

Regulation & Commercial

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

> Date 22nd September 2014

Contact / Extn Stephanie Rogan 0141 614 1581

Dear Rebecca,

Review of the Priority Services Register

Thank you for the opportunity to comment on Ofgem's current review of the Priority Services Register (PSR), particularly as we are in the final stages of pulling together our annual awareness campaign, which has previously focused heavily on promoting the priority services we offer our vulnerable customers. We have worked hard over the last 3-4 years to improve both the awareness of our PSR but also how we can deliver an enhanced service to those customers on our register who most need our support. We also see this as one of our key social obligation commitments which we have featured within our ED1 business plan.

We welcome Ofgem's review of the Priority Services Register (PSR) and its focus on increasing awareness and sharing best practice, with the ultimate aim of ensuring that no customer is disadvantaged or receives a poorer service because of individual circumstances, which may result in the need for additional support during a supply interruption or interaction with our business.

We have been fully involved with the ENA consultation response and have raised our substantive comments through this forum; however, we have taken this opportunity to re-emphasise our key points in this SP Energy Networks specific response.

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

SPEN appreciate that light, power and heating are essential services for our society and that different customers, have different needs, or interests. Indeed some customers are significantly less able than others, to protect or represent their own interests in the energy market, and as such may require additional support from us.

We agree that Ofgem should continue to prescribe a minimum set of non-financial services and that such services should not be limited to customers who are of pensionable age, chronically sick or

disabled. We agree that it is important that any services offered, address the individual customer's needs and that this list should not be overly prescriptive. However, we also must highlight that we feel that this must be targeted to support the most vulnerable of our customer base, as we are concerned that if the definition is too broad, we will dilute the positive effects and support provided by any PSR services. This falls very much in line with the views of our stakeholders.

If any proposal resulted in a substantial increase in the number of customers who qualified for the PSR and associated services, then it would ultimately increase the associated costs of providing these services and we would need to review how this would be funded. We feel that this service must remain to be specialist in order to meet the needs of those who are in true need of this service.

We also have less of a direct relationship with customers; therefore we will require continued support and assistance from suppliers and / or other identified parties, who have many more direct communication opportunities to share information on customers in general and specifically relating to any known vulnerability.

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?

SPEN is supportive of there being a documented minimum set of prescribed services, as we feel it will provide customers with a greater understanding of what they are entitled to and can expect. This will hopefully help provide consistency across all services and it is therefore likely to be less confusing to customers, where they need to work with a number of service providers or suppliers.

We have reviewed the revised list of services and are, in general, supportive of the services noted and agree that these services should not be limited to customers that are of pensionable age, chronically sick or disabled. This falls in line with how we presently use various communication channels; internet, social media, sms, hard copy leaflets etc. to communicate with all customers, not just vulnerable, to provide advice and advise on how to make contact where required.

We feel it is important that any services offered, address the needs of the end customers and that the lists of required services are not so prescriptive as to prevent us from working with others to provide a tailored service to achieve this.

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?

Where a customer is dependent on electricity, for medical reasons, or have special communication needs (such as being blind or deaf, English not first language for example) we encourage them to join our PSR.

We provide the following services, although some of these will be extended to all customers depending upon the length of supply interruption, to improve the overall customer experience and ease of contact.

cut. We have ensured that these numbers are either 0800 free phone numbers or 03 number, which are included within the minutes allowance from most mobile telephone providers and don't incur any similar connection charges associated with 0800 numbers. Where a customer indicates that they wish to speak directly to a customer service agent and they are registered on our PSR, then their call is given a higher priority to deliver it, to the next available agent. We letter and outbound call customers about planned interruptions to the electricity supply. We provide outbound calls and SMS updates to PSR customers on unplanned faults. This is to an agreed time or every 4 hours. We have set up a contract with Language line Service 24/7/365, who provide a real time translations services on over 200 languages (via a conference call facility), to customers who don't use English as their first language. We have provided all Faults Field Engineers with "Language Cards" to allow them to better communicate with customers and promote the use of the Language line. We complete an annual Awareness Campaign across multiple media channels to promote our PSR and contact numbers. We have improved the format of PSR pages on the SPEN website and now have online application form and a dedicated section to cover PSR. This provides information on the PSR and what customers can gain under the existing schemes. Customer Service PSR leaflets are available online and hard copies are delivered to local authorities to be displayed in local housing offices, libraries etc. Bi annual direct contact with PSR customers © Offer a "password" scheme to any customer that requests it and all operatives carry photographic identification (including contractors) when accessing customers properties Customer Service PSR and emergency telephone numbers at various public events and any presentations. They are in place to work with individual customers at home or with groups. "Winter/ Vulnerable Packs" available in our local stores for use by field sta	Service	Estimated Cost/ annum
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Work with local and national organisations such as the Red Cross and Local Authorities in £80k large scale emergencies and support customers without power.	"Winter/ Vulnerable Packs" available in our local stores for use by field staff in the event of a fault. The winter packs delivered to customers and consist of a blanket, hand warmer,	£100k
Reimburse for agreed hot meals or provide hotel accommodation. £100k	Work with local and national organisations such as the Red Cross and Local Authorities in large scale emergencies and support customers without power.	£80k
	Reimburse for agreed hot meals or provide hotel accommodation.	£100k

- Costs quoted for telephone number are for number set up only.
- For new services an annual estimated value has been provided

We offer a wide range of services and have invested significantly in systems, external support and our staff to identify and support vulnerable customers. As we have indicated previously, if any proposal resulted in a substantial increase in the number of customers who qualified for the PSR and associated services, then it would ultimately increase the associated costs of providing these services.

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?

SPEN believes that vulnerability should not be limited to the prescriptive definitions of disabled, chronically sick or of pensionable age. We already provide additional services to customers not falling in to these categories, such as customers where English may not be their first language.

Some customers who are included in certain categories e.g. pensionable age customers, may not view themselves as vulnerable, where as other customers who would not normally be considered vulnerable as they don't fall into an agreed defined category, may find themselves requiring further assistance in the event of a supply interruption, for example those in fuel poverty, with small children or simply due to the length of time elapsed.

We agree that vulnerability should be assessed on a case by case basis and that our employees should be empowered to "do the right thing" for that customer. However we have some concerns with the ability for all parties to categorise and share this information and the potential associated system costs to adjust what is already in place to accommodate this.

As we have indicated previously, we also have less of a direct relationship with customers; therefore we will require continued support and assistance from suppliers and / or other identified parties, who have many more direct communication opportunities to share information on customers in general and specifically relating to any known vulnerability.

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 it is the responsibility of both Suppliers and the Network Companies to understand their customers' needs and whether these customers should be offered additional services if they find themselves in a vulnerable situation.

However you will note in our response, we have highlighted the difficulty for SPEN gathering information to identify such customers, as we don't have a direct relationship with them. Despite having a well-established, multiple media awareness campaign, only a minority of customers are aware of any non-financial support available to customers in vulnerable situation and even less can mention the PSR without being prompted.

We also coordinated the analysis in the quality of PSR information provided and agree that, while maintaining a wider register with a common list of criteria is extremely important, this will only be successful if there are significant improvements in the quality of information input when a customer joins for the first time.

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

SPEN believe that DNOs, GDNs and suppliers should be required to share data on vulnerability. We also agree that there may also be further opportunities to share data with other utilities; however, there needs to be a greater understanding on how this information would be transferred between utilities and any associated costs to allow this to happen.

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?

Yes, if any Data Protection Act 1998 issues are removed and customers are willing to provide consent and customer's informed consent to share data is sought at all times. However, similar to the above, there needs to be a greater understanding as to how this information would be transferred between utilities and any associated costs in order to allow this to happen.

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?

SPEN is comfortable with an industry wide agreed set of minimum data, which would cover all fuels/utilities.

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?

Within the electricity market we already have an agreed format, which both DNOs and Suppliers work to, when providing vulnerable customer information flows, however as we have indicated previously, there can sometimes be an issue with the quality of what has been supplied.

The data flows for the electricity market are complex and if this was extended to cover gas and/ or other utilities, then it would need to be fully understood and carefully mapped out, to comprehend how they could be integrated to provide a cross utility view of vulnerable customer data and any costs associated with this change.

As part of any review, we would suggest that there is a need to fully understand what purpose DNOs and Suppliers use this information for and if there are any "conflicts" that may potentially cause some confusion for customers, especially if they don't see any need to be on multiple PSR registers.

DNOs, GDNs and Suppliers already discuss vulnerable customer issues/ processes within the Customer Safeguarding Working Group; however we feel that Ofgem still has a role to play in helping with discussions on the potential introduction of non-energy third parties being involved, to have a closer understanding of costs/ barriers associated with any proposed changes and helping resolve any potential issues to bring this to a satisfactory conclusion.

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?

Customers' relationships with DNOs remain the same, even when a change of supplier process happens. It should remain a requirement for the DNOs to be advised of customer's vulnerability information and any amendments to this.

SPEN is supportive with the aligning of codes and sharing information, however we feel that more consideration needs to be given to the issues of achieving consents and if there will be a specified common approach taken by all DNOs and GDNs and not just "energy companies to set up mechanisms to acquire and facilitate consents".

We feel there needs to be a standardised approach and it would be helpful if Ofgem provide guidance on this.

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

A single cross-industry brand would be one solution to raise awareness of priority services. Whilst we agree that from a customer's perspective, a cross industry brand would raise awareness and trust, we feel that this is detrimental to stakeholder engagement amongst DNOs and stakeholders.

As a DNO who is part of a vertically integrated company, we have worked hard in SPEN to raise awareness of the role of network operators and making a clear distinction between DNOs and suppliers. This lack of clarity has been highlighted as an issue in major storms across all DNOs and has been a driver for the introduction of a national single telephone number for faults and emergencies. SPEN will be looking to ensure that Priority Services is included as a key element in the promotion and advertising of the single emergency number, when it is being launched.

A clear distinction of the roles suppliers and DNOs play would need to be drawn out within any cross industry branding.

One of our distribution licence conditions, SLC42, requires that we must maintain the branding of the Distribution Business so that it is fully Independent from the branding used by any other licence holder. It would be useful for confirmation that such a cross-industry brand would pose no threat to our current obligations.

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

SPEN believe that a Utilities wide guidance document would raise the profile of the services offered to all vulnerable customers, how these customers and the supporting services, such as charities and welfare agencies, can access the PSR and the additional services offered.

We would see DNOs GDNs and Suppliers pulling the information together, producing the document and ensuring it is maintained.

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

As a DNO we do not have the same direct one to one relationship with customers that Suppliers benefit from. We feel that our robust customer awareness campaign, working in conjunction with a similar effort by Suppliers, could provide customers with relevant information on priority services and ensure a clear understanding of differences between the role played by DNOs and suppliers.

Information and engagement with charities, local authorities, LRFs and welfare agencies is also a good route to raise awareness and further consideration should be given to the best way to do this. We have worked hard to build relationships with agencies to support our efforts in delivering for customers on our priority services register and we would welcome a continuous improvement programme through sharing of best practice with suppliers, DNOs and GDNs.

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?

SPEN would be supportive of independent audits to ensure compliance with the update obligations and also to enable the sharing of best practice across all of the energy companies, to improve service offered to customers that are in need. There would need to be a minimum set of criteria published and these criteria should focus on compliance to good practice and not formal auditing of the Licence requirement as this would add an unnecessary layer of complexity.

We would be grateful for a breakdown as to how such costs will be recovered as part of the ED1 price control.

Yours sincerely,

Stephanie Rogan Licence Development

Regulation & Commercial