

Manor House
Station Road
New Penshaw
Houghton-le-Spring
DH4 7LA

Bhavika Mithani
Consumer Policy
Ofgem
9, Millbank
London
SW1P 3GE

9 February 2016

Dear Bhavika,

Priority Services Register Review - Final Proposals

I am writing on behalf of Northern Powergrid, the distribution network operator (DNO) for the North East, Yorkshire and northern Lincolnshire. We welcome the opportunity to comment on Ofgem's final policy proposals and draft licence conditions. We are always keen to explore proposed changes to the PSR that could enhance the service our customers receive in an efficient manner. We developed our business plan for 2015-23 with extensive feedback from our independently chaired Social Issues Expert Group and our Customer Service Expert Group; and we continue to engage with and consult wider stakeholders as we develop our social programme, including enhanced PSR services.

1. Do you agree with our final proposals for enhancing eligibility and customer identification and the associated proposed licence conditions?

We agree with Ofgem's decision to change the eligibility criteria for PSR services: it is important to ensure we are not too restrictive when defining vulnerability, and to review the definition regularly, as there are a large number of factors which influence the extent of a person's vulnerability, and we need to be sure we can identify these and respond appropriately.

While we previously supported the change from 'pensionable age' to '75 and over' in our response to Ofgem's open letter in May 2015, due to the higher risk to this group of detriment during a power cut, we also outlined a number of concerns for the 65-74 age group that could have arisen if this particular eligibility criterion had been changed. We therefore support Ofgem's decision not to amend the eligible group. We are mindful of the Age UK research that led Ofgem to its initial proposal, and will continue to ensure our teams are aware of the increased risk of detriment customers of this age face and can act accordingly should they identify a customer's age during an interaction.

In line with our May 2015 response to Ofgem's open letter, we are supportive of the addition of 'families with children under 5' as a specified eligible "core" group, providing they have additional support requirements. However, we have concerns with the drafting of this condition in the modified paragraph 10.4 (currently 10.3). The current licence conditions define PSR customers as "Domestic Customers who: (a) are of Pensionable Age, disabled, or chronically sick; and (b) because they have special communication needs or are dependent on electricity for medical reasons...". The proposed licence conditions do not include this definition under part (b), instead saying "...require additional services related to their access safety and communication needs". As per our licence drafting comments on page four of this response, we feel further definition is required for "access safety", clarifying whether this is to be treated as two separate elements, or only as one. If it is correct not to have a comma between the words "access" and "safety" then we are concerned that some of our current PSR customers (for

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example those who are medically dependent) would not qualify as a PSR customer under the new definition, and so the current scope of the PSR would actually be reduced rather than increased. We were also under the impression, that this addition would include children aged under 5, rather than aged 5 and under which would include a child up until their sixth birthday. Taking these comments into account, we would like to propose a new drafting of licence condition 10.4, which is shown below:

10.4 PSR Customers are Domestic Customers who:

- (a) are of Pensionable Age, disabled or chronically sick, or live with children aged under 5; and,
- (b) require additional services relating to communication, the provision of information or advice about interruptions in the supply of electricity, or access to their premises by third parties, because they:
 - (i) have special communications needs,
 - (ii) are dependent on electricity for medical reasons, or
 - (iii) are in a vulnerable situation; and
- (c) have personally, or a person acting with their informed consent or a Relevant Supplier, Gas Supplier or gas transporter has, asked the licensee to add their name to the Priority Services Register.

We agree with the decision not to amend the eligibility criteria to include pregnant women. We were unable to identify any additional services we could usefully provide to customers in this group during a power cut: however, we continue to ask our customers if they feel they need additional help and support and, should a pregnant woman answer 'yes', we would then respond appropriately. We support Ofgem's proposal for energy companies to take reasonable steps to identify priority services needs during customer interactions, by identification of trigger points, and through targeted promotion of services. Our 2015-23 business plan details our commitment to adopting a broader view of vulnerability; developing more accurate information about our customers to identify those that are vulnerable; and understanding their needs. Our teams are trained to identify key trigger points, such as a baby crying in the background, or hesitation from an older person when asked if they need additional support. Our future PSR recruitment plans include targeted promotion to customers in areas which have experienced several power cuts in a relatively short time period, and in areas more susceptible to severe weather, or which are ranked low in regards to health deprivation and disability scores. By doing so, we can be confident that we are reaching out to the customers who need us the most, and our data will be up to date and ready to help us to respond should they be affected by a power cut.

2. Do you agree with our final proposals for amending the PSR services and the associated proposed licence conditions?

We support the requirement to offer appropriate mechanisms to enable customers to identify energy company representatives; our code of practice clearly specifies that all our employees or contractors will show an identity card and they will, where possible, drive a vehicle carrying our (or their) logo, and where possible will wear company branded clothing. While we have a strict policy to which we adhere, we appreciate that, particularly for our vulnerable customers, these actions may not always be enough to satisfy a customer's concerns. If a customer has concerns for their security when we visit their home, they are able to request a password to be placed on their account for additional security. The process for this is also detailed in our code of practice leaflet.

We are able to provide literature and/or customer correspondence in a range of accessible formats dependent on the customer's request. Our system improvements currently in progress will allow this to be done on a more automated basis, and we continue to look for new ways to communicate with our customers to ensure we do not provide a barrier to communicating with us. We have no issues with the proposal to enhance the service or with the proposed amendments to the licence conditions (but see the aforementioned minor drafting points set out in a separate section below).

We agree with the requirement for DNOs to continue to offer advice about precautions to take in the event of an interruption to supply, information about planned and unplanned interruptions and the help

available, and information on the provision of facilities for the customer to contact the licensee and ask/complain about services in accessible formats.

We agree with the proposal not to set a specific obligation on energy companies to offer a 'Knock and Wait' service, but shall continue to do so as a point of best practice when we are aware of a risk of restricted mobility prior to visiting a household.

3. Do you agree with our final proposals for recording and sharing information about customers in vulnerable situations and the associated proposed licence conditions?

We support the requirement to record relevant information about customers in vulnerable situations, and then review and maintain this information periodically. Our 2015-23 business plan details our commitment to maintaining our Priority Services Register by contacting each registered customer a minimum of once every two years to confirm their current requirements and keep our records up to date.

While we are in agreement with the new set of 'needs codes' (having been involved in the drafting with the Customer Safeguarding Working Group), we are conscious of the recent rejection of the codes by the MRA Development Board (MDB) and the implications of this for the proposal to share relevant information with other companies. We supported the change proposals for the implementation of the new codes and the 'switching on' of the reverse D0225 data flows: however, one proposal was rejected and the other deferred. We shall still be aligning our PSR data to the new needs codes in preparation for the implementation of the reverse D0225 flows and shall continue to share this data with suppliers via email, but we feel the 2016 deadline for electricity changes is no longer realistic due to the limited release dates available for data flow changes.

In principle we support the sharing of data with other utilities and fuel providers. Such data sharing will benefit vulnerable customers in offering the potential for them to be on Priority Services Registers across their range of service providers with just one registration. However, we agree with postponing the requirement to share data with other utilities and fuel providers, and feel the additional workstream within UKRN will give this area the attention it requires, due to complex data and technological issues, prior to implementation.

4. Do you agree with our final proposals for raising awareness of the priority services, including any specific suggestions for energy companies to improve awareness?

We support the suggestion for companies to use the term 'Priority Services' consistently, as we believe this will help the industry to develop the Priority Services brand. Customers are more likely to respond and trust a recognisable brand, and we have previously suggested at Customer Safeguarding Working Group meetings that we explore the possibility of an industry-wide brand and awareness project. This could include the development of a common logo, which all industry partners could sign up to, and could improve consent rates for cross-industry data sharing.

We are confident that we can consider more innovative ways of promoting the service and raising awareness, and have been working on developing our PSR recruitment plan by targeting specific areas and customer groups. We would be interested in working with Ofgem on producing the materials for third-party advice providers to use when providing information on PSR provisions, and would like to hear more about the work in this area.

Whilst the obligation in paragraph 10.11(b) of the proposed new SLC10 (to take all reasonable steps to inform Domestic Customers, at least once a year, of the existence of the statements and how to obtain them) remains the same as that in paragraph 10.10(b) of the current SLC10, changes elsewhere will make it much harder to maximise the number of Domestic Customers who personally receive word of the DNOs' statements on an annual basis. This is because a major part of DNOs' compliance with this obligation has been delivered by the inclusion of an appropriate note in the joint-DNO Notice of Rights that has been sent to suppliers annually for them to send on to their respective domestic customers, in compliance with the Electricity (Standards of Performance) Regulations. With the entry into force of the Electricity and Gas (Standards of Performance) (Suppliers) Regulations 2015 on 1 January 2016, suppliers are no longer required to send either their own or DNOs' Notice of Rights information to all their domestic customers. DNOs will still be able to include a suitable reference to the statements in

any “notice of electricity interruption and restoration standards” that they send to suppliers with a “distributor request” under regulation 10 of these last-mentioned regulations, but Ofgem’s policy intent for such notices (paragraph 3.15 of Ofgem’s 16 December 2014 consultation on supplier guaranteed and overall standards of performance) is clearly that this information should only target “those DNO customers in areas where interruptions are most common”. Consequently, other communication channels will need to be found in order to achieve compliance with the SLC10 obligation relating to the informing of domestic customers about the statements.

5. Do you agree with our final proposals for the approach to monitoring energy company performance in this area?

We support the proposal to monitor DNO performance in this area through the Stakeholder Engagement and Consumer Vulnerability Incentive. We felt the recent trial submission and site visit demonstrated Ofgem’s commitment to improving Consumer Vulnerability and Priority Services across the utilities sector, and we shall be responding separately to the consultation on the SECV guidance notes to provide further details.

Licence drafting

We have identified a number of minor drafting issues in the proposed new SLC10 as follows:

- In the proposed new paragraph 10.3, “PSR customers” should be “PSR Customers”.
- We have suggested a revised wording for paragraph 10.4 (10.3 in the current licence) above. If you decide to retain something closer to your draft text we suggest the following changes:
 - In subparagraph (a) the comma after “disabled” should be deleted and the word “or” should be inserted between “disabled” and “chronically”.
 - In subparagraph (b), in the first line “characteristics” is not the right word to use here. Something such as “circumstances” would be far more appropriate.
 - Still in subparagraph (b), the final five words lack precision: the reference to “access” presumably relates to the use of passwords, which does not serve the customer’s access needs but rather relates to the access of visitors. Wording such as “... related to their safety or communication needs or to access by licensee representatives to their premises” would be clearer. If such a change should not be made, it would be necessary to insert a comma after “access” and change “and” (between “safety” and “communication”) to “or” (though the above-mentioned lack of precision would still remain).
 - At the beginning of subparagraph (c) the word “either” should be deleted. The “either or” construction only works correctly for two options, but here there are three options.
 - In bullet (iii) of subparagraph (c), it seems odd to refer to gas transporters here without also referring to gas suppliers (the defined term “Relevant Supplier” does not include gas suppliers).
- In the proposed paragraph 10.8, “customer” at the very start of the second line should be “Customer”.
- In the proposed paragraph 10.11, the reference in the first line to “paragraph 10.9” should be changed to “paragraph 10.10”. This also applies to the first line of the proposed paragraph 10.12.
- In the modified paragraph 10.13 (10.12 in the current licence), in subparagraph (a) the number 10.3 should be changed to 10.4.

I hope you will find these comments useful. We should be happy to meet with you and relevant members of your team to discuss them further or to respond to any additional questions that you may have.

Yours sincerely



Jessica Cook
Priority Services Manager