

Louise Deighan  
RIO-Electricity Distribution  
Ofgem  
Third Floor, Cornerstone  
107 West Regent Street  
Glasgow  
G2 2BA

13 February 2017

Dear Louise

***Re: Consultation on proposed changes to The Gas and Electricity (Consumer Complaints Handling Standards) Regulations 2008 (the Regulations)***

Thank you for the opportunity to comment on this issue. Northern Powergrid supports the proposed change to the Regulations, and we agree with Ofgem's rationale.

**The benefits of the requirement do not justify the significantly increased level of costs**

Until recently, electricity distributors were able to meet this requirement at little or no incremental cost, since they were able to include the required information for consumers in information passed to energy suppliers for onward transmission to consumers.

This ability has however now been removed due to changes brought about by the Electricity and Gas (Standards of Performance) (Suppliers) Regulations 2015. Following this change, the cost of the requirement on electricity distributors has increased significantly. The regulations may now require direct mail to every consumer (as defined for the Regulations) served by the electricity distributor. The associated costs would then enter the general price control base, and would ultimately be paid for by consumers over the longer term in the form of higher energy prices. We do not believe that this would be in the interests of consumers, as the costs would outweigh the limited benefits.

***Ofgem's suite of measures will protect the interests of vulnerable consumers***

The consultation mentions a number of licence requirements that will remain in place as safeguards for vulnerable consumers.

We would also draw Ofgem's attention to the Stakeholder Engagement and Consumer Vulnerability (SECV) incentive. The weight attached to consumer vulnerability in this incentive is a far more effective way of ensuring the needs of vulnerable consumers are met than the inflexible drafting imposed by the Regulations.

The requirement being removed by the proposed amendment to the Regulations only requires that electricity distributors inform consumers of something. This requirement makes no special provision for the communication to be tailored to any particular dimensions of consumer

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vulnerability. The SECV incentive goes far beyond this, directly targeting the issues of consumer vulnerability that Ofgem raises in its consultation.

There are many examples of actions that the SECV incentivises which the narrow obligation Ofgem proposes to remove from the Regulations is entirely blind to. For instance, through market research and engagement we have tailored our priority services register support to the specific needs of each vulnerable group particularly during a power cut. Our teams remain in touch with these customers throughout, checking on their welfare and offering additional help and support should they need it. Our website has the Browsealoud feature which translates text to be spoken aloud, and text can also be shown in a larger font or in different languages for any customers who would benefit from this. We also undertake targeted campaigns to raise awareness of our priority services register, such as our four month radio campaign.

We therefore believe that the proposed amendment should not worsen the service offered to vulnerable consumers. In fact, it is even possible that the amendment could lead to better outcomes for vulnerable consumers, since the removal of the blanket requirement may focus more attention on ensuring that the specific needs of vulnerable consumers in relation to complaints handling are met more effectively.

Yours sincerely

A handwritten signature in black ink, reading "Keith Noble-Nesbitt". The signature is written in a cursive style with a long horizontal stroke at the end.

Keith Noble-Nesbitt  
Head of regulatory economics