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Rebecca Langford
Consumer Policy Manager
Ofgem
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16 September 2014

Dear Rebecca,

Consultation on Review of Priority Services Register

Scotia Gas Networks (SGN) welcomes the opportunity to respond to Ofgem's consultation on reviewing the Priority Services Register (PSR).

Summary of our views

We are supportive of Ofgem's policy objectives in this area and agree amendments to the current PSR arrangements should be considered. We are fully committed to understanding and assisting with the different needs of all of our customers and we continue to work towards ensuring all of our customers have access to information, services and support they need.

We consider there should be:

- a minimum set of services to allow customers to understand what help is available;
- a wider register of consumers identified as vulnerable. However, we consider the suppliers are best placed to hold and maintain this information;
- the flexibility to allow for solutions to accommodate the differences between the gas and electricity networks that may mean a "one size fits all solution" might not be appropriate;
- further consideration by Ofgem of the potential scale of change to gas industry systems. This would be very costly if a large central industry database was to be proposed, and would also require amendments to the change of supplier process. For the gas sector, this is further complicated by the role of gas shippers and the current implementation of other industry initiatives such as Xoserve's Project Nexus;
- a common approach to ensuring information gathered is correct, up to date and shared where possible with the full consent of our customers;



- a guidance document setting-out the minimum requirements and benefits for customers to raise awareness of the PSR; and
- independent audits against a set of agreed criteria that are relevant for gas distribution companies.

We have structured the remainder of our response to answer in more detail the specific questions raised in Ofgem's consultation paper. This is set-out below for your reference and we would be happy to discuss further any aspect of this with you.

Delivering services that provide equal outcomes for customers

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, we agree consumers should not be disadvantaged or receive a worse service because of their specific circumstances.

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 agree there should be a minimum set of services to allow customers to understand what help is available to them. We currently provide most of these services when we are at customers' homes and can identify all customers and their specific needs.

At present gas network companies do not have access to customer contact details. We are therefore unable to proactively update our vulnerable customers in incident situations whilst waiting on our engineers to attend site. We consider this information should be provided from the suppliers as part of the change of tenancy procedure.

A facility for gas network companies to credit a customer's electric PPM in emergency situations should also be considered. This would help cover the cost of using fan heaters and alternative means of cooking in emergency situations, as the associated costs of using these heaters does cause concern to some vulnerable customers and especially where 'winter warmer' packs are not readily available.

24 hour gas escape number 0800 111 999*
*Calls will be recorded and may be monitored

Scotia Gas Networks Limited
Registered Office: St Lawrence House Station Approach Horley
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It needs to be noted there are differences between the gas and electricity networks that may mean a “one size, fits all solution” might not be appropriate. Unlike electricity, the likelihood of mass gas supply interruptions affecting more than 1,000 customers at any given time is much less likely. Gas networks are significantly more resilient to inclement or severe weather events, predominantly because they are located underground.

Furthermore, most gas network company interactions with customers are on a one to one basis when we enter a customer’s premises to deal with incidents, escapes or interruptions. Therefore, we are generally able to determine the vulnerability of a customer ‘on the doorstep’ and provide the level of service or assistance based on their specific needs.

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.

At present, we promote the PSR through our customer charter which can be downloaded from our website <https://www.sgn.co.uk/Contact-SGN/Customer-charter/>

We also provide temporary heating and cooking appliances within four hours when we have to disconnect gas supplies in emergency situations and planned maintenance.

Our licence conditions also require us to:

- Move the gas service free of charge if the customer is unable to operate the Emergency Control Valve (ECV) because of its location;
- Provide a single national emergency number which includes facilities for deaf and partially hearing persons; and
- Secure adequate publicity for the national emergency number and taking into account the special needs for blind or partially sighted persons.



The costs of providing these services are allowed for under our current RIIO-GD1 price control that runs until 2021.

The potential scale of change to gas industry systems could be significant. This would be very costly if a large central industry database was to be proposed, and would also require amendments to the change of supplier process. In the gas sector, this is further complicated by the role of gas shippers and the current implementation of other initiatives such as Xoserve's Project Nexus.

We have undertaken a high level review of the work required to implement changes to meet the requirements of capturing and sharing information outlined in the consultation. As we do not currently operate or maintain a PSR, we estimate the costs to establish this to be in the region of £450k. The proposed changes would require significant modifications to our core systems (e.g. Maximo and AGENCY) and potential interfaces to communicate with third party systems. This cost estimation does not include the additional resource cost to manage and maintain such systems.

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?

We agree the vulnerable customer definition should be extended, and we will always gauge this as part of our current working practices when attending customers' premises. However, we also consider there should be prioritisation for certain customer codes as we would not want to incur any delay when attending a vulnerable customer.

This is because customers who would not normally be considered vulnerable may require further assistance in the event of a gas or electricity outage. For example, this could include those customers in fuel poverty or with small children.



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 agree there should be a wider register of consumers identified as vulnerable. However, we consider the suppliers are best placed to hold and maintain this information as they have constant contact and opportunity to do so through customer accounts and change of tenancy. Gas network companies would be better placed to identify vulnerable customers and promote the PSR at all points of contact through literature and face to face information.

Currently, gas networks companies are not funded to have their own PSR. We rely on the suppliers to provide this to us. We understand customers have experienced difficulties in contacting their supplier to register on the PSR, and consider a more collaborative approach across the gas and electricity network businesses, Ofgem, suppliers, charities and social organisations would improve the number of customers registering on the PSR.

Sharing information

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

We agree there should be a common approach to ensuring the information gathered is correct, up to date and shared where possible with the full consent of our customers.

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?

We are not adverse to this, but as a gas network company we are not sure how this would work or benefit in practice.



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, we agree that at minimum the vulnerable definition code, customer's name address and importantly telephone numbers should always be available.

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?

We agree there should be common needs codes to ensure consistency. These could be agreed and established in the current Customer Safeguarding Working Group.

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?

We consider this should always be carried out at change of tenancy and is best managed by energy suppliers.

Improving awareness

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

A single cross industry brand would make the benefits of a PSR clearer to the customer once the brand became recognised and trusted.

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



A guidance document setting-out the minimum requirements and benefits for customers would raise awareness especially amongst our front line employees who have direct contact. We consider this document should be prepared and overseen by Ofgem and promoted by all industry participants.

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

We propose that information leaflets on priority services should be readily available for energy companies to distribute to customers and employees. We also consider there should be more awareness training for front line employees. All energy companies should be expected to demonstrate their ongoing commitment to promoting the PSR through regular reviews such as the discretionary reward schemes currently administered by Ofgem.

Improving awareness

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 are supportive of independent audits against a set of agreed criteria that are relevant for gas distribution companies. As noted in our response to Q13, this could be best achieved by undertaking regular reviews such as the discretionary reward schemes currently administered by Ofgem.

Should require any further information to our consultation response, then please do not hesitate to contact either Maureen McIntosh at maureen.mcintosh@sgn.co.uk or myself at paul.mitchell@sgn.co.uk .

Yours sincerely,

Paul Mitchell
Regulation Manager

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