

Jude Cummins
Head of Consumer and Social Policy
Ofgem
9 Millbank
London
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20 November 2009

Dear Jude

Review of protection of vulnerable customers from disconnection - report and consultation

I am pleased to enclose EDF Energy's response to Ofgem's review of protection for vulnerable customers from disconnection. We have also worked closely with the ERA on developing and expanding the Safety Net and fully support their response to this consultation.

Overall we welcome the findings of Ofgem's report and consultation on this issue. It is encouraging that Ofgem is "largely satisfied with the [existing] protections that suppliers have in place to protect vulnerable customers from being disconnected" and that Ofgem has identified many examples of best practice.

We fully support the work and revisions currently being undertaken which will result in further improvements being made to the ERA Safety Net. EDF Energy is committed to continuing to work collaboratively with the ERA and other stakeholders, including Ofgem and Consumer Focus, to ensure that the Safety Net continues to offer genuine help for vulnerable customers.

The section on best practice in Ofgem's report was helpful and we are pleased that three examples of EDF Energy's processes were identified as best practice. However, we are disappointed that some examples of our best practice mentioned in the report as being carried out by other suppliers were not identified as also being in place at EDF Energy. We have included additional information on our current processes in the appendix to this letter which should clarify this.

Given that Ofgem has concluded in its report that the voluntary Safety Net is generally working well we are disappointed that Ofgem has in this case rejected reliance on self-regulation and concluded that changes to licence conditions, other than those proposed for the purposes of giving additional clarity, are necessary. This would

appear to be inconsistent with regulatory best practice where regulation should only be used as a last resort.

However, we can confirm that our existing processes already include the additional steps you are proposing prior to authorising any disconnection activity during the winter moratorium period.


We support in principle the proposal that suppliers reconnect, before winter (October to March), any Domestic premises which had been disconnected at a time of year other than winter, where the customer meets the criteria set out in existing Licence Conditions 27.10 and 27.11. While the proposed change would require EDF Energy to make some changes to our current controls and processes, we agree that the change will ensure greater protection for those customer groups.

We are not comfortable, however with the proposed new wording in Licence condition 27.11 (b) as we do not believe that the obligation set out here is achievable in practice in every case. For example, where the customer refuses to allow us access to their premises in order to reconnect their supply before winter, it would not be possible to comply. We would therefore suggest including the concept of “reasonable endeavours” to reconnect the relevant Domestic Premises... in the actual drafting of Condition 27.11(b)(i).

As stated above, we believe that the introduction of changes to the existing licence conditions in order to provide further clarity in the drafting are helpful. We therefore support the proposal to consolidate the two existing provisions of 27.10 and 27.11 as this would make the Licence requirement clearer and simpler to understand.

We hope you find our comments helpful. If you have any queries regarding this response please contact my colleague, Ann Neate on 01273 428464, email to ann.neate@edfenergy.com, or myself.

Yours sincerely

A handwritten signature in blue ink, appearing to read "D. Linford".

Denis Linford
Corporate Policy and Regulation Director

Appendix 1

Additional information to support best practice

Proactively identifying vulnerability:

- Debt and vulnerability training for all customer service agents upon induction and further detailed training for dedicated debt and Priority Service Register teams.
- We work with external stakeholders and advice agencies to promote the Priority Service Register.
- Our annual Safe, Warm & Well campaign promotes and encourages customers to make contact to find out more about Priority Service Register, Discounted tariffs etc.
- We have internal incentives for our customer facing staff to gather customer telephone numbers and improve customer data.
- We have strong links with National and regional agencies and charities – CAB, Help the aged, Bristol Debt Advice, South-West Pound.

Tailored Debt path with appropriate communication:

- We have a dedicated Priority Service Register Team who are also responsible for Fuel Direct, EDF Energy Trust referrals, CAB etc. (identified in the report).
- We have automatic routing of PSR customers who are in debt, into specialist area, to help prevent vulnerable disconnections.
- We have a tailored debt path for existing known vulnerable customers – these customers are excluded from Live Debt team day to day work loads.
- We have conducted analysis around the most effective contact times and our outbound dialling is concentrated at these times to maximise successful results.
- We attempt to contact customers at least 7 times by letter, telephone or site visit prior to the disconnection visit.
- No customer is progressed to field visit stage without an internal review (data check).

Thorough review and senior sign off prior to any disconnection:

- Management sign off is required for all occupied disconnections.

Debt management practices:

- We have debt and vulnerability training for all customer service agents upon induction and further detailed training for dedicated debt and Priority Service Register teams.
- We offer all Prepayment meter installations free of charge.

- Customer satisfaction survey - we have recently appointed a market research company to contact our customers in order to ensure they are satisfied with the resolution to their complaint.
- We have introduced an additional leaflet advising customers of the benefits of Prepayment meters and offering free installation, which our internal and external agents use on PDV visits.

Waiving of fees in appropriate circumstances:

- We waive additional fees for vulnerable customers where appropriate.
- We do not charge customers for pre-disconnection visits.

Periodic suspension of disconnections to provide additional protection:

- We temporarily halted all disconnections during periods of extreme cold weather (identified in the report).

Robust post-disconnection process:

- We have a robust post-disconnection process where all domestic customers are contacted within 3 days of disconnection. We monitor and review all accounts on an ongoing basis until a resolution can be reached, including escalation to Social Services where appropriate (identified in the report).
- We leave a communication at the customer's premises which explains the disconnection/ reconnection process.
- All Occupied Disconnections are managed by a specialist team.

Monitoring and tracking of vending for prepayment meters that are installed for debt:

- All Prepayment meters installed for debt are tracked for nil vends and customer contact initiated by letter, phone call or site visit

Additional checks and processes when unable to install a prepayment meters for debt:

- We initiated a trial process to overcome the additional Health and Safety challenges we face with our London customer base around installing Prepayment meters as an alternative to disconnection. The re-site trial began July 09 to move a customer's meter, where appropriate in the circumstances, to enable a prepayment meter to be installed where it was previously not safe or practical to do so.