

Sarah Brooks
Head of Consumer Policy
Ofgem
9 Millbank
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13 May 2015

Dear Sarah,

Review of the Priority Services Register – Update and Next Steps

Thank you for the opportunity to comment on the latest proposals. Our response to the 3 specific questions raised are contained in the attached appendix.

As a gas distributor whenever there is an emergency call, supply interruption or planned replacement work we need to enter the customer's premises to carry out work. Therefore we assess vulnerability on the doorstep and respond accordingly based on the circumstances at the time. This means we are already operating a more flexible definition of vulnerability than the existing licence requirements. We recognise that this degree of interaction with customers is a useful opportunity for us to sign post vulnerable customers towards services provided by other energy companies and we are looking at a variety of ways we can facilitate this. For example, NGN is working on a trial with our local electricity distributor (Northern Power Grid) to pass on contact details for vulnerable customers encountered on our replacement works to them.

However, we do not support the introduction of a new licence obligation on GDNs to establish and maintain a priority services register. Such a register has little direct benefit to us given our approach to assessing vulnerability on the doorstep, the extremely low levels of unplanned interruptions on a gas network compared to an electricity network and the infrequent nature of repetitive contacts with individual customers. The costs of creating new data capture systems including the relevant data protection consents, the data transfer protocols and the central industry systems will be significant. Such a requirement has not previously been identified in any of our stakeholder engagement and did not form part of the output requirements under RII0-GD1.

We were very concerned with comment on page 4 of your letter which states "and emphasise the importance in gas networks also recognising and addressing vulnerability". This comment implies that we do not currently recognise such importance. At NGN, we absolutely recognise the important, both practically and morally, of looking after our vulnerable customers. We would welcome the opportunity for you to visit our business, and see first-hand our 'on the doorstep' approach we take to addressing vulnerability, but also to understand the steps we are taking through independent research to really understand what more we could be doing.

Ofgem judges our performance in addressing vulnerability through both the Discretionary Reward Scheme and the Stakeholder Incentive. Feedback from Ofgem has not previously indicated that NGN fails to recognise the importance of addressing vulnerability.

In 2008, Ofgem removed the overall standards of performance on gas distributors which included standards on keeping customers informed during unplanned interruptions. Our performance in this area has since been measured through the customer satisfaction survey on gas emergencies which specifically asks for the customers views on communications during interruptions. We were therefore very surprised with the proposal on page 5 to re-introduce regulation into this area apparently on the basis that this obligation exists on electricity distributors. As you are probably aware the gas networks are extremely reliable and the chances of an NGN customer experiencing an unplanned interruption is around 1 in a 100 years. The survey results have consistently shown very high levels of customer satisfaction with our emergency services. Therefore, we see no evidence or basis for further additional regulation.

If you wish to discuss any aspect of this letter please do not hesitate to give me a ring.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'S. Parker', with a stylized flourish at the end.

Stephen Parker
Regulation Director

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Appendix

Q. Do stakeholders 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 appliance safety checks?

In principle we support this but practically it will prove almost impossible to keep a central data register up to date with this type of information.

Q. Do stakeholders agree that the specified eligibility covering elderly people for the services related to safety should be changed from ‘pensionable age’ to ‘75 and over’?

Yes.

Q. Do stakeholders consider that pregnant women should be added as a specified eligible “core” group receiving free gas safety checks?

In principle we support this but practically it will prove almost impossible to keep a central data register up to date with this type of information.