistance to vulnerable customers. During this period, this type of assistance included:

- EDF Energy seconded one staff member for six months to train and assist Plymouth CAB staff on energy matters. This results in a cost of £20k plus associated costs;
- npower's 'SAFE' team (Solutions Available For Everyone) which provides assistance for those customers struggling to manage their bills but who are not eligible for their social programmes. This team provides a one-to-one account management relationship with the customer and coordinates any referrals to external third parties. The SAFE team have all completed a counselling qualification; and
- npower is also involved in a partnership with Christians Against Poverty (CAP). CAP is a national debt counselling charity working through a network of 102 centres based in local churches. CAP offers assistance to anyone in debt regardless of age, race, gender or belief. CAP manages clients' bills for them and therefore makes payments directly to npower on their behalf. npower takes part in CAP's fair share scheme which means for every pound paid to npower on behalf of customers, 10% is paid back to CAP.

## Appendices

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## Appendix 1 - Social programmes offered by suppliers (1 April 2008 - 31 March 2009)

### 1. Discounted Tariffs

The offers included in these tables are:

- Equal to or lower than a supplier's current direct debit tariff.
- Targeted at helping vulnerable customers or those most likely to be fuel poor.
- Applicable to ongoing charges levied to customers for the provision of energy. It may be delivered alongside other help and support offered to vulnerable customers but should be clearly distinguishable from, for example, energy efficiency measures.
- Any other price support mechanisms a supplier may have in place to assist vulnerable customers, for example fixed price tariffs or discounted tariffs.
- Clear in whether the tariff is open to new and/or existing customers who meet the qualification criteria.

Social programmes offered by suppliers as at end of March 2009						
Supplier	Tariff name	Detail of tariff offer	Qualification criteria/who is eligible	How long do customers remain on the tariff? What is the end date of the tariff?	How do customers access this tariff? Automatically or by application?	Details of how the tariff is marketed to customers
British Gas	Essentials	Customers are charged 'Essentials' rates - up to August 2009 registered customers paid direct debit rates no matter what payment method they used to pay their bills. From August 2009, Essentials was the lowest tariff available	Open to any existing BGT customer (regardless of location and fuel type) who are eligible to claim a range of 13 Government benefits such as	The tariff is not time limited.	Self declaration of benefits by the customer to BGT  Referral from third party.	All front line staff specifically trained to look out for and identify signs of vulnerability  Work with charity partners to identify customers such as Citizens

<b>Social programmes offered by suppliers as at end of March 2009</b>						
Supplier	Tariff name	Detail of tariff offer	Qualification criteria/who is eligible	How long do customers remain on the tariff? What is the end date of the tariff?	How do customers access this tariff? Automatically or by application?	Details of how the tariff is marketed to customers
		<p>for Gas only and dual fuel customers.</p> <p>The tariff is targeted at the supplier's most vulnerable customers.</p> <p>From June 2009 BGT relaunched the Essentials tariff to bring it in line with Ofgem's social tariff definition.</p>	Pension Credit, Disability Living Allowance or Child tax Credit.			Advice Bureaux and British Gas Energy Trust.
British Gas	Price Promise	<p>These customers are on a lower price than Essential customers because they have had only one price increase since 2004.</p> <p>These customers are currently on an extended price freeze, since July 2008, along with all other Essentials customers.</p> <p>At launch, these</p>	Customers over 60 years and on Pension Credit	Ongoing	These customers were identified through a shared initiative with Help the Aged. Customers over 60 and on Pension Credit were invited onto Price Promise	<p>Customers were originally identified as part of a shared initiative between British Gas and Help the Aged</p> <p>Direct mail to all customers identified as being over 60</p>

<b>Social programmes offered by suppliers as at end of March 2009</b>						
Supplier	Tariff name	Detail of tariff offer	Qualification criteria/who is eligible	How long do customers remain on the tariff? What is the end date of the tariff?	How do customers access this tariff? Automatically or by application?	Details of how the tariff is marketed to customers
		customers were offered capped energy prices until 1 October 2007, Free home insulation, free low energy light bulbs, a free benefits health check assessment and free access to the British Gas Energy Care scheme.				
EDF Energy	Energy Assist	Eligible customers receive a discounted tariff, currently at 15% of their prepayment, standard or direct debit tariff.  PPM customers receive the tariff via an annual rebate on their standard tariff rates.	A customer must either spend more than 10% of their total net annual household income on household energy costs or be in receipt of Income Support or Pension Credit.	This tariff was relaunched in May 2009 to align it with Ofgem's new social tariff definition.  EDF Energy have committed to offering a social tariff until 2012.	Existing customers can apply for this tariff if they meet the eligibility criteria.  EDF Energy has also identified certain customers with the highest propensity to	Promoted through Priority Services Team to customers identified as fuel poor.  All customer service advisors aware of the tariff and can refer eligible customers to the specialist team.  Promoted with external stakeholders and

<b>Social programmes offered by suppliers as at end of March 2009</b>						
Supplier	Tariff name	Detail of tariff offer	Qualification criteria/who is eligible	How long do customers remain on the tariff? What is the end date of the tariff?	How do customers access this tariff? Automatically or by application?	Details of how the tariff is marketed to customers
					be in fuel poverty based on they fuel poverty modelling. In July 2008 they transferred 33,000 customers in highest propensity to be fuel poor onto the tariff.	partners. Information on EDF Energy's website.
E.ON	StayWarm Social	StayWarm customers with above average consumption who are in receipt of benefits, have special needs or special circumstances, pay the StayWarm standard product price. This price is based upon the number of occupants and the number of bedrooms in the property not consumption, rather	Over 60, with income related benefits, or special needs, or special circumstances, and have less than 4 bedrooms.	The tariff is now closed to new entrants. All eligible new applicants are offered the WarmAssist tariff.	At annual contract renewal a StayWarm customer with significantly higher than average consumption is prompted to call E.ON.	The tariff is now closed to new entrants. All eligible new applicants are offered the WarmAssist tariff.

<b>Social programmes offered by suppliers as at end of March 2009</b>						
Supplier	Tariff name	Detail of tariff offer	Qualification criteria/who is eligible	How long do customers remain on the tariff? What is the end date of the tariff?	How do customers access this tariff? Automatically or by application?	Details of how the tariff is marketed to customers
		than Medium or High User prices.				
E.ON	WarmAssist	WarmAssist is developed to deliver a sustainable energy solution to a group of the most vulnerable customers by offering a 15% discount on standard electricity and gas prices. WarmAssist customers will be offered energy advice and have free cavity and loft insulation installed. In addition customers can access E.ON's other advice services.	E.ON customers receiving pension credit, who have been a customer for at least 12 months and have annual energy bills of more than 10% of Pension Credit benefits levels. Product is also available to low income customers aged 60 and over with a medical dependency on energy.	No end date	By application	Call centre staff make existing customers who meet the eligibility criteria aware of the product.
npower	Spreading Warmth	Eligible customers received a discount of	Gross household income of below	Tariff is not time limited	Application, referral from a	Direct mail-out sent to all members of

<b>Social programmes offered by suppliers as at end of March 2009</b>						
Supplier	Tariff name	Detail of tariff offer	Qualification criteria/who is eligible	How long do customers remain on the tariff? What is the end date of the tariff?	How do customers access this tariff? Automatically or by application?	Details of how the tariff is marketed to customers
	Tariff	£125 per fuel onto their energy account on 1 January 2009 provided they are set up on the tariff by 31 December 2008. Those customers joining after December 2008 received a credit for one quarter applied to their account.	£13,500 and anyone in the household is aged 60 or over, disabled, chronically sick or a child under 16.	but eligibility can be reviewed.	third party or offered by internal staff and debt collection teams.	npower's PSR, customers paying their bills using Fuel Direct, Health Though Warmth programme and fuel poverty modelling.  Internal/external referrals, website, variety of stakeholder communications.
npower	First Step Tariff	A legacy tariff which was offered as part of joining npower's First Step programme.  Although the tariff is no longer offered, the tariff still has customers on it and has offered customers savings during the reporting period.	To be eligible for the First step tariff a customer must be deemed to be vulnerable and struggling to pay their energy bills.  Customers must also take their heating fuel from npower.	The tariff is not time limited, but eligibility is reviewed on an annual basis.	This tariff is no longer open to new applicants.	This tariff is no longer open to new applicants.

<b>Social programmes offered by suppliers as at end of March 2009</b>						
Supplier	Tariff name	Detail of tariff offer	Qualification criteria/who is eligible	How long do customers remain on the tariff? What is the end date of the tariff?	How do customers access this tariff? Automatically or by application?	Details of how the tariff is marketed to customers
Scottish Power	Fresh Start	Launched in January 2009, this tariff offers prices that are 5% below ScottishPower's standard direct debit prices regardless of payment method.	The customer must be aged 60 or over AND be in receipt of one of a number of qualifying welfare benefits.	The tariff is not time limited.	Automatic, application and referral.  All Priority Services Register (Carefree) and Fuel Direct payment customers were automatically transferred when the tariff was launched.	ScottishPower issued a press release in December 2008 announcing the launch of its social tariff. Customers were able to call and pre-register for the tariff provided they met the eligibility criteria.
Scottish Power	Carefree Plus	The tariff provides a holistic solution to vulnerable customers.  The tariff works by applying a daily discount to the customers gas and electricity account, to the value of up to	The Carefree Plus Tariff is available to ScottishPower customers who are (i) 60 years or over (ii) registered on the ScottishPower Priority Services	This tariff is now closed to new applicants. All customers previously on this tariff have been transferred onto Fresh	This tariff is now closed to new applicants. All customers previously on this tariff have been transferred onto Fresh	This tariff is now closed to new applicants. All customers previously on this tariff have been transferred onto Fresh Start.

<b>Social programmes offered by suppliers as at end of March 2009</b>						
Supplier	Tariff name	Detail of tariff offer	Qualification criteria/who is eligible	How long do customers remain on the tariff? What is the end date of the tariff?	How do customers access this tariff? Automatically or by application?	Details of how the tariff is marketed to customers
		£111.56 (inc VAT). All Carefree customers can also access a Benefit Health Check, energy efficiency advice and access to energy efficiency measures.	register (iii) pay for their fuel by a method other than Direct Debit, Standing Charge and Fuel Direct (iv) and are in receipt of one or more passport benefits.	Start.	Start.	
SSE	energyplus Care	Customers receive at least a 20% discount on their existing tariff. They also receive energy efficiency advice and are offered a benefit entitlement check.  Following Ofgem's redefinition of a social tariff, SSE equalised this tariff to ensure that all customers now pay the same rate in their region regardless of	Based on a points system which takes into consideration whether the customer spends more than 10% of their total income on energy bills, whether the customer has a disability, the household income and any benefits	A customer's eligibility will be reviewed after 2 years.  SSE will contact the customer to re-apply for the tariff. If eligible, the tariff will continue.	Application or identification by internal staff or third-party referral.	Website; internal referral; referrals from staff in the community (meter readers, debt collectors); information leaflets/packs issued; external agencies (CAB, Housing Associations, Councils, Home Heat Helpline, Energy Assistance Package in

<b>Social programmes offered by suppliers as at end of March 2009</b>						
Supplier	Tariff name	Detail of tariff offer	Qualification criteria/who is eligible	How long do customers remain on the tariff? What is the end date of the tariff?	How do customers access this tariff? Automatically or by application?	Details of how the tariff is marketed to customers
		payment method. energyplus Care customers were also excluded from the August 2008 price increases.	received. Type of property and its energy efficiency is also taken into account.			Scotland); eaga trial; leaflet produced in conjunction with Energy Action Scotland distributed in GP surgeries in Scotland, providing advice on energy related matters and social tariffs.
SSE	Equipower and Equigas	SSE's partnership with EBICo offers 2 standard tariffs, equipower and equigas. Customers do not pay a standing charge and are on equalised tariffs regardless of payment method. EBICo is a not for profit company which aims to tackle issues of social concern.	Anyone is eligible to become an SSE customer through EBICo.	It is a permanent arrangement where gas and electricity customers pay the same tariff regardless of payment method.	By application	The EBICo tariff is marketed by EBICo themselves. SSE pays EBICo a fee for each customer gained.

## 2. Rebates (targeted at vulnerable customers)

- A rebate is any one off payment or refund of part of a fuel bill targeted at vulnerable customers.
- It may be delivered alongside other help and support offered to vulnerable customers but should be clearly distinguishable from for example energy efficiency measures.
- It does not include refunds or discounts given to all customers such as dual fuel or direct debit payments.

Social programmes offered by suppliers as at end of March 2009					
Supplier	Detail of rebate/scheme name	Qualification Criteria	Is it automatic or have to be applied for?	How is it marketed?	How often is the rebate made?
British Gas	Essentials Advance	The customer needs to be on one or more of the following benefits: Disability Living Allowance, Attendance Allowance, War Disablement Pension, Disablement pension, Child Tax credit income of £15,592 or less, Working Tax credit income of £15,592 or less, Council Tax benefit, Housing benefit, Income Support, Income-	Automatic on installation of insulation and can also be applied for	By Call Centres Agents as they identify vulnerable customers through their dialogue. Through charity partner, CAB and other agency referrals including ERA project referrals.	One off payment

		based Job Seekers Allowance, State Pension Credit.			
E.ON	Age Concern Cold Weather Payment	Customers on our Age Concern tariff with a gas account who are aged over 60.	Automatic	It is advertised to customers in all sales material issued by E.ON or Age Concern both online and offline.	Credit on the customers spring bill.
npower	Direct debit winter bonus	Customer must have an income of less than £13,500.	Through door-to-door sales and customer service phone calls	Eligible customers were informed of this rebate either over the phone when speaking to customer services or by door-to-door sales staff. The door-to-door sales staff had literature which outlined the ways direct debit can help customers and what customers need to know about it.	The rebate was credited to the account on the 01/03/09 and appeared on customer's first statement after this date.
Scottish Power	Carefree Winter Rebate	The rebate was made to customers on the Carefree database.	Automatic	NA	The rebate was applied as a one-off payment in December 2008 to assist towards fuel costs over the winter period.

Scottish Power	Fuel Direct debt assistance	The customer had to be on Fuel Direct and have a debt on their electricity or gas account greater than £180. The criteria was applied on an account basis ie electricity and gas accounts were looked at individually.	Automatic	NA	The rebate was applied as a one-off payment in December 2008 to reduce the outstanding debt on customer accounts identified by the Fuel Direct payment method as being vulnerable.
SSE	Various welfare payments and debt write off	Required to be registered on the PSR and have a special needs marker and/or struggling with debt.	Referral from internal staff or third party.	Not marketed; customer service advisors trained to identify eligible customers on a case by case basis.	Ad-hoc

### 3. Trust funds

- Trust funds are financed by suppliers.
- They are either run and funded by a supplier or funded by the supplier and independently run.
- The trust may operate by providing financial assistance to individual customers or to projects chosen by the company or charitable trust.

Social programmes offered by suppliers as at end of March 2009						
Supplier Name	Name of trust fund	Company run or charitable trust	Third party or own customers	Qualification criteria for funding	Automatic /application process	How is it marketed?
British Gas	British Gas Energy Trust	Independent charitable trust	Own customers	An existing customer of British/Scottish Gas with an energy debt.	Application	Customers with an energy bill debt can be referred by a call centre member of staff, or a third party agency eg Citizens Advice Bureau. British Gas looks for opportunities to promote British Gas Energy Trust throughout the year. This is undertaken through direct mailing, promotional literature and online.
EDF Energy	EDF Energy Trust	Independent charitable trust	Own customers	Anyone living in a domestic property that is supplied by EDF Energy can apply for a grant to clear energy	Application	Marketing through Charis (management agency) and EDF Energy as well as partnerships with third

				debts. The Trust can also help to clear other essential household bills and costs.		party debt agencies.
			Third party organisations	Trustees also provide funding to not-for-profit organisations to promote the Trust and to enable them to provide clients with encouragement and support throughout the application process.	Application	
E.ON	The Caring Energy Trust	Company run	Own customers	E.ON customers on a household income of less than £15,460 and savings below £8,000. For heating and insulation measures, the applicant must be the home-owner.	Application	Through E.ON customer service agents and third parties such as CAB and Warmfront.
npower	First Step Fund (part of the First Step Programme)	Company run	Own Customers	If a customer joins the First Step programme with an outstanding balance on their account, they will be assessed to ascertain if they are eligible for the First Step Fund.	Assessed as part of any application for the First Step programme	Through the application process for the First Step programme which is explained to the customer through a personal phone call from their First Step adviser.

## Monitoring suppliers' social programmes 2008-09

August 2009

npower	Health Through Warmth (HTW) Crisis Fund	Company run	Available to all households in a HTW area regardless of who their energy supplier is.	The customer will be ill due to their home being cold or damp.	Application from a trained HTW referrer.	Links with community workers and health professionals who are trained to refer to HTW.
Scottish Power	The Scottish Power Energy People Trust	Independent charitable trust	Third parties only	The award is assessed on whether the project provides assistance in the following areas which help eliminate fuel poverty - crisis funding, benefits health checks/income maximisation, energy efficiency measures and/or research into the issue of Fuel Poverty. Priority is given to projects aimed at helping families with young children and young people.	Application	Applicants hear about the fund through the website, through various presentations to organisations, through events sponsorship eg NEA Conference and through press releases.

#### 4. Partnerships

- Partnerships are schemes run by suppliers in partnership with other organisations for the benefit of vulnerable customers. There is likely to be some cross over with a suppliers CERT commitments with these schemes.

<b>Social programmes offered by suppliers as at end of March 2009</b>			
Supplier Name	Name of partner(s) involved	Role of supplier	Brief description of what was offered by scheme
British Gas	UK charities including Carers UK, Help the Aged, Scope, Save the Children, RNIB, NEA REECH, Money Advice Trust and National Debt Line	Funding; refers individuals in need of support to charity partners and provides British Gas customers with additional services	Through working with charity partners British Gas is able to identify and target more accurately customers who are vulnerable and in need and they are able to establish the help and support that is required at an individual basis. Through charity partners bring their expertise and the level of trust that they have with the general public on social matters, British Gas are able to achieve their objectives in supporting the most vulnerable far more effectively.
EDF Energy	Various partners including CAB, WRVS, NEA, EEPH, and the National Right to Fuel Campaign	Sponsorship of various events to raise awareness, training of front line debt advisors and volunteers, and finding of the 'Safe, Warm and Well' winter risk campaign.	These partnerships allow EDF Energy to reach those customers that are hardest to identify by using trusted partners who have access to vulnerable people in their own homes and allow for the dissemination of information about the help available to those experiencing fuel poverty and energy debt. The Safe Warm and Well campaign focuses on a range of issues affecting vulnerable people and provides advice and assistance to many people who are not customers of EDF Energy.
E.ON	1. National Energy Action (NEA) 2. Auriga	Funding	1. E.ON sponsors NEA projects in the East Midlands and Eastern areas to improve access to energy efficiency services through training and information dissemination. 2. E.ON supplies A-rated white goods to customers who Auriga identify as needing new appliances. They are also able to write off customer debt.

<b>Social programmes offered by suppliers as at end of March 2009</b>			
Supplier Name	Name of partner(s) involved	Role of supplier	Brief description of what was offered by scheme
npower	1. NEA	1. Sponsorship of conferences and forums, funding of projects including one project to install microgeneration, training of front line staff including health workers to identify signs of fuel poverty.	1. Sponsorship of conferences and forums, funding of a project to install microgeneration onto some of the households on the First Step Programme and health trainers who work across communities targeting those particularly disadvantaged via a variety of community access points. As well as establishing health plans, health trainers are key in recognising the signs of fuel poverty.
	2. Your Homes Newcastle	2. Funding to install Community Care Alarms in the homes of the elderly.	2. A project to install Community Care alarms in the homes of the elderly. These alarms measured the temperature within the property. If the temperature was not at a safe level, the system automatically dialled an external agency who would be able to assist.
Scottish Power	1. Various Warm Zones, Local Councils and individual projects	1. See next column	1. Funding provided for the provision of income maximisation service.
	2. Various Warm Zones	2. See next column	2. Funding provided for the provision of a Hardship Fund to assist those in fuel poverty who do not qualify for grant assistance via any other scheme.
	3. NEA and EAS	3. See next column	3. Funding of various events

<b>Social programmes offered by suppliers as at end of March 2009</b>			
Supplier Name	Name of partner(s) involved	Role of supplier	Brief description of what was offered by scheme
SSE	1. Support NEA  2. Support EAS  3. Support CAB	Funding	1. This includes funding of NEA Park Homes. Funding goes towards managing a project to promote and raise awareness of the benefits of a holistic approach to energy efficiency and new technology in UK park homes stock. This partnership won "Key Project" in the Micropower Council Awards in April 2009.  2. Various projects including funding for the distribution of a leaflet providing energy efficiency and social information in GP surgeries in Scotland.  3. Funding provided to enhance the level of advice and support provided by CAB in relation to energy efficiency advice, fuel debt advice and general assistance with energy related problems.

### 5. Benefit entitlement checks

- A benefit entitlement check assesses whether a customer is receiving all the benefits they are entitled to. The table below sets out the number of checks a supplier has carried out or funded in order to determine whether a vulnerable customer is receiving the correct level of income support.
- There will be some cross over with a supplier's CERT activities.

<b>Social programmes offered by suppliers as at end of March 2009</b>			
Supplier Name	What is the trigger to being offered a check?	Checks carried out 'in-house' or externally?	How are checks marketed?
British Gas	As part of the Here to Help scheme, customers receive home visits to assess their property for home insulation. As part of this service customers receive a BEC through eaga or RNIB.	External	Marketed as part of Here to HELP and Essentials programmes; Help the Aged Benefits Community programmes; website <a href="http://www.britishgas.co.uk/support">www.britishgas.co.uk/support</a>
EDF Energy	The benefit entitlement check is a facet of the Energy Assist product. London Warm Zone customers are also offered a BEC as part of their household assessment.	External	In the case of Energy Assist, agents check the eligibility of the customer to be registered onto Energy Assist over the phone asking if the customer already receives the qualifying benefits. If not, the fuel poor calculation is undertaken based on the income communicated by the customer and their energy consumption. During the conversation, agents who have been trained for these calls, assess whether the customer might benefit from checking their entitlement to other benefits and advise the customer to call eaga for a benefits entitlement check, either providing the free phone number to the customer or offering the possibility to

<b>Social programmes offered by suppliers as at end of March 2009</b>			
Supplier Name	What is the trigger to being offered a check?	Checks carried out 'in-house' or externally?	How are checks marketed?
			transfer the customer to eaga on the same number. In the case of London Warm Zone clients are referred to the LWZ benefits team who write to each client informing them of the project and that a benefits advisor will telephone or visit them. If the customer is entitled to a benefit the advisor offers a home visit to complete the forms. Clients are also made aware of the service through LWZ integrated marketing & customer communications activity.
npower	Customers are offered a check through either: a doorstep assessment on a regional programme (Warm Zones or Community Warmth); when they call the Energy Efficiency line or the Warm Response Line; when they join the First Step Programme; and when they are referred via Health Through Warmth advisers.	Initial checks are provided in-house using our Ferret system and if a customer is identified that they may be eligible they will be referred to external parties for completion. Citizen Advice Bureaux and Welfare Rights	Checks are promoted through various routes Warm: Zones, Health Through Warmth, First Step and Spreading Warmth Winter Campaign but carried out initially by the First Step Team or Warm Response Team then third party organisations.

<b>Social programmes offered by suppliers as at end of March 2009</b>			
Supplier Name	What is the trigger to being offered a check?	Checks carried out 'in-house' or externally?	How are checks marketed?
		Units.	
E.ON	All customers who call through to E.ON's CaringEnergy service are offered a Benefits Entitlement Check.	Internal	Information released to the press during the year explaining the benefits of the service and how to apply. Literature sent to customers with details of the service and E.ON customer service and sales field agents promote the service.
Scottish Power	Leaflets distributed via ScottishPower insulation scheme or on request when a customer contacts SP energy efficiency helpline, through the new social tariff or insulation scheme.	External - eaga	Leaflets distributed via ScottishPower insulation scheme or on request when a customer contacts SP energy efficiency helpline, through the new social tariff or insulation scheme. Additional benefit health checks are carried out by Warm Zones ScottishPower supports. A number of projects funded by the Trust carry out BECs.
SSE	Customers are offered a health benefit check by customer service advisers who are trained to identify eligible customers.	External - eaga	Market the benefit checks alongside their social tariff, energyplus care.

## 6. Other Initiatives

- The table below sets out any other products aimed at vulnerable customers that do not fit into the above categories.

<b>Social programmes offered by suppliers as at end of March 2009</b>	
Supplier Name	Brief description of other initiatives/ programmes which are in addition to CERT and licence obligations and not mentioned elsewhere
EDF Energy	Safe Warm and Well winter communications campaign in partnership with WRVS – During the winter 2008/09 reached those that were hardest to identify by using a trusted partner who has access to vulnerable people in their own homes. Similarly, the project in Devon and Cornwall sees EDF Energy funding a post to work with debt and welfare advice agencies throughout the area to disseminate information about the help available for those in energy debt and fuel poverty.
npower	<p>Energy Efficiency Home Advisers - npower has a team of Home Advisers based throughout England and Wales. They are skilled practitioners in energy efficiency advice and visit customers in their homes to give face to face energy efficiency advice. This advice is mainly focused on helping vulnerable customers to achieve an affordable warm home. For this period, npower have spent over £300,000 on providing home visits to give energy efficiency advice.</p> <p>Macmillan Fuel Management Programme - The fuel management programme provides a range of services which lift those customer referred by Macmillan out of fuel poverty. This is done by setting customers up on a payment plan which is below 10% of their income. The Fuel Management Programme provides the services usually offered by the First Step programme and the Spreading Warmth Tariff to npower customers who contact the Macmillan Benefits helpline. This means that npower customers who have been diagnosed with cancer or care for someone with cancer have access to a discounted tariff (from April 2009 the Spreading Warmth Tariff) the possibility of debt write off and the provision of energy efficiency advice. This programme reduces the stress of dealing with fuel bills with a dedicated, specialist advisor and increases the finances available to the customer.</p> <p>Christians Against Poverty - Christians Against Poverty is a national debt counselling charity working through a network of 72 centres based in local churches. CAP offers hope and a solution to anyone in debt through its unique, in-depth service. npower made an agreement with the charity to provide £16,000p/annum in order to provide assistance from the charity for customers dealing with debt.</p>

ScottishPower	<p>ScottishPower have a dedicated phone line for all CAB advisors throughout GB to call ScottishPower's Collections Team for specialist advice on accounts in debt. In addition, the Energy People Trust has funded several CAB Projects. For example, through the Gingerbread project CAB was provided with funding to part fund posts to maintain an advice helpline and develop online resources to help single parent families who are facing financial difficulties. The type of advice provided through the advice line includes income maximisation, benefit information, and ways to overcome fuel poverty.</p> <p>The Toxteth CAB was provided funding for the Fuel Poverty Outreach Worker Project in Liverpool. The worker provides a specialist fuel poverty advice service to help their clients maximise their income. This includes providing assistance and access to financial skills training targeted towards lone parents and people with mental health issues. The service will be provided at outreach locations to ensure these hard to reach groups in particular need can access the service and will run for three years.</p> <p>ScottishPower also employs 14 dedicated Community Liaison Officers, to provide face to face customer contact and support. These highly skilled and experienced employees are a key tool in ScottishPower's advice initiative. The CLOs undertake customer visits, dealing with many aspects of customer accounts including high value bills, serious customer complaints as well as providing heating advice and information about the PSR and Carefree tariff.</p>
SSE	<p>In line with their Fuel Poor Code of Practice, SSE has appointed an independent Fuel Poverty Advisor. SSE worked closely with this advisor, utilising his expertise in this area in order to develop SSE's strategy to ensure the needs of vulnerable customers are addressed, particularly in the area of fuel poverty and debt. This Advisor provides impartial advice to SSE's senior management team on the best way to improve service ensuring transparency and accountability.</p> <p>SSE has also been working with social landlords and credit unions to provide low-cost starter packs of energy efficient appliances including "A" rated fridge freezers, dishwashers, washing machines, tumble dryers and electric cookers for example. In addition to this, SSE offers a free fridge and subsidised fridge freezer scheme to their most vulnerable customers.</p>

## Appendix 2 - Supplier contact details for general public enquiries

	<b>General Enquiries</b>	<b>Debt Advice</b>	<b>Energy Efficiency Advice</b>	<b>Social Programmes</b>
<b>British Gas</b>	0800 048 0202 (Credit Customers) 0800 048 0303 (Pay As You Go)	0800 048 0404	0800 072 8629	0800 072 7100
	<a href="http://www.britishgas.co.uk/support">www.britishgas.co.uk/support</a>			
<b>EDF Energy</b>	0800 096 9000	0800 269 450	0800 096 9966	0800 269 450
	<a href="http://www.edfenergy.com/products-services/for-your-home/customer-services/index.shtml?utm_source=efyh06&amp;utm_medium=quicklinks03&amp;utm_campaign=custser">http://www.edfenergy.com/products-services/for-your-home/customer-services/index.shtml?utm_source=efyh06&amp;utm_medium=quicklinks03&amp;utm_campaign=custser</a>			
<b>E.ON</b>	0845 059 9905	0845 059 9905	0500 201 000	0800 051 1480
	<a href="http://www.eonenergy.com/At-Home/Going-Green/Energy-Saving-Advice/Guidance-And-Caring-Energy.htm?WT.mc_id=Guidance_and_CaringEnergy&amp;WT.svl=8">http://www.eonenergy.com/At-Home/Going-Green/Energy-Saving-Advice/Guidance-And-Caring-Energy.htm?WT.mc_id=Guidance_and_CaringEnergy&amp;WT.svl=8</a>			
<b>npower</b>	0845 602 6363	0808 602 6363	0800 02 22 20	0800 980 5875
	<a href="http://www.npower.com/spreading_warmth/index.htm">http://www.npower.com/spreading_warmth/index.htm</a>			
<b>Scottish Power</b>	0845 2700 700	0800 027 7037	0800 33 22 33	0845 2700 700
	Fresh Start social tariff: <a href="http://www.scottishpower.co.uk/Home_Energy/Product_Information/Fresh_Start/">http://www.scottishpower.co.uk/Home_Energy/Product_Information/Fresh_Start/</a> Trust Fund: <a href="http://www.scottishpower.co.uk/About_Us/About_Us/">http://www.scottishpower.co.uk/About_Us/About_Us/</a>			

<b>Scottish &amp; Southern Energy</b>	Southern Electric General 0845 7444 555 (E) 0845 758 5401 (G) Scottish Hydro Electric General 0845 300 2141(E) 0845 755 2233 (G) Swalec General 0800 052 5252 (E) 0800 052 0567 (G) Atlantic General 0845 073 3030 (E) 0845 678 0055 (G)	Same as general phone numbers	0800 0727 201	0800 300 111 (energyplus Care)  0800 622 838 (Careline – PSR)
	<a href="http://www.hydroenergytips.co.uk/help.aspx">http://www.hydroenergytips.co.uk/help.aspx</a> <a href="http://www.swalecenergytips.co.uk/help.aspx">http://www.swalecenergytips.co.uk/help.aspx</a> <a href="http://www.southernenergytips.co.uk/help.aspx">http://www.southernenergytips.co.uk/help.aspx</a> <a href="http://www.atlanticenergytips.co.uk/help.aspx">http://www.atlanticenergytips.co.uk/help.aspx</a>			

## Appendix 3 - Methodology to calculate contributions from suppliers' social and discounted tariffs

1.1. To calculate the savings a customer makes by being on the supplier's social or discounted tariff, suppliers provided Ofgem with:

- the number of gas and electricity customer accounts that were on their social and discounted tariffs each month,
- average annual consumption data for customers in receipt of the social or discounted tariff,
- average annual bill information for all customers each month broken down by payment method, and
- average annual bill information for customers on the social or discounted tariff each month broken down by payment method.

1.2. The difference was then calculated between what customers in receipt of the social/discounted tariff would have paid were they on the average tariff for their payment method compared to what they paid on the social/discounted tariff. For example:

- For each month, the supplier calculates an average annual bill (across all regions) for customers on their standard tariff for each payment method using actual average consumption data;
- The supplier then calculates what an average annual bill (across all regions) for customers on their social/discounted tariff for each payment method using actual average consumption data;
- The monthly annual discounted tariff bills are then subtracted from the standard tariff bills for each payment method to give the saving offered by the supplier on a per customer basis. This value is then multiplied by the number of customers on the social/discounted tariff for each payment method.
- These savings are then summed and weighted, using weightings provided by DECC, to give the total savings to a supplier's social/discounted tariff customers for the year.:
  - Electricity - April-June 20%, July-Sept 20%, Oct-Dec 30%, Jan-March 30%
  - Gas - April-June 15%, July-Sept 10%, July-Sept 35%, Jan-March 40%

1.3. This methodology is slightly amended from the 2007-08 report after comments were expressed by a number of suppliers that our previous reporting did not take into account customers changing consumption patterns through the year. This change to the methodology has enabled us to better take account of the changes in customers' average consumption as it changes throughout the year and increases the accuracy of our reporting. As it uses average actual consumption data it also better reflects the savings actually achieved by customers on the social/discounted tariffs.

## Appendix 4 – The Authority's Powers and Duties

1.1. Ofgem is the Office of Gas and Electricity Markets which supports the Gas and Electricity Markets Authority ("the Authority"), the regulator of the gas and electricity industries in Great Britain. This Appendix summarises the primary powers and duties of the Authority. It is not comprehensive and is not a substitute to reference to the relevant legal instruments (including, but not limited to, those referred to below).

1.2. The Authority's powers and duties are largely provided for in statute, principally the Gas Act 1986, the Electricity Act 1989, the Utilities Act 2000, the Competition Act 1998, the Enterprise Act 2002 and the Energy Act 2004, as well as arising from directly effective European Community legislation. References to the Gas Act and the Electricity Act in this Appendix are to Part 1 of each of those Acts.<sup>24</sup>

1.3. Duties and functions relating to gas are set out in the Gas Act and those relating to electricity are set out in the Electricity Act. This Appendix must be read accordingly<sup>25</sup>.

1.4. The Authority's principal objective when carrying out certain of its functions under each of the Gas Act and the Electricity Act is to protect the interests of existing and future consumers, wherever appropriate by promoting effective competition between persons engaged in, or in commercial activities connected with, the shipping, transportation or supply of gas conveyed through pipes, and the generation, transmission, distribution or supply of electricity or the provision or use of electricity interconnectors.

1.5. The Authority must when carrying out those functions have regard to:

- the need to secure that, so far as it is economical to meet them, all reasonable demands in Great Britain for gas conveyed through pipes are met;
- the need to secure that all reasonable demands for electricity are met;
- the need to secure that licence holders are able to finance the activities which are the subject of obligations on them<sup>26</sup>;
- the need to contribute to the achievement of sustainable development; and
- the interests of individuals who are disabled or chronically sick, of pensionable age, with low incomes, or residing in rural areas.<sup>27</sup>

1.6. Subject to the above, the Authority is required to carry out the functions referred to in the manner which it considers is best calculated to:

<sup>24</sup> entitled "Gas Supply" and "Electricity Supply" respectively.

<sup>25</sup> However, in exercising a function under the Electricity Act the Authority may have regard to the interests of consumers in relation to gas conveyed through pipes and vice versa in the case of it exercising a function under the Gas Act.

<sup>26</sup> under the Gas Act and the Utilities Act, in the case of Gas Act functions, or the Electricity Act, the Utilities Act and certain parts of the Energy Act in the case of Electricity Act functions.

<sup>27</sup> The Authority may have regard to other descriptions of consumers.

- 
- promote efficiency and economy on the part of those licensed<sup>28</sup> under the relevant Act and the efficient use of gas conveyed through pipes and electricity conveyed by distribution systems or transmission systems;
  - protect the public from dangers arising from the conveyance of gas through pipes or the use of gas conveyed through pipes and from the generation, transmission, distribution or supply of electricity; and
  - secure a diverse and viable long-term energy supply.

1.7. In carrying out the functions referred to, the Authority must also have regard, to:

- the effect on the environment of activities connected with the conveyance of gas through pipes or with the generation, transmission, distribution or supply of electricity;
- the principles under which regulatory activities should be transparent, accountable, proportionate, consistent and targeted only at cases in which action is needed and any other principles that appear to it to represent the best regulatory practice; and
- certain statutory guidance on social and environmental matters issued by the Secretary of State.

1.8. The Authority has powers under the Competition Act to investigate suspected anti-competitive activity and take action for breaches of the prohibitions in the legislation in respect of the gas and electricity sectors in Great Britain and is a designated National Competition Authority under the EC Modernisation Regulation<sup>29</sup> and therefore part of the European Competition Network. The Authority also has concurrent powers with the Office of Fair Trading in respect of market investigation references to the Competition Commission.

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<sup>28</sup> or persons authorised by exemptions to carry on any activity.

<sup>29</sup> Council Regulation (EC) 1/2003

## Appendix 5 - Glossary

### **B**

#### **BEC**

Benefit entitlement check

### **C**

#### **CAB**

Citizens Advice Bureau

#### **CAP**

Christians Against Poverty

#### **CERT**

Carbon Emissions Reduction Target

#### **CESP**

Community Energy Savings Programme

#### **CSR**

Corporate Social Responsibility

### **D**

#### **DECC**

Department of Energy and Climate Change

#### **DD**

Direct Debit

#### **DWP**

Department for Work and Pensions

### **E**

eaga

[www.eaga.com](http://www.eaga.com)

EBICo

[www.ebico.co.uk](http://www.ebico.co.uk)

### **F**

#### **FPAG**

Fuel Poverty Advisory Group

**H****Home Heat Helpline**

The Home Heat Helpline is a free, central phone number offering practical energy advice for people concerned about paying their energy bills. To speak to a specially trained advisor for free advice call 0800 33 66 99.

**P****Prepayment meter (PPM)**

Prepayment meters currently use electronic tokens, keys or cards to enable an amount of energy to be bought by the consumer to be used. The consumer needs to be provided with a network of outlets where tokens can be purchased or card and keys can be charge up. This network of outlets needs to be linked to a payment settlement system for suppliers.

**Priority Service Register (PSR)**

Suppliers are required by their licence to establish and maintain a list of those domestic customers who by virtue of being of pensionable age or disabled or chronically sick require information and advice in respect of services specified in the licence.

**R****RNIB**

Royal National Institute for the Blind

**S****SC**

Standard Credit

**SCOPE**

The disability organisation in England and Wales whose focus is people with cerebral palsy.

**Social Tariff**

Definition for previous reporting framework was for a tariff to qualify as a 'social tariff' it must be at least as good as the suppliers' standard direct debit tariff. New definition in Ofgem's decision document published on 25 July 2008 confirms that in future, for a suppliers' tariff to qualify as a 'social tariff' it must be at least as good as the lowest tariff offered by that supplier to a customer in that region on an enduring basis. This is regardless of that customer's payment method and includes online tariffs.

**W****Warm Zones**

Warm Zones aim to identify all households that need help (in particular the vulnerable and fuel poor) in a given area and give them all available help in a concentrated, cost-effective way. Warm Zones are typically funded through partnerships with local government, European Union agencies, energy companies and other supporters. Further information on Warm Zones can be found at:

[www.warmzones.co.uk](http://www.warmzones.co.uk)

**WRVS**

Formerly the Women's Royal Voluntary Service, WRVS is an age positive charity that offers a range of practical services to help and support older people to live well, maintain their independence and play a part in their local community.

[www.wrvs.org.uk](http://www.wrvs.org.uk)