

WPD CUSTOMER PANEL		 WESTERN POWER DISTRIBUTION <i>Serving the Midlands, South West and Wales</i>
Last revised : 21.12.18	Meeting Minutes	Notes by: Nicki Johnson

Date	13.12.18	
Time	10.00-15.00	
Venue	WPD Worcester Depot	
Attendees	MA - Mari Arthur, Sustain Wales HC - Hugh Conway, Major Energy User's Council SG - Sean Gauton, University of Nottingham JH - John Hannah, British Red Cross PM - Pauline Mahon, vulnerable customer representative GM - Gabby Mallett, National Energy Foundation DM - David Mitchell, Chemical Industries Association DPI - Daksha Piparia, independent consultant MR - Michael Rowe, Institute of Engineering & Technology NR - Nicola Roberts, South West Water CT - Cath Tibbles, Whitwick Parish Council MW - Mike Whittingham, Customer	WPD: PS - Phil Swift (part) AS - Alison Sleightholm AW - Alex Wilkes KM - Karen McCalman NJ - Nicki Johnson MW - Matt Watson (part) JM - Jo Mainstone (part) MF - Maurice Fletcher CEG Chair DMc - Duncan McCombie, YES Energy Solutions (invited to observe only)

Customer panel minutes December 2018

The Panel invited Duncan McCombie (DMc) to attend the meeting as an observer as he was scheduled to present to the group later.

Phil Swift (PS) introduced the day as the new CEO of WPD.

Maurice Fletcher – a non-exec director attended the meeting and told the group about being a non-exec director and attending Board meetings. He also attends the Holding Board meetings with PPL.

1. WPD Performance Update

Alison gave the group an update on WPD's latest performance.

SG (Sean Gauton) noted the LTI graph doesn't include detail such as near misses and SG would like more detail to be covered at a meeting next year. AS (Alison Sleightholm) agreed that in a future meeting we will focus on safety and include initiatives, LTAs, non-lost time accidents and near misses in.

ACTION: Session on safety to be covered in 2019

The group talked about near misses and how WPD encourage people to report near misses. PM (Pauline Mahon) also mentioned stress and pressure on non-field staff. AS noted such issues would be covered by the safety climate campaign. PS explained this independent review analyses

thousands of pieces of data and told the group about the 'Juice' role play and safety presentations all staff have and the safety workshops WPD undertakes annually.

MR (Mike Rowe) asked if WPD are taking any action in the mental health arena? AS confirmed we are encouraging staff to mention problems early, occupational health are introducing a new website for employee health and we have a free employee assistance programme.

GM (Gabby Mallet) noted some panel members have expertise in the field and would most likely be able to help in this arena outside of the panel.

HC (Hugh Conway) asked if it should be target 30 (as opposed to the reported Target 60 in the slide pack). AS explained that Target 60 is known and embedded and driving further improvements as well as driving behaviour to simply restore supplies as quickly as possible. Changing to target 30 could frustrate people and apply added pressure to standby staff (often in the middle of the night).

HC also said its frustrating when people are told an outage will last 90 minutes but then the power is back on 20 minutes later. AS explained that in the very early stages of the fault this will always be an estimate –sometimes there is a repair to do and sometimes you can restore supply by moving customers to a different part of the network. What we are doing is trying to improve customer satisfaction in this instance by improving proactive contact – calls, and twitter updates, for example.

Brexit update

AS explained the preparations WPD is taking to ensure we mitigate against a 'no deal' Brexit.

Helm Review

AS updated the group on Greg Clark's response to the Helm review and the forthcoming Energy Bill (and imminent White Paper). DM (David Mitchell) said there was more going on and it would be interesting in seeing what happens in RII02.

2. Customer Engagement Group – an update

AW updated the group on the process of appointing a CEG Chair.

AW proposed to change the name of the established Customer Panel to "Customer Collaboration Panel" and explained Duncan McCombie will no longer attend this group.

DMc presented his thoughts on setting up the CEG to the Panel Members. HC asked where the money comes from to pay for this. AW explained this is customer's money so evaluation is needed to ensure the challenges that the CEG make are driving the right outcome for customers and delivering things customers' value. Remuneration and costs will be published.

HC asked if Ofgem had any input or provided direction for WPD? DMc confirmed they have given guidance around the remit and purpose of the group but the industry is still talking to Ofgem about expectations for meetings, etc. AW feels we have enough guidance to proceed for now. HC felt that all six DNOs should have the same Terms of Reference for their CEGs.

MA (Mari Arthur) asked if WPD can share information and learning (and outputs) with water and gas companies? DMc agreed this would be beneficial and said he's already talking to gas Chairs about the process and lessons to be learned, etc. AW/DMc agreed we will certainly be learning from their work and we aim to collaborate with other chairs/CEGs.

GM wondered if other Panel Members could also attend 'onboarding'. She also asked if CEG is looking at the Business Plan then won't this change what the Panel does? AW said sometimes CEG challenges will require panel expertise, some may require independent research for example but Panel can advise so both are worthwhile having.

DP (Daksha Piparia) says we need a calibre of person who can facilitate a conversation with a customer – we must not exclude people just because they've never sat on a panel. We must be really clear about what a challenge looks like and we must ensure the challenges are relevant. AS agreed we want a CEG of committed individuals who can generally challenge us and will ensure we actually can measure what is delivered.

MW (Mike Whittingham) asked if the CEG might be a two way process with Ofgem. DMc said he would hope so assuming the customer support is driving the challenge.

MA asked what the Ofgem CCG is. DMc said their role is to overview everything and challenge Ofgem (feeding into Gema, the Ofgem board).

ACTION: Panel members endorsed WPD's planned approach and agreed to let WPD know if they feel anything (e.g. expertise levels) is missed

ACTION: Panel members invited to let WPD know about anyone they think would be fitting CEG members.

ACTION: With respect to WPD's proposed draft engagement plan for RIIO-ED2, Panel members invited to consider further stakeholder groups and methods of engagement and inform WPD.

3. 2019 Stakeholder Workshops

AW updated the group on the plans for WPD's flagship workshops to be held in February next year.

ACTION: Panel members were invited to endorse the plans/proposed content for the February workshops.

Social Obligations Workshop

KM and NJ gave the group an update on recent actions and worked through the Social Obligations Strategy for 2019, inviting feedback and comments.

ACTION: Hs2 have 'community' funding – can we look into them topping up funding for partners – KM to investigate

ACTION: MA to let WPD know LA contact for Warm Wales/W&WU PSR door knocking project

ACTION: MW to let KM know contacts for private landlords at Rugby LA

ACTION: KM to investigate adding PSR advert to hospitals and chemists

ACTION: Members to let KM/NJ know of any feedback and endorse the 2019 strategy

Meeting and review of WPD D&I initiatives and the careers website

Jo Mainstone (WPD) met with Daksha to review our diversity and inclusion methods. DP's feedback was taken into account and a number of website tweaks and improvements were made.

ACTION: JM to make agreed improvements/amendments to WPD's careers website

Summary of actions

1. Session on safety to be covered in 2019
2. Panel members endorsed WPD's planned CEG approach and agreed to let WPD know if they feel anything (e.g. expertise levels) is missed
3. Panel members invited to let WPD know about anyone they think would be fitting CEG members
4. With respect to WPD's proposed draft engagement plan for RIIO-ED2, Panel members were invited to consider further stakeholder groups and methods of engagement and inform WPD
5. Panel members were invited to endorse the plans/proposed content for the February workshops
6. Hs2 have 'community' funding – KM to investigate them topping up funding for partners
7. MA to let WPD know LA contact for Warm Wales/W&WU PSR door knocking project
8. MW to let KM know contacts for private landlords at Rugby LA
9. KM to investigate adding PSR advert to hospitals and chemists
10. Members to let KM/NJ know of any feedback and endorse the 2019 Social Obligations strategy
11. JM to make agreed improvement amendments to WPD's career website

WESTERN POWER 
DISTRIBUTION

Serving the Midlands, South West and Wales

WPD Customer Panel

Worcester Depot

Thursday 13 December 2018

Today

- 09.30 Closed member session – optional for all members
- 10.05 Update on our performance
Alison Sleightholm (Resources and External Affairs Director)
- Strategic Priority: Customer Awareness
Alison Sleightholm (Resources and External Affairs Director)
- 11.20 RIIO-ED2 enhanced engagement (forming a new CEG)
Alex Wilkes
- 12.20 Actions from last meeting & future agenda items
Nicki Johnson (Stakeholder Engagement Officer)
- 12.30 2019 Stakeholder Workshops
Alex Wilkes (Stakeholder Engagement Manager)
- 13.00 Lunch
- 13.30 Split session:
- A: Connections & business customers
 - B: Social obligations

Today's afternoon surgeries

Connections & business customers, to include:

- Update on Project Entire from Matthew Watson

Social obligations to include:

- Update on recent activity
 - Successful BSI assessment
 - Energy Affordability Fund
 - Social Obligations workshop
- Social Obligations Strategy going forward
 - obtaining Panel feedback and endorsement



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Performance Update

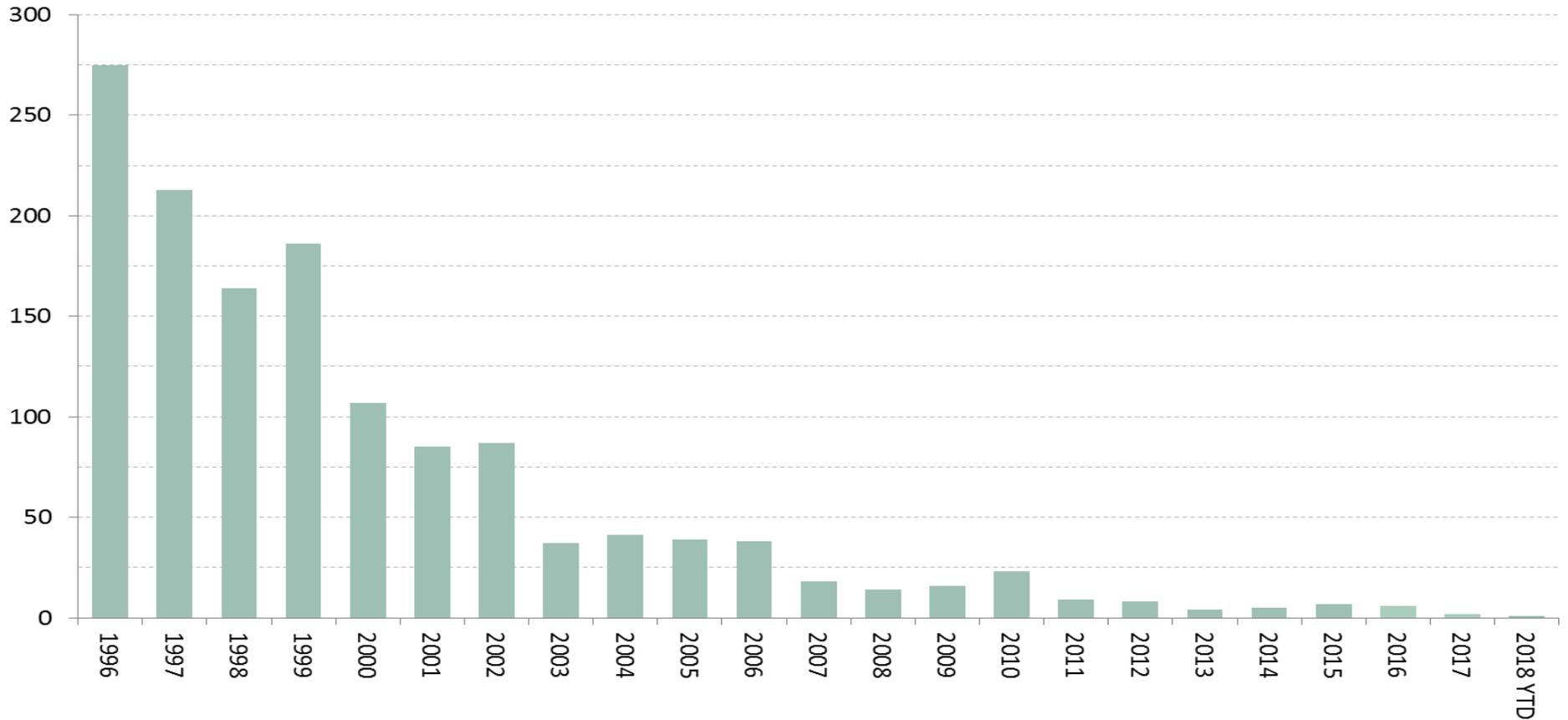
Thursday 13 December 2018

Alison Sleightholm

Resources and External Affairs Director

Safety – lost time accidents

No. of accidents



1 x Lost Time Accident - South West (April 2018)

Potential IIS outturn 2018/19

	WPD West Midlands		WPD East Midlands		WPD South Wales		WPD South West	
	CI	CML	CI	CML	CI	CML	CI	CML
Ofgem IIS Target 2018/19	84.1	52.8	51.0	38.0	53.1	33.4	58.5	43.8
Potential IIS Outturn 2018/19	56.8	34.1	39.5	23.0	40.0	24.4	50.2	40.9
Potential % Out Performance	32.4%	35.5%	22.5%	39.6%	24.8%	27.1%	14.2%	6.6%
*Potential reward (£m†)	20.5		19.5		6.1		3.7	

Updated up to 30/11/2018

*Subject to Ofgem audit

†At 2018/19 prices

IIS: Interruption and Incentive Scheme

CML: Customer Minutes Lost (average number of minutes lost per customer, per year)

CI: Customer Interruptions (number of customers whose supplies have been interrupted per 100 customers per year over all incidents)

Reliability – ‘Target 60’

1 Hour Restoration Rate	WPD Company	
Year ended 31 March 1999	51.9% (West & Wales)	47.6% (Midlands)
Year ended 31 March 2001	57.6% (West & Wales)	38.3% (Midlands)
Year ended 31 March 2002	74.9% (West & Wales)	39.2% (Midlands)
Year ended 31 March 2004	82.0% (West & Wales)	47.9% (Midlands)
Year ended 31 March 2006	85.8% (West & Wales)	59.1% (Midlands)
Year ended 31 March 2007	84.6% (West & Wales)	54.9% (Midlands)
Year ended 31 March 2008	85.5% (West & Wales)	61.9% (Midlands)
Year ended 31 March 2009	86.3% (West & Wales)	61.9% (Midlands)
Year ended 31 March 2010	85.7% (West & Wales)	65.8% (Midlands)
Year ended 31 March 2011	86.9% (West & Wales)	62.6% (Midlands)
Year ended 31 March 2012	80.7%	
Year ended 31 March 2013	86.7%	
Year ended 31 March 2014	88.7%	
Year ended 31 March 2015	89.6%	
Year ended 31 March 2016	89.2%	
Year ended 31 March 2017	89.2%	
Year ended 31 March 2018	88.5%	
Year to date (up to end November 2018)	88.1%	

Contact Centre performance

November 2018 - regulatory year to date

Inbound

Service	Total calls	Average speed of response - Calls 1.45 seconds
General enquiries	119,484	Average speed of response - Twitter 4 Min 23 Secs
No supply	579,907	Average speed of response - Webchat 42 seconds
Calls to 105 (included above)		252,793 (43.59%)

Outbound – Proactive

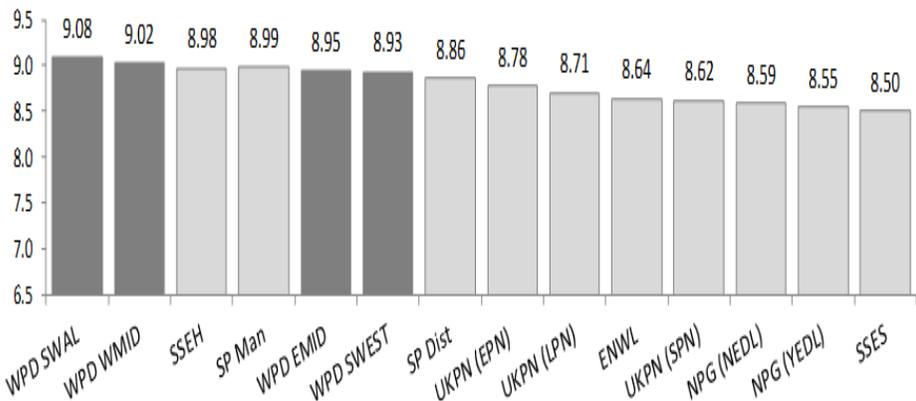
	Total call backs	Total to vulnerable customers
During fault	55,013	47,587
When ETR changes (Estimated Time of Restoration)	44,682	12,047
Post fault	175,901	49,495
Total	275,596	109,129
Total proactive text messages sent		460,290

Priority Service Register data cleanse

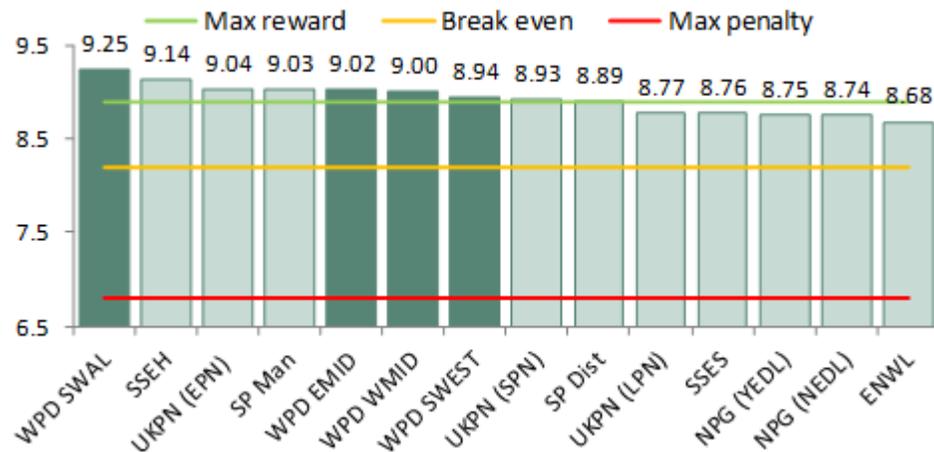
	Total contacts
Customers attempted to contact	694,398
Success rate	20%
Onward referrals made (e.g. for fuel poverty support)	9778 (including 4320 referrals to fire service)

2018/19 Customer Service – October YTD

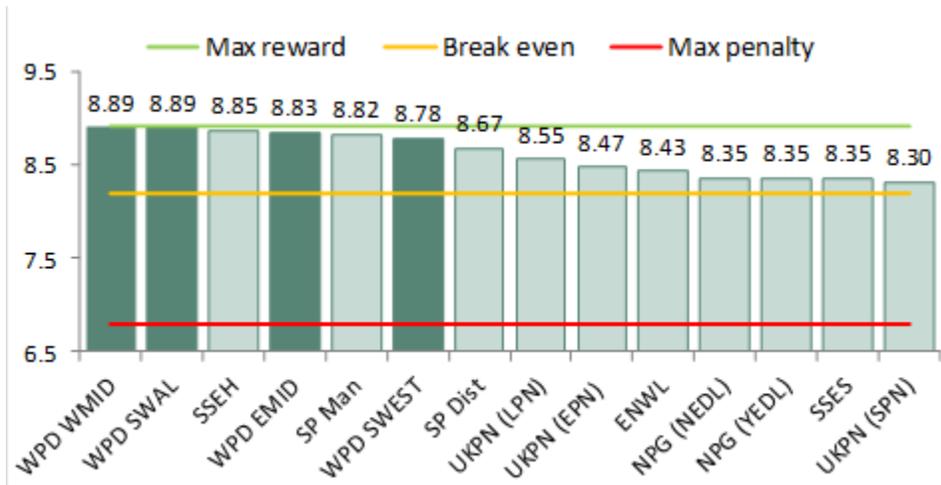
Overall Combined



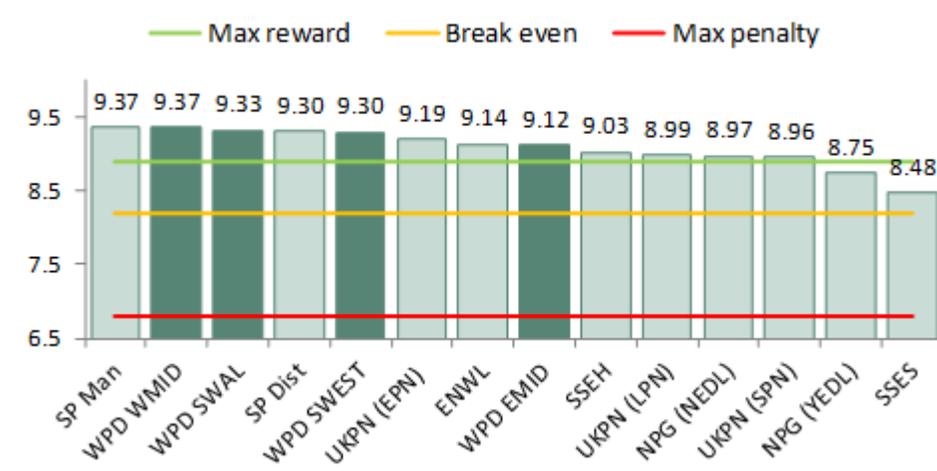
Interruptions



Connections



General Enquiries



Note: Ofgem's incentive only considers individual performance in the 3 categories. An overall score is generated for summary purposes, using Ofgem's weightings of : 30% Interruptions; 50% Connections; 20% General Enquiries

On track revenues

By licence

DNO	Amount (£m)	% of Maximum	Power Cuts	Unsuccessful Calls Penalty (already included in the power cut reward values shown)	Connections	General Enquiries
WPD South Wales	£2.20	100.00%	£0.70	-£0.00	£1.04	£0.46
WPD West Mids	£4.64	100.00%	£1.39	-£0.02	£2.32	£0.93
SSE Hydro	£2.21	95.50%	£0.70	£0.00	£1.05	£0.46
WPD East Mids	£4.37	94.26%	£1.39	-£0.02	£2.05	£0.93
SP Manweb	£3.67	93.22%	£1.16	£0.00	£1.70	£0.81
WPD South West	£2.97	91.43%	£0.93	-£0.01	£1.34	£0.70
SP Distribution	£2.95	82.05%	£1.04	£0.00	£1.21	£0.70
UKPN LPN	£2.42	69.71%	£0.85	£0.00	£0.88	£0.70
UKPN EPN	£3.70	69.49%	£1.62	£0.00	£1.04	£1.04
ENWL	£2.03	56.42%	£0.74	£0.00	£0.59	£0.70
UKPN SPN	£2.00	55.55%	£1.04	£0.00	£0.26	£0.70
NPG North East	£1.48	55.44%	£0.61	£0.00	£0.29	£0.58
NPG Yorks	£1.80	50.13%	£0.85	£0.00	£0.39	£0.57
SSE Southern	£2.07	42.44%	£1.16	£0.00	£0.52	£0.39

By DNO group

DNO	Amount (£m)	% of Maximum
WPD	£14.17	96.30%
SP	£6.62	87.89%
UKPN	£8.12	65.51%
SSE	£4.28	59.56%
ENW	£2.03	56.42%
NPG	£3.28	52.39%

Brexit timetable

Key dates for agreement	
11 Dec 18	Theresa May presented Brexit deal to UK Parliament to vote on final agreement
13-14 Dec 18	EU summit. Last chance to reach agreement, or “No Deal”
21 Jan 19	UK Parliament approve the Withdrawal Agreement, or “No Deal”
Feb-Mar 19	UK Parliament pass the EU (Withdrawal Agreement) Bill to implement the Withdrawal Treaty and future partnership,- or “No Deal”
29 Mar 19	UK leaves EU - with “Deal or No Deal”
31 Dec 20	End of Transition Period

WPD Preparations

- Purchasing team currently undertaking a strategic stock supply chain review
- We are advance buying equipment and kit as necessary
- Reviewing status of settled EU workers
- Internal Audit are conducting a ‘No-deal’ risk assessment
- WPD are protected by the RIIO-ED1 package agreed to 2023

Government response to the Helm review

- Greg Clark's speech "***After the Trilemma: Four Principals for the Power Sector***" outlined his vision for the future of UK energy
- Clark declared the 'Energy Trilemma' - the competing tension between energy costs, security and climate change impacts as "*coming to an end*"
- He suggested the UK's future energy regulation will be built around four key principles: the market, insurance, agility and no 'free-riders'
- Clark also outlined new initiatives designed to put these new principles into practice:
 - **A network engineering standards review to support DSO transition**
 - **Regulatory reviews to simplify the system**
 - **Ofgem review of energy supplier licences** to ensure Supply/Distribution distinction
 - **New Carbon Capture, Utilisation & Storage Strategy** for deployment from 2030
 - **Legal separation for the System Operator by April 2019**
- **Rolling all of these initiatives together, the Business Secretary announced a new Energy Bill, with an initial White Paper published in the next few weeks**



Serving the Midlands, South West and Wales

Focus on a Strategic Priority: Customer Awareness

Alison Sleightholm

Resources and External Affairs Director

Context

- WPD's long-term strategic priorities are:
 - Keeping the lights on
 - Smart networks
 - Environment & sustainability
 - Workforce renewal, skills & training
 - Vulnerability
 - Government legislation/policy
 - Affordability
 - Customer information and data
 - Customer awareness

- **Today:**
 - *Spotlight on:* **Customer awareness**

Communications strategy

We continue to increase public awareness and are refocusing our communications strategy in light of the changing nature of the industry and increased scrutiny.

Aims:

- To promote WPD as the **legitimate** company to operate and manage the UK's largest distribution network, and as the recognised **leader in innovation**
- To highlight the **value for money** that customers receive for our service
- To explain the smart future of energy distribution, simply, creating **DSO awareness** and an understanding of the wider benefits

Key messages:

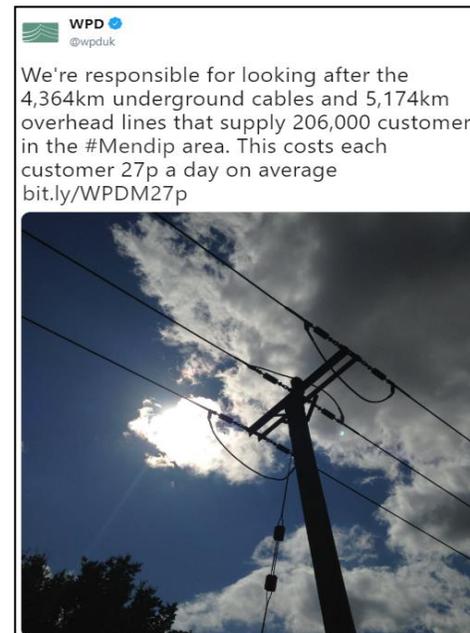
- Proven track record of operational and customer service excellence
- Scale of investment (**£7.1bn** over 8 years) and customer cost (average **27p per day**)

Channels:

- Include media, social media and newsletter to reach various key stakeholders

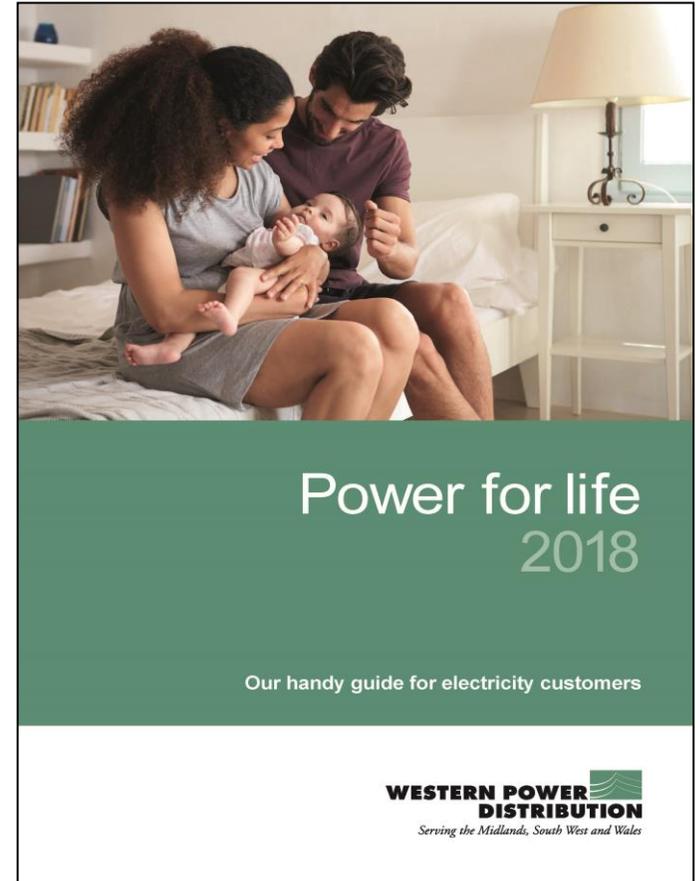
UtilityWeek

Western Power Distribution
uses AI to identify EV hotspots



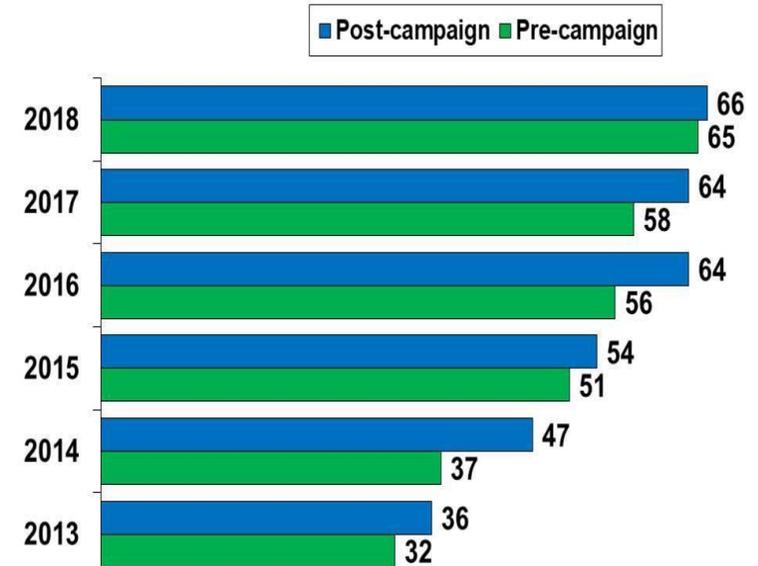
Power for Life

- WPD's ninth annual customer awareness campaign was launched in September, as part of the company's Power for Life initiative
- The campaign featured TV and social media advertising, a four-page leaflet delivered to 7.9 million homes and businesses, and face-to-face opinion research
- Independently-conducted research (pre and post campaign) was undertaken using a random sample of 2,000 customers from across 20 towns and cities



Power for Life

- The opinion research gauged customer awareness of WPD as well as the effectiveness of the campaign in raising the company's profile and getting across key messages
- Pre-campaign awareness reached its highest ever level at 65% (58% in 2017), while the post campaign increased to 66%, up 2% on 2017
- **Awareness of WPD has increased by 30% since 2013**
- Customers said their preferred methods of receiving WPD information was:
 1. Newsletters or leaflets to home addresses
 2. Website and TV/radio
 3. Social media (173,000 people followed the campaign on Facebook)
- Preferred information was highlighted as:
 - What to do in the event of a power cut
 - General information about the company with a summary of what WPD does
 - Contact information and who to call about different services



Other customer awareness activity

Be Winter Ready – first ever national campaign, initiated and co-ordinated by WPD. It reached around 2 million people last winter. Similar initiative this year using social media and traditional media.

Think Safe. Stay Safe – landowner/user/drone safety campaign reached over 730,000 people (via social media, direct mail, advertising, exhibitions) during the summer.

PSR/105 – distributed 250,000 pharmacy bags via chemists across our region to promote our Priority Services Register and the 105 contact number. Survey of 30 pharmacies showed that 97% had recommended our PSR to their customers while 100% recognised 105 as the national power cut number (it was 3% before the bag promotion began).

Safety education – WPD's educational activity has reached 71,000 children at 3,200 separate sessions during the year, involving school visits, Crucial Crew and Lifeskills events.

Social media activity



- 26,400 followers
- 23,500 tweets received YTD
- Average speed of response: 4 minutes
- 381,000 visited @wpduk page YTD

- Used for customer service, latest news and public relations promotion
- Proactive power cut / storms messaging



- 13,800 followers
- Reached 2.5m people YTD
- Achieved 126,000 engagements

- Used to promote key customer messages and campaigns
- Proactive storms messaging



- 4,200 followers
- Reached 170,000 people

- Focuses on corporate messaging (e.g. Future Networks, DSO)
- Careers promotion

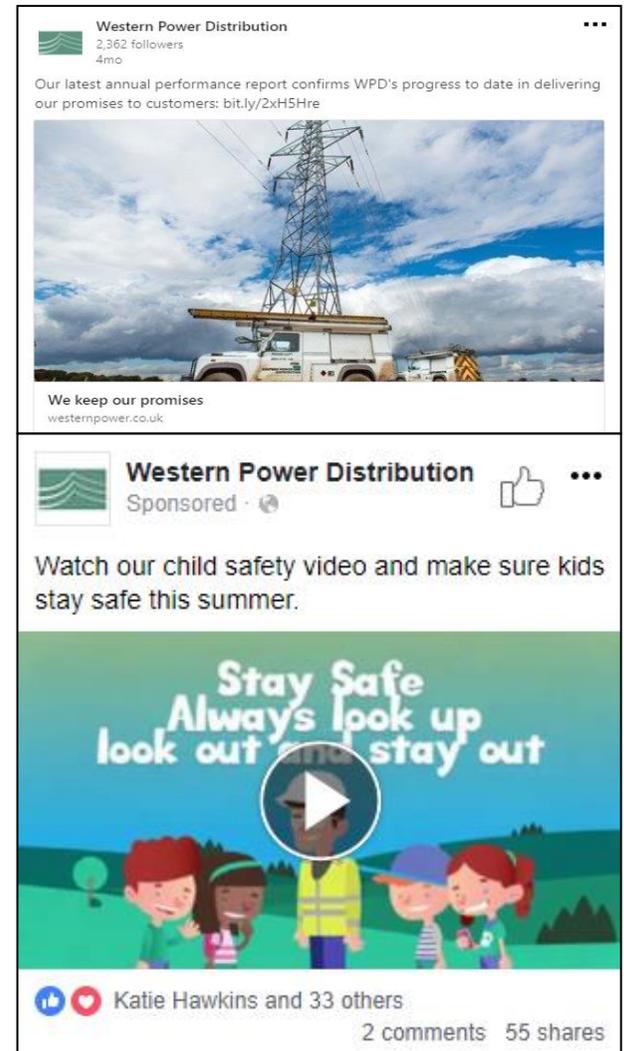


- Launched in August 2018
- 700 followers (3rd largest page among DNOs within first two months)

- Public relations promotion
- Latest news

Examples of social media activity

- **Landowner and leisure safety** campaign included targeting multiple audience groups about safety when farming, flying drones, ballooning, angling, camping and sailing as well as child safety (reach: 334,000 people last year).
- **Business plan** promotion highlighted our commitments and performance in areas such as reliability, safety and environment (reach: 191,000 people).
- Supported **Community Energy** activity including Community Energy Fortnight (reach: 189,000 people to date).
- Posted a series of interviews and a video in support of **Women in Engineering Day**, (reach: 49,000 in 24 hours).
- Used **Deaf Awareness Week** to promote support of hard of hearing staff and customers, including subtitled/British Sign Language videos, text service etc. (reach: 60,000 people).



Storm reporting

- During a storm we ensure communication is co-ordinated and shared online, on social media and through local/national media so customers receive regular and accurate information
- Information is shared in a timely manner, from the point where preparations begin, throughout the storm and shortly after the bad weather has passed
- Latest updates are published online and via email, Twitter and Facebook pages
- We use a combination of images and videos offering power cut advice while promoting 105, PSR, the online power cut map and power cut reporter App to boost awareness

Western Power Distribution
Published by Mike Clarke (?) · 19 September ·

Noon update: Despite blustery conditions, the network currently continues to operate under normal conditions, with few weather-related incidents affecting customers. Please visit our live power cut map for the latest information on power cuts in your area or download our Power Cut Reporter app: <https://www.westernpower.co.uk/updates>

Live power cuts map

Map key Your postcode... Q WESTERN POWER DISTRIBUTION
Bringing the Midlands, South West and Wales

The screenshot shows a map of the United Kingdom with several red location pins indicating power cuts. The map is titled 'Live power cuts map' and includes a search bar for 'Your postcode...'. The Western Power Distribution logo is visible at the top of the map interface.

WPD @wpduk

4pm update: We're now 'Business As Usual' but our standard precautionary measures remain in place for the forecasted wind and rain tomorrow.

With challenging working conditions we have so far successfully restored supplies to over 21,000 customers today: [westernpower.co.uk/updates](https://www.westernpower.co.uk/updates)

The screenshot shows a tweet from Western Power Distribution (@wpduk) with a background image of a stormy sky over a landscape. The text of the tweet provides a 4pm update on the status of the network and mentions that over 21,000 customers have been successfully restored.

Western Power Distribution
Published by Conversational (?) · 24 September ·

Here's a summary of how we performed last week during #StormAlli and #StormBronagh: www.westernpower.co.uk/summary

Storm Summary

Storm Alli & Storm Bronagh
Tuesday 18th - Friday 21st September 2018

131,756 Total WPD Customers restored in 4 days

Hits on website 118,851	Calls answered within 20 seconds 98.9%	Number of calls taken by our contact centre 18,932
Average speed of call response 2 seconds	Number of customers reached via social media 295,000	Number of proactive texts sent to customers 14,967
Power cuts reported online 382	Number of calls to priority service customers 3,479	Highest wind speed 69 mph <small>Recorded at Bury Park, Devon</small>

The infographic provides a comprehensive summary of Western Power Distribution's performance during Storm Alli and Storm Bronagh. It features a grid of key performance indicators (KPIs) such as website hits, call response times, and the number of customers restored. The overall achievement of restoring 131,756 customers in 4 days is highlighted at the top.

Summary and focus for 2019

- Post campaign awareness has increased to 66% (from 36% in 2013)
- A comprehensive communications presence ensures customers have a range of ways they can learn about, and contact, WPD
- We will continue to provide storm updates and reports
- Using various channels (including new methods such as webchats, MP newsletters and Instagram, for example) we will continue to
 - Update stakeholders on our **proven track record of operational and customer service excellence**
 - Promote WPD as the **legitimate** company to operate and manage the UK's largest distribution network, and as the recognised **leader in innovation**
 - Highlight the **value for money** that customers receive for our service (average customer cost is **27p per day**)
 - Share details of our £7.1bn investment at a local level
 - To explain the smart future of energy distribution, simply, creating **DSO awareness** and an understanding of the wider benefits



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RIO2 Customer Engagement Group - Process to build the group

Alex Wilkes, Stakeholder Engagement Manager

Customer Panel December 2018

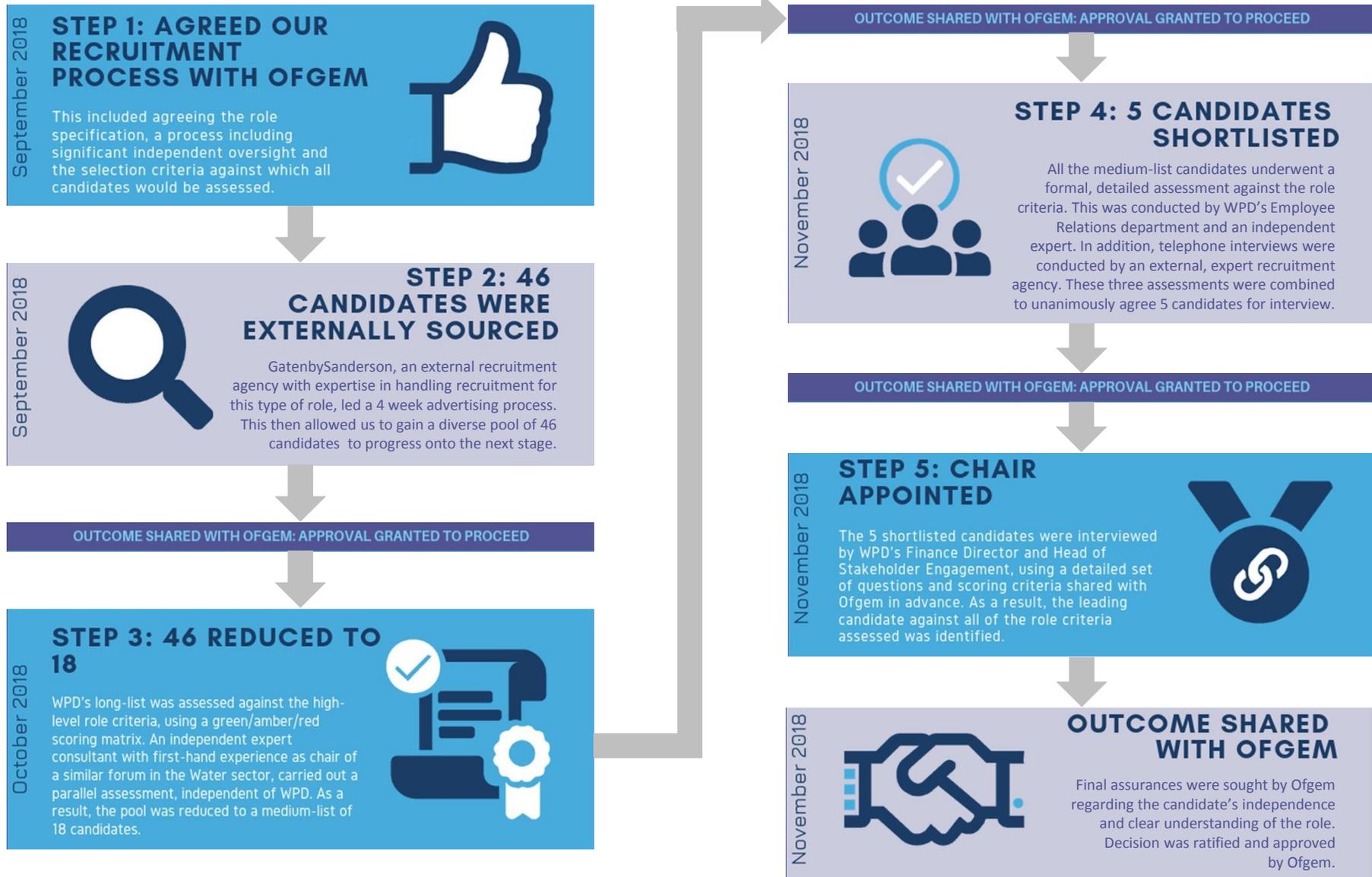
Re-cap / context

- Ofgem has set out its expectations for “Enhanced Engagement” in their next price control period (called RIIO-ED2)
- WPD is required to design, establish and resource a Customer Engagement Group (CEG) that will scrutinise and challenge their business plan and the quality of engagement undertaken to create it
- The CEG should provide assurance to Ofgem that WPD’s Business Plan understands and addresses the needs and preferences of customers
- These company-led groups are expected to supplement and review – not substitute - the stakeholder engagement that companies must undertake to develop their plans
- The CEG will produce a report which goes alongside the WPD business plan
- The process builds on other sectors – water, gas, transmission, who have the approach built into their price controls

Appointing a CEG Chair

- This group must be independently chaired
- Ofgem will hold regular meetings with all CEG Chairs
- WPD followed an extensive and robust 4 month recruitment process
- This included considerable independent oversight (including parallel processes to assess candidates) to provide assurances to Ofgem of the appropriateness of the appointment

Appointing a CEG Chair – the process



The Chair



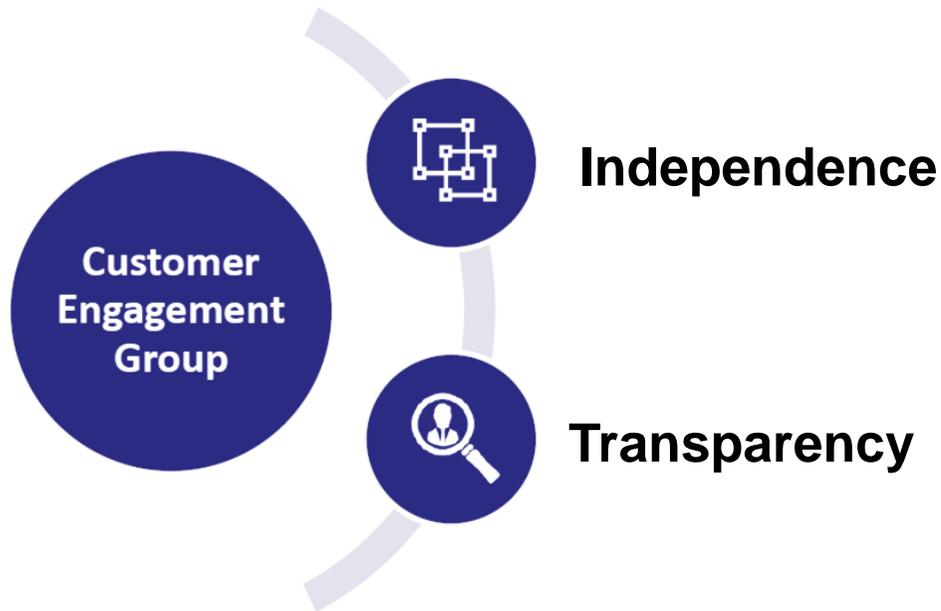
- **WPD has appointed Duncan McCombie as CEG Chair**
- Chief Executive of multi-award winning fuel poverty business, YES Energy CIC
- Passionate about representing and achieving the very best outcomes for consumers – with direct “at the coal-face” recent experience interacting directly with the consumers he represents
- Established Chair: *recently led Existing Homes Network for Wales*
- Vast experience as independent consumer expert:
 - *Welsh Water Consumer Challenge Group for PR19 (their latest price control period)*
 - *Climate Change Commission for Wales*
 - *Welsh Transport Minister’s Low Carbon Vehicle Steering Group*
- Extensive topic expertise: *consumer vulnerability, fuel poverty, sustainability, resilience, innovation and stakeholder engagement* (all developed working in heavily regulated sectors including water and energy)

The existing Customer Panel

- The new CEG differs markedly to any existing forum – it is strictly to challenge and scrutinise
- By contrast, the existing Customer Panel is a collaboration and advisory group and an integral *part of the WPD* engagement programme
- The Customer Panel remains very important. The distinction between the groups will be clearly defined
- **To aid this distinction it is proposed to rename this group WPD’s “Customer Collaboration Panel”**
- Given the timeline of the CEG set-up and very recent Chair appointment (necessitating Duncan’s immediate exit from this group) plans are yet to be finalised on the future leadership of the Customer Collaboration Panel (incl. coordination of close sessions, agenda-setting and annual spotlight report etc.)
 - It is essential to WPD that they keep this highly effective Panel continuing - its activities and the contribution of members is highly valued
 - This is detailed/evidenced in the recent Spotlight Report, which sets out considerable action the Panel has driven in the past year
 - Very keen the CEG remains separate and clearly different in scope – it will not impact/distract from that valuable advisory/collaborative work continuing

Setting up the CEG

- As we now embark on the set-up of the CEG, we have identified **two key principles** we will focus on to demonstrate we are meeting/exceeding Ofgem's requirements and provide assurances of this:



The CEG's structure, membership and 'ways of working' as well as the creation thereof, must demonstrate the group's unquestionable independence from WPD

This independence must be clearly visible, with WPD taking all efforts to be transparent in how the group is formed, how it operates, and essentially, the value it delivers. The CEG will also ensure robust evidence of independence in actions

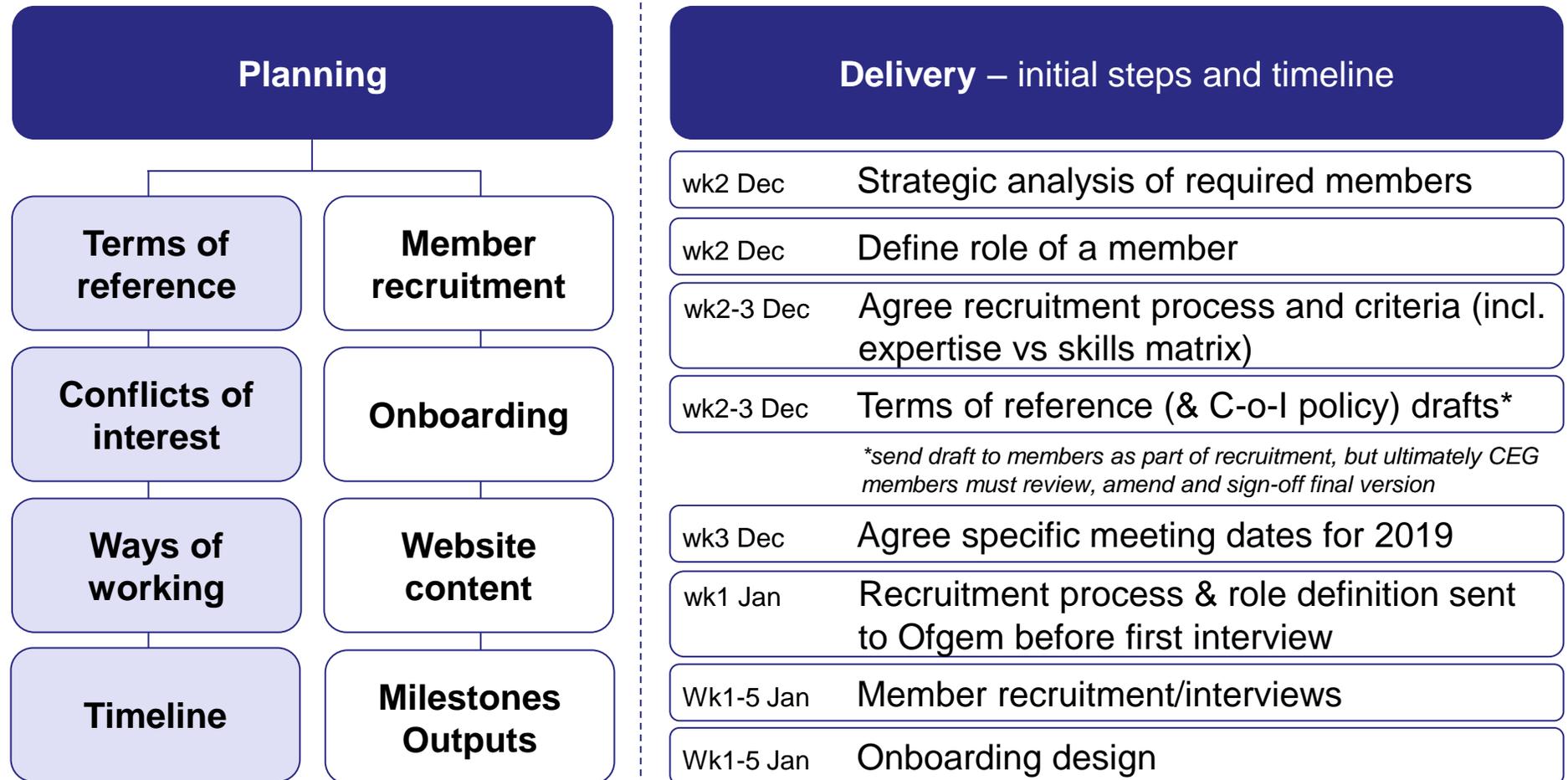
Key driver

CEGs are an essential feature of Ofgem's RIIO2 enhanced engagement requirements; **best-in-class companies will outperform in this area**

Decisions reached on the CEG to date

- Initially meet in-person 4 times a year – quarterly (move to 6 times on alternate months as we move into 2020), while remembering it is customer’s money
- Existing WPD engagement mechanisms (such as annual workshops and Collaboration Panel meetings) will be timed to occur after CEG meetings, as WPD may wish to use these forums to respond to challenges posed by the CEG
- An independent, external secretariat will be appointed
 - Transcribe all discussions, formally record actions/challenges, assist in report-writing and crucially provide an extra layer of independent oversight by “policing” compliance with terms of references and conflicts of interest policies
- Maximum 12 CEG members, available for full duration
- A core group structure initially, but with the potential for sub-groups to spin off, but only where clearly required and for the duration and purpose of a clearly defined objective
 - At this stage additional temporary members will be sought with specific expertise required to enhance the main CEG’s ability to challenge and scrutinise and/or provide specific contributions
- Duncan has already relinquished membership of the Collaboration Panel

Setting up the CEG - Next steps



To demonstrate value for money, WPD must be able to compare the benefit delivered by the CEG against the cost. To do so effectively, we will **build a consistent method of evaluating the consumer benefit delivered** as a result of the CEG's challenge

Questions to have in mind that we will return to at the end of the presentation

- **What are your overall reflections on WPD's planned approach?**
- **In there anything missed?**

WPD's draft engagement timetable for RIIO-ED2 – pt 1

- WPD's successful RIIO-ED1 engagement programme will form the foundation of our approach, with all of the consultation stages, forums and key deliverables replicated for RIIO-ED2 as a minimum. However, at every stage we will look to go significantly beyond this, utilise new innovations and seek to engage more stakeholders than ever before.

Stage 1: Preliminary engagement (stakeholder priorities)	Feb 2019	Stakeholder workshops – High-level priorities, regional variations
	March 2019	CEG (Customer Engagement Group) first meeting (on-boarding)
	May 2019	CEG further on-boarding (shadow existing Customer Panel)
	June 2019	Customer Panel
	July 2019	★ Written consultation (including webinars & online panels) - on high level priorities and initial improvement levels and output options
	Aug 2019	CEG - agree engagement approach and timetable (shadow existing Customer Panel)
	Sept 2019	Customer Panel
	Stage 2: Willingness to pay (incl. identifying specific deliverables)	Nov 2019
Dec 2019		CEG
Dec 2019		Customer Panel
Feb 2020		Stakeholder workshops – Specific service deliverables/options
Feb/Mar 2020		CEG

★ = support will be required from a range of WPD teams (regulatory finance, RRP, network strategy, etc.) to influence the content/numbers/forecasts needed for each consultation.

Yellow = key delivery milestones and/or submissions.

WPD's draft engagement timetable for RIIO-ED2 – pt 2

Stage 3: Business plan development	March 2020	Customer Panel
	May 2020	CEG
	June 2020	Customer Panel
	July 2020	★ Written consultation (including webinars & online panels) - on specific improvement levels, potential outputs and indicative expenditure levels
	Aug 2020	CEG
	Sept 2020	Customer Panel
	Sept 2020	★ Draft business plan published for stakeholders with written consultation
	Oct 2020	Stakeholder workshops – BP launch. Plus incentives, innovation and expenditure
	Oct 2020	★ Consultation (including webinars & online panels) – on incentives, innovation and expenditure
	Nov 2020	CEG – review of draft business plan and intended revisions
	Dec 2020	Customer Panel – review of draft business plan
Stage 4: Business plan refinement	Dec 2020	★ Second draft business plan published (incl. acceptability testing)
	Jan/Feb 2021	Workshops – Second draft business plan
	Jan/Feb 2021	CEG – draft independent report
	Feb 2021	Customer Panel
	March 2021	CEG – finalise independent report
	March 2021	Business Plan submission to Ofgem
	April 2021	Ofgem Challenge Group
	April 2021	Customer Panel
	April 2021	OPTIONAL stakeholder workshops – only if plan is “slow tracked”
	May 2021	CEG
	June 2021	Final Business Plan submission to Ofgem
July 2021	CEG	

★ = support will be required from a range of WPD teams (regulatory finance, RRP, network strategy, etc.) to influence the content/numbers/forecasts needed for each consultation.

Yellow = key delivery milestones and/or submissions.

Questions to have in mind that we will return to at the end of the presentation

- Are there any key, new stakeholder groups we should consider in our consultations, as we move forward?
- What methods of engagement best suit you and the wider stakeholders/customers you represent?
- Would you like to be involved in our consultation at key points?

Membership recruitment

- A strategic analysis of the requirements of the group members is currently underway
- Ofgem's guidance gives a starter-for-10, by stating that the CEG's focus should be to challenge WPD on the following areas:



- Overall company priorities
- Approach to sustainability, resilience and energy system transition (DSO)
- Proposed outputs and associated expenditure
 - *Enable members to comment on cost efficiency, by reviewing historic performance and industry comparison*
- Stakeholder engagement processes
- Support for vulnerable customers
- Company approach to innovation and roll-out of learning
- Future energy scenarios
- Alternative/flexible investment options considered
- Issues unique to local regions



Out of scope =

- Financing (cost of capital, debt, gearing, etc.)

- This will inevitably lead us to consider public interest groups as well as consumer representatives. We are also seeking political/BEIS input, with energy policy and future energy scenarios/needs in mind. A research expert will be essential. As well as energy supply and transmission/distribution representatives
- **It will therefore be necessary to seek high-calibre individuals that are able to represent more than one area of expertise** (enabling us to still achieve a manageable overall number of c.12 members)

CEG membership – summary of the role

A member of WPD's Customer Engagement Group (CEG) must:

- Understand the role and function of a CEG and how its work feeds into the overall RII02 price control process
- Be independent of WPD and Ofgem and be able to demonstrate complete impartiality
- Challenge the quality and extent of WPD's customer and stakeholder engagement, thereby providing appropriate assurance to Ofgem that the needs of customers are being addressed
- Assess, challenge and shape WPD's strategic priorities and approach, the options considered, and the justification of the selected option, across (for example):
 - sustainability and resilience
 - proposed outputs including service quality & safety
 - support provided to customers in vulnerable situations
 - approach to innovation
 - managing uncertainty and associated risks
 - regional differences and local issues
 - Needs of current and future generations (understand and respond to customer expectation/engagement)
- Develop and maintain good relationships with other CEG members, the Chair, and regulatory contacts
- Contribute to the group's working in an objective way, facilitating debate. This includes raising issues and/or challenges, when necessary, and making sure these are reported to the Chair and appropriately recorded

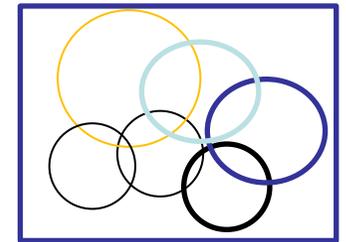
Questions to have in mind that we will return to at the end of the presentation

- Are there expertise areas we have missed?
- Do you have thoughts about who “fits the bill”?
- What should the “onboarding” process include?

CEG membership – requirements

The profile:

- We are particularly interested in people who can represent customers or system users. For example:
 - Engineering and/or business sector
 - Utilities sector (e.g. water and gas)
 - Voluntary & community sector
 - Local Government and Combined Authorities or LEPs
 - Academia
- Expertise and specialist knowledge in one or more of the following areas:
 - Finance and commercial strategy
 - Research, including digital inclusion
 - Community energy and non-traditional business models
 - Technical understanding of energy distribution and the regulatory framework
 - Social inclusion, vulnerability and fuel poverty
 - Innovation and the future of energy
 - Environmental improvement and decarbonisation



We'd particularly like to hear from individuals who can act in a wholly independent capacity and have:

- Excellent communication skills,
- Previous consumer representation experience (e.g. Non-exec Director or working within a Customer Challenge group or similar),
- Proven record of challenging opinions, assumptions and vision and representing the views of consumers,
- Experience of operating in the energy or other regulated utility sectors,
- Understanding of robust governance arrangements (to ensure transparency and assurance that CEGs are operating at arm's length from the company), and
- Expertise in the CEG's areas of influence

CEG membership – requirements

Time Commitment

- The estimated time requirement for the role is approximately 12 days a year, which will include:
 - 4-6 formal meetings of the CEG each year, rising to meet workload
 - Preparation days outside of meetings to review content, discuss, collaborate and exchange
 - Availability for an induction process (including site visits) in March/April 2019
 - Commitment to serve for a term of four years

Remuneration:

- We will remunerate group members at a specific agreed rate or with a contribution to a preferred charity, or other arrangements as appropriate.

Discussion

- **What are your overall reflections on WPD's planned approach?**
- **Are there expertise areas we have missed?**
- **What should the "onboarding" process include?**
- **In there anything missed?**
- **Do you have thoughts about who "fits the bill"?**



Serving the Midlands, South West and Wales

Actions from the September meeting

Nicki Johnson

Stakeholder Engagement Officer

Actions from September 2018

Action	Update
1. AW to provide 3 hour breakdown for how many customers were called in certain times during recent storms/incidents (at December's meeting)	➤ Ongoing
2. NJ to add speed of twitter and webchat response to Contact Centre performance info	✓ Done
3. AW to cover Who's on the Wires at a future panel	➤ Ongoing – on 18m plan
4. A slide on Brexit will be included at the next Panel	✓ Done
5. AW to consider Peter Davies/the recruitment agency attending CEG Chair interview	✓ Done Peter was involved
6. Summary of Connections and Social Obligations overview to be on the main agenda next time and surgeries to be 90 min long in future meetings	✓ Done
7. AS to ask a non exec director to attend some/part of future panels, Matt Watson to cover Project Entire (Dec) and Graham Halliday to cover DSO (March)	✓ Done
8. WPD to create a suite of short videos to promote the PSR	➤ Ongoing, Panel endorsed
9. KM to check religious charities are picked up within horizon scan and consider reaching out to them with a referral invite	➤ Ongoing, WPD to reach out
10. WPD to run an £80k Energy Affordability Fund competition	✓ Done
11. KM to talk to Comms Team about GP surgery advertising	✓ Done – in strategy paper

Future agenda items – points from Panel

- Thoughts on the proposed order of Strategic Priorities are welcome
 - December 2018 - Customer awareness

Strategic Priorities are:

- Keeping the lights on
- Smart networks (becoming a DSO)
- Environment & sustainability
- Workforce renewal skills and training
- Vulnerability (to power cuts)
- Government legislation/policy
- Affordability
- Customer information and data
- Customer awareness

Future agenda items – points from Panel

- Other agenda items planned
 - Workforce diversity and inclusion (female graduate to talk to the Panel)
 - Research projects and innovation – what are we learning from cutting edge work in the sector?
 - Who's on the Wires update
- 18 month plan will be shared again after today – additions welcome
- Suggestions also welcome for the surgery sessions

2019 proposed meeting dates

- Please note new dates
 - *Thursday 14 March 2019, Nottingham*
 - *Thursday 13 June 2019, Gloucester*
 - *Thursday 26 September 2019, Stoke*
 - *Thursday 5 December 2019, Derby*



Serving the Midlands, South West and Wales

RIO2 Engagement programme launch - Plan for February roadshows

Alex Wilkes, Stakeholder Engagement Manager

Customer Panel December 2018

WPD's stakeholder engagement events - context

■ Dates/locations

Tues 5th Feb – Cardiff (Celtic Manor)

Tues 12th Feb - Birmingham (Villa Park)

Wed 6th Feb – Bristol (Bristol Pavilion)

Wed 13th Feb – Nottingham (Trent Bridge Cricket Ground)

Thurs 7th Feb – Cornwall (Royal Cornwall Showground)

Thurs 14th Feb - Lincoln (Lincolnshire Showground)

■ Purpose

- The focus will be exclusively on our future business plan (RIIO-ED2)
- It is essential we establish stakeholders' high-level priorities and the outcomes they would like us to deliver and use this to frame our next stages of engagement
- We will ensure stakeholders start from a “blank piece of paper” and aren't given presupposed proposals or limited scope of influence at this early stage
- There must be an inevitable focus on the future of networks (e.g. becoming a Distribution System Operator) and challenging the status-quo of how we currently do things (e.g. non-traditional business models, flexible services, new incentives/charging arrangements).
- **Seeking to innovate, we will film the sessions at Birmingham (12th) and publish these online alongside online polling (replicating the on-the-day questions, and also replicate this on twitter**



WPD's stakeholder engagement events - context

■ Format

- Four morning workshops in total:
 - Short senior manager presentations (c.15min)
 - Facilitated roundtable discussions (c.25min)
 - Electronic voting (c.5min)
- Choice of 4 afternoon “in-depth” surgery sessions
 - Led by senior manager responsible for each area
 - Focus on current action plans and proposals
 - Walk through plans and open discussions

■ Attendees

- c.300 covering every segment of our customer base (incl. domestic customers, businesses, local authorities, utilities, developers, environmental groups, vulnerable customer organisations, universities, smart network companies)
- Stakeholders mixed on every table to ensure balanced views/debate



Summary agenda

Session 1: Introduction to WPD and our RIIO-ED2 engagement plan	9.45-10.10
Session 2: The RIIO-ED2 framework and your expectations of WPD	10.10-10.40
Session 3: Your priorities – outputs for us to deliver	10.40-11.30
COFFEE	11.30-11.50
Session 4: Being a responsible business - our “social contract”	11.50-12.20
Session 5: Smart future and new possibilities	12.20-13.10
MORNING WRAP UP	13.10-13.15
LUNCH	13.15-14.15
Session 6: Choice of specific surgeries: <ul style="list-style-type: none"> • Connections, • Consumer vulnerability • Electric vehicles & wider innovation • Non-traditional business models & charging methodologies 	14.15-15.15

- It is crucial that we give stakeholders an opportunity to influence change and shape our plans, not just receive broadcast information (risk of ‘talking shop’)

Session 1: Introduction to WPD and our RIIO-ED2 engagement plan

Outline/purpose:

- Who we are, our changing role and some of the challenges we face
- The business planning process (high level) and timeline
(explain to customers that submission in 2021 necessitates us getting going quickly, but that plan running 2023-2028 requires forward thinking when we engage).

Business plans (if fast tracking)	
Initial submission to Ofgem and Challenge Group	Mar-21
Challenge Group	Apr-21
Final submission	Jun-21
Ofgem consultation	Sep-21
Final determination	Feb-22

Business plans (if slow tracking)	
Initial submission to Ofgem & Challenge Group	Dec-21
Challenge Group	Jan-22
Final submission	Mar-22
Ofgem consultation	Jul-22
Final determination	Dec-22

- Our engagement process, timetable for RIIO-ED2 and opportunities to participate

Stage 1:	Preliminary engagement (stakeholder priorities)
Stage 2:	Willingness to pay (incl. identifying specific deliverables)
Stage 3:	Business plan development
Stage 4:	Business plan refinement
Stage 5:	Business plan acceptance testing

Session 1: Introduction to WPD and our RIIO-ED2 engagement plan

Alex Wilkes,
Stakeholder
Engagement Manager

Voting or break-out session (if so, very short as an ice-breaker)

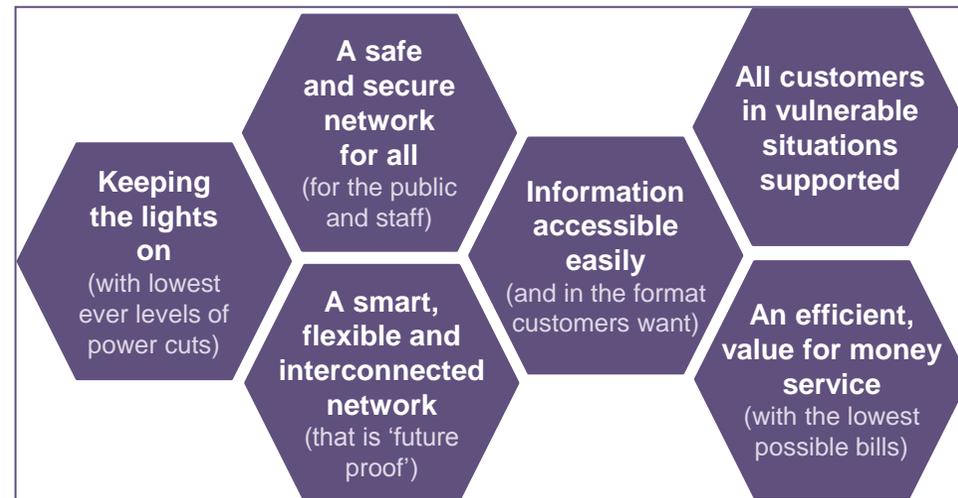
- Are there any key stakeholder groups we should consider in our consultation that are perhaps missing?
- What methods of engagement best suit you and the wider stakeholders/customers that you represent?
- Would you like to be involved in our consultation at key points? At what stages? How do we combat “stakeholder fatigue”?
- Why have you attended today? What are your drivers?
- Plus quick electronic voting: e.g. on preferred methods of consultation, which stages they most wish to participate in etc.

Session 2: The RIIO-ED2 framework and your expectations of WPD

Paul Branston,
Regulatory &
Government Affairs
Manager

Outline/purpose

- Explain key aspects of RIIO without bamboozling (what it stands for, overall purpose, 5 years, key components required in the final plan etc.)
- Brief overview of our current ED1 plan – key commitments and incentives
- Explain our charges (c.£100 a year), our place in the wider bill and what you get for your money (RIIO Accounts level info)
- Playback the outcomes stakeholders have previously told us to deliver in RIIO-ED2
- Playback the scope of influence stakeholder wish to have this time around



	Overall importance	End users	Informed s/holders	Expert s/holders	Specialist interest parties	Industry parties	Consumer bodies	Ofgem
Outputs	7.4	✓	✓	✓	✓	✓	✓	✓
Incentives	6.7	✓	✓	✓	✓	✓	✓	✓
Innovation	7.9	✓	✓	✓	✓	✓	✓	✓
Expenditure	5.2		✓	✓	✓	✓	✓	✓
Financing	3.8					✓	✓	✓
Uncertainty mechanisms	5.0		✓	✓	✓	✓	✓	✓
Efficiency & benchmarking	4.8						✓	✓
Data assurance	3.5						✓	✓

Session 2: The RIIO-ED2 framework and your expectations of WPD

Paul Branston,
Regulatory &
Government Affairs
Manager

Break-out session

- What has worked well so far in ED1 (framework perspective)?
- What has worked well so far in ED1 (WPD's performance)?
- What are your priorities for improvement?
- What outcomes would you like WPD to achieve for customers?
- What do you consider to be "value for money" from your DNO?
- Would you like to see the current DNO bill size change?
- How granular should WPD's plans and expenditure go for stakeholders (company-wide vs licence area vs even further)? What information do you want to see?

*Electronic voting
and possible
interactive activity*

Session 3: Your priorities – outputs for us to deliver

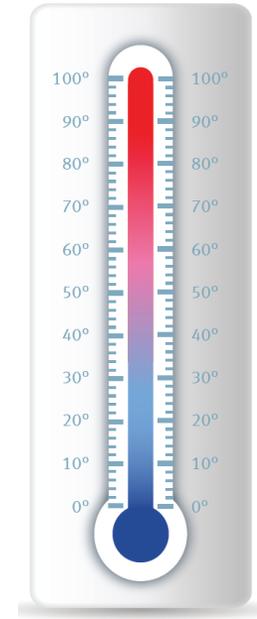
Outline/purpose

- (Very) high-level view of key output commitments currently and our performance against them
- An overview of some of the key priority areas we expect to deliver actions against in ED2
 - Network reliability
 - Connections
 - Customer service
 - Environment
 - Vulnerable customers (to supply failure)
 - Fuel poverty
 - Innovation trials
 - Building a smart network (DSO) and meeting future demand
 - New services (e.g. flexibility)
 - Electric vehicles
 - Cyber security
 - Resilience of the network (to extreme weather)
 - Whole system approach
 - Affordability
- **Note: it will also be necessary to make it clear in the presentation how this feedback will be used to inform the next stage of our consultation/engagement – i.e. to indicate the areas that we should next present stakeholders with an overview of current baseline performance and then options for improved/stretched performance (in case stakeholders attempt to race ahead to this step as part of these sessions)**

Session 3: Your priorities – outputs for us to deliver

Break-out session

- What priority areas are we missing?
- Where do these priorities rank in order of importance for you?
- Taking your top 5 – within these categories, what are your top 2 priorities for delivery?
 - For example:
 - ❑ Connections:
 - *Speed?*
 - *Timeliness?*
 - *Amount of communication?*
 - *Pre-application information? etc.*
 - ❑ Customer service:
 - *Overall satisfaction?*
 - *Range of contact methods?*
 - *Online? Etc.*
 - ❑ Network reliability
 - *Maintain current performance?*
 - *Further improve?*
 - *Power cut duration?*
 - *Power cut frequency?*
 - *Power quality – dips/flickers?*



Session 4: Being a responsible business - our “social contract”

Outline/purpose

In ED1 some key examples included:

- Overview of WPD’s social obligations strategy and programme
- Key sustainability deliverables in RIIO-ED1 to date

In ED2 we feel it is right to go much further:

- The importance of social responsibility (Sustainability First messaging)
 - We believe customers want from their utility providers:
 - Good service: *(trusted products at a fair price; choice; responsiveness to problems; vulnerable customer inclusion)*
 - Doing the basics right with ongoing feedback from the customers it serves: *(service, physical, technological, human)*
 - Excellent corporate behaviours and highest levels of corporate governance: *(trustworthy owners, acceptable structures, boards with independent, consumer and worker representation, adequate and sustainable investment and fair return for risk)*
 - Sustainability and climate change challenges
 - Links into and an understanding of the community it serves.
- Building trust and demonstrating our clear purpose above profit-making

Session 4: Being a responsible business - our “social contract”

Break-out session

- In terms of our social commitments what else should we be looking to deliver?
- What does a socially responsible business look like to you?
(with an interactive exercise – TBC)
- How much do you trust WPD?
- What can be done to increase that trust? What would you be looking for as part of a social contract
- How do we reflect our social responsibility in our future Business Plan?
 - External assurances/accreditations?
 - A separate set of commitments to demonstrate we’re delivering the outputs in a socially responsible way?

Session 5: Smart future and new possibilities

Outline/purpose / areas for discussion at the break-out session

- DSO strategy and forward plan (gauge stakeholder priorities) . Then relatedly, four key components:
 1. **E-Mobility** - views on future energy scenarios (low carbon technology uptake); the extent to which we should invest ahead of need (Strategic) versus reactively (incremental); willingness to pay / willingness to flex; who should pay (socialisation of a basic capability + top up through alternative connections); our role in the provision of public charging infrastructure.
 2. **Decarbonisation of heat** - views on hybrid versus all electric systems; WPD's role on energy efficiency solutions; collaboration with cities on district heat networks; charging and investment strategy; social implications
 3. **Digital** - Use of smart meter data; cyber; telecoms resilience; peer to peer trading; new energy services (e.g. energy packages measured in 'miles' or 'degrees C')
 4. **Distributed Generation** - Self sufficiency of home (Solar PV and Battery) and localities. Implications for security of supply and restoration times. Smart Cities including development of private networks. Application of supply resilience measures for vulnerable customers (e.g. battery systems).

Note – must ensure any technical content is simplified and present this section in an accessible way. Use this workshop to tease interest for more in-depth and technical reviews on offer in the afternoon surgeries

Session 5: Smart future and new possibilities

Nigel Turvey,
Network Strategy &
Innovation Manager

Break-out session

- Prioritisation of actions in DSO forward plan
- Views on future energy scenarios
- Appetitive for changes to our charging methodologies
- Evaluation of WPD's electric vehicles strategy

Session 6: In-depth surgeries

CONNECTIONS
(ICE workplan & strategy)

Richard Allcock / Tim Hughes

**ELECTRIC VEHICLES &
WIDER INNOVATION**

Paul Jewell / Roger Hey

**NON-TRADITIONAL BUSINESS
MODELS & CHARGING METHODS**

Nigel Turvey / Ben Godfrey

CONSUMER VULNERABILITY
(incl. fuel poverty)

Alex Wilkes