



Mr Owain Roberts  
Deputy Committee Clerk  
Legislation Office  
National Assembly for Wales  
Cardiff Bay  
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Your ref Proposed Welsh Language (Wales)  
Measure  
Our ref NAWCommittee2  
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### **Consultation on Proposed Welsh Language (Wales) Measure**

Dear Mr Roberts,

RWE npower welcomes the opportunity to submit written evidence to the Committee's inquiry into the Proposed Welsh Language (Wales) Measure.

RWE npower is an integrated energy business, generating electricity and supplying gas, electricity and related services to customers across the UK. We operate and manage flexible, low-cost coal, renewable, oil and gas-fired power stations, generating over 10.3GW of electricity.

We serve around 6.7 million customer accounts and produce more than 10% of the electricity used in England and Wales.

We have a long history of investment in Wales to enable the development and operation of generation capacity. This includes £1 billion of capital investment at our new 2000MW CCGT in Pembroke; Aberthaw power station; two combined heat and power plants and a diverse portfolio of renewable energy plant, both on and offshore wind, and hydro generation. In total, this portfolio generates around a third of the electricity consumed in Wales and creates significant local employment opportunities. Aberthaw power station alone contributes over £50 million to the Welsh economy each year.

If you have any questions regarding this submission, please do not hesitate to contact me

Yours sincerely

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## Legislation Committee No. 2: Consultation on proposed Welsh Language (Wales) Measure

### Evidence from RWE npower

**1. Is there a need for a proposed Measure to deliver the stated objectives of (as set out in paragraph 3.10 of the Explanatory Memorandum):**

- ***providing greater clarity and consistency for Welsh speakers in terms of the services they can expect to receive in Welsh;***
- ***reducing the administrative demands placed upon those subject to duties by moving the focus away from the preparation of schemes;***
- ***establishing a system that will ensure that duties imposed on bodies are both reasonable and proportionate;***
- ***within particular sectors, ensuring that there is consistency in terms of those bodies subject to duties with the aim of ensuring a level playing field;***
- ***developing the responsibility of the Welsh Assembly Government and local authorities in Wales with regard to promoting the use of Welsh more widely;***
- ***developing a more effective enforcement regime in relation to any duties that will be imposed;***
- ***providing a strong and independent voice for the Welsh language through the establishment of the Commissioner as an identifiable champion and advocate for the language;***
- ***making further provision with regard to the status of the Welsh language; and***
- ***making provision with regard to investigating and reporting on those instances of interference with people's freedom to use Welsh with one another.***

Given the cultural and historical significance of the Welsh language to the Welsh nation, RWE npower believes that there is a need for the proposed Measure to deliver the following stated objectives:

- Providing greater clarity and consistency for Welsh speakers in terms of the services they can expect to receive in Welsh;
- Developing the responsibility of the Welsh Assembly Government and local authorities in Wales with regard to promoting the use of Welsh more widely;
- Developing a more effective enforcement regime in relation to any duties that will be imposed;
- Providing a strong and independent voice for the Welsh language through the establishment of the Commissioner as an identifiable champion and advocate for the language;
- Making further provision with regard to the status of the Welsh language; and
- Making provision with regard to investigating and reporting on those instances of interference with people's freedom to use Welsh with one another.

As RWE npower is not currently subject to a Welsh Language scheme, we do not have direct experience of administering and managing such a scheme. Therefore we do not believe it appropriate to comment on the following objective:

- Reducing the administrative demands placed upon those subject to duties by moving the focus way from the preparation of schemes.

We do not believe that the proposed Measure is necessary to deliver the stated objective of:

- Within particular sectors, ensuring that there is consistency in terms of those bodies subject to duties with the aim of ensuring a level playing field.

This is because we believe that within our particular sector (gas and electricity supply), the competitive market can and should deliver an appropriate level of Welsh language provision. The services provided should reflect the level of consumer demand and appetite for such a service. Given that customers have a choice of supplier (which is not the case for gas or electricity distributors, water suppliers or other monopoly providers) we do not see the need to legislate for a particular level of provision. Legislating for a particular level of provision may unintentionally benefit those incumbent suppliers who still retain the majority of customers within Wales.

Whatever the outcome, we do believe it is imperative that the resultant system is both reasonable and proportionate and we look forward to engaging in any future consultation process which will assess and consider the options and requirements for the specific standards.

***2. Is it easy to understand the practical implications of the proposed Measure for your organisation? Please explain the reasons for your answer.***

RWE npower fully supported the transfer of legislative competence from Westminster to the Welsh Assembly for Welsh Language provision. As a commercial supplier in a fully competitive and liberalised market, where customers have a choice of suppliers, we do not believe our business activities to be comparable to those organisations (Public Bodies) who provide a public service, and who currently have a requirement to prepare a Welsh Language scheme under the terms of the Welsh Language Act 1993.

With regard to the practical implications of the proposed Measure, it is difficult for RWE npower to fully understand the likely impact of the measure given that the requirements / duties likely to be imposed upon us through the use of standards are not yet known.

However, given that the proposed Measure makes it clear that a “service delivery standard” means a standard that:

- a) relates to a service delivery activity, and
- b) is intended to promote or facilitate the use of the Welsh language, or to promote or facilitate the treatment of the Welsh and English languages on the basis of equality, when that activity is carried out

We believe that this proposed Measure will have some significant implications with regards to our current Welsh language provision. The proposed Measure suggests that we would need to ensure a level of Welsh language provision for our activities within Wales that we would not otherwise provide on the basis of customer demand. We are concerned that the potential requirements of the service delivery standards may detract from our key commercial function, which is to offer innovative products and services to our customers in Wales.

RWE npower currently offers a live translation service to anyone (Welsh or otherwise) who requests it. Despite promoting these services on both our website and in all our Codes of Practice, we have received

no requests for these services in Welsh during the past twelve months. Please find below a list of the top ten languages (and the number of calls) requiring translation services in 2009.

Language	No. Of Calls
Polish	3728
Punjabi	871
Urdu	626
Hindi	482
Portuguese	338
Bengali	278
Somali	269
Slovak	254
Russian	214
Arabic	213

As the proposed Measure is currently drafted, it is clear that there will be some significant changes to the way we would be required to conduct our business within Wales as well as require specific record-keeping duties associated with that business. This has not previously been a requirement and will not be required for the majority of our business conducted outside Wales. Given the low proportion of our customer base in Wales, this could have a disproportionate impact in terms of administration as well as practical implications for our retail business.

We would welcome further clarification on the likely requirements of the service delivery standards and record-keeping standards. This would enable us to assess the likely practical implications on our business of the proposed Measure more effectively.

We are also currently unclear about the extent to which our business may be impacted through the wording included in Schedules 7 and 8, in so much as the services deemed to be impacted will be:

- a) Gas, water or electricity services (including supply and distribution)
- b) Other services which related to services within paragraph a)

We are unsure what the services included in line b) refer to. For example, would the proposed Measure include the activities we undertake as part of provision of our CERT and / or CESP activities in Wales? We would also request clarity on whether some of the activities we currently undertake in Wales as part of our voluntary obligation (Health Through Warmth, home energy advisor visits etc) would also need to be included under the auspices of the proposed Measure.

We would also like confirmation that our home energy services division, hometeam activities (boiler servicing and installation would not be included). Whilst these are services relating to gas and electricity, we do not believe that other providers of similar services would be impacted in the same way.

**3. Subject to any answer given in relation to question 2, how will the proposed Measure change what your organisation does currently and what impact will any such changes have?**

Further to our response to question 2 (leaving aside the uncertainty regarding the likely requirements of the service delivery and record-keeping standards), we anticipate that we would need to recruit Welsh speaking staff for our customer contact centres which are based in the North East of England. We would need to ensure that future sales agents and the compliance staff that oversee the sales function also had a Welsh speaking capability.

Should the service delivery standards require it, we would need to translate and maintain all our customer correspondence in Welsh – including details of all our promotional and sales activities undertaken in Wales. Given the current low customer numbers in Wales versus our entire customer portfolio, this is likely to represent a significant overhead.

We would also be required to maintain additional record-keeping standards for our Welsh customers, which would be in addition to our existing rigorous compliance and monitoring activities. Additional training and support would be required to adhere to the necessary standards.

**4. Are the sections of the proposed Measure appropriate in terms of achieving the stated objectives?**

***In considering this question, consultees may wish to consider the nature of the provisions in the proposed Measure that:***

- a) make further provision about the official status of the Welsh language (section 1).***
- b) establish the office of the Welsh Language Commissioner and his / her functions (sections 2-21).***
- c) establish the Advisory Panel to the Welsh Language Commissioner (sections 22-23).***
- d) establish a new system for placing Welsh language duties on persons in the form of standards (sections 24-69).***
- e) establish a procedure for the Commissioner to investigate a failure to comply with standards (sections 70-99).***
- f) make provision about the freedom to use Welsh (sections 100- 108).***
- g) establish a Welsh Language Tribunal (sections 109-124).***
- h) relate to the integrity of the Commissioner and Deputy Commissioner sections 125 -133)***
- i) abolish the Welsh Language Board, transfer functions to the Commissioner and replace Welsh Language Schemes with the application of standards (sections 134 - 138).***
- j) make the supplementary provisions (sections 139 – 146)***

RWE npower does not have a specific view on the wording of the proposed Measure.

**5. What are the potential barriers to implementing the provisions of the proposed Measure (if any) and does the proposed Measure take account of them?**

For RWE npower, there are likely to be some significant barriers in terms of implementing the provisions of the proposed Measure. The most significant would be the potential difficulty of recruiting Welsh speaking staff for our contact centres, which are based in the North East of England.

The proposed Measure does not take account of these potential barriers – although the Explanatory Memorandum makes the point that:

“9.8 ...For services such as help lines and call centres, it may be easier to locate Welsh language provision in Wales.” Given our current significant investment and structural redesign of npower’s customer services within the North East, which are designed to ensure a consistent and exemplary standard of customer service; establishing a separate infrastructure in Wales (solely catering for Welsh language provision) would not be a viable option.

npower does have Welsh language speaking staff based in Wales (as part of our Energy Services business) – however, the systems, staff and work undertaken are not comparable to the work undertaken in the North East for our core npower customers.

Depending upon the implementation date (and scope) of the proposed standards, we may also have difficulties in ensuring our IT systems and internal resources are able to cope with a transition to bilingualism. Therefore, we would be grateful if the scope and range of the standards could be published as soon as they are available, in order to provide us with as much time as possible to make the necessary changes.

**6. What are the financial implications of the proposed Measure for your organisation, if any? In answering this question you may wish to consider Part 2 of the Explanatory Memorandum (the Regulatory Impact Assessment), which estimates the costs and benefits of implementation of the proposed Measure.**

With regards to the Regulatory Impact Assessment in Part 2 of the Explanatory Memorandum, we agree that

*“As a Schedule 8 company, which has not been previously been subject to such as scheme.....(the costs) cannot be predicted prior to consultation with regard to the standards that will apply to them”.*

It is very difficult for RWE npower to make a fully costed assessment of the likely costs of this proposed Measure, given the uncertainty surrounding the likely requirements of the standards – and expected speed of full implementation. On a general basis, we have received indicative costs from key departments that would be affected and these indicate significant and ongoing costs – in particular for the development of Welsh marketing material. The ability to recruit and retain fluent Welsh speakers for our customer contact centres and sales staff would also represent additional costs and potential difficulties.

**7. Are there any other comments you wish to make about specific sections of the proposed Measure?**

We have no comments about specific sections of the proposed Measure. We reiterate our previous stance that RWE npower would prefer to see the development of Welsh language demand coming from customers, and that the provision of such services is regarded as a differentiator within the competitive market.

As a non-incumbent supplier within Wales, our customers have actively chosen to be supplied with gas and / or electricity from npower, a company that does not differentiate between its customers in Wales, England or Scotland.

According to the Welsh Fuel Poverty Charter, 1 in 4 Welsh customers are in, or at risk of being in, fuel poverty, due to the type of housing, higher than average electricity distribution costs, availability of mains natural gas and the economic situation in Wales. We would caution the National Assembly for Wales against any additional regulations, which could increase the costs of energy and associated services in Wales; particularly if there is currently little customer demand to do so. To date the demand for our Welsh language services has been negligible.

We fully understand and appreciate the sentiments behind this proposed Measure, and as such support the Welsh Assembly Government's intention to provide greater clarity and consistency for Welsh speakers in a way which establishes a system that would ensure all duties imposed upon us are both reasonable and proportionate. We are, however, concerned that as a supplier with a relatively small Welsh customer base, there will be little opportunity for ensuring that the resultant duties to be imposed upon us as a result of this proposed Measure are both proportionate and reasonable.

We would also like clarity on whether there will be a *de minimis* level of customer base, which would apply to some of the smaller, more diverse gas and electricity suppliers.