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## **£5 MILLION AWARD SCHEME TO ENCOURAGE MORE HELP FOR VULNERABLE CUSTOMERS**

- **First award scheme to recognise local network initiatives to help vulnerable customers**
- **Winning initiatives will help spread best practice throughout industry to benefit all customers**
- **New award scheme welcomed by Help the Aged**

A £5 million award scheme launched by regulator Ofgem to recognise best practice in helping vulnerable customers has been welcomed by Help the Aged.

The scheme will recognise work carried out by distribution network operators (DNOs) to help priority customers, who are either elderly, disabled or suffer from long-term sickness. It also recognises good corporate social responsibility initiatives and communication strategies DNOs have implemented with key bodies, such as emergency service control centres, and with customers who depend on electricity for medical equipment, or have other special communication needs.

A total of £1 million will be available across all DNOs for each year of the current distribution price control period (2005-2010). The companies will submit their schemes to a judging panel comprising Ofgem, energywatch and other organisations, which will make recommendations on which DNO initiatives should be rewarded.

Mervyn Kohler, Head of Public Affairs for Help the Aged, said: "As our society ages, more technology is being deployed to help older people live satisfying and safe lives in their own homes. It is vital that these priority needs are understood by the companies which run local electricity networks, and in turn that depends on both the customers and the companies understanding each other better.

"This initiative by Ofgem, to highlight and reward good practice, is really important. Service interruptions, even for essential maintenance, could be life-threatening for an older person dependent on electrical medical equipment and other forms of support."

David Gray, Managing Director for Networks, said: "This is the first scheme of its kind to recognise the innovative ways in which distribution companies exceed their obligations to help priority customers. These include the improvement of information sharing between the companies and suppliers about vulnerable customers, and ensuring high standards are set for the staff that have contact with them.

"These activities are difficult to measure through price control incentives. Therefore, in the interests of better regulation, we believe that by encouraging best practice, this scheme will result in an improved service for customers."

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#### **Notes to Editors:**

1. In November 2004, the final proposals for the Distribution Price Control Review 2005-2010 established a discretionary reward scheme to encourage best practise in the following three areas:

- Initiatives to help customers on DNO priority registers such the elderly, the disabled or people suffering from long-term sickness. DNOs are required to maintain a register of priority customers who require advance notice of planned interruptions to supply because they depend on electricity for medical reasons or have special communications needs. DNOs also need to liaise with energy suppliers who operate Priority Service Registers and offer a wider range of free services to vulnerable customers.
- Corporate Social Responsibility initiatives such as allowing staff to participate in educational projects which relate to the industry and its work.
- Wider communication strategies implemented by DNOs including liaison with health authorities, local authorities and emergency service control centres.

2. The scheme will have a total annual reward of £1 million available across all DNOs. It is suggested that the reward be split across the three categories for the first year of the scheme, as follows:

Priority customer care initiatives	(£600,000)
Initiatives relating to corporate social responsibility (CSR)	(£200,000)
Wider communication strategies implemented by DNOs	(£200,000)

3. Electricity distribution companies run the wires that transmit electricity to homes and businesses. Distribution and metering charges account for about 21 per cent of domestic customer bills.

4. Copies of the document "Open letter on Ofgem's Electricity Distribution Customer Service Reward Scheme" are available on the Ofgem website [www.ofgem.gov.uk](http://www.ofgem.gov.uk). Hard copies can be ordered from the Ofgem distribution centre on 020 7901 7116 or by email from [distribution@ofgem.gov.uk](mailto:distribution@ofgem.gov.uk)

5. Ofgem is the Office of the Gas and Electricity Markets, which supports the Gas and Electricity Markets Authority, the regulator of the gas and electricity industries in Great Britain. Ofgem's aim is to bring choice and value to all gas and electricity customers by promoting competition and regulating monopolies. The Authority's powers are provided for under the Gas Act 1986, the Electricity Act 1989 and the Utilities Act 2000.

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