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14<sup>th</sup> May 2015

Dear Bhavika,

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

National Grid welcomes the opportunity to respond to the open letter published on the 26th March 2015 in relation to the Priority Services Register (PSR). This response is made on a non-confidential basis on behalf of National Grid Gas Distribution (NGGD).

We have welcomed the opportunity to work with the industry, through the Customer Safeguarding Working Group, and are supportive of Ofgem's aim to ensure that its non-financial provisions for vulnerable customers are better targeted and provide effective protection to vulnerable customers. We are, therefore, supportive of the introduction of "core" groups into the PSR to protect vulnerable customers most at risk during an interruption. We agree that vulnerable customers should receive a service tailored more to their specific needs where it is reasonably practical to do so and that a minimum set of services should be retained whilst allowing innovation and collaboration.

We recognise that the open letter does not drive the Gas Distribution Networks (GDNs) towards holding their own PSR and welcome this approach. GDNs are working together with the electricity Distribution Network Operators (DNOs) to carry out trials when vulnerability is identified "on the doorstep" during emergency, connection or replacement works. These trials, which are being carried out in specific geographic areas will look to identify the best way to enhance the existing process by using networks resources wisely. This could be through either providing a non-systemised gateway into the current PSR or proactively 'sign posting' customers to their DNO.

The above trials are designed to demonstrate that GDNs can identify vulnerable customers and provide them with the services they need without the need to hold a separate PSR, whilst still delivering two-way sharing and identification of vulnerability.

We recognise our role in promoting the PSR and the benefits this provides, and support the proposal 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 highlight the PSR to vulnerable customers who otherwise may not have been aware of the services that they are entitled to.

With respect to compliance monitoring, it is important to note that there are subtle differences between the Stakeholder Engagement Incentive Schemes agreed as part of the RIIO-GD1 and RIIO-ED1 price controls, with the incentive for RIIO-ED1 being specifically tailored to provide a focus on social obligations. Whilst we are supportive of demonstrating performance, we believe that this is outside of the RIIO-GD1 incentive scheme. Depending on the outcome of Ofgem's PSR review and the requirement to hold a PSR register, an alternative monitoring mechanism, similar to the gas distribution's annual Carbon Monoxide process, may deliver an appropriate way forward.

We hope that you have found these comments useful and we look forward to working with Ofgem, energy suppliers and other stakeholders via the Customer Safeguarding Working Group throughout the year as we further develop the proposals for the PSR.

Should you wish to discuss any points further please contact Jo Giles on [jo.giles@nationalgrid.com](mailto:jo.giles@nationalgrid.com).

Yours sincerely,

*[By email]*

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