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Dear Rebecca,

Review of the Priority Services Register

SSE welcomes the opportunity to respond to Ofgem's consultation on this issue. We are supportive of Ofgem's review of the Priority Services Register (PSR) and believe that an industry review is essential to ensure that the PSR is fit for purpose. We have provided our response to the specific questions posed by Ofgem in the attached Annex.

SSE takes its responsibilities in identifying and supporting vulnerable customers very seriously and recognises the importance of providing appropriate and adequate safeguards and support. We have a number of policies and processes in place to identify and help vulnerable customers, as outlined within our response to Ofgem's Consumer Vulnerability Strategy (CVS)¹ in September last year.

The PSR is an extremely important tool for Energy Companies as it ensures that the most vulnerable customers are identified, ensuring that they are protected and retain a consistent supply. For this reason, it is essential that the criteria for customers who are to be included on the PSR remains specific to enable that those customers who are most vulnerable and in need are identified as a 'priority'.

SSE is supportive of Ofgem's CVS, from our experience we are aware that there are a wide number of reasons why a customer could be considered as vulnerable. However, for the reasons explained in this response, we do not believe that an expansion of the PSR is necessarily the right way to be driving forward the policy intent as outlined within the CVS.

I would welcome the opportunity to discuss any of the points within this response in more detail.

Kind regards,

Sam Torrance
Regulation Analyst

¹ Consumer Vulnerability Strategy – SSE's Approach; 30th September 2013

Annex

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, SSE agrees.

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?

SSE agrees that Ofgem should continue to prescribe a minimum set of services. Broadly speaking, we are supportive of the proposed list of services and we already provide a range of services to our customers.

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.

We provided Ofgem with information on the different services which we currently provide within our response to Ofgem's Consumer Vulnerability Strategy (CVS)^[1] in September last year.

As we have discussed above, SSE believes it is important that the criteria for customers who are to be included on the PSR remains specific to enable that those customers who are most vulnerable and in need are identified as a 'priority'. However, if Ofgem was to go ahead with their proposals to widen the eligibility for the PSR this will lead to a rise in costs.

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?

In general, SSE agrees with extending the definition of vulnerable customer. However, as discussed above, we believe that the PSR is an important safeguard to ensure that the most vulnerable customers are identified, protected and are kept on supply. Therefore, we believe that it is important that the criteria for the PSR remains focussed on the most vulnerable and tightly defined. If the approach is widened in line with the above proposal then this could have the unintended effect of diluting the importance of the PSR and its protections.

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?

SSE agrees that we should be required to maintain a wider register of consumers we have identified to be 'vulnerable'. However, as discussed in our answer to question 4 above, we do not believe that such a wider list of customers identified to be in a vulnerable situation should be a requirement for the PSR.

^[1] Consumer Vulnerability Strategy – SSE's Approach; 30th September 2013

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

SSE would like to make Ofgem aware of the amount of Regulatory change which is being pushed on to suppliers at the moment with tight implementation deadlines. Greater information sharing will require further change both at industry level but also changes to individual supplier systems. Therefore, it is essential, that Ofgem bear in mind the amount of Regulatory change which is currently undergoing (for example faster switching, DCC centralisation, Project Nexus and the tackling energy theft and implementation of the TRAS), and which places considerable strain on our IT resources, when considering further change in the future. We have a concern that additional mandated changes, where these require IT resource, could threaten timely delivery of other important regulatory projects.

a) We agree that suppliers, DNOs and GDNs should share information about customers' need with each other. As you will be aware, suppliers already have licence conditions in place which require us to share information about customers on our PSR with the relevant DNO or GDN.

Any additional sharing of information between suppliers, DNOs and GDNs will need to be carefully designed and kept narrow and specific to ensure that the data is kept secure, safe and is compliant with the DPA requirements. Furthermore, again in line with our requirements under the DPA, in order to share any sensitive personal data of our customers' we would need to either gain the consent of the customer or have a legal or regulatory obligation to share this information. Also, we must ensure that we only share customer information/data as required i.e. energy companies should only be sharing specific customer information which is required under the specific scenarios.

Also, in line with the point we made in our answer to question 4, retaining specific criteria for customers who are placed on the PSR would help ensure that suppliers, DNOs and GDNs accurately share the information of those customers who are most in need.

b) SSE agrees that sharing information about customers' needs with other utilities is a good idea and is worth exploring further.

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 do not oppose this proposal and agree that it does require consideration, particularly for off-grid consumers. However, such fuel providers are not regulated by Ofgem and therefore their customers do not benefit from the same protections that they benefit from licensed electricity and gas Suppliers.

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?

As mentioned in our response to question 6, we should only share the necessary customer information which is required under each specific scenario. Furthermore, if it is agreed that energy companies should share 'minimum details' then this should be agreed between the

companies sharing the information with one another (i.e. suppliers, DNOs and GDNs) and not stipulated by Ofgem.

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?

SSE agrees that it is essential to ensure that there is a consistent way of sharing this information across the Industry. As we have mentioned above, suppliers already have an obligation in place which requires us to share information about customers on our PSR with the relevant DNO or GDN.

Furthermore, the common minimum 'needs codes' ties in with our earlier argument that it is important to keep the scope of the PSR tightly defined as it is now (i.e. domestic customers who are of pensionable age, disabled or chronically sick) to ensure data is shared accurately.

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?

SSE agrees with this proposal in principle. However, this would require significant change to both industry systems and agreements and also individual supplier systems. As we have mentioned above, there is already a significant amount of Regulatory change which Suppliers are required to implement. If Ofgem require suppliers to implement even further change then they must provide a reasonable amount of time for industry and suppliers to develop, test and implement these changes, whilst also taking into account all the other regulatory change being developed and the potential impacts this change may have on these.

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

SSE agrees that if a single cross-industry brand will raise awareness of priority services then it is a good idea. However, there are a number of services which we offer which do not fall under 'priority services' and therefore should not be captured under a single cross-industry brand to allow supplier innovation and competition in this space.

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

Yes. SSE agrees that a guidance document specifically on the PSR would be helpful and Ofgem would be best placed to produce this guidance.

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

We must take into account that consumers do already receive a lot of regulatory information, including information about the PSR. It is therefore essential that we don't overload consumers with regulatory information.

However, the whole energy industry has a role to play to help raise awareness of the PSR, this includes energy companies, third parties (such as Citizens Advice), Ofgem and DECC. In particular, we believe there is more which third parties could do to help raise awareness of the PSR, such as campaigns etc.

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?

No. SSE do not agree that supplier funded independent audits are the best way of monitoring companies' compliance with Ofgem's proposed obligations. The proposed obligations from Ofgem are subjective and it would be difficult to carry out an external audit against such obligations.

One potential alternative for monitoring companies' compliance would be to utilise the existing bilateral meetings between Ofgem and Suppliers on the Social Obligations reporting