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Our ref Your ref
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Date
14 July 2016

Dear Jonathan

Priority Services Register Review – Statutory Consultation - Representation

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.

Western Power Distribution (WPD) wishes to make representations regarding paragraphs 10.4 and 10.7 of the proposed licence drafting.

This response is not confidential.

Eligibility and customer identification and the associated proposed licence conditions

Page 5 of the Statutory Consultation states:

Our proposals for revision will require companies to move away from a 'box ticking' approach and improve identification of consumer vulnerability more in line with the broader CVS approach.

However Ofgem has not reflected the intention of the December 2015 Final Proposals in relation to Families with children aged five or under in the proposed distribution licence drafting published in December. The December 2015 Final Proposals state the following.

1.21. We consulted on proposals to add 'families with children aged five years and under' and that are in vulnerable situations to the core eligible groups of customers to whom certain safety-related services should be offered as a minimum. This was on the basis of a range of evidence from the Children's Society, the government's recent Fuel Poverty Strategy and other government support schemes which suggested that young children are at particularly high risk of suffering detriment from living in cold homes, and are therefore more susceptible to detriment caused by supply interruption.

1.22 There was overall support from our stakeholders on our proposal. The link with the detriment caused by vulnerability within this group was acknowledged, as was the link with

the government's Fuel Poverty strategy and eligibility for existing support schemes for the fuel poor including Warm Home Discount and Cold Weather Payments.

1.23. Some DNOs reported that they are already offering their safety-related services to households with young children in an attempt to capture and help the most vulnerable households. One DNO was concerned about the risk of capturing too many customers that by definition fit these eligibility criteria but did not necessarily require the relevant services. There was an acknowledgement of the transient nature of this core group and the challenge of keeping records up to date to ensure the services were being delivered where most needed.

1.24 We therefore propose to include families with children aged five years and under as a core category for network companies, to ensure those that require the additional support in relation to their safety needs, are offered the appropriate services to do so. We expect companies to act proportionately in the steps they take to identify these customers and have the relevant systems in place to ensure that their records of these customers are kept up to date.

During informal consultation with the DNOs regarding licence drafting, the DNOs had raised concerns that the eligibility criteria for pensionable age and families with children age 5 or under needed to allow for targeting the most vulnerable customers within these groups. Not all families with young children and not all customers over retirement age are vulnerable to power cuts. We agree that families or older people living in fuel poverty may be at higher risk during a power cut, compared to those customers who may still meet the eligibility criteria but who are not living in fuel poverty. Similarly a family living with a disabled child or an older person with high care needs are also more vulnerable during power cuts.

Families with temporary vulnerabilities, such as having newborn babies at home, can already join the PSR at WPD. They will be able to join all DNO/Supplier registers using the new 'needs codes' for temporary vulnerability by June 2017.

As a result the December 2015 Final Proposals contained distribution licence drafting that required DNOs to target their efforts towards registering the most vulnerable customers.

10.3 The licensee must set up and maintain practices and procedures to identify Domestic Customers who may be eligible to become PSR customers as a result of its customer interactions, and offer to add them to the Priority Services Register.

10.4 PSR Customers are Domestic Customers who:

- a) are of Pensionable Age, disabled, chronically sick, or live with children aged 5 and under; and,*
- b) due to their personal characteristics or otherwise being in a vulnerable situation, require additional services related to their access safety and communication needs; and*
- c) have either:*
 - (i) personally asked the licensee to add their name to the Priority Services Register, or*
 - (ii) had a person acting on their behalf ask for their name to be added to the Priority Services Register with the persons informed consent, or*
 - (iii) had a Relevant Supplier or gas transporter ask for their name to be added to the Priority Services Register*

We are disappointed that the licence drafting issued with the Statutory Consultation has been changed significantly to remove the targeted nature of the eligibility criteria, although the requirement to maintain practices and procedures has been retained.

We request that an amended version of the December 2015 drafting of paragraph 10.4 above is reinstated to make it clear that DNOs practices and procedures are not a box ticking exercise and should be targeted at providing assistance to vulnerable customers within these categories rather than all customers within these categories.

Furthermore, we feel that the wording in Ofgem's March open letter which referred to 'children under five' is more appropriate. Reaching school age seems a natural closure point for this group and the slight wording change to include children aged 5-6 expands this "core group" unnecessarily.

We would suggest the following drafting:

10.4 PSR Customers are Domestic Customers who:

- a) are disabled or chronically sick, or*
- b) are of Pensionable Age, or live with children aged under 5; and, due to their personal characteristics or otherwise being in a vulnerable situation, require additional services related to their access, safety and communication needs, and*
- c) have either:*
 - (i) personally asked the licensee to add their name to the Priority Services Register, or*
 - (ii) had a person acting on their behalf ask for their name to be added to the Priority Services Register with the persons informed consent, or*
 - (iii) had a Relevant Supplier or gas transporter ask for their name to be added to the Priority Services Register.*

Provision of information to relevant supplier

Where paragraph 10.7 of the licence drafting refers to the provision of information 'to the Relevant Supplier and/or Relevant Gas Transporter' the 'or' should be deleted. The licence obligation is for data to be shared with the Supplier. Data does not currently flow from DNO to GDNs because the GDN does not hold a PSR. If Ofgem have used this drafting in consideration of future data sharing we would suggest it is replaced with 'and gas transporters, as appropriate'.

Data recording and sharing

We agree the new common set of 'needs codes' and two way data sharing between Distributors and Suppliers will provide a more consistent service for customers. WPD will submit a further MRA Change Proposal in October with the intention of moving this work forward and we will continue to work with Ofgem and the wider industry as this work progresses.

Compliance and performance monitoring

We support the proposal that Ofgem will continue to use the Stakeholder Engagement and Consumer Vulnerability Incentive to monitor Network Operator's performance under the proposals for PSR.

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,



ALISON SLEIGHTHOLM
Regulatory & Government Affairs Manager