

R/42

REWARD SCHEME RECOGNISES INITIATIVES TO HELP VULNERABLE CUSTOMERS

- **Ofgem reward scheme raises standards and promotes best practice among all local electricity network operators**
- **Two electricity distribution companies are awarded £300,000 each from the scheme for supporting vulnerable customers**
- **Rewards also recognise good corporate social responsibility initiatives and communications practices**

Electricity network owners EDF Energy and Western Power Distribution (WPD) are to each receive £300,000 from a reward scheme by energy regulator Ofgem recognising work that exceeds their obligations to support vulnerable customers.

WPD has also received a £200,000 reward from the scheme for its corporate social responsibility (CSR) programme, which included a number of initiatives with a community or charitable focus and good partnership work with local organisations. The programme was also commended for being wide ranging and well integrated into WPD's broader business processes.

Earlier this year, Ofgem encouraged the 14 distribution network operators (DNOs) in Britain to submit details of programmes which assist priority customers such as the elderly, disabled, or long-term sick. The reward scheme, which also includes categories for CSR initiatives and wider communications strategies, was judged by a multi-disciplinary panel. Although EDF Energy and WPD received awards, the panel identified good initiatives undertaken by other DNOs which stand out as best practice for all to follow.

Panel Chair, Sarah Harrison, who is Managing Director for Corporate Affairs at Ofgem, said: "This is the first scheme of its kind to recognise when distribution companies go the extra mile by exceeding their obligations to help priority customers and making an extra contribution to the local communities they serve.

"The panel of experts from Ofgem, energywatch, and other organisations including Age Concern, the Royal National Institute for the Blind and the Royal National Institute for the Deaf, identified best practice from EDF Energy, WPD and a number of DNOs. This included Scottish and Southern Energy's work with a local radio station in Scotland to reinforce and extend its coverage. This enabled it to provide updates to the local community during storms and power interruptions."

"All DNOs can learn from the best practice highlighted and the ultimate winners will be customers who will benefit from improved support and service."

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Notes to Editors:

1. DNOs have a number of licence obligations regarding help for vulnerable customers, for example in the event of power cuts. Performance against these obligations cannot always be effectively measured through price control regulation. Therefore the Electricity Distribution Price Control for 2005-2010 established a customer service reward scheme for DNOs, which recognises where they have exceeded these obligations. It also promotes best practice for all DNOs which will raise standards of service and support.

The scheme has three categories:

- Initiatives to help priority customers such as the elderly, the disabled or people suffering from long-term sickness. DNOs are required to maintain a register of priority customers who require advance notice of planned interruptions to supply because they depend on electricity for medical reasons or have special communications needs. DNOs also need to liaise with energy suppliers who operate Priority Service Registers and offer a wider range of free services to vulnerable customers.
- corporate social responsibility initiatives such as allowing staff to participate in educational projects which relate to the industry and its work.
- Wider communication strategies implemented by DNOs including liaison with health authorities, local authorities and emergency service control centres.

DNOs were invited to submit entries to these awards, which were judged by a multi-disciplinary panel with representatives from: Ofgem, energywatch, the Public Utilities Access Forum, the Royal National Institute for the Blind, the Royal National Institute for the Deaf and Age Concern.

2. The scheme has a total annual reward of £1 million available across all DNOs for the five years of the price control. The total reward amount was spread across the three categories for the first year of the scheme, as follows:

a) Priority customer care initiatives

£600,000

- EDF Energy and Western Power Distribution jointly shared this award, receiving £300,000 each. EDF Energy and WPD were recognised for their work with suppliers and energywatch respectively to improve data quality on their Priority Services Register and raise awareness of the free services available. EDF Energy was also praised for proactively undertaking customer research and incorporating this into its staff training to improve its services. The panel commended both EDF Energy and WPD for the support they offer priority customers during interruptions, such as contacting them to provide regular updates and offering additional assistance.

b) Initiatives relating to corporate social responsibility (CSR)

£200,000

- Western Power Distribution received this award. It was recognised for the breadth and depth of its CSR initiatives, good governance procedures and its holistic approach.

c) Wider communication strategies implemented by DNOs

£200,000

- The panel considered that while the entries submitted contained a number of good initiatives, there was no overall entry which could be considered an example of best practice. The panel therefore decided not to award a reward for this category.

3. Best Practice identified by the Panel

Western Power Distribution (WPD) - Corporate Social Responsibility (CSR) initiatives

- The panel acknowledged that WPD has worked to make CSR initiatives an important part of its business. The 'Apprentice Challenge' is one of a number of CSR initiatives undertaken. It is part of a staff induction programme where they improve a part of the environment within a local community. Potential projects are identified by the training team and the apprentices fundraise, plan and undertake the work with local schools or community organisations. One example is an outdoor classroom and sensory garden which were improved at a school for children with learning difficulties in West Wales.

Scottish and Southern Energy - Corporate Social Responsibility initiatives

- Scottish and Southern Energy donated £82,000 to Isles FM to help reinforce and extend their area of coverage. During severe storms in January 2005 which affected the Western Isles and left large areas of the islands without power, the station was able to continue broadcasting and provided valuable information and updates regarding power interruptions, school closures and weather reports etc.

EDF Energy - Priority Customer Care initiatives:

- EDF Energy has undertaken much work with suppliers to ensure its register of priority customers is accurate and updated regularly. EDF proactively contacts customers and updates them on progress of repair work during planned and unplanned interruptions. Where necessary, it also offers them support through the Women's Royal Voluntary Service, which can provide additional support such as hot meals and drinks if required. EDF has a language service offering an interpreter for customers whose first language is not English as well as a text line for customers with hearing impairments.

CE Electric (Owner of NEDL and YEDL) Priority Customer Care initiatives:

- CE Electric (owner of the NEDL and YEDL) works with parish councils to ensure its Priority Services Register is kept up to date. CE Electric also has specially trained Customer Ambassadors who resolve customers' problems face-to-face when they cannot be fully dealt with over the phone, particularly during major supply interruptions. Performance of customer service staff is regularly monitored and a dedicated contact number for priority customers and parish councils have been established. The performance of all CE Electric's work in this area is assessed by senior management and customer research is undertaken to assess its effectiveness.

United Utilities – Wider Communication Strategies:

- United Utilities (UU) surveys 100 customers each month seeking feedback on the service it provides and highlighting areas for improvement. Complaints are analysed and staff and partners are asked for feedback on UU's customer charter and communication approaches to ensure they meet customers' expectations and needs.

Central Networks – Wider Communication Strategies:

- Central Networks recently organised and facilitated a national forum for distribution network owners to improve customer service and share best practice. The now quarterly forums create new opportunities for DNOs to communicate, share best practice and improve customer service and awareness throughout the UK.

4. Electricity distribution companies run the wires that transmit electricity to homes and businesses. Distribution and metering charges account for about 21 per cent of domestic customer bills.

5. Ofgem is the Office of the Gas and Electricity Markets, which supports the Gas and Electricity Markets Authority, the regulator of the gas and electricity industries in Great Britain. Ofgem's aim is to bring choice and value to all gas and electricity customers by promoting competition and regulating monopolies. The Authority's powers are provided for under the Gas Act 1986, the Electricity Act 1989 and the Utilities Act 2000.

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