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Registered in England and Wales No: 3870728

Claire Tyler
Senior Manager Consumer Policy
Ofgem
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3 December 2012

Dear Claire

Proposals for a new Consumer Vulnerability Strategy

Thank you for the opportunity to respond to the above consultation. This response should be regarded as a consolidated response on behalf of UK Power Networks' four electricity distribution licence holding companies: Eastern Power Networks plc, London Power Networks plc, South Eastern Power Networks plc, and UK Power Networks (IDNO) Limited. I can confirm that this response is non-confidential and can be published via the Ofgem website.

We support the five strategy themes in your proposals and look forward to working with Ofgem and other industry players to implement changes to industry practices with the aim of benefitting vulnerable customers. Our detailed answers to your questions can be found in the appendix to this letter.

If you have any queries, please do not hesitate to contact me.

Yours sincerely

A handwritten signature in black ink, appearing to read 'K Hutton', written over a light blue horizontal line.

Keith Hutton
Head of Regulation
UK Power Networks

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Appendix

Question 1: Do our proposed Strategy themes provide an accurate reflection of the work Ofgem should be doing to help protect consumers in vulnerable positions?

We understand that the desired outcome from these themes is to embed a more sophisticated understanding of the nature of vulnerability which would drive Ofgem's expectations of suppliers and distributors. This is a principle that as a responsible corporate citizen we fully support. A key message is around the need to recognise the dynamic nature of vulnerability – this will require the industry to broaden their definition taking into consideration those who are temporarily vulnerable (i.e. expectant mothers). The temporary nature of this group of customers will prove challenging when trying to capture and track them on our Priority Services Register (PSR).

Question 2: Do you agree with our proposed perspective on vulnerability? Are there other risk factors or features of the energy markets that could present issues that we have not covered?

The dynamic nature of customer vulnerability does mean there is a risk that a customer could be considered vulnerable for one transaction, but not for another. A customer's mental capacity may make them vulnerable when considering a purchase, but they may be in perfect health, and so not considered vulnerable during a power cut. This would make it difficult to embed a generic definition across all companies and the variety of transactions they undertake. UK Power Networks has started to develop its initial thinking on the transient nature of vulnerability and how it could better support such customers.

Question 3: What is your view on whether the BSI Standard on inclusive services could provide a practical approach to adopting our perspective on vulnerability?

Much of the BSI 18477 is appropriate to our daily business activities, i.e. appropriate staff training, alternative contact methods and ensuring staff are empowered to resolve customer issues. While it is a sound platform to build on, much of the standard is more geared to ensuring services are available to all consumers equally, regardless of their health, age, or personal circumstances. While this is appropriate for sales based work, it is harder to align to such interactions as a power cut. That aside, during a power cut we offer additional support to vulnerable customers beyond what is offered to other customers.

Question 4: What are your views on other approaches suppliers and distributors could take to adopt our proposed perspective on vulnerability in practice?

Going forward there will be a greater need for collaboration between suppliers and distributors, across industry sectors (gas and electricity) and with other bodies such as local authorities. The sharing of information and best practice will be critical in ensuring vulnerable customers are appropriately identified. In addition, in order to tackle fuel poverty for customers who are not on the gas grid the industry will need to work together to look at alternative solutions.

Question 5: What are your views on our plans for developing a Consumer Vulnerability Network and are there additional organisations that we should engage?

We believe that including these stakeholders will be vital in understanding vulnerability and developing future policies. With this in mind we have set up a focus group which meets on 6 December with a number of stakeholders to discuss vulnerable customers and fuel poverty. This is a first step towards developing a more robust strategy.

Question 6: What are your views on our proposed annual workplan for 2013/14?

We believe that the work plan will help focus the industry on prioritising the key issues that will have the biggest impact on our vulnerable customers. It will also encourage collaboration both within the industry and with key external stakeholders.

Question 7: Do you believe that there are other areas that we should be specifically addressing in the workplan for 2013/14?

We have not identified any additional areas that Ofgem should be tackling during 2013/14.