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Dear Rebecca,

Review of the Priority Services Register (PSR)

National Grid welcomes the opportunity to respond to this consultation and comment upon Ofgem's review of the Priority Services Register. This response is made on a non-confidential basis on behalf of National Grid Gas Distribution (NGGD).

National Grid owns and operates the high voltage electricity transmission system in England and Wales and operates the Scottish high voltage transmission system. National Grid also owns and operates the gas transmission system throughout Great Britain and through our gas distribution business; we transport gas in the heart of England to approximately 11 million customers. In addition National Grid owns and operates substantial electricity and gas assets in the United States.

National Grid supports the work that Ofgem is leading on the review of the Priority Services Register and we welcome the opportunity to further sharpen our focus on meeting the energy needs of all of our customers, ensuring that no-one is disadvantaged due to vulnerability, whether permanent or temporary. We support the key objective presented in the consultation to provide equal outcomes for all, not only those who currently qualify under the PSR requirements but also those who are more likely than a typical customer to experience problems in communication, safety and supply.

We advocate the need to fully consider and understand the practical implications and challenges associated with the delivery of the proposals outlined in the consultation. For example, the transient nature of vulnerability does not lend itself well to being captured on a database, so considerations must be given to how we best capture and respond to these types of vulnerability.

It must be demonstrated, through ongoing industry collaboration, that the proposals are viable, cost effective, do not have any unintentional consequences for both customers and network companies and that they do not restrict or have a detrimental impact upon the positive work, in supporting and recognising vulnerable customers' needs, already being undertaken by Gas Distribution Networks and other industry parties.

This review presents a valuable opportunity for the energy industry to work collectively, using our broad range of knowledge, skills and experiences, to share best practice and build upon existing initiatives to safeguard customers who require greater support. The industry must continue to work together to ensure consistency in approach and to collectively assess the challenges and implications identified with the proposals to ascertain whether they are all viable and will add value for customers.

Many industry participants, including National Grid, already exceed their obligations, where feasible, to address individual's needs and vulnerability. We believe that by working within the existing regulatory, and specifically the PSR, frameworks there are opportunities to improve outcomes for vulnerable

customers whilst retaining the flexibility to empower our people to respond to our current and future customers' individual needs. It would be a cause for significant concern if this flexibility was lost through the introduction of a new and more prescriptive framework, as this would inhibit energy companies' ability to treat customers as individuals.

Whilst we would not be in favour of a radical overhaul of the existing PSR framework, due to the nature and impact on gas emergency operations and systems, we do support the introduction of new cross-industry tools and vehicles such as the launch of a new cross-industry brand to develop energy consumer trust, produce accessible educational material for customers and facilitate the sharing of intra and cross industry best practice.

Further to the general comments above, National Grid has provided detailed responses to the specific consultation questions in the annex attached to this letter.

As Ofgem continue their review of the Priority Services Register we look forward to the opportunity for further involvement in the development of the industry framework to respond to the needs of vulnerable customers. In the meantime, we would be happy to discuss and expand on any of the points made within this response. If you would like to discuss our response further please contact Tracy Hine (on 07885 775624 or at tracy.hine@nationalgrid.com) or Jo Giles (on 07775413482 or at jo.giles@nationalgrid.com).

Yours sincerely,

[By email]

Paul Rogers
Stakeholder Delivery Manager

Annex: Response to Consultation Questions

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

National Grid is supportive of equalising outcomes for customers. We recognise the essential nature of the services that we, and other energy companies, provide to the communities we operate in. Furthermore we appreciate that adopting a single approach to customer services will leave some individuals at a disadvantage at the times when they are most vulnerable. As such, we agree that the review of the Priority Services Register (PSR), and its associated initiatives, should centre on a requirement to treat all customers fairly, recognising their individual needs.

Whilst we cannot comment on the regulatory frameworks in place across the energy industry we do believe that the RII0-GD1 framework already provides fit for purpose obligations, as well as tools and mechanisms, to ensure that Gas Distribution Networks are required to pursue equalisation of outcomes for customers whilst providing the incentives to encourage innovation and continuous improvement in approach.

However, there is a risk that by adopting a 'one size fits all' prescriptive approach we run the risk of losing the benefits currently delivered for consumers, as companies would be more likely to concentrate upon trying to achieve minimum standards, and undertaking box ticking exercises, rather than evolving best practice.

The physical nature of the gas networks requires that during an interruption the Gas Distribution Network must visit properties to isolate and then re-establish the gas supply. These visits provide the opportunity, not afforded to many other industry participants, for our people to assess vulnerability on a face to face basis at that point in time. This empowers our workforce to assess each situation in isolation and assess vulnerability on an individual basis unrestricted by, and frequently working beyond, the current industry definition of vulnerability. Where vulnerability is identified we can then ascertain the action required to meet those customers' requirements, which can include the provision of alternative heating and cooking equipment. It could be considered that these site visits present an opportunity to record vulnerability information, however we would have concerns if this was made a requirement, as due to the nature of gas emergencies our workforce must be solely focused on ensure the immediate safety of all customers impacted by the emergency.

Electricity Distribution Network Operators do not physically need to attend properties during interruptions, to be able to isolate or re-establish supply, therefore they are dependent upon having customer information upfront, via the Priority Services Register, to enable them to target and identify who may need additional support during an outage. These variances in the nature of gas and electricity network companies' interactions with customers during emergencies and interruptions support the differences in licence requirements, where Gas Distribution Networks are not required to maintain their own PSR.

Any extension of the non-financial services and the Priority Services Register eligibility criteria should be undertaken as part of an industry-wide collaborative work-stream. We must share our expertise and knowledge to develop initiatives that will safeguard households. These initiatives would be strengthened where services and bodies outside of the immediate industry, such as social services and charities, are actively involved.

Suppliers, through the Smart Meter roll-out, will be required to make contact with, and enter the property of, every domestic customer in Great Britain. This presents an opportunity for the industry to renew and update the Priority Services Register. The industry should work together ahead of the mandated roll out, to identify how suppliers can maximise the opportunities presented.

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?

The continuation of a minimum set of services will facilitate growing consumer awareness of, and confidence in, a consistent approach to vulnerability and what customers should expect from energy companies.

National Grid supports that the services offered should go beyond the standard conditions currently set around the existing definition of vulnerability (pensionable age, chronically sick or disabled customers), however would be uncomfortable if the criteria were too prescriptive. A fundamental element in making certain that customers feel we are safeguarding them, is that our actions are based upon the individual circumstances at that point in time. If this were to change we feel it would inhibit companies' ability to adopt a more meaningful and tailored approach.

An additional service that would be useful would be the provision of clear, plain language documentation around how to keep safe when using different types of energy and their relevant appliances. This could extend to information about who to contact, beyond the customers supplier, DNO or GDN, under certain specific circumstances i.e. advising how to go about raising concerns to medical experts such as occupational therapists for people struggling with the action of gripping which may cause a safety concern when operating appliances.

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.

Our current services for vulnerable customers include (but are not restricted to):

1. Alternative forms of heating and cooking. We provide these appliances on a needs basis, within four hours when we need to disconnect a customer's gas supply (both unplanned and maintenance). We do this in a way that means we are not being restricted by whether details are correct/present upon the Priority Services Register, our engineers have the discretion to provide appliances to anyone they consider to be vulnerable.
2. We have committed to providing safety advice and 13,000 CO alarms a year to "at risk" customers.
3. We use communication tools such as mini comms and braille for hearing and sight restricted customers. We also make literature available in a number of different languages for customers who may not have English as their first language.
4. All our operatives carry photo identity badges and display these if access to a property is required. We also offer a verification service to customers should they wish to check the authenticity of the operative before allowing them to enter.
5. We make use of the password scheme for customers who have requested this.
6. Where a customer is unable to operate the Emergency Control Valve (ECV) on their gas meter due to its sited position, we will move this at no charge to the customer.
7. Through National Grid Affordable Warmth Solutions, we provide free or low cost gas connections to fuel poor customers who are not connected to the gas network, enabling them to make both cost and carbon savings against alternative energy sources.

Financial impact of widening the service upon NGGD:

We are supportive of additional services, such as knock and wait, being provided subject to full assessment of the time implications for our emergency engineers and subject to the technical constraints, given that Gas Distribution Networks do not hold customer name and address information.

Subject to additional detail becoming available, we currently perceive the biggest challenge to be the capture of data by our field force. This has implications on the job time and could significantly impact upon our emergency services resources and other work such as mains replacement.

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

National Grid extends services on a case-by-case basis meaning that employees can be empowered and enabled to 'do the right thing' for that customer and make every customer contact count.

We believe that it is not that the Priority Services Register should move away from the categories already available, more that it should be extended and enhanced to include some more transient types of vulnerability due to life changes; potentially with time bound or the need to renew membership. The transient nature of vulnerability doesn't lend itself well to being captured on a database, so considerations must be given to how we best capture and respond to these types of vulnerability. Also, the cost of populating and maintaining such a database may outweigh the benefits and could have adverse consequences if the data is not accurate and up to date.

As a GDN we already provide services beyond the licence obligations by providing alternative methods of cooking and heating on a needs basis, there are other services that have been discussed amongst GDN's in addition to this such as winter warmer packs as one small example – further meaningful best practice is expected as the Customer Safeguarding Working Group continues to work more broadly around this and other topics of vulnerability.

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?

Whilst supportive of a widened register we believe consideration needs to be given to the addition to the register of customers who will only require these services for a short period of time, for example due to temporary illness or fuel poverty. If there is no cost-effective automated method to remove these customers from the register, once they no longer require the additional services, then in the case of an emergency it could reduce the effectiveness of energy companies' response to truly vulnerable consumers.

If a wider register were to be maintained, there should be data protection safeguards in place and reassurances given to customers that their personal data will not be used for marketing purposes or shared with third parties without their authorisation. Failure to do so will undermine the reputation of the Priority Services Register. The topics discussed in Questions 11 and 12 will go some way to providing this consumer confidence so therefore must be tackled first.

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

National Grid recognises the benefits of receiving and sharing data between utilities but suggest that this is on a needs basis rather than at all times. When a geographical incident such as severe weather conditions impact customers, the sharing of data would have many advantages for the customer and

the companies involved. A simple share of that data at the required time would prevent the need for any expensive system and data flow improvements, whilst reducing concerns around security of data.

The process for sharing the information that already exists between energy companies is not broken; the data is just not up to date in many cases. Therefore the industry flows do work but could work better if eligibility was understood by customers and the third parties that may be acting on their behalf. Two way data flows between GDN's and suppliers are likely to present more significant challenges because the data Gas Distribution Networks could collect may only be required for that one visit and if used again there is a high chance it will be outdated.

The Customer Safeguarding Working Group; which is made up of members from across the energy industry (Suppliers, GDN's & DNO's) and chaired by National Grid, are working in a collaborative way to help deliver a better consistency and awareness of best practices, provide opportunities to trial/pilot ideas across the industry and share connections with other associations who can be linked into improving the capability and agility at responding to a broad spectrum of vulnerabilities.

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?

Unlike in electricity our interaction with other fuel providers, such as Oil and LPG, are very limited and therefore it is difficult to envisage an efficient and effective way for us to share information with these companies. We can see possible advantages for other industry participants developing these two way relationships, such as electricity distribution companies.

However, there is a risk that by extending the number of companies that a customer's details may be shared with it may further reduce their willingness to be added to the register.

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?

In principle we would support this approach within an agreed industry framework. This framework needs to take into consideration the needs of all parties involved. There will also need to be considerations to how privacy notices can be made easy for customers to understand and feel confident in being able to trust that their data is being used appropriately and in a secure way.

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?

Ofgem would need to facilitate the mapping of these as there may be some complexities across the different service providers and a more holistic approach would benefit the process. It would also be good to include consumers and people in a position of trust in discussions. This will ensure that there is a higher chance that the new codes will be flexible enough to show that considerations were given to the modern day challenges that face households. It's not about 'means testing' more making the services mean more to those that need them.

It would also be useful to capture additional information around certain subsets of illness/disability particularly around more progressive conditions. This may help provide customers with the confidence that we are considering their own and their families more long term challenges, building trust and allowing customers the dignity they deserve when our colleagues need to interact with them.

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?

Wherever possible, and where a customer consents, then information regarding their individual needs should be shared during a change of supplier event. However, at this time it is apparent that further industry consideration is required of all the potential options to identify the most effective and efficient way to facilitate this. It would, however, appear rational for both old and new suppliers to assume responsibilities to ensure they use this event as an opportunity to refresh, and communicate, customer vulnerability information.

We consider that when a customer is registered upon the Priority Services Register, it should be a case of they only need to tell the industry once. Whether this customer then decides to switch suppliers, it should put the onus upon both the new and previous supplier to exchange and renew information allowing all involved to continue to act in an informed way.

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

National Grid would support the formation of a single cross-industry brand to raise customer awareness of priority services. This approach would ensure consistency of messaging for customers regardless of which company they interact with in the industry.

Using a single cross-industry brand would help to build energy customer confidence in the drivers behind the Priority Services Register, providing assurance that it is not a marketing tool, and provide the impetus for increased customer awareness of the services available to them. A reputable brand could provide an opportunity to engage third parties, such as medical professionals, community centres and concerned neighbours, allowing them to flag vulnerability to energy companies. This third party referral would help improve consistency and inclusion upon the PSR especially around those that depend upon energy for medical purposes. The brand would hold particular weight if consumer and social welfare groups such as the Citizens Advice Bureau and Local Authorities were active participants and sponsors.

There is a slight risk that a single cross-industry brand could cause confusion amongst certain groups of vulnerable consumers, regarding the different roles within the industry. Some customers still group all energy activities into two roles, the "Gas Board" and the "Electricity Board", and do not understand the different roles undertaken by generators / producers, suppliers and network companies. It is important that any cross-industry brand aims to not only raises awareness about priority services but also general awareness about the energy industry. This will allow wider groups of energy customers to become engaged with, and actively participate within, the energy industry which could facilitate increased supplier switching and therefore drive increased competition.

12. Do you agree that a guidance document would help advise providers and raise awareness? Who should produce this document?

A Utilities-wide guidance document would raise the profile of the services offered to vulnerable customers, could detail how these customers and the supporting services, such as charities and welfare agencies, should gain access to the Priority Services Register and the ancillary services available. Guidance documents should be available to all industry participants to provide to customers (responding to face to face and telephone contacts), however it is clear that suppliers will have the ability to reach the widest audience in the most timely manner.

All industry parties should actively support the production of this document, however we envisage that it would be advantageous for industry bodies such as the ENA, Energy UK and the Energy Suppliers Forum to assume lead roles in driving its delivery.

If a document could be agreed, with industry participants and stakeholders, ahead of the mandated supplier-led roll-out of smart meters one approach that could be adopted to ensure the widest circulation possible could be to leave a document in every domestic consumer's property as the new meters are being installed.

13. What more can be done to raise awareness of priority services?

There must be an appreciation that different tools will be required to reach different groups of people to ensure maximum awareness is raised. Where success may be realised amongst some customers by using a new cross-industry brand and by circulating a guidance document, other customers may be more receptive to communication through the channels that they already recognise, such as supplier communication cycles, and other groups may welcome the use of new communication tools, such as Facebook, Twitter and YouTube. As such, it will be important to work with consumer groups and associations, such as Age UK, RNIB, MND and social services, to listen to the best practice and experiences they have from working across many industries.

The industry could also explore whether it is viable and cost effective to make it easier for customers, or their appointed representatives, to register on-line for the Priority Services Register and update their own records. Further to this it is important that the role of guardian is more widely acknowledged within the industry, recognising that the only way for some customers to engage with, and actively participate in, the energy industry is via a trusted representative.

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?

Energy companies should, in the first instance, be empowered to demonstrate their own compliance with any obligations agreed relating to the Priority Services Register through the design, development and maintenance of internal audit mechanisms and through the provision of accessible evidence to stakeholders including, but not limited to, Ofgem and consumer groups. Ofgem should then reserve the right to initiate independent audits where they have concerns about a company's compliance with customer commitments.

The industry should work together to develop an audit framework that encourages collaboration and best practice sharing driving improved outcomes for customers.