

Rebecca Langford
Consumer Policy Manager
Ofgem
9 Millbank
London
SW1P 3GE

22 September 2014

Dear Rebecca,

Consultation on Review of Priority Services Register (PSR)

Thank you for the opportunity to comment on the above consultation.

Having reviewed your proposals we consider the majority are practical improvements which we support. However, we believe that requiring GDNs to own and operate a priority service register will not improve the service to our customers.

As a gas distributor whenever there is an emergency call, supply interruption or planned replacement work we need to enter the customer's premises to carry out work. Therefore we assess vulnerability on the doorstep and respond accordingly based on the circumstances at the time. This means we are already operating a more flexible definition of vulnerability than the existing licence requirements. We are happy to be part of industry wide efforts to encourage vulnerable customers to register with their relevant supplier and are always looking to improve our customer service approach particularly in relation to vulnerable customers.

However, we do not support the introduction of a new licence obligation on GDNs to establish and maintain a priority services register. Such a register has little direct benefit to us given our approach to assessing vulnerability on the doorstep, the extremely low levels of unplanned interruptions on a gas network compared to an electricity network and the infrequent nature of repetitive contacts with individual customers. The costs of creating new data capture systems including the relevant data protection consents, the data transfer protocols and the central industry systems will be significant. Such a requirement has not previously been identified in any of our stakeholder engagement and did not form part of the output requirements under RIIO-GD1.

Our responses to the specific questions in the consultation can be found in the attached appendix. If you wish to discuss any aspect of our response please do not hesitate to give me a ring.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Stephen Parker', written in a cursive style.

Stephen Parker
Regulation Director

Tel 07883 099609
e-mail sparker@northerngas.co.uk

Appendix

Question 1: *Do you agree that energy companies should be required to offer non-financial services with the aim of equalising outcomes for customers?*

Yes.

Question 2: *Do you agree that we should continue to prescribe a minimum set of services? Do you support the proposed list of services? What additional services, if any, do you think energy companies should be required to provide?*

We have no issues with the licence prescribing a minimum set of services. The proposed minimum services for GDNs listed in the consultation are reasonable. However, the list omits services we are currently mandated to provide for vulnerable customers in relation to the national gas emergency service under standard special condition A8 of our licence, the requirement to move service positions where the emergency control valve can not be operated by a vulnerable customer and the requirement to provide notice of planned interruptions. We assume this is an omission and these will continue to be prescribed.

Question 3: *If applicable, what services do you currently provide and what are the current costs of providing services (please break down by service). What financial impact do you think widening eligibility in the way we have proposed will have? Please provide evidence to support your answer.*

In addition, to the services prescribed in the licence and other regulatory instruments, we provide depending on the particular circumstances of the customer at the time:

- Prioritisation of repair and restoration to the most needy first
- Winter warmer packs, including hats, gloves, socks and a blanket
- Hot food and drink on site including doorstep delivery for those who have mobility issues
- Welfare facilities
- Hotel accommodation
- Hardship fund for those with no means to put credit on their token meter
- Daily visits to vulnerable customers where their gas supply is interrupted

As we currently do not apply the narrow definition of vulnerability set out in the licence we do not expect that widening the eligibility criteria in line with our existing practice will have a significant financial impact on NGN.

Question 4: *Do you agree that we should move away from requiring energy companies to provide services to disabled, chronically sick and pensionable age customers to an approach which requires energy companies to take reasonable steps to identify and provide appropriate services to any customer with safety, access or communication needs?*

Yes

Question 5: *Do you agree that energy companies should be required to maintain a wider register of consumers that they have identified as being in a vulnerable situation?*

We do not agree that GDNs should have a new licence obligation to maintain such a register. As a gas distributor whenever there is an emergency call, supply interruption or planned replacement work we need to enter the customer's premises to carry out work. The register in itself would therefore have little value to our operations as we would still assess vulnerability based on the situation on the doorstep and the circumstances at the time, rather than what was recorded on an industry database.

Customers attached to the gas network experience extremely low levels of unplanned interruptions compared to an electricity network. Where interruptions events do occur they are on a significantly smaller scale. As we are on the doorstep we do not need to identify vulnerability remotely as an electricity distributor would seek to do. Another feature of our operations is the very infrequent nature of repetitive contacts with individual customers. Over time as the old metallic pipes on our network are replaced with new plastic pipes the already low levels of unplanned will decline even further.

We estimate for NGN the costs of implementing new data capture systems including recording the relevant data protection consents and new data transfer protocols would be in the region of £0.5m. In addition, there would be significant additional costs to change the central systems provided by xoserve and given the current major changes being undertaken to those systems it will be at least 2016 before any changes in this area could be made.

All customers who contact the gas emergency service are in a potentially vulnerable situation. The priority of our emergency service is to remove that vulnerability as quickly as possible which is why the average attendance time following contact from a customer is 30 minutes. If we are required to gather and record information on a vulnerable customer, explain the merits of registering for priority services and obtain the relevant data protection consent this will increase the length of time the emergency engineer is on site. There is a danger therefore that he will be later to the next call leaving another customer in a vulnerable situation for a longer period. We do not believe this is an acceptable outcome and would expect this to be avoided in any licence requirements should Ofgem proceed with this proposal.

It should be noted that our stakeholder engagement in relation to vulnerable customers, and that undertaken at industry level during RIIO-GD1, did not identify this as a requirement for GDNs. Consequently the requirement to establish and maintain a priority services register was not defined as one of the outputs for RIIO-GD1 and would represent a change to those outputs.

Question 6: *Do you agree that suppliers, DNOs and GDNs should share information about customers' needs with: a) each other? b) other utilities?*

The initial focus for suppliers should be to improve the data in the current register and ensure they have ongoing processes in place when a change of tenancy occurs. Until this is done there appears to be little value in sharing more widely.

Currently there is no consistent means of matching gas and electricity customer records within the relevant industry systems. There is an industry workstream considering the centralisation of registration activities under the DCC and this may offer an opportunity for data sharing on vulnerable customers without the need for a separate workstream.

Any such requirement for data sharing in gas would also need to include gas shippers who are at the centre of the data transfer arrangements with gas transporters and gas suppliers.

Question 7: *Should energy companies be required to share information about customers' needs with other fuel providers such as LPG, heating oil distributors. How could the transfer of this information work? What are the benefits and risks of sharing the information?*

This relates to customers who are not connected to the gas network and is therefore not a matter for us to comment upon.

Question 8: *Do you agree that we should stipulate the minimum details that we expect energy companies to share, for example that names and phone numbers must be shared where they are available? Is there any other information that should be shared and for what purposes?*

Yes it would be appropriate for Ofgem to prescribe the minimum details to be shared following consultation with the key stakeholders.

Question 9: *Do you agree that energy companies should agree common minimum 'needs codes' to facilitate the sharing of information? Should we require energy companies to agree these codes? How might this work and what mechanisms are already in place to facilitate this? What role would Ofgem need to have in this process?*

For data sharing to be meaningful it would require common needs codes across gas and electricity. This would need a cross industry workstream to undertake. Hopefully such a development would only need relevant code modifications to be raised and not require licence conditions. Ultimately Ofgem will need to judge whether sufficient progress is being made before determining whether licence obligations are required.

Question 10: *Should information about a customers' needs be shared with their new supplier when they switch? What is the best way to facilitate the sharing of this information?*

Yes but this will require changes to the central industry systems in gas and is more complex because of the role of gas shippers.

Question 11: *Do you agree that a single cross-industry brand will raise awareness of priority services?*

We are not sure whether this will overcome the current lack of trust in energy companies but may be a good way of promoting a relatively disparate set of services that are provided by a number of different industry participants.

Question 12: *Do you agree that a guidance document would help advice providers and raise awareness? Who should produce this document?*

Yes. We believe that such a document should be produced by suppliers as it more relevant to their ongoing operations.

Question 13: *What more can be done to raise awareness of priority services?*

The suppliers are gearing up to begin the mass roll out of smart metering in 2015. Under this they will be visiting every property in the country. This provides a fantastic opportunity for them to promote the priority services register and significantly improve the accuracy of the data it contains.

Question 14: *Do you agree that supplier independent audits are the best way of monitoring companies' compliance with our proposed obligations? Do you have views on the approach the audit should take and what it should cover?*

We have no objections to this as it would potentially provide a useful external challenge to our approach to vulnerable customers.