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London  
E14 4PU

8 August 2019

Dear Meghna

### **Draft Consumer Vulnerability Strategy 2025**

Thank you for the opportunity to respond to the above consultation. This response is on behalf of UK Power Networks' three distribution licence holding companies: Eastern Power Networks plc, London Power Networks plc, and South Eastern Power Networks plc. We are the UK's largest electricity Distribution Network Operator (DNO), dedicated to delivering a safe, secure and sustainable electricity supply to 8.3 million homes and businesses.

Vulnerable customers will be exposed to the fundamental changes taking place in the energy sector, be they due to changes in the generation mix, the move from DNO to DSO or the review of the supply market. Our goal is to ensure that vulnerable customers can play an active role in the future energy arrangements and benefit fully from the opportunities this presents whilst ensuring our services are fair and inclusive for all.

We support Ofgem's draft Consumer Vulnerability Strategy and our answers to your specific questions are set out in the appendix to this letter. If you have any questions on this response, please do not hesitate to contact us.

Yours sincerely



James Hope  
Head of Regulation  
UK Power Networks

Copy Paul Measday, Regulatory Returns & Compliance Manager, UK Power Networks  
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## Appendix

### **Question 1 – Do you agree with the 5 priority themes and the outcomes we will aim for?**

We have reviewed the draft strategy and considered each of them in light of our recent research with the Energy Savings Trust and we are pleased to note that the themes in both align. We share Ofgem's view on the five priority areas and their associated measures and outcomes. We have prepared our feedback at a theme level and would like to share with you some of our working practices to help illustrate best practice. Should you wish to learn more about our commitments and services for customers in vulnerable circumstances, please do not hesitate to contact us.

#### Theme 1 – Improving identification of vulnerability and smart use of data:

We welcome and agree with Ofgem's focus on improving the identification of vulnerability and the use of data to drive improvements in supporting and serving customers in vulnerable circumstances. We have set out below some of our key achievements which illustrate our commitment to supporting customers and communities through training and the smart use of data to design processes that are community specific:

- Our integrated community resilience and vulnerability mapping tools are used by over 500 employees to plan community engagement, operational support and network investment. By enabling our employees and partners to have access to key information about each local community (e.g. the languages spoken, health and age profiles) they can provide improved community support during our work. For example: whilst organising a planned shutdown, being able to see where medically dependent customers are to proactively send our community support team to support on the ground or deploy generation to meet the needs of our customers.
- We design and prioritise our community energy events using vulnerability data to ensure that each event is tailored to meet each community's demographics.
- We use data to target our PSR data acquisition to reach the communities that are most under-represented on our PSR register. This is based on gap analysis between current volumes of registered customers and predictions of eligible households across geographies and needs codes. By way of examples, in the 2018/19 year we saw a 112% increase in PSR registrations using the mental health code and, separately, a 23% increase in total PSR growth in both the Bedford and Forest Heath areas.
- We use data to ensure that our customers are satisfied with the services we provide. Customer satisfaction is measured by service offered, channel used and vulnerability group to ensure that we are meeting the needs of all of our customers and understand the way they need to communicate with us.

#### Theme 2 – Supporting those struggling with their bills:

We have reviewed and agree with this theme, as we understand that energy is an essential for life service and its affordability is intrinsically linked to health and wellbeing outcomes for consumers. We would also like Ofgem to consider whether new gas connections are the only option to be offered to targeted fuel poor communities given recent decisions on there being no new gas connections post 2025.

We have set out below some of our key achievements which illustrate our commitment to supporting customers who are struggling with the cost of their utilities:

- On joining the PSR, we provide all of our PSR customers with access to independent advice on local support services including energy and water affordability schemes.
- We provide key service providers and charities with access to training and tailored events that support consumers with independent advice on local support services including energy

and water affordability schemes. In 2018/19 we trained over 400 front-line health support workers on energy matters.

- We work in partnership with the other regional utilities to provide consistent messages to customers on affordability, the benefits of smart meters and how to be more efficient in their home.
- We provide community specific tailored, targeted and personalised support to consumers to actively address affordability concerns. Through providing independent and local support to address the underlying causes of fuel poverty, our work in this area has enabled customers to realise five times the savings than by providing energy saving literature alone.

### Theme 3 – Delivering significant improvements in customer service for vulnerable groups:

We have reviewed and agree with this theme and the associated outcomes that seek to improve the quality of inclusive services provided to eligible customers. We would like Ofgem to consider expectations or controls around the provision of services for all market participants to ensure a fair and consistent service for all customers across the market. This will reduce inconsistencies in customer experience where customers are not always able to engage with some organisations depending on available channels or opening times.

We are happy to share our working practices in this area, as we are proud of our established programmes and the outcomes for customers these have achieved:

- Our entire workforce is trained annually on the importance of looking after customers who are vulnerable in a power cut scenario as this is a key social role and our business resilience programme ensures that everyone can identify and actively support customers. Our customer facing training programmes have been co-designed in partnership with relevant organisations to provide not only an understanding, but where possible the lived experience of someone living with conditions to encourage empathy. For example: Sense of Ageing, co-designed with Age UK; BSL and Deaf Awareness, co-designed with the Royal Association for Deaf People; and Autism Awareness, co-designed with the National Autistic Society.
- Our operational teams have translation tools so they can communicate effectively with customers whose first language is not English when planning for network outages.
- Our PSR materials are readily available in over 17 formats including language, Braille, Large Print, Audio, EasyRead and Makaton, and we promote these services in a targeted way to reach those who would benefit from accessing them.
- We were the lead DNO on the Dementia Friendly Utilities Guide designed in partnership with British Gas and the Alzheimer's Society. We have now trained our employees, contractors and community partners, reaching over 4,000 of them in the last three years.
- We are in our fifth year of retaining the BSI – Inclusive Services Provision verification scheme standard – demonstrating that our approach to inclusion is methodical and embedded in all our business processes relating to major events – including storms. We have also retained the Louder than Words Charter for inclusive services for the deaf and hard of hearing communities for five years

The above examples have been integral to our increased customer satisfaction scores. Our PSR Broad Measure of Customer Satisfaction Scores are some of the best ever seen, at over 9.4/10, demonstrating that those who are most impacted are valuing the services they receive.

### Theme 4 – Encouraging positive and inclusive innovation;

We welcome and agree with the opportunity to showcase the services we provide our customers based on their needs. We understand that our communities are some of the most diverse globally and we pride ourselves on working hard to provide fair and inclusive support, and not just in a power cut. We would like to be actively involved in Innovation Days and would welcome the

opportunity to share our experiences and also learn from others. We currently utilise the existing innovation framework, which has helped us to develop innovative solutions for customers, including those in a vulnerable situation. We are encouraged to see greater focus within the Consumer Vulnerability Strategy in this area.

We have set out below some of our key achievements which illustrate our commitment to providing truly inclusive services. We already share these examples and our learnings with others and welcome the opportunity to continue to do so:

- We were the first DNO to form a local utility framework which has been running since 2015 to provide consistent services for customers eligible for the PSR and other relevant services.
- We were the first DNO to form a partnership network and customer forum in 2015 which allows us to continue to co-design services and training that enables us to better deliver inclusive services for customers.
- We were the first DNO to launch EasyRead in 2017 and Makaton resources in 2019 for those who require access to information in a simple and clear format.
- We have first-hand experience in energy efficiency through one of our innovation projects, known as energywise, investigating how a DNO, in collaboration with an energy supplier, charity groups and local community actors, can support residential customers who may be struggling with fuel bills to better manage their household energy usage, and consequently their energy bills, by changing their behaviour.

#### Theme 5 – Working with others to solve issues that cut across multiple sectors:

We welcome and agree with the measures that seek to ensure there is greater collaboration and clear social benefit by working with others to provide holistic services for consumers in vulnerable circumstances. Set out below are some key examples should Ofgem wish to illustrate this through our working practices:

- Our Utility Networks partnership whose membership includes all regional utility companies that cover our area and VirginMedia to provide joined-up access to the PSR and affordability support for energy and water and other key support services
- Our safety programme, in partnership with our regional GDNs and fire and rescue services, where we collaborate in identifying and supporting at risk customers to be safer in their homes. In the last 12 months alone this has reached over 20,000 of our consumers via the Safe and Well programme and by offering access to safety devices such as carbon monoxide alarms, fire alarms and gas safe locking cooker valves
- Our long-standing local authority partnership, targeted to reach those in our communities who are the least resilient and most fuel poor and provide tailored support
- Our partnership and referral network communities, with over 300 community and charity partners actively challenging and supporting us to better understand the needs of our communities, provide relevant and tailored services and share best practice approaches to deliver outcomes for those who are in vulnerable circumstances

#### **Question 2 – Do you agree with our approach on affordability?**

We have reviewed Ofgem's approach on affordability and we recognise that stakeholders' views vary in how they see the roles of government, Ofgem and the various industry participants in addressing the affordability services required to safeguard those in vulnerable circumstances.

Working with the government, we would like to see a review of the impact of new technology, such as smart metering, on affordability. Some of our most vulnerable consumers tell us that they cannot vary the time when they consume energy and are worried that the cost of energy leads to them making choices that negatively impact their health. Some of our stakeholders see a social tariff as a possible solution to this issue.

As a network company our stakeholders share and endorse our commitment to ensure that the services we provide are fair and inclusive. In addition they have consistently provided five messages in their feedback:

- UK Power Networks does not have a billing relationship with customers, however our costs are part of the bill – so we should keep these costs down.
- Emergency engagement during a power cut is not the time to address affordability – deal with the power cut first and then, if appropriate, offer additional relevant services.
- UK Power Networks has a geographic link, meaning that we could be well-positioned to provide community based services and support.
- UK Power Networks cannot provide support on affordability alone, that holistic support is required for people who need it. Think wider than energy – think local and community based support.
- Vulnerable customers in particular are concerned about smart meters, the data and the visibility of their daily consumption resulting in unhealthy acts like [self-disconnection](#).

We are committed to tackling fuel poverty within the communities we serve. Our stakeholders tell us this is an important area of focus and that we must balance this whilst maintaining the lowest costs of a network operator, which benefits all those households living in fuel poverty.

Smart meter awareness, to promote the benefits of smart metering and managing consumption to prevent unexpected bills, and affordability are key components of the support we provide to our vulnerable consumers,

We actively support the Future Charging and Access Programme and look forward to supporting Ofgem's work on small users<sup>1</sup> as this work ramps up in the near future. We agree that any reform should consider the impact on small users, particularly those who are less able to respond to price signals and those that rely on electricity more than others for their essential needs. Future arrangements should ensure that consumers are not adversely impacted but at the same time ensure that everyone has the opportunity to realise the benefits of the flexibility they can provide.

As we move towards a more decentralised and decarbonised energy system, we are keen to make sure that vulnerable customers can benefit from the transition. We acknowledge that there is a key role for DNOs to support vulnerable customers, especially during power outages. In terms of understanding what our role could be going forward as government decides how best to encourage the decarbonisation of heat, we are keen to remain active in the discussion. The changes to the energy system are vast, and we can play a key role explaining to customers what these changes mean for them. Education is a key element of the transition and the role of networks in supporting that communication strategy will be important. For example, if electric heat is the chosen option for a specific region based on government plans of decarbonisation, we must engage with solution providers such as heat pump manufacturers and energy suppliers to then provide alternatives to our customers and explain the choices they have and implications for their energy bills. Collaboration is key in providing solutions that focus on not leaving anyone behind.

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<sup>1</sup> This is a specific term used in this Programme referring to those users who do not have a specified capacity. These users are typically those that do not have Current Transformer meters, including domestic users, small business users and some generators.

**Question 3 – What more could be done through energy regulation to assist consumers in vulnerable situations in the longer term? How should any such further measures be funded?**

A clear policy direction will help industry deliver consistently to all customers which will enable all customers to be supported in the longer term.

A key element of the future is the electrification of transport and heat. We have a responsibility to help enable that transition whilst ensuring vulnerable customers are not left behind. To illustrate this, in the last few years we have been working closely with the energy and transport industries on facilitating the uptake of electric vehicles (EVs). A good example is the work we have done with the Mayor of London's EV Infrastructure Taskforce where the outputs of 10 months of collaboration and engagement have pointed to the need to focus on public access infrastructure. We welcome the thinking around community charging hubs and how DNOs can support charging infrastructure that is accessible to communities that are disadvantaged or affected by poor air quality.

In respect of the decarbonisation of heat, significant societal benefits may be realised from a move away from using gas as the primary heat fuel in homes. Shifting demand onto electricity networks, even with energy efficiency measures in place, will undoubtedly require interventions on the electricity network. Whilst a full array of innovation and technologies will be deployed, in some places network upgrades will be required. We are currently working with a gas distribution network operator and BEIS to understand the implications of a migration to electricity for heating. In that context it will be important to consider how vulnerable customers can be supported further.

**Question 4 – Do you agree with our proposals for the first year of the strategy?**

We have reviewed Ofgem's proposals for the first year of the strategy and understand and agree with its focus to create a framework to assess policy effectiveness and resulting outcomes for consumer groups most likely to suffer detriment or access services, not just today but in light of changes to the energy market.

We agree that this is a time of unprecedented industry change. With that in mind, we commissioned research in partnership with the Energy Saving Trust ('Mind the Gap') to better understand how the potential changes in the energy market could impact on customers who are currently in vulnerable circumstances and those who may be adversely impacted going forward, i.e. emerging vulnerabilities. This research explored what the social impact of these widespread industry changes could mean for customers and enabled us to review our evolving social role as a DSO.

Our stakeholders have provided feedback on two of the elements detailed, which we would like to share for Ofgem's consideration as part of its key areas of focus for the first year of the strategy:

- We actively support consumers who are facing difficult choices to the point of self-disconnection via our personalised consultations. Key concerns raised by these customers include access to competitive rates for prepayment services and access to contact centres and operational support where there is an issue with the prepayment meter or emergency funds.
- On obligations including the gas extension scheme, our stakeholders have informed us that although access to the gas network enables customer choice, there are other energy sources that they would like considered and the option to choose alternatives for the same cost.