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## Foreword

*We have a high prevalence of vulnerability in our region, with approximately 4.5 million customers (56 per cent) meeting Ofgem’s definition of vulnerability. We recognise that all customers can be at an increased level of vulnerability when experiencing a power cut and that our role in providing additional support for vulnerable customers when required is an essential service. We are committed to enhancing these services in the upcoming price control period.*

# Delivering support for our vulnerable customers

## Introduction

We can think about vulnerable customers as part of three groups, although it is important to remember a customer may feature in one or multiple groups. These broad groups are customers who:

- are less able to represent themselves or their interests in the energy market;
- need extra support due to loss or interruption of service; and
- are impacted by vulnerability issues or experience vulnerabilities which we have a legitimate role in addressing, reducing and supporting.

When considering customers in these three groups there are a number of circumstances in which they will require support. We recognise that vulnerable customers across all groups may need specific support in the following three areas:

- during a power cut;
- when they are in or at risk of fuel poverty; and
- to ensure that they can benefit from the low carbon transition.

The focus on customer vulnerability across the industry has increased significantly since 2011 however; this is not a new area for us. We have been committed to providing an enhanced level of service to our vulnerable customers, before, during and after a power cut, for many years. That is why we are in a strong position to offer a comprehensive customer vulnerability strategy.

This is clearly aligned with our parent company, Berkshire Hathaway Energy's (BHE) core principles, specifically to provide an exceptional level of service to all our customers and to equip our employees with the resources and work environment needed to make a positive impact in the communities we serve.

## Overview of our work to support vulnerable customers

During the 2015-23 period, through in-depth research and data acquisition, we have developed a comprehensive programme of support for vulnerable customers and significantly increased our efforts to promote, raise awareness of and recruit to our priority services membership (PSM), in collaboration with partner organisations. We re-branded our priority services register as the PSM in response to feedback from stakeholders, which suggested that the word "register" was not particularly popular and that an alternative title may encourage more customers to join the PSM.

By the end of the regulatory year 2020/21 we had 921,859 households on our PSM, an increase of 70 per cent since the start of the 2015-23 period. PSM customers receive tailored support during a power cut. All of the calls we receive from PSM customers go directly through to a member of our dedicated priority services team in our contact centre so that we can respond to their specific needs as quickly as possible. They receive proactive and regular contact during power cuts and enhanced services tailored to their needs.

Beyond the PSM, we focused on understanding our vulnerable customers and developing tailored services to meet their needs. Where we had a meaningful role to play, we addressed relevant wider social issues with an emphasis on fuel poverty and affordability services:

- implementation of our vulnerability matrix has enabled us to deliver tailored services;
- the development of our social programme has widened the range of tailored support services we are able to provide;
- our established, robust partnership network has improved access to the hard-to-reach customers and has expanded our understanding of vulnerability and the issues that our customers are faced with within our region; and
- our affordability outreach programmes are now supporting over 4,000 customers a year to alleviate the impact of fuel poverty in our region.

During the 2015-23 period, through working alongside our customers and through targeted stakeholder engagement, we have learned:

- we have a critical role in supporting vulnerable customers and we should prioritise these customers and offer tailored services during power cuts;
- we should raise awareness of the PSM and the services we provide to support vulnerable customers;
- proactive, accessible communication is particularly important to some vulnerable customers, ideally including human contact;
- we should collaborate with partners to do more to support vulnerable customers; and
- we should do more to address fuel poverty and address the barriers to vulnerable customers, improving energy efficiency in their homes.

This has informed our strategy.

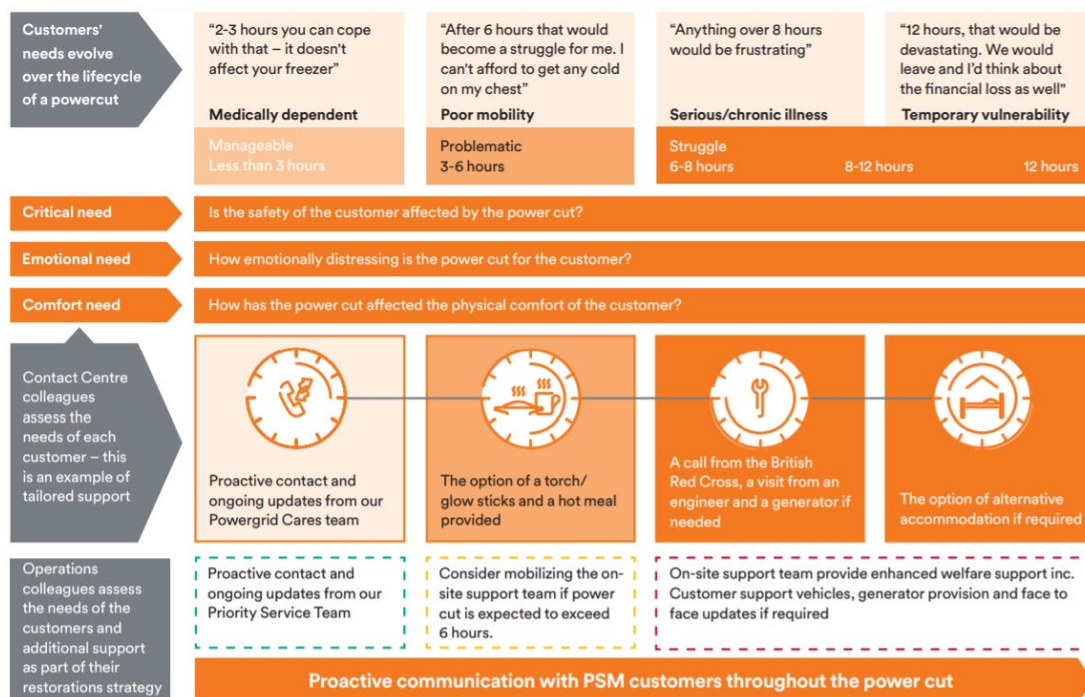


Figure 1: vulnerability matrix

As well as building on our current price control work and learning from stakeholders, we are responding to new requirements from Ofgem. Ofgem has set out baseline standards for distribution network operators (DNOs) in this area for the 2023-28 period. These are mapped on to the key areas of focus in the table below.

Ofgem Principle	Areas of Focus <sup>1</sup>		
	Support during loss of supply.	Support where there is a risk of fuel poverty.	Support to allow access to the benefits of the low carbon transition.
Effectively support customers in vulnerable situations, particularly those most vulnerable to a power cut, through a sophisticated approach to the management, promotion and maintenance of the PSM.	●	◐	◐
Maximise opportunities to identify and deliver support to customers in vulnerable situations through the smart use of data.	●	●	●
Understand new forms of vulnerability, in particular by identifying blockers to participating in a smart flexible energy system.	◐	●	●
Embed the approach to protecting the interests of customers in vulnerable situations throughout our operations to maximise the opportunities to deliver support.	●	●	●

**Table 1: Ofgem Baseline Principles**

We have designed our customer outcomes around these principles and we are going further in some areas. We will formalise, enhance and increase the scale of the services we have previously provided to deliver not only to Ofgem's baseline standards but also in response to our stakeholders' priorities. We are seeking to commit to a level of ambition over and above the minimum requirements. This commitment includes:

- a new application to allow us to help with communicating with vulnerable customers;
- enhanced support for vulnerable customers during power cuts including onsite welfare support for planned and unplanned power cuts;
- new ambitious targets to support customers impacted by fuel poverty across our region;
- development of programmes to take action to ensure nobody is left behind in the transition to net zero; and
- an increase in activity and support for vulnerable customers across our region.

#### Developing our strategy through stakeholder engagement, research, data and benchmarking

Our customer vulnerability strategy is grounded in data and an in-depth understanding of the issues that our customers and communities are facing in our region. We have used data from a range of sources including Experian to align our services more closely to areas of deprivation.

Our data analysis shows that:

- at 18 per cent, the fuel poverty rate in our region is significantly higher than the average rate across England (13 per cent);<sup>2</sup>

<sup>1</sup> Circular symbols confirm the extent to which the principles support the area of focus: ● fully supports ◐ mostly supports ◑ partly supports ○ does not support

<sup>2</sup> In 2019, there were an estimated 13.4 per cent of households (3.18 million) in fuel poverty in England under the LILEE metric.

[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/966509/Annual\\_Fuel\\_Poverty\\_Statistics\\_LILEE\\_Report\\_2021\\_2019\\_data.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/966509/Annual_Fuel_Poverty_Statistics_LILEE_Report_2021_2019_data.pdf)

- more than half of our customers suffer deprivation; and
- we have high prevalence of vulnerability, particularly in relation to health, education, poverty, energy, and rural access.

It is also important to take account of the fact that our region is diverse in character and geography. Stakeholders tell us these differences are vitally important to the success of our service delivery for vulnerable customers.

### Whole Operating Region - Demographics

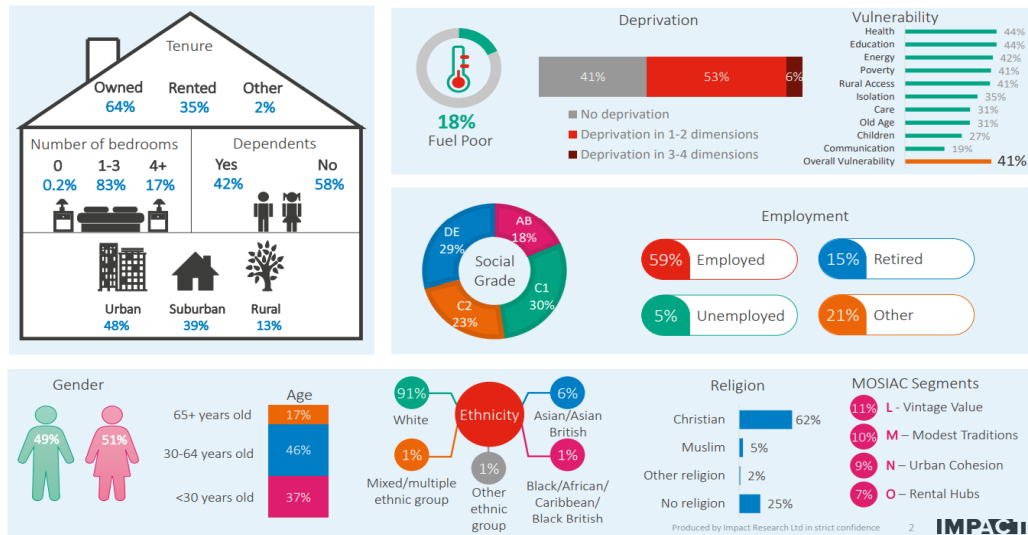


Figure 2: Regional demographics

**PSM metrics: eligible population (customer numbers) and percentage recruited 2020/21**

Target: 70% recruitment	ED1 to date (2020-21)			ED2 target	
Eligible high-risk PSM customer	Eligible population	Count of PSM customers	% of population	Count of levels required	Additional customers
<b>Total</b>	<b>2,247,621</b>	<b>824,537</b>	<b>36.7%</b>	<b>1,573,315</b>	<b>748,798</b>
Medically dependent on electricity	540,806	348,911	64.5%	378,564	29,653
Severe physical disability	1,535,622	332,419	21.6%	1,049,257	716, 838
Mental health	171,193	143,207	83.7%	145,514	2,307

*Table 2: PSM metrics*

Target: 50% recruitment	ED1 to date (2020-21)			ED2 target	
All eligible high-risk PSM customer	Eligible population	Count of PSM customers	% of population	Count of levels required	Additional customers
<b>Total</b>	<b>2,695,917</b>	<b>884,460</b>	<b>32.8%</b>	<b>1,213,163</b>	<b>328,703</b>
Health condition or disability that affects day to day activities	106,319	23,015	21.6%	53,159	30,144
Above pensionable age	1,561,134	536,700	34.4%	780,567	243,867
Children under five	501,438	117,121	23.4%	250, 719	133,598
Communication needs	527,026	125,222	23.8%	263, 513	138,291
Transient need	N/A	82,402	N/A <sup>3</sup>	N/A	N/A

*Table 3: ED2 PSM metrics and targets*

The following table sets out fuel poverty at a regional level utilising Experian social indicator mapping.

Region	Level 10 (Highest Impact)	Level 8 & 9	Total in Top 3 Deciles
West Yorkshire	146,037	283,973	430,010
South Yorkshire & North Lincolnshire	124,949	147,474	272,423
Humber	49,294	99,258	148,552
North Yorkshire	35,027	70,301	105,328
Northumberland, County Durham, Tyne & Wear	33,069	270,686	303,755
Teesside	27,754	114,392	142,146

*Table 4: Regional fuel poverty*

We have designed our strategy to help tackle these issues.

Alongside data analysis, our expert panels input insight to our work. Acting as critical friends, they challenge our work, ensuring we imagine what it is like to be in our stakeholders' shoes. The constant exchange of insights and feedback across our robust governance network keeps us accountable to our internal and external stakeholders. In particular, we have engaged with:

- social issues expert group (SIEG);
- social responsibility management group (SRMG);
- customer engagement group (CEG);
- future fairness panel;
- partnering community group; and
- customer engagement including the E.A.S.T. framework,<sup>3</sup> linking to PSM approach as well as summary of willingness to pay (WTP).

See our [stakeholder engagement annex](#) for details of our engagement.

We have also benchmarked our proposals against best practice within and outside the industry, as well as assessing the specific needs of our region. This has included reviewing material from across the energy sector and beyond to identify best practice including:

- current price control period stakeholder engagement and consumer vulnerability submissions and Ofgem's feedback to assess strengths and weaknesses, identify gaps and collate best practice;
- future stakeholder engagement propositions and supporting evidence in gas and transmission alongside Ofgem and consumer challenge group (CCG) feedback to determine best practice;
- other utilities, health and social care and the United Nations guidelines for inclusivity frameworks and innovative engagement approaches;
- British Standards Institution (BSI) accessibility standards, which focus on the guidance and best practice for disability access and accessibility for disabled people;
- Action on Hearing Loss, or Royal National Institute for Deaf People, which focuses on making life fully inclusive for deaf people;
- Sustainability First have published a paper for public utilities that acts as a 'how to' guide on developing a 'public purpose approach', recognising the needs of the people and the planet;<sup>4</sup> and
- The Centre for Sustainable Energy (CSE) has developed a paper examining social justice in the future energy system.<sup>5</sup>

<sup>3</sup> Framework for assessing barriers to PSM engagement: Easy – How do we make it easy for people to understand and simplify messages? Attractive – How can we attract attention to what we are promoting? Social – Make it social by demonstrating how others are accessing service? Timely – How do we prompt people when they are most receptive?

<sup>4</sup> [https://www.sustainabilityfirst.org.uk/images/publications/fair\\_for\\_the\\_future/Fair\\_for\\_the\\_Future\\_Project\\_How\\_2\\_Guide\\_FINAL1.pdf](https://www.sustainabilityfirst.org.uk/images/publications/fair_for_the_future/Fair_for_the_Future_Project_How_2_Guide_FINAL1.pdf)

<sup>5</sup> <https://www.cse.org.uk/downloads/reports-and-publications/policy/energy-justice/smart-and-fair-phase-1-report-september-2020.pdf>

## Our strategy in action

Our principal aim is to provide the best possible support and assistance to our vulnerable customers informed by a detailed understanding of their needs and in line with Ofgem's baseline standards. We have organised our customer outcomes to fit with Ofgem's principles. We provide more detail on each of our customer outcomes throughout the rest of this strategy.

Our strategy commits to a level of ambition over and above Ofgem's minimum requirements in several key areas. These significant improvements will cost around £3.9m per year between 2023-28, which represents an increase of £3.1m per year compared to our current expenditure. This step up in activity and investment will bring forward significant benefits for our most vulnerable customers.

Outcome	Improvement area	Customer outcome	Increased delivery cost
1	Effectively support customers in vulnerable situations, particularly those most vulnerable to a power cut, through a sophisticated approach to the management, promotion and maintenance of a PSM register.	Undertake targeted recruitment of vulnerable customers to our priority services membership (PSM), contacting all PSM customers every two years to refresh our records.	The majority of the cost increases relating to PSM recruitment are from the application development and rollout. There will be an upfront development cost of £1.0m, with ongoing maintenance costs of around £0.2m per year.
2		Provide enhanced support to vulnerable customers during supply interruptions including temporary restoration and proactive communications.	This increased level of service, for proactive customer communication and the enhanced level of support offered on site will cost around £1.4m per year.
3	Maximise opportunities to identify and deliver support to customers in vulnerable situations through the smart use of data.	Use data and partnerships to enhance our support for vulnerable customers, sharing information with trusted partners to access hard-to-reach customers.	There will be no spending increase in this area.
4	Understand new forms of vulnerability, in particular by identifying blockers to participating in a smart flexible energy system.	Support customers in fuel poverty with affordability services, targeting 100,000 households to unlock up to £40m of benefits.	Enhancing affordability services will increase costs by £0.6m per year, which is primarily direct customer interventions and supporting products and services for vulnerable customers.
5		Work with partners to put in place initiatives that overcome barriers to the smart energy transition and support a socially inclusive transition to net zero, targeting 25,000 households.	Ensuring no one is left behind will cost £0.6m per year more than we currently spend, developing new areas of activity and the costs will cover research, engagement, programme development and partnership working.
6	Embed the approach to protecting the interests of customers in vulnerable situations throughout our operations to maximise the opportunities to deliver support.	Embed vulnerability across our business operations.	Over the price control period, we will spend £0.12m per year on additional tailored training programmes.

**Table 5: Strategy in action**

## Principle 1: Effectively support customers in vulnerable situations

Ofgem's first principle requires DNOs to "effectively support customers in vulnerable situations, particularly those most vulnerable to a loss of supply, through a sophisticated approach to the management, promotion, and maintenance of a PSR".

Our vulnerability strategy has two outcomes for addressing this principle. The objective of our first outcome in this area is to support our vulnerable customers through our enhanced PSM allowing us to recruit at least 70 per cent of eligible high risk customers and at least 50 percent of all eligible customers to the PSM by the end of the period to 2028.

Our stakeholders want us to increase the proportion of high risk customers on the PSM and to enhance our communication with vulnerable customers through the use of new channels. Our customers told us they don't want to feel like a victim or a burden and require a better understanding of how our priority services work. They have told us to improve the promotion of the PSM and link in with other parties such as the health profession to increase awareness and support those living in fuel poverty. We need to work more collaboratively with other utility companies using partnerships and local knowledge to provide simplified access to information for customers. We also know that stakeholders value receiving a personal service and we should build on this alongside our range of digital offerings.

### We will deliver more targeted recruitment of vulnerable customers to the PSM

Recruiting in this way will improve our ability to proactively communicate with and manage the needs of vulnerable customers on an ongoing basis. We will:

- Undertake proactive and targeted advertising of the PSM and the services offered to vulnerable customer groups. Drawing on our analysis of how vulnerability varies across our region, we will further develop targeted and accessible communication and recruitment, including a new approach to engaging with hard-to-reach and seldom heard customers. We will work with partners to develop and expand the reach of our campaigns. We will also make it easier for our colleagues to update the PSM. Customer-facing and front line colleagues will have access to an application to submit real time amendments to the PSM and complete new registrations.
- Put in place a data and information strategy including access to new data sets, specific to meeting the needs of vulnerable customers. The aim of this strategy is to ensure our PSM reflects the vulnerability profile of our region. This will include working with regulators and other utilities on the development of a shared essential service PSM. Our team will continue to proactively contact customers every two years to update their PSM record.
- Communicate with and provide information to PSM customers in formats suited to a range of additional communication needs. Our research tells us that there is an opportunity to improve the way that we engage with those customers experiencing communication difficulties and our social issues expert group. On review the research has challenged us to develop a comprehensive programme that will improve the communications we put out; targeting those with additional needs e.g. blindness, language barriers e.g. english not as a first language or other difficulties, across all our communication media. In response to this, we are assessing the language, communication capacity and needs so we can use techniques and approaches suitable for vulnerable customers and improve accessibility to PSM recruitment.
- Develop an 'all in one' application to enable vulnerable customers to benefit from the PSM, access our services, report a power cut, receive updates and information and amend their personal data. It will also provide access to our affordability programmes and energy efficiency advice. This will improve our accessibility for those customers with special communication needs enabling us to respond to their requirements through a new digital platform. It will reduce customer time spent contacting us using traditional methods and will release resource to assist those customers who do not utilise digital channels. It will also provide a two-way communication tool and, therefore, will increase our information on customer needs, improving our overall

relationship management. It will also improve the notification and our awareness of low voltage power cuts and the delivery of enhanced, tailored services. We are proposing this as a CVP, for more information refer to the [detail on our CVPs](#).

- Continue to have dedicated lines and prioritisation processes available for customers registered on the PSM when they need to contact us, regardless of the time.

**As a vital part of our support during power cuts we are committing to faster and more personalised proactive communication and providing enhanced care to our PSM customers to minimise the impact on vulnerable customers**

Our second outcome in this area is to use the PSM to provide enhanced onsite welfare support during a power cut and to improve proactive communication for vulnerable customers.

Stakeholders want us to prioritise vulnerable customers during power cuts. Our stakeholder research shows that, for all customers, power cuts of six hours become unmanageable and that this is particularly a concern for vulnerable customers. During a power cut, stakeholders want us to provide immediate contact with vulnerable customers and give transparent updates through a range of channels.

In response to this stakeholder feedback, we are undertaking a range of activities. This covers communication before and during a power cut and support offered during a power cut (including on-site enhanced welfare support and increased generator capacity).

In terms of our communication activities before and during a power cut:

- We will provide faster and more personalised outbound communications and support to provide enhanced care to our PSM customers. This will be delivered by increasing the number of members of the dedicated PSM contact team to meet our pro-active contact communication commitments, including making use of digital channels.
  - we will endeavour to contact all high risk customers within one hour to notify them of an unplanned power cut; and
  - we will endeavour to contact 95 per cent of remaining PSM customers within the first three hours of an unplanned power cut.
- when we issue letters informing customers of a planned power cut, usually 10 days before the power cut is due to happen, we will attempt to speak to the PSM customer in person to determine their needs; and
- we will provide PSM customers with a pro-active contact at least three days ahead of a planned power cut in addition to the letter informing them that the power cut is taking place.

We will use the PSM to provide enhanced onsite welfare support during a power cut. This will include:

- establishing a new, dedicated team to provide our onsite welfare provision;
- using the PSM to target timely, accessible and effective support during power cuts;
- our priority service team assessing customer needs and providing tailored support utilising our vulnerability matrix accordingly; and
- enhancing our onsite welfare support during the day for:
  - 75 per cent of unplanned power cuts that impact more than one household and exceed six hours; and
- installing up to 25 'suitcase' generators per week and making enhanced use of our SilentPower self-generation vehicles to support temporary restoration during planned and unplanned power cuts;

- providing enhanced customer support vehicles during planned and unplanned power cuts, this will include innovative upgrades, for example, generators and pandemic safety measures;
- working with businesses that support people in vulnerable situations, such as care homes to develop resilience strategies;
- utilising partners and service providers to support delivery of our enhanced services; and
- continuing to assess our services through engagement and research to ensure that they remain fit for purpose.

## Principle 2: Maximise opportunities to identify and deliver support

Ofgem's second principle requires DNOs to "maximise opportunities to identify and deliver support to customers in vulnerable situations through the smart use of data".

Our objective in this area is to recognise the changing and emerging needs of vulnerable customers, using data and partnerships, to deliver support to vulnerable customers across our region.

Stakeholders want us to enhance our partner network to improve brand awareness and reach into deprived areas and communities. This includes working with charities and energy suppliers to help promote initiatives and combine resources. Our stakeholders also want us to provide a more consistent service to vulnerable customers across utilities, proposing the sharing of PSM data.

In the current price period, we have used data to access hard-to-reach and seldom-heard customers. Using social-indicator mapping aligned to our vulnerability needs codes, we acquired additional data that provides an accurate view of fuel poverty and low energy homes, and also established a future fairness consumer panel. We have been committed to ongoing data improvements, refreshing our social-indicator mapping and acquiring new data that will help us ensure that 'nobody is left behind' during the energy transition.

### We will make better and smarter use of data

If we use data in a more sophisticated way we can improve social indicator mapping, helping us better access hard-to-reach customers and deliver targeted support to vulnerable customers across our region. We will:

- Select partners (including from beyond the energy sector) based on the impact that we can have working together in our region. The partners will use localised information and knowledge to enable positive and effective intervention.
- Provide more links to external partners and simplified descriptions of information about available support. Priority service, enhanced service information and support tools will be made available and shared amongst our trusted partners (for example, charities, British Red Cross, Citizens Advice) to support the most vulnerable within society, allowing for collaboration for targeted support for hard to reach and seldom heard customers.
- Continue to deliver programmes through a mix of in-house teams and partners, working proactively on issues such as affordability and reactively to power cuts.
- We will Increase our work with partners to ensure representation and support across our region.
- Continue to manage and protect personal data.
- Identify additional data sources and, in conjunction with the completion of our data refresh once every two years, track new and emerging issues and to support customers accordingly.
- Continue to use data from Experian, our partners, our community fund and our fuel poverty, social impact and education programmes to better understand social issues in our region, including emerging issues and to better target our support in response to the changing needs of customers.
- Complete an annual review of data, partnerships and policy to develop an annual action plan.

## Principle 3: Understand new forms of vulnerability

Ofgem's third principle requires DNOs to "understand new forms of vulnerability, in particular by identifying blockers to participating in a smart flexible energy system".

Our vulnerability strategy has two outcomes that address this principle. The objective of the first is to support 25 per cent of our customers in fuel poverty with affordability measures by March 2028, with a financial benefit to these customers that could be worth in excess of £40m. The second is to support customers to deliver a socially inclusive transition to net zero and work with partners to put initiatives in place to overcome barriers.

Our stakeholders want us to prioritise support associated with fuel poverty and affordability. They also highlight the diversity of the area covered by our network in demographics and geography and understanding these differences are vitally important to the success of our service delivery for vulnerable customers. We are seen by our stakeholders as being impartial and able to offer independent energy efficiency advice.

### We will offer affordability services that will help our customers

We will help our customers access debt and financial advice, solutions to reduce energy bills, and critical financial support. We will:

- Work with partners to improve the effectiveness and delivery of our affordability service, increasing support from two to all six of our operating regions, so that all customers can benefit from these services regardless of where they are located, tailoring our interventions to customers in different situations and regional challenges.
- Provide support to at least 100,000 households experiencing acute fuel poverty by the end of the upcoming price control period. Our work with Citizens Advice will allow us to respond to the personal needs identified by our customers and help them receive relevant support. Support provided includes:
  - financial benefits through access to debt advice, advice on income maximisation and advice on eligibility for grants, such as the Warm Homes Discount; and
  - referral to Green Doctor which delivers in-home efficiency and advice visits.
- Co-create schemes with regional partners to deliver advice and solutions to alleviate the effects of fuel poverty. These will include communication campaigns and signposting. Action will range from prevention through energy efficiency advice and switching, right through to direct holistic support for those experiencing acute problems.
- Reach additional customers with energy efficiency advice and information, via two way referrals, using our Contact Centre and our partners.
- Refer customers for direct interventions through the trusted partnership framework to receive energy efficiency advice and information. We will review this process annually.
- Future-proof our programmes to new and emerging issues e.g. COVID-19 pandemic.

The objective of our second outcome in this area is to support a socially inclusive transition to net zero and work with partners to put initiatives in place to overcome barriers.

Stakeholders said we should support a socially just and inclusive transition to net zero with awareness, affordability and accessibility being key areas of focus. This should also include anticipating impacts of the transition on vulnerable groups. In practice, they wanted us to be more joined up with partners and referring customers to enable the most appropriate support for their needs.

**As part of the energy transition, we must ensure that none of our customers are left behind on the decarbonisation journey**

The shift to net zero should be made with awareness, affordability, and accessibility. We will:

- Work with partners to put initiatives in place to overcome barriers and directly support 5,000 vulnerable customers through the transition per annum.
- Engage customers with simplified communications and a range of tools to educate and support them on their journey to net zero;
- Actively monitor the impact of the journey to net zero on vulnerable customers and work with partners to develop actions aimed at overcoming barriers that emerge during the energy transition.
- Trial new approaches using the network innovation allowance.
- Work with expert agencies to ensure no one is left behind in the transition to changing energy markets. In addition, we will align our partnerships to enable us to engage and work with the hardest to reach customers, including those that are under-represented.
- Use investment programmes to engage and work with differing local community groups, identifying and assessing the language requirements of vulnerable people thereby establishing a greater understanding of their needs and of the most effective communication methods.
- Use smart data to maximise opportunities in identifying and providing appropriate customer support via partner networks at a regional specific level in line with vulnerability mapping. Examples of our projects to date to explore new and innovative solutions include Resilient Homes and Micro Resilience.
- Review our approach annually with customer stakeholders and expert groups.

## Principle 4: Embed the approach to protecting the interests of customers in vulnerable situations

Ofgem's fourth principle requires DNO's to "Embed the approach to protecting the interests of customers in vulnerable situations throughout a company's operations to maximise the opportunities to deliver support".

Our objective in this area is to seek approaches to support vulnerable customers throughout our business and we will improve the resilience of our network for vulnerable customers.

Stakeholders said power cuts are particularly hard to manage for vulnerable customers and so they should continue to be at the centre of our thinking.

**We want to embed a culture of protecting the most vulnerable customers on our network and be able to maximise opportunities to support these customers**

Vulnerable customers will be at the centre of our thinking. We will use data and strong partnerships to provide tailored services to vulnerable customers. We will support customers in fuel poverty and support a socially inclusive transition to net zero by minimising barriers to enter the energy market so that no-one is left behind.

Supporting vulnerable customers is the responsibility of everyone at Northern Powergrid. A key part of our vision is putting customer vulnerability issues at the centre of our thinking, especially when it comes to our people and our culture. We will:

- Develop better in-house capabilities to train colleagues on vulnerability issues more effectively. This will include three levels of training: basic training (received by all colleagues); advanced training for those working with vulnerable customers, and regional-specific training. We will also work with our partners to ensure that they are trained.
- Ensure that all colleagues will receive customer vulnerability training every 24 months to enable them to increase their ability to recognise and support vulnerable customers. We are also tailoring our training to issues specific to our six operating regions.
- Coordinate training with other areas of the business to ensure appropriate vulnerability issues are covered and addressed e.g. customer first training (see page 125 of [the 2023-2028 business plan](#)) and the social impact programme affecting our communities.
- Continue to work with our expert groups and panels. We will identify new and emerging vulnerabilities and respond appropriately to ensure representation.
- Enhance the roles of our vulnerability champions to a more senior decision-making level. This will create more senior responsibility for key vulnerability issues, raising the profile of these issues throughout the business.
- Feed vulnerability issues into our practical decision making on a routine basis. For example, when considering priority of network resilience investments, once our standard criteria have been met, we will then use vulnerability criteria to prioritise resilience works where they can deliver benefits for vulnerable customers

**Governance and programme delivery**

A summary of our plan is set out at appendix one.

We have strategies in place which support the overall delivery of our service offer for vulnerable customers and will review those strategies annually.

We have set out appropriate targets and metrics aligned to the baseline standards and our customer outcomes that will be reviewed monthly and will form part of our monthly executive reporting.

We will develop clear and appropriate frameworks and measures which demonstrate that we understand the impact of our programme and will identify areas for future improvements, including working on cross-industry standards.

We will seek regular external, independent review and assurance from experts to help us to continually improve.

We will proactively share best practice from within and outside of the industry to ensure we are continually learning and will support others to do the same.

## Appendix 1: Outputs and incentives

This appendix explains how our outcomes link to the range of outputs and incentives in Ofgem’s 2023-28 price control framework.

We are proposing a bespoke reputational output delivery incentive (ODI-R) to cover performance reporting commitments for our vulnerable customer strategy to supplement Ofgem’s financial output delivery incentive (ODI-F). We propose this mechanism to ensure we account for our performance in areas that cannot be easily measured by quantitative metrics. Where robust metrics are available we have included them in our proposed performance scorecard, through the common ODI-F mechanism, to measure our delivery in the period.

### A summary of our outputs and incentives

Output/Incentive	Type	Target/Mechanism
Obligation to treat customers fairly, including those in vulnerable situations	Common LO	Meet standards
Improving service standards for vulnerable customers	Common ODI-F	Performance scorecard proposed in our plan
Vulnerable customers delivery report	Bespoke ODI-R	Annual reporting

*Table 6: Outputs and incentives*

More information is provided in the following appendices:

### Appendix 2: Customer outcomes

- outcomes - our commitments for the 2023-28 period;
- benefits - how these outcomes benefit our customers;
- deliverables - what we plan to do to support the delivery of our outcomes; and
- metrics - how we plan to measure our success, including:
  - output measures to track the delivery of our outcomes – shown as licence obligations (LOs), price control deliverables (PCDs) and output delivery incentives (ODIs) as appropriate; and
  - indicative input measures showing underlying input/volume assumptions (where relevant).

### Appendix 3: Proposed ODI-F scorecard

### Appendix 4: Key measures

### Appendix 5: A glossary of terms

### Appendix 6: A mapping of our key actions to Ofgem’s baseline requirements

- details of the relevant key actions in our plan;
- highlights of where our plan meets or exceeds baseline requirements;
- labels for delivery through the ODI-F or ODI-R mechanisms (detailed above); and
- a demonstration of where they are included in our plan outcomes and deliverables.

## Appendix 2: Customer outcomes

Vulnerable Customers outcomes	Benefits	Deliverables	Measure <sup>1</sup> (output/indicative inputs)	ED1 to date	ED1 forecast	ED2 target
<b>VN1) Undertake targeted recruitment of vulnerable customers to our Priority Services Membership (PSM), contacting all PSM customers every two years to refresh our records (LO)</b>	<ul style="list-style-type: none"> <li>Greater reach to support vulnerable customers</li> <li>Greater flexibility for how vulnerable customers access our information and communicate with us</li> </ul>	<p><b>VN1.1)</b> Provide customer-facing and front-line staff with access to our PSM so they can submit real-time amendments and complete new registrations</p> <p><b>VN1.2)</b> Using data and collaboration with our partners, develop our recruitment campaigns to reflect regional differences, including urban and rural customers 🌐</p> <p><b>VN1.3)</b> Give our vulnerable customers more choice in how they engage with us by creating a fully digitised 'one-stop-solution' by 2024/25 to enable a more accessible, faster and convenient route to contact us and access our services. This will also free up capacity for a more responsive telephone-based service for those who prefer it 🌐💡 (CVP)</p>	% of eligible high-risk customers recruited to PSM (ODI-F)	37%	42%	70%
			% of all eligible customers recruited to PSM (ODI-F)	35%	37%	50%
			Proactive contact for data cleanse every 24 months for PSM customers (ODI-F)	100%	100%	100%
			Broad measure of customer service: overall – PSM customers (ODI-F)	N/a <sup>2</sup>	N/a <sup>2</sup>	93.5%
			PSM sign ups from colleague referrals	8%	13%	25%
<b>VN2) Provide enhanced support to vulnerable customers during powercuts including temporary restoration and proactive communications (LO)</b>	<ul style="list-style-type: none"> <li>Tailored support during a power cut</li> <li>Personalised and proactive support</li> <li>Proactive and more frequent communication utilising a wider range of channels</li> </ul>	<p><b>VN2.1)</b> Provide enhanced customer support vehicles during planned and unplanned powercuts. These will include innovative upgrades, for example, suitcase generators and pandemic safety measures</p> <p><b>VN2.2)</b> Deliver proactive communication during power cuts utilising digital channels where we can</p> <p><b>VN2.3)</b> Roll out regional use of net zero-ready SilentPower mobile battery vehicles to support temporary restoration during planned and unplanned power cuts 💡</p> <p><b>VN2.4)</b> Establish a new support team to provide additional on-site support in the event that power cuts last longer than six hours, providing personalised, proactive support for vulnerable customers</p>	Broad measure of customer service: power cuts – PSM customers (ODI-F)	91.4%	91.8%	93.1%
			Proactive contact of high-risk (P1) customers within 1 hour (ODI-F)	-	-	100%
			Proactive contact of all PSM customers within 3 hours (ODI-F)	-	-	95%
			Customers offered enhanced support on site for >6hr power cuts (ODI-F)	7%	14%	75%

<sup>1</sup>. Measures are shown to track delivery of our customer outcomes. Whilst some measures may directly relate to deliverables, this may not be true in all cases. Numbers shown may be subject to rounding - see Annex 'A1.4 - key targets & measures' for profiled targets.

<sup>2</sup>. Only the power cuts element of BMCS is measured in 2015-23.

<b>VN3) Use data and partnerships to enhance our support for vulnerable customers, sharing information with trusted partners to access hard-to-reach customers</b>	<ul style="list-style-type: none"> <li>Targeted support</li> <li>Greater understanding of our customer base</li> </ul>	<p><b>VN3.1)</b> Share and make priority services, enhanced service information and support tools available amongst trusted partners, allowing collaboration for targeted support for hard-to-reach and seldom-heard customers</p> <p><b>VN3.2)</b> Identify additional data sources and partnerships to allow us to track new and emerging issues and to support customers and, in doing so, improve our understanding of our customer base 🌐</p>	<i>Refresh our regional demographic/social indicator mapping data every 24 months</i>	-	-	✓
<b>VN4) Support customers in fuel poverty with affordability services, targeting 100,000 customers to unlock up to £40m of benefits</b>	<ul style="list-style-type: none"> <li>Up to £40m of benefits</li> <li>Different forms of vulnerability addressed</li> </ul>	<p><b>VN4.1)</b> Extend our partnership reach to deliver a regionally tailored multifaceted affordability service for 100,000 customers in extreme fuel poverty (ca. 25% of those in our region) unlocking £40m of benefits</p> <p><b>VN4.2)</b> Work with partners to educate customers on energy efficiency and available grants</p>	<b>Average number of fuel poverty interventions p.a. (ODI-F)</b>	<b>4,356</b>	<b>6,320</b>	<b>20,000</b>
<b>VN5) Work with partners to put in place initiatives that overcome barriers to the smart energy transition and support a socially inclusive transition to net zero, targeting 25,000 interventions<sup>3</sup></b>	<ul style="list-style-type: none"> <li>Vulnerable customers supported to allow them to benefit from the low carbon transition</li> </ul>	<b>VN5.1)</b> Work with partners to offer customers tailored support on how to benefit from the transition to net zero and ensure vulnerable customers are not left behind	<b>Average number of customers engaged through no one left behind programmes p.a. (ODI-F)</b>	-	-	<b>5,000</b>
<b>VN6) Embed vulnerability across our business operations<sup>4</sup></b>	<ul style="list-style-type: none"> <li>Enhanced support for vulnerable customers across the range of our services</li> </ul>	<p><b>VN6.1)</b> Deliver enhanced, regionally focused training to colleagues every 24 months</p> <p><b>VN6.2)</b> Apply vulnerability criteria (once standard criteria has been met) as part of prioritising network investment works</p> <p><b>VN6.3)</b> Publish an annual vulnerability report for our stakeholders covering the delivery of our 2023-28 vulnerability commitments and metrics</p>	<i>Front-line staff trained in rolling 24 month programme (ODI-F)</i>	N/a <sup>4</sup>	N/a	<i>100%</i>

Key: 🌐 - Data and digitalisation, 👤 - Workforce Resilience, 💡 – Innovation

**Table 7: Vulnerability customer outcomes**

<sup>3</sup>. Cross-reference Our Communities CO3.2) Community energy advisors.

<sup>4</sup>. ED1 performance is not comparable as this is currently on a 3 year cycle – we currently train 100% of colleagues on this basis.

## Appendix 3: Proposed ODI-F scorecard

These targets have derived from extensive engagement, research, and joint discussions with other DNOs on setting the minimum standards for performance 2023-28. The targets have been benchmarked against all DNO performance throughout this current price control period utilising stakeholder engagement and consumer vulnerability (SECV) submissions and we believe that these are stretching targets based on our current performance and best practice performance. The stretch targets are in line with stakeholder feedback and their top priorities. Performance will be routinely monitored to ensure the best outcomes for our customers.

Impact Area	ED1 to date (2015-23)	ED1 FOT (Baseline )	Max incentive target <sup>1</sup>
% of eligible high risk customers recruited to the PSM	37%	42%	70%
% of all eligible customers recruited to the PSM	35%	37%	50%
Proactive contact for data cleanse every 24 months for PSM customers	100%	100%	100%
Introduction of 'all in one' app	-	-	2024/25
Broad Measure of Customer Service Score: Overall - PSM customers	N/a <sup>2</sup>	N/a <sup>2</sup>	93.5%
Broad Measure of Customer Service Score: Power Cuts – PSM customers	91.4%	91.8%	93.1%
Proactive contact of high risk (P1) customers within 1 hour	-	-	100%
Proactive contact of all PSM customers within 3 hours	-	-	95%
Customers offered enhanced support on site for >6hr power cuts	7%	14%	75%
Average number of fuel poverty interventions p.a.	4,356	6,320	20,000
Average number of customers engaged through no one left behind programmes p.a.	-	-	5,000
Front-line colleagues trained in rolling 24 month programme	N/a	N/a	100%

**Table 8: ODI-F scorecard**

<sup>1</sup>. End of 2023-28 indicative maximum reward target, phasing to be found in table 4. Targets and mechanism to be developed with Ofgem and other networks between draft and final submission

<sup>2</sup>. Only the power cuts elements of BMCS is measured in 2015-23

## Appendix 4: Key measures

Key measures		ED1 performance		ED2 performance Phased targets					Customer outcome
KPI	Unit	ED1 to date <sup>1</sup>	ED1 forecast <sup>2</sup>	2023/24	2024/25	2025/26	2026/27	2027/28	
OUTPUTS									
Eligible high risk customers recruited to the PSM	%	37%	42%	47%	53%	59%	64%	70%	VN1
All eligible customers recruited to the PSM	%	35%	37%	39%	42%	45%	47%	50%	VN1
Proactive contact for data cleanse every 24 months (PSM customers)	%	100%	100%	100%	100%	100%	100%	100%	VN1
BMCS: overall (PSM customers)	%	N/a <sup>3</sup>	N/a <sup>3</sup>	92.3%	92.6%	92.9%	93.2%	93.5%	VN1
BMCS: power cuts (PSM customers)	%	91.4%	91.8%	92.1%	92.3%	92.6%	92.8%	93.1%	VN2
Proactive contact of high risk (P1) customers within 1 hour	%	-	-	100%	100%	100%	100%	100%	VN2
proactive contact of all PSM customers within 3 hours	%	-	-	95%	95%	95%	95%	95%	VN2
Customers offered enhanced support on site for >6hr power cuts	%	7%	14%	17%	35%	55%	65%	75%	VN2
Fuel poverty interventions	Count <sup>4</sup>	4,356	6,320	20,000	20,000	20,000	20,000	20,000	VN4
Customers engaged via ‘No one left behind’ programme	Count <sup>4</sup>	-	-	5,000	5,000	5,000	5,000	5,000	VN5
INDICATIVE INPUTS									
PSM sign-ups from referrals	%	8%	13%	15%	18%	20%	23%	25%	VN1
Front-line staff trained in rolling 24 month programme	%	N/a <sup>5</sup>	N/a <sup>5</sup>	100%	100%	100%	100%	100%	VN6

**Table 9: Vulnerability key measures and phasing of performance metrics**

<sup>1</sup> 2020/21 actual performance.

<sup>2</sup> 2022/23 forecast performance.

<sup>3</sup> Only the power cuts element of BMCS is measured in RIIO-ED1.

<sup>4</sup> Performance reflects the annual average within the price control period.

<sup>5</sup> ED1 performance is not comparable as this is currently on a three year cycle – we currently train 100% of colleagues on this basis.

## Definition of key measures

KPI	Definition
<b>OUTPUTS</b>	
Eligible high risk customers recruited to the PSM	The proportion of eligible high risk vulnerable customers to be recruited to Priority Service Membership (PSM) during ED2 (utilising social indicator data). High-risk customers are defined as those who are medically dependent on electricity, have a severe physical disability, chronic serious illness or have mental health needs.
All eligible customers recruited to the PSM	The proportion of eligible vulnerable customers to be recruited to Priority Service Membership (PSM) during ED2 (utilising social indicator data).
Proactive contact for data cleanse every 24 months (PSM)	The proportion of PSM customers contacted every two years to update their PSM record.
BMCS: Overall (PSM customers)	The average overall customer satisfaction score (out of 10) for PSM customers surveyed as part of the Broad Measure of Customer Service. This is not currently measured in RIIO-ED1.
BMCS: Power cuts (PSM customers)	The average customer satisfaction score (out of 10) for PSM customers surveyed under the Power cuts service type for BMCS.
Proactive contact of high risk (P1) customers within 1 hour	The proportion of high risk PSM customers proactively contacted within 1 hour to notify them of an unplanned power cut. This is applicable where we have a contact number.
proactive contact of all PSM customers within 3 hours	The proportion of all PSM customers proactively contacted within 3 hours to notify them of an unplanned power cut. This is applicable where we have a contact number.
Customers offered enhanced support on site for >6hr power cuts	The proportion of PSM customers who receive on-site, enhanced welfare support when an unplanned power cut exceeds 6 hours. This includes face to face response, enhanced customer support vehicles and capacity to install more mobile generators.
Fuel poverty interventions	The number of customers directly supported through one of our affordability programmes. These include programmes that are aimed at supporting customers impacted by fuel poverty.
Customers engaged via 'No one left behind' programme	The number of customers directly supported through one of our no-one left behind programmes. This includes programmes that support vulnerable customers on their journey to net zero.
<b>INDICATIVE INPUTS</b>	
PSM sign-ups from referrals	The number of new PSM registrations that have resulted from referrals from our colleagues, partners and campaigns.
Front-line staff trained in rolling 24 month programme	The target percentage for training colleagues on vulnerability and support services.

Table 10: Vulnerability key measure definitions

## Appendix 5: Mapping to Ofgem's baseline requirements

Unless specified otherwise, target dates for delivery are the end of March 2028. For phasing of the performance metrics, see page 21.

Ofgem baseline standard	Key actions	Incentive mechanism	Meets/ Exceeds	Outcome Ref.
<b>Ofgem Principle 1: Effectively support consumers in vulnerable situations, particularly those most vulnerable to a loss of supply, through a sophisticated approach to the management, promotion and maintenance of a PSR register.</b>				
<b>1.1</b> Undertake proactive and targeted advertising of the PSR and the services offered to vulnerable consumer groups.	<ul style="list-style-type: none"> <li>– Using data and collaboration with our partners develop recruitment campaigns to target customers that reflect regional differences and gaps in our PSM.</li> <li>– New approach to engaging with hard-to-reach and seldom heard customers, plus targeted communications and recruitment.</li> </ul>	<b>Scorecard, ODI-F</b> <ul style="list-style-type: none"> <li>– 70 per cent of high-risk customers to be signed up to PSM by 2028.</li> <li>– 50 percent of all eligible customers signed up to PSM by 2028</li> </ul>	Meets	VN1
<b>1.2</b> Put in place a data and information strategy, specific to meeting the needs of vulnerable consumers.	<ul style="list-style-type: none"> <li>– Give our vulnerable customers more choice in how they engage with us by creating a fully digitised “one-stop-solution” to enable a more accessible, faster and convenient route to access our services.</li> <li>– Provide customer facing and frontline colleagues with access to our PSM app so they can submit real time amendments and complete new registrations.</li> <li>– Continue to collaborate with Ofgem and other utilities to implement a shared essential services register.</li> <li>– Expand on our social indicator mapping in line with emerging vulnerabilities.</li> <li>– Proactively contact customers every two years to update their records and assure the accuracy of our PSM.</li> </ul>	<b>Scorecard, ODI-F</b> <ul style="list-style-type: none"> <li>– Proactively contact 100 per cent of PSM customers every 24 months.</li> </ul> <b>ODI-R</b> <ul style="list-style-type: none"> <li>– Customer data checks at least every 24 months.</li> <li>– Introduction of 'one stop service.'</li> <li>– Experian social data refresh every 24 months.</li> <li>– Achieve active engagement with the data cleanse process by the end of the upcoming price control period.</li> </ul>	Meets	
<b>1.3</b> Communicate with and provide information to PSM customers in formats suited to a range of additional communication needs.	<ul style="list-style-type: none"> <li>– Provide information for PSM customers in a range of formats.</li> <li>– Ensure we are meeting Accessibility AA standard.</li> <li>– Variety of plans to improve accessibility to PSM recruitment.</li> </ul>	<b>ODI-R</b> <ul style="list-style-type: none"> <li>– Accessibility AA standard met.</li> <li>– Translation services available for at least the top 10 languages in our area.</li> </ul>	Meets	

<p><b>1.4</b> Have dedicated lines, or prioritisation processes, available for customers registered on the PSM when they need to contact the DNO, regardless of the time.</p>	<ul style="list-style-type: none"> <li>– Develop an 'all in one' application to enable vulnerable customers to benefit from their membership of PSM.</li> <li>– Update the priority services area of our website.</li> <li>– Extend our communication platforms to include Social Media, webchat, e-mail etc.</li> </ul>	<p><b>ODI-F</b></p> <ul style="list-style-type: none"> <li>– Introduction of 'all in one' app by 2024/25.</li> </ul> <p><b>ODI-R</b></p> <ul style="list-style-type: none"> <li>– Measures of numbers of PSM customers bypassing IVR on 105 and 0800 numbers.</li> <li>– Measures of numbers of customers that are accessing all of the communication channels.</li> <li>– Speed of response for PSM customers.</li> <li>– Indicators of satisfaction from the Care Quality Indicator Survey.</li> </ul>	<p>Exceeds <i>All in one app includes additional funding of £1.9m in ED2 compared to meeting baseline requirements</i></p>	
<p><b>1.5</b> Deliver a wide range of support during, or in relation to, a supply interruption that reflects different customer needs and is, at a minimum, in line with the company's existing ED1 provision.</p>	<p>We will deliver our enhanced onsite support through:</p> <ul style="list-style-type: none"> <li>– Provisions of enhanced Customer Support Vehicles during planned and unplanned power cuts. These will include innovative upgrades, for example, suitcase generators and pandemic safety measures`.</li> <li>– Delivery of pro-active communication during power cuts utilising digital channels where we can.</li> <li>– Rolling-out regional use of net zero-ready Silent Power self-generation vehicles to support temporary restoration during planned and unplanned power cuts.</li> <li>– Establishing a new support team to provide additional on-site support in the event that power cuts last longer than 6 hours, providing personalised, pro-active support for vulnerable customers.</li> </ul>	<p><b>Scorecard, ODI-F</b></p> <ul style="list-style-type: none"> <li>– Broad Measure of Customer Service Score: Power Cuts PSM customers - &gt;93.1% by end of March 2028.</li> <li>– Proactive contact of high risk (P1) customers within 1 hour -100% by the end of March 2028.</li> <li>– Proactive contact of all PSM customers within 3 hours - 95% by end of March 2028.</li> <li>– Customers offered enhanced support on site for &gt;6hr power cuts – 75% by end of March 2028.</li> </ul>	<p>Exceeds <i>Proactive onsite support includes additional funding of £1.4m p.a. in ED2 compared to meeting baseline requirements</i></p>	<p><b>VN2</b></p>

Ofgem baseline standard	Key actions	Reporting mechanism	Meets/ Exceeds	Outcome Ref.
<b>Ofgem Principle 2: Maximise opportunities to identify and deliver support to consumers in vulnerable situations through the smart use of data.</b>				
<p><b>2.1</b> Utilise social indicator, or vulnerability, mapping to inform their service development and approach to partnerships. This approach may form part of the DNOs PSR management, but the identification of vulnerability should not be limited to PSM registrations and should recognise that vulnerability can be transient and may evolve in the transition to net zero.</p> <p><b>2.2</b> Maintain a good understanding of the social issues associated with the scope of their role, the prevalence of these within their consumer base and how they are evolving.</p>	<ul style="list-style-type: none"> <li>– Share and make priority services, enhanced service information and support tools available amongst trusted partners allowing collaboration for targeted support for hard to reach and seldom heard customers.</li> <li>– Identify additional data sources and partnerships to allow us to track new and emerging issues and to support customers and, in doing so, improve our understanding of our customer base.</li> </ul>	<p><b>ODI-R</b></p> <ul style="list-style-type: none"> <li>– Review partner strategy every year.</li> <li>– Data refresh every two years.</li> <li>– Evidence social indicator/vulnerability mapping is in place, including number of data sets used.</li> <li>– Evidence of strategy in place to inform how data informs management of PSM.</li> <li>– Evidence of geographic coverage of partnership schemes for PSM and wider services.</li> <li>– Evidence of annual research on vulnerability trends.</li> <li>– Evidence of the makeup of our customer base through vulnerability mapping.</li> <li>– Evidence of annual research on vulnerability trends.</li> </ul>	Meets	<b>VN3</b>

Ofgem baseline standard	Key actions	Reporting mechanism	Meets/ Exceeds	Outcome Ref.
<b>Ofgem Principle 3: Understand new forms of vulnerability, in particular by identifying blockers to participating in a smart flexible energy system.</b>				
<b>3.1</b> Have an extensive network of partnerships with a range of organisation types, from multiple sectors including other utilities.	<ul style="list-style-type: none"> <li>– Select partners based on the impact on fuel poverty in our regions.</li> <li>– We will future proof our programmes to new and emerging issues e.g. COVID pandemic.</li> </ul>	<b>ODI-R</b> <ul style="list-style-type: none"> <li>– We will undertake an annual review of our ‘no one left behind’ action plan, including our partnerships.</li> </ul>	Meets	<b>VN4</b>
<b>3.2</b> Make use of referral channels and signposting support for customers. This will primarily be done through customer service teams, but we expect DNOs to seek opportunities to maximise consumer touchpoints.	<ul style="list-style-type: none"> <li>– The Contact Centre and operational colleagues will refer customers for direct interventions.</li> <li>– Use smart data to identify appropriate customer support via partner networks at a regional level in line with vulnerability mapping.</li> </ul>	<b>ODI-R</b> <ul style="list-style-type: none"> <li>– We will review the contact centre referral process annually and monitor numbers of referrals.</li> </ul>	Exceeds	
<b>3.3</b> Be involved in two-way flow partnerships supporting vulnerable customers, in line with the companies’ understanding of social issues in their region. This should include the network company having direct involvement in the end-to-end process of delivering support, providing expertise and co-creating schemes. Where appropriate, we would expect to see example schemes where the DNO is taking a leading role.	<ul style="list-style-type: none"> <li>– Co-create schemes with regional partners to deliver advice and solutions to alleviate the effects of fuel poverty.</li> <li>– Take a leading role where necessary and have a direct involvement in others.</li> <li>– Use investment programmes to engage and work with differing local community groups.</li> </ul>	<b>ODI-R</b> <ul style="list-style-type: none"> <li>– Evidence strategy for assessing success of partnerships.</li> <li>– Evidence of partnerships that are impacting               <ul style="list-style-type: none"> <li>a) Fuel Poverty; and</li> <li>b) Supporting Energy Transition.</li> </ul> </li> </ul>	Exceeds	
<b>3.4</b> Have a clear process for identifying which partnerships are likely to be most effective at delivering benefits through co-operative working. This should be clearly linked to the priority areas of focus of the strategy, in particular addressing fuel poverty and supporting those at risk of being left behind by the energy system transition.	<ul style="list-style-type: none"> <li>– Extend our partnership reach to deliver a regionally tailored multifaceted affordability service for 100,000 customers in extreme fuel poverty representing 25 per cent impacted in our region.</li> <li>– Work with partners to educate customers on energy efficiency and available grants.</li> <li>– Work with partners to offer customers tailored support on how to benefit from the transition from net zero and ensure vulnerable customers are not left behind.</li> <li>– Review our approach annually with customer stakeholders and expert groups.</li> <li>– Assess our partnerships in line with the agreed framework. This includes SROI modelling, KPIs and overall satisfaction.</li> </ul>	<b>Scorecard, ODI-F</b> <ul style="list-style-type: none"> <li>– Average number of fuel poverty interventions &lt;20,000 per annum by the end of March 2028.</li> <li>– Average number of customers engaged through no one left behind programmes &lt;5,000 per annum by the end of March 2028.</li> </ul>	Exceeds	<b>VN5</b>

Ofgem baseline standard	Key actions	Reporting mechanism	Meets/ Exceeds	Outcome Ref.
<b>Ofgem Principle 4: Embed the approach to protecting the interests of consumers in vulnerable situations throughout a company's operations to maximise the opportunities to deliver support.</b>				
<b>4.1</b> Have processes in place for embedding a commitment to protecting the interests of vulnerable customers within the company's culture. This should include a well-justified approach to ensuring all staff have received an appropriate form of vulnerability training to maximise the potential from all customer touchpoints. Companies should make use of external advice and support to set strategic direction, such as a vulnerability advisory or research panel. DNOs should appoint a vulnerability champion at senior management or Board level.	<ul style="list-style-type: none"> <li>– Develop better in-house capabilities to train colleagues on vulnerability issues and tailor our training to regional-specific issues.</li> <li>– Deliver enhanced regionally focussed training to colleagues every 24 months.</li> <li>– Develop additional levels of training dependent on colleague customer interaction.</li> <li>– Continue to work with Expert Groups and panels. Identify new and emerging vulnerabilities and respond appropriately.</li> <li>– Embed ownership of Vulnerable Customer Support through Vulnerability Champions and introduce an Executive lead.</li> <li>– Enhance the roles of our vulnerability champions to a more senior decision making level.</li> </ul>	<b>Scorecard, ODI-F</b> <ul style="list-style-type: none"> <li>– 100% of our front-line colleagues trained in a rolling 24 month programme</li> </ul> <b>ODI-R</b> <ul style="list-style-type: none"> <li>– Evidence of collaboration with external bodies to shape training.</li> <li>– Evidence of Vulnerability Champion at senior level.</li> <li>– Evidence of vulnerability strategy signed onto by our Executive Team.</li> </ul>	Meets	VN6
<b>4.2</b> Seek opportunities to protect vulnerable customers throughout their capabilities.	<ul style="list-style-type: none"> <li>– Improve network resilience. Once standard criteria have been met, apply vulnerability criteria to prioritise works, including a focus on inclusivity over investments that enable decarbonisation.</li> <li>– Once standard criteria have been met, apply vulnerability criteria as part of prioritising network investment works.</li> <li>– Publish an annual report for stakeholders covering the delivery of our commitments and metrics.</li> </ul>	<b>ODI-R</b> <ul style="list-style-type: none"> <li>– Evidence number of investment programmes prioritised through this process.</li> </ul>	Exceeds	

Table 11: Mapping to Ofgem's baseline requirements

## Appendix 6: Quantified value of benefits

The quantified value of benefits provided in the table below has been estimated by Frontier Economics on behalf of Northern Powergrid. For this exercise, Frontier Economics has used the Social Return on Investment (SROI) model that has been developed by SIA partners and implemented by all other GB DNOs for ED2 business planning. Frontier Economics have not made any changes to the set-up of the SROI model, only inputting data into this model, to estimate the benefits of Northern Powergrid's actions to support vulnerable customers.

Where data is unavailable, Frontier Economics have made conservative assumptions (e.g. on take up and drop off rates). Included in the model is an 'optimism bias' function that reduces the returns associated with assumptions considered to be overly optimistic. The SROI model uses a price base of 2020/21, and all cost estimates provided by Northern Powergrid are also assumed to be specified at this price base.

The 'value per customer' of specific interventions are based on a set of 'proxies' that have been standardised for use across the DNOs. These set of assumptions are known as the 'proxy bank'. This proxy bank was developed by SIA Partners. Where benefits are calculated at a household level (such as energy efficiency advice), it is assumed that the interventions will occur in different households, since NPg is unlikely to proactively offer the same intervention to two customers in the same household<sup>1</sup>. Whilst effort has been made to reduce any double-counting of benefits, owing to the cross-cutting nature of some of the initiatives is not possible to exclude this outcome entirely. The gross present value of benefits should therefore be interpreted as an upper bound rather than an exact estimate.

The actual benefits realised from each programme will be driven by its detailed design. All assumptions are therefore highly indicative.

Outcomes	Initiatives	Customer benefit	Value ED2 benefits (GPV <sup>2</sup> )
VN1) Undertake targeted recruitment of vulnerable customers to our Priority Services Membership (PSM), contacting all PSM customers every two years to refresh our records (LO)	VN1.1) Provide customer-facing and front-line staff with access to our PSM so they can submit real-time amendments and complete new registrations	This initiative will allow our front-line staff to more easily access our PSM, achieving two expected benefits: <ol style="list-style-type: none"> <li>1. First, it will allow our front-line staff to more easily register eligible customers during the course of their work, particularly those at high risk.</li> <li>2. Secondly, the more frequent pro-active amendments will allow eligible customers to continue receiving benefits from the PSM</li> </ol>	£744,000
	VN1.2) Using data and collaboration with our partners, develop our recruitment campaigns to reflect regional differences, including urban and rural customers	This initiative will contribute to our overall PSM recruitment target of 70% of eligible high-risk customers by the end of ED2 (c1.57m customers), up from a forecast 54% at the end of ED1 (c1.21m customers).  We estimate that each additional customer signed up to the PSM receives an annual net	

<sup>1</sup> We note, however, that we cannot make the same assumption for the smartphone app (VN1.3) and we therefore conservatively assume that the household benefits that accrue via this intervention be divided by the average number of customers per household (around 2.4 customers).

<sup>2</sup> The 'Gross Present Value' (GPV) for each outcome captures the gross benefit to the affected PSM consumers across the 5 year period (2023-2027) without including offsetting delivery costs incurred by NPg. The value estimated here also reflect additional inputs and assumptions not cited in this summary table, including; (a) success rate, (b) annual attrition, (c) optimism bias, (d) deadweight impacts, and; (e) the proportion of total impacts attributed to NPg. This calculation steps follows the SROI model adopted by all GB DNOs for ED2 business planning.

Outcomes	Initiatives	Customer benefit	Value ED2 benefits (GPV <sup>2</sup> )
		benefit of £2.30 per year, based on the sector average net benefit from PSM as calculated in by DNOs in 2018/19. <sup>3</sup>	
	VN1.3) Give our vulnerable customers more choice in how they engage with us by creating a fully digitised 'one-stop-solution' by 2024/25 to enable a more accessible, faster and convenient route to contact us and access our services. This will also free up capacity for a more responsive telephone-based service for those who prefer it <sup>4</sup>	This initiative will include a smartphone app for NPg consumers which, amongst other things, will provide consumers with ability to better identify and exercise choice over their retail supplier. We expect that 75,000 customers will download and use the app each year, of which roughly 600 will subsequently switch their supplier in the first year of use and enjoy savings for each remaining year of the ED2 period. The benefits for those that switch are expected to be on average £250 per customer per year <sup>5</sup> .	£1,044,000
		Our new customer app will provide users with tailored advice on opportunities to reduce their energy bills through behavioural changes that improve their household's energy efficiency without incurring additional up-front costs. We estimate that this will lead to savings of almost £110 <sup>6</sup> per household per year for households which respond to the advice. We anticipate that 600 new households per year will respond to the advice across the 5-year ED2 period, with each new cohort experiencing 'drop-off' in engagement of 30% per year after the first year.	£410,000
		Our new customer app will provide users with accessible information that will make it easier to proactively engage with their energy services and save time in doing so. This will help to reduce the personal time and cognitive burden associated with day-to-day household management and therefore contribute to customers feeling more in control of their lives. This impact is distinct from enhanced support during outages (VN2) which is reactive and specific to supply interruptions. This initiative is expected to appeal to an increasing share of PSM customers due to sustained behavioural shifts toward digital banking and commerce as a result of the COVID-19 pandemic. We estimate that this wellbeing benefit will reach around 3,200 new customers per year (with an engagement 'drop-off' rate of 30% per year thereafter) over the 5-year ED2 period.	up to £2,005,000
VN2) Provide enhanced support to vulnerable customers during supply interruptions including temporary restoration and	VN2.1) Provide enhanced customer support vehicles during planned and unplanned power cuts. These will include innovative upgrades, for example, suitcase generators and pandemic	As part of this initiative we will provide PSM consumers with access to suitcase generators during supply interruptions. This initiative will provide us with the capability to provide up to 25 suitcase generators will reduce supply interruptions for 380 households per year for a total of 4 hours per household per year.	£919,000

<sup>3</sup> These benefits have been calculated by networks based on willingness to pay surveys, see for example [Part 3 of the WPD customer vulnerability outcome report from 2018/19](#).

<sup>4</sup> VN1.3 and VN2.2 relate to CVP1 – one-stop app solution for vulnerable customers. The figures shown here represent the gross present value whereas the CVP modelling shows the net present value

<sup>5</sup> This is based on estimates from [www.energyscanner.com](http://www.energyscanner.com), accessed October 2021.

<sup>6</sup> This represents the value of the scheme to customers in 2023

Outcomes	Initiatives	Customer benefit	Value ED2 benefits (GPV <sup>2</sup> )
proactive communications (LO)	safety measures		
	<b>VN2.2)</b> Deliver proactive communication during supply interruptions utilising digital channels where we can	<p>Our customer app will improve users' access to relevant information during supply interruptions which is expected to reduce the associated uncertainty and stress they face during these times. Contact will also be through more traditional methods (like telephone) where relevant.</p> <p>Improved access to timely and customer-specific information during supply interruptions is expected to deliver reduction in associated stress worth £35 per person affected. This is will directly benefit the 8.5% of PSM customers per year that are expected to experience supply interruptions of over 1 hour, equivalent to 5,450 consumers per year.</p>	£1,428,000 <sup>7</sup>
	<b>VN2.3)</b> Roll out regional use of net zero-ready SilentPower self-generation vehicles to support temporary restoration during planned and unplanned outages	In addition to the diesel generators we use to provide temporary power restoration during supply interruptions each year, we will also deploy SilentPower vehicles for use by PSM households. This will help us reach households where diesel generators create high air/sound pollution impacts or face access issues.	See V2.1 above
	<b>VN2.4)</b> Establish a new support team to provide additional on-site support in the event that power cuts last longer than six hours, providing personalised, proactive support for vulnerable customers	We plan to deploy an additional 8 FTE to provide proactive enhanced welfare on-site support in the event of a long duration power cut, providing personalised, pro-active, practical support at a point where a power cut is likely to have the biggest impact. As part of this initiative we will also allocate an additional pool of resources assigned to resolving dissatisfaction of affected customers. Using Cadent's business plan proposals on providing welfare benefits to vulnerable customers, we estimate that more personalised support during an outage offers around £41.68 worth of benefit per benefit, which is multiplied by the number of customers expected to receive this benefit	£2,876,000
<b>VN3)</b> Use data and partnerships to enhance our support for vulnerable customers, sharing information with trusted partners to access hard-to-reach	<b>VN3.1)</b> Share and make priority services, enhanced service information and support tools available amongst trusted partners, allowing collaboration for targeted support for hard-to-reach and seldom-heard customers	We will develop collaborations with local service providers (e.g., utilities, social services and charities) to share knowledge and resources that enable us to improve our internal capacity to effectively engage with existing PSM customers and deliver enhanced services.	Not quantifiable

<sup>7</sup> This initiative directly contributes to the outcome of providing extra support to customers during an outage. However, it is worth noting that this benefit is derived from the development of the customer app, which is initiative VN1.3. Therefore the benefits of reducing stress during an outage should be attribute to the app, despite contributing to this customer outcome.

Outcomes	Initiatives	Customer benefit	Value ED2 benefits (GPV <sup>2</sup> )
customers	<b>VN3.2)</b> Identify additional data sources and partnerships to allow us to track new and emerging issues and to support customers and, in doing so, improve our understanding of our customer base	The benefits of this initiative will cut across all of our other vulnerability work, as well as the work of our trusted partners.	
<b>VN4)</b> Support customers in fuel poverty with affordability services, targeting 100,000 households to unlock up to £40m of benefits	<b>VN4.1)</b> Extend our partnership reach to deliver a regionally tailored multifaceted affordability service for 100,000 households in extreme fuel poverty (ca. 25% of those in our region) unlocking £40m of benefits	We will extend our successful 'Powergrid Cares Newcastle' initiative across our entire regional footprint, effecting 9,230 new customers per year with an average benefit per person per year of £370. 'Powergrid Cares' provides direct interventions and instant financial benefits, alongside Citizens Advice. Advisors offer support to manage fuel bills and debt; benefits checks, income maximisation; relationship issues and more.	£42,040,00 <sup>8</sup>
	<b>VN4.2)</b> Work with partners to educate customers on energy efficiency and available grants	Our analysis shows that 5% of the 18,000 consumers reached as part of this initiative will benefit from £126 of energy efficiency savings per year. This user group is likely to be distinct from those that engage with the customer app (i.e., VN1.3) and therefore do not consider that this benefit is double-counted by the behavioural changes delivered through the app.	£2,770,000
<b>VN5)</b> Work with partners to put in place initiatives that overcome barriers to the smart energy transition and support a socially inclusive transition to net zero, targeting 25,000 interventions	<b>VN5.1)</b> Work with partners to offer customers tailored support on how to benefit from the transition to net zero and ensure vulnerable customers are not left behind	We expect that better local collaborations will enable us to offer targeted advice that will lead to an additional 400 new customers each year switching their energy supplier. This is expected to lead to an additional £250 of benefits per customer per year across the ED2 period.	£1,415,000
		We will use local collaborations to identify PSM consumers that could benefit from the government's personal financial schemes for reaching net-zero, and to support them in accessing these benefits. These benefits are related to customers which respond to advice on how to access government grants to help prepare for net zero and supporting them in accessing these benefits.  This includes benefits from annual tax and fuel savings of electric vehicles (EV) as well as government grants for purchasing EVs. We expect 100 PSM customers per year will purchase EVs as a result of this initiative.	£1,165,000

<sup>8</sup> Evidence from actual benefits observed during the PowerGrid Cares Newcastle scheme suggests that the expected benefit per user is £344 per year, whilst the success rate (i.e., the proportion of contacted customers which take up the benefit) was observed at 57%. The ED2 scheme will target 20,000 new stakeholders each year (i.e., 100,000 divided by 5 years). Of this total, 9,200 are expected to receive the associated benefit (after applying success rate, deadweight loss and optimism bias assumptions). This equates to an average number of affected customers per year of 27,600, which includes cohorts from earlier years of the ED2 period that continue to enjoy the annual benefit in the remaining years of the ED2 period. Across the ED2 period this equals an annual benefit per customer of £305, reflecting for the fact that not all 27,600 customers receive this benefit in the first year. The final benefit value for ED2 is then calculated as 27,600 multiplied by £305; £42mil.

Outcomes	Initiatives	Customer benefit	Value ED2 benefits (GPV <sup>2</sup> )
		As part of this initiative we will also support PSM customers to access funding from the Social Housing Decarbonisation Fund (SHDF) which aims to deliver £170 of savings per household per year through energy efficiency upgrades, including installation of insulation and more energy efficient doors, windows and heating systems. We anticipate that 200 new households per year will benefit from this support.	£393,000
VN6) Embed vulnerability across our business operations	VN6.1) Deliver enhanced, regionally focused training to colleagues every 24 months	We will implement additional customer-support training for staff that directly engage with existing PSM customers during supply interruptions. We expect this to lead to an enhanced experience for our existing PSM customers each year. We expect that this programme will increase average PSM benefit by 70p per customer per year compared to business-as-usual. This average incremental benefit per customer (i.e., 70p) represents the impact of increasing the value NPg's overall PSM scheme from median sector performance (i.e., average of all other DNOs; £2.3 per customer) to the top quartile performance (i.e., 75% point; £3.0 per customer).	£583,000
	VN6.2) Apply vulnerability criteria (once standard criteria has been met) as part of prioritising network investment works	<p>We will feed vulnerability issues into our practical decision making on a routine basis. For example, when considering priority of network resilience investments, once our standard criteria have been met, we will then use vulnerability criteria to prioritise resilience works where they can deliver benefits for vulnerable customers</p> <p>Our optimisation project will be rolled out and as quickly as possible, looking to maximise the impact of energy efficiency and financial benefits where they will be felt most, targeting fuel poor customers as a priority, where all other factors remain equal.</p> <p>We are unable to quantify the impacts of this intervention whilst the details of the work plan are still under consideration.</p>	Not quantifiable
	VN6.3) Publish an annual vulnerability report for our stakeholders covering the delivery of our ED2 vulnerability commitments and metrics	This will ensure that there is greater accountability for delivering the initiatives set out in our vulnerability strategy to strengthen our commitment to meeting the targets we have set. This initiative will also enable stakeholders to engage more with our vulnerability strategy if they wish to do so.	Not quantifiable
Total GPV of benefits			£ 57 791 000
Total GPV of costs			£23,187,000
Total benefits (NPV)			£34,604,000

Table 12: Detailed benefit calculations

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