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Our ref

Your ref

Date

-

19 September 2014

Dear Rebecca

Review of the Priority Services Register

I am writing on behalf of Western Power Distribution (South Wales) plc, Western Power Distribution (South West) plc, Western Power Distribution (East Midlands) plc and Western Power Distribution (West Midlands) plc.

WPD welcome Ofgem's review of the Priority Services Register (PSR) and agree that the current PSR and associated services need a clearer objective and should be better targeted. WPD agree with the ENA that the proposals will improve peace of mind for customers who may need additional support to stay or feel safe, particularly when their gas or electricity supply is interrupted.

WPD contributed to, and support, the ENA response to this consultation. Below you will find WPD's response to the specific questions posed. Our response is not confidential.

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. WPD already work to the BSI standard 'Inclusive service provision - requirements for identifying and responding to consumer vulnerability' (BS 18477) and in 2014 became one of the first companies in the UK to have our services externally assessed against this standard by BSI. We would recommend this as a valuable exercise for all energy companies.

Ofgem's Stakeholder Engagement Incentive encourages network companies to engage with different types of stakeholders, including vulnerable customers and relevant outreach partners. We welcome the expansion of this to the Stakeholder Engagement and Social Objectives Incentive, from 2015.

WPD agrees with the ENA that the Smart Meter Roll-Out, which will require Suppliers to have contact with all customers, will provide an excellent opportunity for suppliers to check PSR records, promote the register and offer advice on energy efficiency and debt.

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?

A minimum set of prescribed services will help customers to understand what they are entitled to. We support the list of services proposed.

It is important that any list of required services is not so prescriptive as to prevent companies from tailoring services to meet customers' immediate and changing needs, or indeed going beyond the stated 'core' requirements. We welcome the fact that network companies are encouraged, through the Stakeholder Engagement Incentive, to continue to find innovative ways of engaging with vulnerable customers.

Question 3 - If applicable, what services do you currently provide and what are the current costs of providing services. What financial impact do you think widening eligibility in the way we have proposed will have?

Current services

If a customer is dependent on electricity for medical reasons, or has special communication needs (e.g. blind, deaf, or non-English speakers) WPD will:

- Provide a direct telephone number so customers can get straight through to a person in a dedicated team at WPD
- Contact customers in an appropriate way to inform them about planned interruptions
- Proactively contact them in the event of an unplanned power cut to provide information and advice

And, for all other registered vulnerable customers we:

- Strive to keep any disruption to supply to a minimum
- Ensure all operatives (including contractors) carry photographic identification when accessing customer's properties
- Offer a "password" scheme to any customer that requests it
- Provide literature in large print, Braille, Audio CD or another language
- Work with the British Red Cross and the WRVS to provide assistance during longer power cuts. Examples of the support offered includes: emotional support, warm drinks and meals, physical assistance and information updates
- Work with the oxygen providers to provide assistance during longer power cuts

WPD also periodically contact all PSR customers to confirm/update their details and to offer resilience advice, including a reminder about the PSR and services available.

Costs

WPD have budgeted an additional £1m per annum for this activity in RIIO ED1 and will be reporting separately on this expenditure from 2015/16. We would be willing to respond to an Ofgem data request and a common template where consistent parameters for this information are set for all companies. This would allow meaningful comparisons to be made. The cost categories that Ofgem may wish to look at could include:

- Data costs - the collection of data and costs associated with IT systems (the Data Transfer Network, associated data flows, company databases, systems and websites).
- Administration costs - associated with the 'admin' of the data (the screening of new data flows/manual intervention and updating of the database/ongoing

customer contact and data cleansing), providing data to others and contacting new customers.

- Promotion costs - activities to promote the register and raise customer awareness.
- Service and project costs - use of third parties such as the British Red Cross/RVS and internal service costs such as 'callbacks'/special helpline/use of generators.

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?

WPD agree that vulnerability should not be limited to the prescriptive definitions of disabled, chronically sick or of pensionable age. Customers who do not fall into these categories may require additional services, either permanently or temporarily, and therefore we support a broadened definition, including for example those in fuel poverty, recently discharged from hospital or with new-born babies.

We agree that vulnerability should be assessed on a case by case basis and that employees should be trained to pick up on relevant triggers and "warning signs".

Question 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?

Yes. WPD will continue to make every effort to identify customers in a wide range of vulnerable situations in order to offer them support and add them to the PSR where appropriate. We would welcome a collaborative approach from the DNOs, GDNs, Suppliers and Ofgem, as well as other agencies such as the Citizens Advice Bureau, Age Concern, Mencap, Social Services, the British Red Cross and various health services. This would ensure that customers feel comfortable joining the PSR and understanding that their personal data will be solely used for their benefit.

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

WPD are happy to work with other utilities to share data on vulnerability and best practice in managing the needs of these customers. WPD representatives attend a Vulnerable Customer Forum along with GDN's, other DNO's, Ofgem, Suppliers and other interested parties. The aims of the group, and its terms of reference, are included in the ENA response to this consultation.

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?

WPD support any data sharing allowed by the Data protection Act and any mechanism to aid this, such as a central data store of customer vulnerability data that utilities, charities, alternative fuel providers and other interested parties could access.

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. As acknowledged in Ofgem's consultation document, WPD have recently led changes to the PSR dataflow arrangements with DNOs/suppliers, which will ensure that DNOs receive full contact details (including name and telephone number) for every customer. We agree these arrangements should be replicated for GDNs.

It is also extremely important that all energy companies (networks and suppliers) strive to improve the quality of the data being entered when a customer joins the PSR the first time. A recent best practice exercise undertaken by DNOs analysed circa 8,500 data flows provided by suppliers to DNOs. 18% of records were entered into free text categories 'Other' or 'Other Medical Dependency on Electricity', of which 26% were incorrectly allocated (there was an existing relevant category) and 41% unusable, with the description either blank, stating 'unknown' or 'other', or with no tangible description as to the customer's need. Maintaining a wider register, with a common list of criteria, would be more successful if companies provide adequate staff training to ensure quality information is input when a customer first joins the PSR.

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?

WPD agrees common minimum 'needs codes' would be beneficial to customers. The 21 reason codes specified within the D0225 dataflow between suppliers and DNOs, currently provides useful granular information when completed correctly. Cross fuel industry arrangements that already exist, such as the Vulnerable Customer Forum (mentioned above) and the Smart Energy Code could be used as a vehicle for the development of common needs codes.

Consideration also needs to be given to whether DNOs and suppliers use PSR records for the same purposes. There are situations where a customer may ask to be removed from one register (e.g. they do not consider themselves vulnerable during a power cut) but the supplier will not remove them from their PSR for other reasons (e.g. the PSR record may influence the tariff the customer is on).

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?

The customer's relationship with the DNO remains the same when customers switch and therefore we agree that vulnerability data should form part of the critical customer data that suppliers transfer as part of the switching process.

One supplier to supplier dataflow might be more efficient than two separate flows from Supplier A to DNO, then DNO to Supplier B. Further investigation is required to identify the best mechanisms, and consideration given to the fact that the introduction of two-way industry data flows (currently only one way, supplier to DNO), could be required.

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

Yes. This could be very useful in allaying customer concerns regarding data security and raising awareness of the consistent services offered across all companies.

Our experience is that customers can struggle to understand the difference between energy suppliers and network companies. Single branding across utility companies and other providers (such as oil and LPG) for PSR would therefore need to be carefully thought through in order to avoid further confusing customers.

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

A guidance document would raise the profile of the consistent, 'core' services offered to vulnerable customers by all companies. This would also help customers and supporting services (such as charities and welfare agencies) to understand what the PSR is, how to join and the ancillary services offered. WPD would be happy to work with the ENA and Ofgem to produce such a document.

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

There is always more to be done to raise awareness of priority services. WPD's Social Obligations Strategy places high importance on this, and our Business Plan contains 17 specific commitments in this area.

WPD have established a permanent Contact Centre team to proactively contact existing PSR customers to remind them about their inclusion on the register, the services offered and to update their details. Customers tell us this is a service they value highly.

In terms of raising awareness to customers who are not currently registered, WPD undertake outreach work with various partners who can share information on the PSR with vulnerable customer groups. Examples of our current partners include the British Red Cross, Citizens Advice, Energy Saving Trust, RVS and Age UK. We also send posters encouraging people to join the PSR to food banks and relevant medical organisations, including GP's surgeries, to be displayed in waiting rooms and surgeries.

We believe Suppliers should communicate information about priority services to all customers at least once a year. This could include an explanation of the benefits of joining and the common industry services offered, including the support provided by DNOs during power cuts.

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?

WPD support the proposal for supplier independent audits to ensure compliance with the updated obligations and also to enable the sharing of best practice across energy companies to improve services offered to customers. In order to conduct a consistent, 'like for like' audit there would need to be a minimum set of criteria published. These criteria should focus on compliance with good industry practice and not just formal auditing of the Licence.

If there are any aspects of this letter that you would like to discuss further then please contact Alex Wilkes at awilkes@westernpower.co.uk or on 01332 827647.

Yours sincerely,

A handwritten signature in black ink, appearing to be 'AS', written over a faint horizontal line.

ALISON SLEIGHTHOLM
Regulatory & Government Affairs Manager