

12 May 2015

Bhavika Mithani  
Consumer Policy Manager  
Sustainable Development  
Ofgem  
9 Millbank  
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Dear Bhavika

### **Review of the Priority Services Register – Update and Next Steps**

I am writing on behalf of Energy Networks Association (ENA). ENA is the industry body for UK and Ireland gas and electricity transmission and distribution networks, essentially, the 'wires and pipes' that deliver this vital service to our homes and businesses.

ENA welcomes Ofgem's recent publication of the Update and Next Steps for its Review of the Priority Services Register (PSR). Our members are supportive of Ofgem's aim to ensure that its non-financial provisions for vulnerable customers are better targeted and provide effective protections. This response is submitted on behalf of our Gas and Electricity Distribution members.

ENA responded to Ofgem's consultation on its Initial Proposals and have continued to engage with Ofgem in the run up to the publication of this letter. The key points from our members are summarised below with the remaining sections providing the detail and rationale for these points:

- **Eligibility**
  - The services customers receive should be targeted and based on vulnerable customers' needs and not solely based on tightly defined characteristics.
  - Eligibility should be extended to include families with young children and pregnant women.
  - Age should remain only one of the factors for vulnerability captured by the proposed coding and not be limited to those over 75.
- **Services**
  - Gas Distribution Networks (GDNs) already have robust processes in place for managing vulnerability in times of supply interruptions. We would like to further understand what Ofgem believes is required over and above these existing processes.

- 1<sup>st</sup> April 2008 Ofgem made changes to the Standards of Performance Regulations for GDNs, which removed the Overall Standards related to informing customers during unplanned interruptions. Our GDN members would question whether it is Ofgem's intention to reverse this decision and understand the drivers behind this.
- **Customer Identification and Data Sharing**
  - ENA's GDN members are working together with the electricity Distribution Network Operators (DNOs) to carry out trials to identify, record and share data regarding vulnerability.
- **Compliance and Monitoring**
  - ENA members understand that Ofgem would like to use the Stakeholder Engagement Incentive to provide visibility of the network companies' activities under the proposals for PSR. Our members are supportive of monitoring taking place. However, we believe that the differences between the Stakeholder Engagement Incentive schemes in electricity and gas need to be taken into consideration when trying to draw any comparisons.

### **Eligibility**

We agree that vulnerable customers should receive a service based on their needs rather than solely based on tightly defined characteristics. ENA is supportive of the proposal to move to a "needs-based" eligibility model for the services provided under the PSR. We agree that proactive identification of customer's vulnerability based on need is crucial to suppliers and networks customer services provision.

### **Benefits of a targeted approach**

We accept that the needs based eligibility model may lead to more customers being registered on the PSR. However, by using the proposed targeted approach, networks and suppliers will be able to identify the needs of these customers and deliver the right services to them. This can be achieved through better-targeted communications with their energy companies or protection of the vulnerable during supply interruptions.

**In response to the questions raised in the consultation regarding extending core vulnerability groups.**

**Question 1 – Do you agree that “families with children under 5” should be added as a specified eligible “core” group to receive additional help during interrupted supply and for the provision of free gas safety checks?**

While ENA members support the addition of families with children under five as a core vulnerability group and recognise the direct effect of energy or supply interruption on such families, it is important to consider the data impacts of these “transient” groups, such as the data capture of dates of birth.

**Question 2 – Do you agree that the specified eligibility covering elderly people for services related to safety should be changed from “pensionable age” to “75 and over”?**

ENA members do not feel that Ofgem's proposal in this area provides benefit. It should not be assumed that simply because a consumer is over 75 that their vulnerability is increased, or indeed those under this age are not as vulnerable.

We propose that age continues to be just one of the factors of vulnerability captured by the proposed coding, where necessary, additional codes could be used, such as disability, mental health issues etc. and this would ensure that the most vulnerable are prioritised.

**Question 3 – Do you agree that pregnant women should be added as a specified eligible “core” group receiving free gas safety checks?**

Again, as above ENA members support the addition of pregnant women as a core vulnerability group, eligible for free gas safety checks, but would add, that for this group, it is also important to consider the data capture issues, such as due dates.

**Services**

**Advice on interruptions for vulnerable customers**

In its next steps document, Ofgem have indicated requirements for GDNs to provide advice and information on any interruptions to gas supplies to vulnerable customers. Our GDN members would like to work with Ofgem to understand what additional information may be required. GDNs already have processes in place for managing vulnerability at times of supply interruptions. These processes include providing alternative methods of heating and cooking alongside handing out welfare packs, in some cases. During a gas supply incident the GDNs will have a strong presence in the locality. Engineers need to gain access to properties to ensure the gas supply is correctly isolated and reinstated once the incident is over. It is at these times that vulnerability can be identified, if not already known to the companies.

It is important to note that from 1<sup>st</sup> April 2008 Ofgem made changes to the Standards of Performance Regulations for GDNs, which removed the Overall Standards related to informing customers during unplanned interruptions.

Since this time the GDNs performance in this area has been measured and rewarded/penalised through the customer satisfaction surveys which specifically ask about communications between customers and the networks during these interruptions. Our GDN members would question whether it is Ofgem's intention to reverse this decision and understand the drivers behind this.

**Cost benefit analysis**

We welcome Ofgem's proposal to carry out an impact assessment and cost benefit analysis on the proposals that are contained in the Next Steps document. Our members will be happy to provide the information as required, once more granularity on how the proposed changes will work in practice are agreed. It is also important to note that the timescales presented by Ofgem could be seen as ambitious, given the requirements to establish Governance and implement system changes.

**Customer Identification and Data Sharing**

As previously discussed with Ofgem, ENA is working with a wide range of stakeholders through our Customer Safeguarding Working Group (CSWG). This group is looking to develop agreed common “needs” codes to identify, record and share vulnerable customer data, along with a set of the minimum data that could be shared. The group will look to share a clear timetable for this work. We would like to work with Ofgem to ensure that these deliverables match your requirements, following this consultation.

## **GDN trials**

ENA's GDN members are working together with the electricity Distribution Network Operators (DNOs) to carry out trials to identify, record and share data regarding vulnerability when it is identified "on the doorstep" during emergency, connection or mains replacement works. This could negate the need to have a separate PSR for gas consumers, and will also move towards Ofgem's aspiration of having one industry PSR.

These trials will be carried out in specific geographic areas and will look to identify the best way to enhance the existing process by using networks resources wisely. This could be through either providing a pragmatic non-systemised gateway into the current PSR or proactively 'sign posting' customers to their DNO if customers are reluctant to provide personal details to GDNs "on the doorstep".

We note that the document does not suggest that GDNs should hold their own PSR. We welcome this position and through these trials are working to demonstrate that GDNs can identify vulnerable customers and provide them with the services they need without the need to hold a separate PSR. We hope that the mitigating actions, such as those detailed above will deliver the two-way sharing that is desired by Ofgem and seen by our members as most beneficial for vulnerable customers. It also helps mitigate the further significant complications within gas, as the Uniform Network Code (UNC) and data flows are set up with gas shippers not gas suppliers, and avoids stepping further away from one single cross industry PSR.

## **Improving the Take Up of Services**

We support the proposals of maintaining the PSR brand. We feel that this will aid in the improvement of delivering information to customers. It will also help third party agencies promote the PSR to vulnerable customers who otherwise may not have been aware of the services that they are entitled to.

## **Compliance and Monitoring**

It is important to note that there are subtle differences between the Stakeholder Engagement Incentives agreed as part of the RIIO GD1 and RIIO ED1 Final Determinations. Whilst it would be appropriate for Ofgem to have visibility of the DNOs activities using their incentive, further consideration should be given to how the GDNs will be monitored, especially if Ofgem place a requirement on them to hold their own PSR.

We hope that you have found these comments useful and we look forward to engaging with Ofgem, energy suppliers and wider stakeholders via our CSWG throughout the year as we further develop the proposals for the PSR.

Should you wish to discuss any of these points further, please contact Clare Cantle-Jones, Regulation and Policy Manager on ([clare.cantle-jones@energynetworks.org](mailto:clare.cantle-jones@energynetworks.org)).

Yours sincerely



**David Smith**  
Chief Executive