

Louise van Rensburg
Ofgem
10 South Colonnade
Canary Wharf
London
E14 4PU

By email only to: NonDomesticRetailPolicy@ofgem.gov.uk

4th September 2023

Dear Louise,

Non-domestic market review: Findings and policy consultation

BUUK Infrastructure welcomes the opportunity to respond to this consultation in relation to the non-domestic market review. BUUK owns and operates two electricity (IDNO) distribution licenses: The Electricity Network Company Limited and Independent Power Networks Limited, and three gas (IGT) licences: GTC Pipelines Limited, Independent Pipelines Limited and Quadrant Pipelines Limited. In addition, BUUK owns and operates other affiliate utility businesses in water, fibre and heat.

Whilst we are aligned to the sentiment of the proposals set out by Ofgem in providing fair treatment of non-domestic consumers and, particularly, in improving the treatment of those domestic consumers that do not contract directly with a supplier, our response focusses on question 17, where we believe we can provide value in our response.

We disagree that suppliers are not best placed to manage this consumer risk as they have the direct relationship with the business consumer. They are best placed to identify the nature of the property (perhaps sharing this in the future with network operators via the use of Standard Industrial Classification (SIC) codes or some similar standardised communication method), and whether vulnerable customers are present. They could then share this information with network operators, perhaps via an extension to the current arrangements for sharing PSR information. We feel that this is something that Ofgem could lead on to ensure a robust process is mandated on all parties to use.

Without a direct relationship with the business consumer a network operator can only operate in a best endeavours way to support customers who may be living at a commercial property.

We already operate proactively when we encounter these situations during an outage incident on our networks. We work in a dynamic way to deal with situations to identify and deal with a commercial site with vulnerable customers to prioritise its reconnection.

Ultimately the classification of a site as domestic or non-domestic, and the corresponding consumer protection that follows, is a matter for the customer and their supplier to determine and is out of our control as a network operator.

Please do not hesitate to contact us should you wish to clarify any of the points raised within this submission, which can be considered as non-confidential.

Yours sincerely

Alex Travell

Head of Regulation

Answers to Consultation Questions:

What are the views of Distribution Network Operators (DNOs), Independent Distribution Network Operators (IDNOs), Gas Distribution Networks (GDNs), and Independent Gas Transporters (IGTs) on the potential issues of targeting support to vulnerable end users supplied through non-domestic contracts?

We disagree with Ofgem's rationale that network companies are in a better position than non-domestic suppliers in being able to identify vulnerable domestic consumers who are supplied through non-domestic contracts (section 4.16 - 4.18).

We do not have relationships with consumers beyond those directly connected to our network.

We have no ability to identify where a vulnerable consumer occupies a part of a non-domestic premise unless they directly contact us. We have no visibility of a change in tenancy or a circumstance with a particular vulnerable consumer who may be living at a commercial property.

For this reason, we would support business owners being obligated to have greater responsibility for the domestic consumers that they are responsible for providing a service for. For example, this could be via an obligation within their supply contract to identify vulnerable consumers within their premise and the sharing of that information with their energy supplier.

We recognise that network companies should and do have responsibility to provide appropriate support services to consumers in vulnerable situations. We provide this in two key ways:

1. Proactively

BUUK through its electricity and gas licences and operated by its subsidiary GTC, has been an active part of the ENA's annual winter resilience plans group, that produced a leaflet on *power cut and business continuity advice for care homes and assisted living residences*, and the engagement with those stakeholders to help them understand better what they can do to prepare for such scenarios.

We are working as a part of the ENA's Safeguarding Customers Working Group (SCWG) to introduce a standard set of self-reliance principles to allow all consumers the same advice and support, where appropriate to do so.

We try to identify premises such as care homes, which will allow us to target them with useful vulnerable consumer information and store this information on our internal systems.

For our gas networks, there is a means of classifying and identifying certain non-domestic premises into three priority consumer groups. They are:

- **Category A:** Relevant customers where a failure in the supply to their premises could put lives at risk,
- **Category B:** Relevant customers for which the sudden loss of gas causes or threatens to cause serious damage, for an unacceptably prolonged period, to human welfare, the environment or the security of the United Kingdom that cannot be reasonably mitigated, and
- **Category C:** Relevant customers taking over 2 million therms (58.6m kWhs) per annum for which the sudden loss of gas would result in repair or replacement costs accounting to 10% or more of the Site Fixed Tangible Asset Value

It is therefore possible for non-domestic customers with vulnerable customers to consider requesting Category A priority customer status, which would provide them with additional protection.

During a national gas emergency, these sites are lower on the list of sites that are directed to cease taking gas. However, being registered as a Priority Consumer does not guarantee a site receives an uninterrupted gas supply during a gas emergency.

It only changes the priority order the site is considered for disconnection. It should be noted that the success of this is dependent on accurate and updated information, passed from the consumer to the supplier and finally to the network operator. Our experience suggests that this is not the case in all circumstances. We would suggest that this area of industry activity might be an area that the REC Performance Assurance activity could focus open in the future, to monitor supplier performance and potentially develop service improvements.

2. Dynamically

During electricity network emergencies, such as the Storms of 2021/22, we used a methodology of prioritising the deployment of available temporary generators to those sites with a significant number of registered vulnerable domestic consumers on a network. As additional information became available such as vulnerable customers not registered or previously unknown to us living in non-domestic sites, we dynamically reassessed our prioritisation decisions and updated these as appropriate.

As an IDNO whose connections are embedded into upstream DNO networks, we are often reliant on the DNO for supply restoration. As an ENA Member and party of the NEWSAC Mutual Aid provision, we support our DNO colleagues, where and when we can do so.

In terms of our day-to-day fault response, we do review the number of vulnerable customers affected by an incident. When additional information becomes available, including identifying vulnerable customers living in a commercial property, we will further evaluate the situation and where appropriate consider how we support these group of customers.