Lloyds Court
78 Grey Street
Newcastle
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Rebecca Langford
Consumer Policy
Ofgem
9, Millbank
London
SW1P 3GE

22 September 2014

Dear Rebecca,

Review of the Priority Services Register

I am writing on behalf of Northern Powergrid (NPg), the Distribution Network Operator (DNO) operating across Yorkshire, North East England and North Lincolnshire. We welcome the opportunity to comment on this important consultation and support the programme and the proposed changes that Ofgem is examining. The extensive nature of our stakeholder feedback through our independently chaired Social Issues Expert Group and Customer Service Expert Group was instrumental in the development of our business plan for 2015-2023; and we continue to engage and consult wider stakeholders as we develop our social offer including enhanced priority service register (PSR) services.

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

We fully support the principle that energy companies should offer non-financial services with the aim of equalising outcomes for customers. Heating, lighting and power are essential services within society and we fully recognise the critical service that we provide and that many of our customers are less able to help themselves than others. We each have a role to play in this and as such we have broadened our definition of vulnerability to include many more circumstances, including temporary vulnerability and fuel poverty. The full description of our vulnerability definitions are provided annex 1 to this letter.

We believe that the customer service commitments contained within our business plan for the period 2015 to 2023 are comprehensive and demonstrate our focus on doing the right thing for the communities and customers we serve. Central to our plans is the understanding that, whilst we have a responsibility to our more vulnerable customers, we also have a responsibility for all our customers. We have to balance the provision of priority services with all of our essential services at an affordable cost. Whilst extending the delivery of our social obligations programme and PSR support under RIIO-ED1 we have made a commitment to keep costs static at £0.9million per annum which is a cost per customer of 8p. We are seeking to target our resources more effectively through key partnerships and through use of technology such as the website to offer advice and support.

We recognise that different companies in the industry will make offers of non-financial services to customers based on their access to and communication with customers. We will seek to complement the offer made by gas distribution networks and energy suppliers, and continue to share best practice with other electricity network operators in order to make the best use of resources across the industry.

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?

Yes, the approach of prescribing a minimum set of services coupled with the established and positive mechanism of the Ofgem stakeholder engagement incentive within the electricity networks sector fosters innovation in the performance of DNOs. At Northern Powergrid we have expanded our definition of vulnerability to be able to cover more customers with different circumstances and we fully support the proposal that services should not be limited to customers that are of pensionable age, chronically sick or disabled.

For a number of years we've been working to personalise and tailor the service we provide to our customers; for example, providing information in a number of different languages and Braille; providing the support of the British Red Cross during power cuts and investing in an bypass system so PSR customers can get straight through to a contact centre advisor in the event of a power cut, and don't need to listen to our automated messaging. In our business plan for 2015 to 2023 we commit to developing many additional services including more accessible communications; the use of social media; a friends and family register; temporary PSR registration; and, sign-posting wider support and services for priority customers.

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?

On the subject of financial impact at present we do not account for our costs by individual 'PSR service' as we currently provide overall customer service where and when needed. An example of overall costs would include stock for free issue to customers on our dedicated Customer Support Vans at £11,000 per annum. In addition, we can quantify that a Red Cross response would be a cost of circa £110 a day. However, these types of services are available for all customers in need and not precluded to just PSR customers.

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?

In line with our response to the Ofgem vulnerable customer consultation in 2013 we fully support a move to vulnerability being defined by circumstance rather than pre-described categories. We know that many customers would not categorise themselves as vulnerable although they would meet our criteria (e.g. elderly for the over 65's). In many cases it is experience of a number of different circumstances that leads to the vulnerability rather than just one simple categorisation. As previously stated, we have already expanded our definition of vulnerability to be able to cover more customers with different circumstances so we fully support the proposal that services should not be limited to customers that are of pensionable age, chronically sick or disabled.

Early in the development of our business plan for the RIIO-ED1 period we recognised that we needed to work with experts and other stakeholders to help build our plans and our social offer, utilising their expertise to scope the role of an effective DNO. Our Customer Service Expert Group and our Social Issues Expert Group have helped us focus carefully on what support a DNO could provide to vulnerable customers. We know that entry onto our Priority Services Register has been relatively passive and that more proactive and targeted research and recruitment is required. This includes working more closely with energy suppliers and to share much more of the PSR customers records that they hold e.g. fuel poor PSR customers. We know through our engagement with vulnerable customers and their representatives that not all customers who we would prioritise under agreed definitions would class themselves as vulnerable or would want to be on the register and this will need to be taken into account for response and recruitment rates.

In order to deliver more tailored services we know that the ability of our staff to identify and respond to different vulnerabilities is essential. We have enhanced our staff training to incorporate this, helping us to raise customer awareness of the register through our day to day interactions. We're also working with recognised third parties to develop trusted referral networks.

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

We agree that a wider register of customers should be maintained and that the key to this is collaboration between organisations, particularly energy suppliers and electricity and gas network operators in terms of data sharing, flows, quality and qualification.

We are very aware that there are data issues relating to this, which we are committed to addressing and collaborating with other companies in the industry to resolve. We have been an instrumental driver in gaining the wholesale date refresh from energy suppliers for all customer data in September and again in February 2015, which will help improve processes. Clearly PSR customer data will be part of this. Furthermore, we fully supported the dataflow change request submitted by WPD earlier this year which provides much more detail on PSR records and specifically asks for secondary contact information, a critical build on provision of this type of support as often we would want to contact friends, family or carers.

As a DNO we generally do not have the regular touch points with customers that energy suppliers do and so the information we receive from suppliers is critical for us and needs to include information which could be deemed sensitive in order for us to provide an effective service to vulnerable customers. We believe Ofgem has a role to facilitate the appropriate flow of data between energy suppliers and DNOs to help to build this more effective register.

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

As previously stated, as a DNO we generally do not have the awareness and more regular point of contact with customers that energy suppliers do and so Ofgem has a critical role to play to facilitate the appropriate flow of data between suppliers, DNOs and GDNs so that we have the information we require to provide these services to the appropriate groups of customers.

The categorisation of the data is important and needs to be agreed by the industry to ensure data quality is maintained and therefore its enduring usefulness. It would be helpful to establish a framework for the qualification of the data; for example, suppliers have access to DWP data on qualifying fuel poor customers to assist their services. Consideration could be given to the secure sharing of customer vulnerability data that the utilities, charities, alternative fuel providers and other parties can access, provide and qualify data. The use of such data for anything other than providing support and advice would be forbidden. As an example, we are currently leading a project under "Infrastructure North" (a partnership working between the utilities in the northeast of England) that includes signposting customers to priority schemes in energy and other utility sectors. The signposting site can be viewed at http://infrastructurenorth.co.uk/safewarmincontrol/.

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 question relates closely to the work that the Fuel Poverty Advisory Sub Group on Off Gas Grid customers is considering. We represent the DNOs on this group and can see the value in sharing information about customer vulnerability within the specific context of targeting or supporting households to achieve sustainable, affordable heating solutions. We believe this would need strict monitoring and adequate customer protection in place to remove the risk of this data being used for commercial gain.

Defining what the different data is, and what it can and can't be used for, would be a helpful start in not only judging if and when the data should be shared but also making any relevant case to the Information Commissioner to evidence why data protection exceptions should be made.

There should be a clear explanation to customers and a streamlined process but the use of data should be monitored. It is important that customers are given assurances if their trust in energy companies is to be maintained and increased and also that the customer's informed consent to share data is sought.

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?**

It's important that an agreed minimum set of customer contact information is shared between energy companies to ensure consistency is achieved, and here Ofgem can play a role. For example, we have taken the lead in securing the customer contact data provision by energy suppliers to DNOs commencing in September 2014. We are keen for e-mail addresses (in addition to landline and mobile phone numbers) to be included in MRA Data Transfer Catalogue (DTC) data flows. We would also want to see that the range of information provided in data flows between industry participants keeps pace with new technology and customer expectations. For example, communication via social media is a growing channel so in the future we would want to receive appropriate social media contact information from suppliers if available. Mobile number and e-mail address are key requirements for us to be able to further tailor our services. E-mail contact allows us to quickly refresh our register and to provide supplementary information and advice on a low cost basis. It allows us to maintain contact without being invasive and fulfil our role of providing this enhanced service. Mobile numbers allow for proactive text messages to be issued and are a vital means of contact if landline telephones in the home are down because of a power cut. Further, these methods of communications also free up our contact centre advisors to be able to phone those customers needing a personal call.

We recognise that not all of our customers would use digital or other channels of communication to stay in touch and we will continue to offer telephone contact. However, we also understand from engagement that many of our customers want to reach us through their preferred contact channel and at a time that they choose; the additional information would help us to deliver this.

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?

We believe that a common set of minimum "needs codes" should be agreed between energy companies to facilitate the sharing of information and delivery of consistent levels of customer service. There should be a clear set of codes agreed between companies and governed by the established MRA process with Ofgem continuing their role as an observer. Our expanded definitions of vulnerable circumstances do map to existing codes which through the MRA process we know could be refined, we also know that energy suppliers have additional data sets including fuel poverty. We would like an expanded set of codes within the data flows but acknowledge that this would need industry wide agreement.

10. Should information about a customer's needs be shared with their new supplier when they switch? What is the best way to facilitate the sharing of this information?

Information about a customer's needs should be shared with their new supplier when customers' switch. Sharing needs information during the switching process would improve a customer's experience and service. In sharing special need information with the new supplier the old supplier is negating the need for the customer to alert the new supplier, a process which the customer may not be able to do easily, or recognise that they need to do. Many customers understandably do not appreciate the difference between suppliers and DNOs and they wouldn't think about re-registering for PSR when they are changing to a different supplier or tariff. The responsibility for re-registering PSR customers and confirming their current situation sits with the energy supplier with a data flow that then follows to DNOs and GDNs. The resulting data flow is of critical importance to DNOs to ensure that PSR data is up to date.

The sharing should take place using the MRA Data Transfer Catalogue (DTC) data flows to ensure consistency and compliance. The D0225 data flow is not currently sent from supplier to supplier but this could be introduced as a change. Customers would need to be informed that their data will be shared, and it would be useful to request that customers make any changes to their circumstances known at that point.

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

We would be supportive of a single cross-industry brand that increases awareness and understanding of the service offered by energy companies for customers that are, or could be considered to be, vulnerable. Consideration should be given to developing an 'umbrella' brand to aid communication of the different services provided by suppliers, DNOs and GDNs. Other examples of this include the NHS where each organisation is autonomous but has common branding with sub-brands reflecting the type of service provided and or the organisation name; and the Waste & Resources Action Programme (WRAP) scheme 'Love Food Hate Waste' with retailers and food manufacturers – a customer facing brand encouraging people to reduce their food waste.

Whilst supportive, the costs versus benefits and the sources of funding to pay for a brand need to be evaluated before any firm conclusions can be reached.

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

Any guidance document should be linked to the umbrella brand mentioned above as this approach would give the best outcome in terms of standardisation and raising awareness. It could also help customers to understand the differences in services between not only the suppliers, DNOs and GDNs but also those different companies who will not provide the exact same services due to the framework and regulations. Any content would have to be developed in line with the above brand and agreed by Ofgem. The production could be developed through working groups with company representation; led by the trade associations ENA and Energy UK and, as suggested previously, we should take external expert advice and/or support from other organisations who currently work under a similar model or have been involved in developing these.

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

Awareness can be raised in a number of ways through the adoption and promotion of an umbrella brand and then complemented by individual company efforts. There are also opportunities to raise awareness by promotion through current and other schemes, e.g. the smart meter roll-out. We run our own awareness raising exercises and will be running a campaign from September this year to raise awareness generally but with a focus on PSR within this. Information and engagement with charities and welfare agencies is also proving a good route to raise awareness and consideration should be given to the best way to do this.

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?

Given the importance of supporting vulnerable customers when they need assistance and the role that the energy companies can play in this, Northern Powergrid is supportive of independent audits and assurance to ensure compliance with our obligations and also to enable the sharing of best practice across all of the energy companies to improve services offered to customers.

We recognise that external verification of our services has its place where appropriate and proportionate to the impact of the respective obligations. We already conduct a number of assurances, reporting and benchmarking activities which would support assurance of compliance in relation to the proposed obligations. We measure satisfaction of our PSR customers through annual independent research of 1,000 customers known as our care quality survey and, we have committed to achieving assurance for the BSI vulnerability standard (BS 18477:2010 Inclusive service provision, requirements for identifying and responding to consumer vulnerability).

We are developing our "Indicator for Care Quality" identifying the meaningful measures our stakeholders would like us to report on to demonstrate our performance across our wider social commitments, including services for PSR customers; we report annually to our stakeholders on our progress across the business, including social obligations, through our annual stakeholder report which involves setting key targets and reporting against progress http://report14.yourpowergrid.co.uk/#!. We are also working with the other DNOs through the stakeholder best practice group to share learning across a number of areas, including services offered to PSR customers.

To ensure efficiency of resource and co-ordinated outcomes any audit should be aligned to existing practices and policies and the audit proposed within the Stakeholder and Social

Obligations scheme, which Ofgem will be consulting on shortly. We suggest that the BSI vulnerability standard is a clear standard which all DNOs could be assured against to meet minimum standards in services for vulnerable customers whilst allowing for the development of innovative new services in this area. Any external audit should be assessing the principles and approach as well as the overall results.

I trust that you find these comments useful, we would be happy to meet with you and the relevant members of your team to discuss them further.

Yours sincerely

Siobhan Barton
Head of Communications

Annex 1 – Table of Northern Powergrid Vulnerability Definitions

NEW CATEGORIES	OLD CATEGORIES:
Fully electrically dependent customers. Where loss of power presents a critical risk for these customers, for example, where an electricity supply is used for a kidney dialysis machine	1. Home kidney dialysis 2. Heart lung machine 3. Ventilator 4. Oxygen concentrator 5. Nebuliser
Customers that have long-term or temporary critical medical conditions. Though not life threatening, some customers may not be able to cope with sustained interruptions to their power supply, perhaps due to their medical treatment or their recovery from an operation	6. Apnoea Monitor 7. Bath hoist 8. Stair lift 9. Restricted movement 10. Disabled 11. Dementia 12. Other medical dependency
Customers that may have other long-term or temporary support requirements. Elderly customers, those with young babies, or households in fuel poverty, may each find a power cut to their home more difficult to deal with and may benefit from additional advice and support on issues like energy efficiency	13. Elderly 14. Green deal
Customers that require different methods of communication. For example, those who are hard of hearing, or have sight impairments. They require different methods of communication than our standard approach; as do customers for whom English is not their	15. Blind 16. Deaf 17. Mute

first language	18. Foreign language speaker
	19. Hearing impaired
	20. Sight impaired
	21. Learning difficulties