



Stakeholder Engagement

Ofgem incentive scheme 2013/14

SUBMISSION PART TWO

Introduction

WELCOME TO THE WESTERN POWER DISTRIBUTION (WPD) 2013/14 STAKEHOLDER ENGAGEMENT SCHEME SUBMISSION

“It’s very easy for companies to assume they know what customers want, but we don’t have the monopoly on thought which is why we are committed to stakeholder engagement. Our biggest and most important stakeholders are the 7.8 million people who rely on us every day. This is why we engage with them and use their feedback to make changes to our services.”

Our approach - relationships & delivery

We aim to gain trust by demonstrating that we listen to our stakeholders and then by making changes. In doing so, we can build relationships where engagement and knowledge flourishes and grows. This approach enabled us to build our Business Plan with stakeholders in stages, culminating in them reviewing every one of the 76 outputs that formed the final Plan. At the last workshops before the Plan was submitted, feedback led to further substantial changes to topics as varied as the amount of SF6 insulating gas lost from switchgear, to the speed with which we will deliver our social obligations commitments.

Talking shops are a waste of time and WPD don’t do them. Engagement is always driven to achieve clear outcomes and benefits. This is how we deliver value for money.

Our business structure is based on a flat, locally operated model where our people take responsibility for all local issues, deliver work programmes and respond quickly when power cuts occur. While our stakeholder engagement covers big strategic decisions that impact WPD at a regional and national level, we manage our activities via a ‘centrally co-ordinated, locally delivered’ model. Every WPD workshop is facilitated by several network managers. I want my staff to hear directly from stakeholders, so they understand what we are striving towards on behalf of customers.

Ensuring appropriate resources & oversight

I, along with the three WPD board directors, review our stakeholder engagement strategy (and our new social obligations strategy) once a year. This includes an action plan containing costs and owners, which enables me to monitor delivery. Relevant information is included in my monthly KPI report, as well as the presentations prepared for our ownership group, PPL.



In doing so, I can ensure that we have the appropriate resources dedicated to delivering our stakeholder engagement programme. For example, feedback from our Customer Panel led us to commit to improve the quality of data held on our Priority Service Register. As a result, we set up a dedicated team to proactively contact customers and update their details. This was an initial six month pilot. Within the first three months the benefits were clear. After sharing the results with stakeholders we were encouraged to accelerate our programme, so I made the team permanent and doubled the headcount.

Personally engaging with stakeholders

Having a detailed oversight of our engagement activities is very important, but so is leading by example. I am proud to attend every Customer Panel and to lead our new Connections Customer Steering Group. I met with the assessor for the Customer Service Excellence standard as part of our 2014 reaccreditation to explain my commitment.

I also host annual staff roadshows, where I meet in person with every one of WPD’s 6,500 employees. I explain our performance and the importance of everyone’s role in making WPD the best DNO in the UK. This way, my staff buy into WPD’s vision and understand how integral they are to our success.

Robert Symons, Chief Executive

Submission structure

Our Part One submission provides an overview of our engagement strategy, evidence of how this has been independently evaluated and several examples of how we monitor and act on feedback:

Pg 2-3 WPD’s stakeholder engagement strategy

Our core strategy and significant additions to this in 2013, including new social obligations and social media strategies

Pg 4-5 Independent audit & evaluation

Results of the 2014 external Customer Service Excellence audit

Pg 6 Accreditation schemes & standards

WPD’s compliance with BS 18477 - the British Standards Institute’s standard for inclusive services

Pg 7 Culture change & senior manager buy-in

My role in reviewing our strategy every year, external assessments of our culture and the involvement of operational managers in our engagement activities

Pg 8-9 Results & feedback from engagement

Examples of how we robustly capture stakeholder feedback and use it to drive decisions and assess the impact of initiatives

Pg 10 Acting on feedback

A summary of our major engagement methods and examples of actions taken as a result of feedback, including costs

Our Part Two submission details how we have put our engagement strategy into practice and the significant activities, outcomes and action plans arising from it over the last year:

Pg 2-3 Outputs summary

The key outcomes achieved, split by all the major segments

The remainder of the submission focuses on the outcomes resulting from our stakeholder engagement in four key areas:

Pg 4-5 Core engagement

Flagship activities that influence our strategic decisions

Pg 6-7 Social obligations

Partnership working to support our most vulnerable customers and help lift people out of fuel poverty

Pg 8-9 Emergency resilience

Engagement to ensure we provide the best service in the UK, particularly during severe weather

Pg 10 Connections

Actions taken to improve our connections service, addressing the needs of different and emerging stakeholder groups

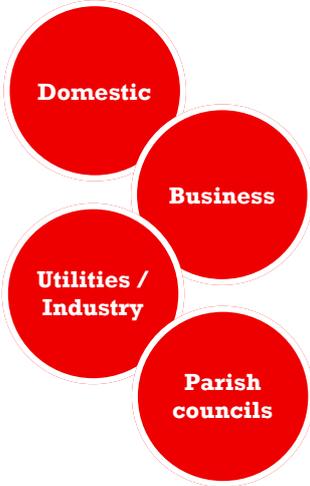
Outputs summary

MEANINGFUL ENGAGEMENT HAS LED TO **85** SUBSTANTIAL RESULTS

Stakeholder engagement is embedded in the way we operate because it is a crucial part our provision of customer service. We work in a cycle, which starts and ends with engagement - we ask stakeholders how we can do better, we work with them to make effective changes to our service, and then we return to them to measure the benefits and identify further improvements. Stakeholder influence has led to significant changes in the last 12 months including:

- **Introducing a single emergency telephone number for all of WPD**
- **Making Guaranteed Standards payments to customers off supply for 12 hours or more, a year ahead of the industry**
- **Voluntarily doubling all GS failure payments**
- **Establishing a dedicated team to proactively contact 350,000 vulnerable customers a year**

Every stakeholder group is vital. We carried out a re-segmentation exercise in 2013, identifying new sub-groups such as community energy groups (under the 'connections' segment) and electric vehicle forums (under the 'innovation' segment). This submission cannot give a detailed overview of how we tailor engagement with every segment, so it focuses on the major innovations and flagship projects with respect to key groups. However here's a summary of the key outcomes we've achieved in 2013/14:

Segments	Method of engagement	Outcome engagement led to
<p>See pages 4-5:</p> 	Workshop	1-31. Six workshops attended by 205 stakeholders leading to 31 outputs (see page 4). E.g: <ul style="list-style-type: none"> • Begin paying for failures against the 12hr restoration standard immediately • Introduce a single emergency number for all of WPD
	Media	32. Customer awareness campaign (TV, radio & newsletter), promoting WPD's Guaranteed Standards (including how to claim) & WPD's Priority Service Register (including how to sign up) to 7.8m customers. It has also led to:
		33. 27% increase in customer awareness of WPD (2000 customers surveyed)
		34. 88 people volunteered as stakeholders to attend future consultation events
	Accreditation	35. Customer Service Excellence Standard achieved, prompting improvements including introducing standard timescales for responses to email correspondence
	Promotion	36. Over 10,000 power cut advice leaflets distributed per year
	Customer Panel	37. Scanable 'QR' codes included on leaflets linking to further online information
	Workshop	38. Twitter account launched - 10,000+ tweets & 3,300+ followers in nine months
	Customer Panel	39. Expanded online power cut information maps launched
	Customer Panel	40. Customer Panel meet quarterly , delivering multiple outputs (for examples see page 5)
<p>See pages 6-7:</p> 	Partnership	41. 122 energy champions have engaged 2000+ fuel poor customers following outreach projects with National Energy Action & Energy Saving Trust
	Research	42. 31,000+ vulnerable customers contacted in four months to update their PSR records after a dedicated Contact Centre team established. 8.98/10 average satisfaction when surveyed
	Partnership	43. 224 fuel poverty referrals in three months via a partnership with Coventry Citizens Advice, saving almost £33k per year for clients supported
	Bilateral mtg	44. Contact name & telephone number for every new PSR customer following industry modification to improve dataflows with suppliers
	Partnership	45. 100,586 PSR customers proactively offered support during power cuts
	Partnership	46. Support agreements with the British Red Cross - supported 601 vulnerable customers
	Best practice share	47. PSR best practice project (processes, data & services) with WWU & a supplier
	Accreditation	48. 173 Contact Centre staff trained in recognising triggers to reveal temporary vulnerabilities
	Best practice share	49. Process established to provide generators for electrically dependent customers
	Promotion	50. New PSR poster displayed at food banks, renal care units & GP's surgeries
	Research	51. 400 PSR customers surveyed to identify improvements. Satisfaction up 11% from 2013

Segments	Method of engagement	Outcome engagement led to
<p>See pages 8-9:</p>	Workshop	52. New processes enabling 301,549 proactive power cut calls & 681,180 text messages & reducing inbound calls by 123,684
	Customer Panel	53. 2,235 emergency packs & community planning guides sent to Parish Councils
	Best practice review	54. WPD's mapping system updated to show surface water data (up to 1/1000 year risk)
	Partnership	55. 2,000+ domestic crisis packs distributed via Red Cross, Age UK & other community groups
	Promotion	56. 3,000 new flooding leaflets distributed
	Bilateral mtg	57. Chair Midlands Category 2 Forum & participate in 180 meetings with LRFs per year
	Best practice share	58. PSR customer data share agreement with Category 2 responders in severe weather
	Bilateral mtg	59. WPD chair a quarterly DNO & Internal Drainage Board forum - closer working relationships have led to easier access to drainage land & the provision of generators during flooding
	Partnership	60. 22% reduction in metal theft - prevention measures at 1,368 substations & 80 police officers trained
<p>See page 10:</p>	Bilateral mtg	61. Change in process for BT Openreach fibre optic broadband connections, reducing costs & timescales for 40,000 cabinet installations
	Customer Panel	62. Network mapping data CDs now available for customers
	Workshop	63. Community energy added as stakeholder segment & specific workshop arranged
	Surgeries	64. 300 customers better informed about the connections process following six WPD surgeries
	Connections Panel	65. Work-plan of 19 improvement actions following new Connections Customer Steering Group
	Connections Panel	66. 731 connections applied for online following launch of new online application tool
	Connections Panel	67. 24,391 hits on WPD's new online DG capacity maps
	Conference	68. Engaged 400+ stakeholders at 2 Major Energy Users Council events on Demand Response
	Partnership	69. 500 free energy monitors for elderly & fuel poor customers via Age UK & Age Cymru
	Community outreach	70. 4,000 school children & various wildlife trusts engaged via WPD's 'Keen to be green' scheme, supporting 26 community based projects
	Partnership	71. Supported Age UK's Doorstep Crime (bogus callers) initiative across the Midlands & South Wales, involving a door sticker campaign & door hanger advice schemes
	Community outreach	72. 7,000 native trees and shrubs planted as part of WPD's partnership with Tamar Valley, Cirencester Community Woodland, Derby 'Value in trees' project & Bristol Community Garden
	Community outreach	73. 43 community group projects including South West MS Centre, Brixham Blind Group, Twyford Spartans Disability Football, the Beacons Wheelchair Dancers and Torbay Surf Life Saving Club
	Panel	74. 2 new Junior Panels established leading to changes to WPD's crisis packs & Twitter use
	Promotion	75. 100,000+ children educated at safety events, schools visits & via visits to six safety centres
	Promotion	76. 400 children entered safety competition at three agricultural community roadshows
	Website	77. 16,009 hits & classroom resources downloaded from WPD's dedicated website www.PowerDiscoveryZone.co.uk
	Workshop	78. AONB & National Park groups consulted at 12 events to discuss the delivery of 12 schemes in 2013/14, (undergrounding 16km of lines at a cost of £1.9m)
	Consultation	79. Consulted 800 stakeholders at 13 community events for planning consultation process for a Nationally Significant Infrastructure Project to build a new 132kV line to connect 3 wind farms
	Conference	80. Presented to 600+ delegates at the Low Carbon Networks conference, developed interactive models so delegates could get their hands on the smart grid solutions & hosted a Q&A with one of the residents living in one of our innovation project (SoLa) homes
	Bilateral mtg	81. 5 new road signs designed to improve public knowledge during roadworks following co-working with Northamptonshire County Council
	Best practice review	82. Multiple post-storm incident reviews with Ofgem, DECC to identify improvements including communications strategy
	Bilateral mtg	83. Over 200 meetings with highways agencies & local authorities covering co-ordination of streetworks & relevant issues
	Bilateral mtg	84. 3 Local Government Association taskforce meetings, discussing streetworks compensation arrangements for utilities, contact information and a 'What Good Looks Like' charter
	Roadshow	85. Secure online access set up for users to register to see investor presentations detailing WPD performance following a stakeholder request at investor roadshows

TOTAL COSTS £2.02m (for a breakdown see page 10 of Part One submission)

Core engagement

ENDURING RELATIONSHIPS SHAPE OUR DECISIONS

99% rated
WPD's
workshops
as useful

Leicester event: "Slides and packs were excellent, electronic voting is a great way of getting quick accurate responses"

Bristol event: "Good to see the evolution of the Business Plan over three years"

Cheltenham event: "I have been to the whole series of workshops and found all staff very knowledgeable"

Exeter event: "Having small groups mixed was excellent"

Birmingham event: "Excellent - perfect balance of topics, well set out and clear information on a complex topic"

Bristol event: "Very comprehensive and good to see WPD leading in front of the other license holders, and still looking to improve"

Leicester event: "Great overview of WPD's plans. Extremely professional and well run, excellent!"

Newport event: "Very good mix on table for discussion. Groups were sized to allow close table discussions"

Cheltenham event: "Open conversation was encouraged. Lots of opportunity to express opinion"

Bristol event: "Very informative, WPD showing itself to care for the customer and being proactive"

Birmingham event: "It is the first one I have attended and it has exceeded my expectations"

SIX WORKSHOPS DELIVER 31 OUTPUTS

Over 200 parish councillors, businesses, local authorities, connections and domestic customers joined a cross-section of stakeholders at six WPD events in February 2014. More than 4,500 people have been engaged to help us build our business plan in the last three years - the vast majority face-to-face. Now that the Plan has been agreed we're developing our relationships further by shifting the focus on to delivery.

With qualitative discussion facilitated by 18 local network managers, and quantitative electronic voting, the workshops were designed to:

1. Explain the key aspects of WPD's final Business Plan
2. Identify which outputs, if any, stakeholders would like WPD to deliver early
3. Seek views on WPD's performance during severe weather and our proposed improvement actions
4. Seek feedback on WPD's connections work plan, innovation plan and social obligations programme

For WPD engagement leads to action. As a result of the workshops WPD will:

Business Plan

Commit to accelerate and deliver early 18 of the 76 outputs in our business plan. For example:

- Deliver 13% fewer power cuts, 20% quicker restoration by 2019 (4 years earlier than originally planned)
 - Deliver a 20% reduction in worst served customers by 2019 (4 years earlier than originally planned)
- 1-18. Proactively contact all vulnerable customers every 2 years by 2019 (4 years earlier than originally planned)

Amongst these 18, WPD will start to deliver many commitments with immediate effect (before 2015):

- Provide a restoration time for every outage
- Provide messaging via text and social media during power cuts
- Identify Low Carbon Technology (LCT) hotspots and use these to inform decision making

General

19. Make Guaranteed Standard payments immediately for anyone off supply over 12 hours during normal weather (one year ahead of the rest of the industry)
20. Add 'community energy' as a customer segment. Invite a representative to WPD's Connections Steering Group
21. Add customer connections surgeries to the connections improvement work-plan
22. Consult on WPD's connections improvement proposals relating to 'Interactivity', 'Acceptance Validity' and 'Reservation of Capacity'
23. Provide clarification on various aspects of connection policy and clearer connections offer letters
24. Expand the current Contact Centre pilot project to contact PSR customers to update their records
25. Expand the current Coventry Citizens Advice fuel poverty partnership to cover additional areas

Severe Weather

26. Introduce a single emergency telephone number for all of WPD
27. Investigate the possibility of displaying our emergency contact telephone number on our vehicles
28. Continue to double the statutory guaranteed standard payments, but do not increase further at Christmas
29. Engage Parish Councils to assist with their Emergency Resilience planning
30. Provide a fridge magnet to every customer displaying WPD's single emergency number
31. Offer a 'sign-up' service for wider stakeholders to register for severe weather event notifications





EXPANDED CUSTOMER PANEL SETS THE AGENDA

After reviewing our customer segmentation in 2014, we welcomed Sainsbury's, National Grid and Citizen's Advice to our 25-strong Panel. Meetings take place quarterly, described by one member as follows:

“While my organisation is primarily concerned with network and connection issues we recognise that Local Authorities, British Red Cross, police and other agencies have input to these meetings and are able to develop their own agenda relating to their own specific responsibilities and concerns. WPD has encouraged dialogue (and problem solving) and there is an opportunity to influence targets, direction and strategy. It should be recognised and acknowledged that Robert Symons (WPD, CEO) has attended all of the Customer Panel meetings and actually drives the agenda.”

Substantive outputs achieved this year have included:

- Reviewed WPD's emergency response guide for LRFs & Parish Councils
- Network mapping data CDs now available for customers
- Reviewed & approved WPD's new social media strategy & policy
- New crisis packs & Parish Council emergency packs designed
- Plan for publicising WPD's new emergency number
- Shaped process for providing "managed" connection offers

NEW JUNIOR CUSTOMER PANELS ARE AN INDUSTRY FIRST

In 2013 we were the first DNO to host events with future customers via sessions at universities. Building on this in 2014, we are taking a new approach to engaging harder-to-reach young people and asking them to influence the decisions we make today that will affect them in up to 10 years time.



Teaming up with the Funky Dragons - a junior (14-18yr olds) shadow Welsh Assembly Government - and Positive About Young People - a West Midlands organisation for disadvantaged teenagers excluded from education, we hosted sessions with 20 people, who have agreed to become permanent Panel members meeting twice a year. They will shadow WPD's main Panel, with each forum reviewing key decisions made by the other.

While it was necessary to first build their knowledge about WPD and what we do, we were able to make the forums a driver for real improvements from the outset. We reviewed their expectations in a power cut, WPD's crisis packs, social media use and ways to raise WPD's profile. A "manage your own network" session - where members were asked to invest £5m on a choice of eight improvement actions each costing £1m - worked particularly well, with clear priorities emerging around power cut reduction and low carbon investment. This further supported the actions identified at WPD's main workshops to bring forward improvement targets in these areas. Feedback from the Junior Panel has also led WPD to:

- Introduce 24/7 Twitter operating hours and a clearer account profile
- Make the fridge magnets luminous that will be sent to every WPD customer (7.8m)
- Include a foil blanket in every crisis pack
- Include 'helping vulnerable customers' in our school education sessions

'POWER FOR LIFE' CAMPAIGN PROMOTES THE GUARANTEED STANDARDS TO EVERY CUSTOMER

A key output of Ofgem and DECC's storm reports was that awareness nationally of DNOs was low. For the fifth consecutive year WPD's media campaign has seen us write to every single customer - all 7.8million.

As well as raising WPD's profile and inviting participation in our consultations, the four-page newsletter promoted the Priority Service Register (and how to join) and the Guaranteed Standards, including WPD's doubled payments (and how to make a claim). This was supported by a month of television, radio and newspaper advertising.

- Awareness of WPD has increased by 27%
- 88 customers have since signed up for our stakeholder workshops

Key role in sharing best practice

- In 2013 DNOs set up a stakeholder engagement best practice forum. WPD hosted the second meeting and attended the first gas distribution meeting. We led the DNO's first jointly-delivered output - a **report on best practice engagement during severe weather, which recommended 28 actions for companies to adopt.**
- Every DNO, gas distribution and transmission company was invited to our workshops, with attendees including National Grid (transmission and gas), Wales & West Utilities, SSE Power Distribution, SP Distribution and Northern Gas Networks; as well as Wessex, Severn Trent, Anglian and South West Water.

An example Cost Benefit Analysis:

To demonstrate the value of our actions we've assessed the return on investment of one of our key flagship engagement initiatives:

Engagement activities	Outputs (with financial benefits)			
	WPD actions taken	Actual cost to customer	Customer Willingness to Pay ¹	Stakeholder benefits
Workshops on delivery of all business plan commitments (£137K)	Started managing to the 12 hour restoration standard ahead of rest of industry. E.g. Purchased additional suitcase-sized generators (£1m)	£0.13	£2.28	<ul style="list-style-type: none"> • 91% reduction in customers off supply over 12 hours (12,689 reduced to 1,089), saving £644,288 on Customer Minutes Lost and Customer Interruptions (IIS incentive) • Guaranteed Standards failure payments avoided: £1,378,080
	Made improvements to the connections service (e.g. connections offer letters, quicker quotations, etc.) E.g. Employed 16 new network planners (£461,069)	£0.06	£1.15	<ul style="list-style-type: none"> • Increase in satisfaction with connections service (from 8.38 to 8.71), delivering additional Broad Measure rewards: £494,000 • Reduction in connections customer complaints
Total = (£1,598,069)				Total = £2,516,368

¹ Stated preference research in 2012 indicated a willingness to pay an additional £2.28 per year to reduce the average duration of power cuts, and an additional £1.15 to improve the time it takes to provide a new connection

Social obligations

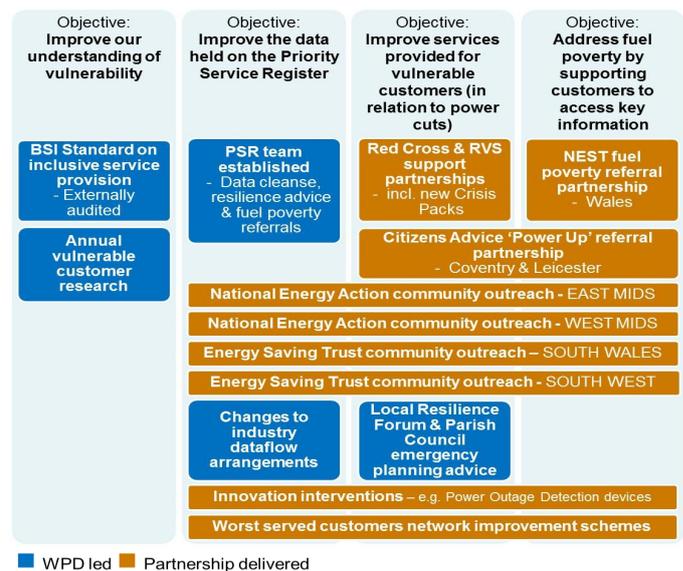
WPD'S PROGRAMME IS WELL UNDERWAY & DELIVERING GREAT RESULTS

Introduced in 2013, along with a 28-point action plan, WPD's social obligations strategy is designed to achieve four key objectives (→).

Co-written by members of WPD's Customer Panel including the British Red Cross, the strategy was reviewed at wider stakeholder workshops and bespoke vulnerable customer events attended by organisations including electricity suppliers, housing associations, parish councils and various consumer advice and community support groups such as Citizens Advice and Age UK.

In 2013 we commenced delivery of 14 projects. Stakeholders have influenced and refined our approach throughout. As a result, WPD will:

- Pursue a series of pilot projects in 2013/14; monitor their effectiveness and value for money with a view to a swift and scaled roll-out of the most successful projects.
- Adopt a four-year rotation for outreach projects; dividing each licence area (East and West Midlands, South West England and South Wales) into four zones. We will carry out projects in one zone, per licence area, each year (i.e. four per year). This allows us to carry out activities in the top fuel poverty hotspots cost effectively and with appropriate frequency.



Improve our understanding of vulnerability

FIRST BSI ASSESSED COMPANY IN THE UK

In February 2014, WPD became the first company in the UK to be assessed as compliant by the British Standards Institution (BSI) for their standard relating to vulnerable customer care.

Endorsed by Ofgem, as part of its Vulnerable Customer Strategy review, the BSI accreditation (BS18477:2010) was recommended as a standard that all companies should work towards.

WPD successfully passed all 36 elements, assessed via a three day audit. BSI commended our approach to engagement. The report noted:

“A culture of ownership and continual improvement is promoted at all levels of the company. This is a forward looking organisation which is constantly striving to improve the consumer experience through regular consultation with stakeholders and responding quickly to any opportunity.”

Items reviewed during the audit included: Contact Centre activities, WPD's social strategy and action plan, Customer Panel and stakeholder workshop minutes and actions, annual vulnerable customer research, customer-facing leaflets and monthly KPI reporting to the WPD Board.

Improve the data held on the Priority Service Register

DEDICATED TEAM CREATED TO UPDATE PSR CUSTOMER RECORDS

Good quality data enables us to provide power cut preparation advice to customers, as well as targeted support during incidents. Stakeholder consultation on our Business Plan led us to commit to contact every PSR customer once every two years by 2023, which was accelerated to 2019 after our most recent workshops. With over 850,000 currently registered, and some poor information quality due to historic dataflows from suppliers, we've taken significant steps to improve our data.

In 2013 WPD set up a brand new team within the Contact Centre to permanently outbound call vulnerable customers to check their records, remind them about the PSR and offer advice. The project scope was designed with stakeholders - so there are no scripts or time limits on conversations, calls take place between sociable hours of 9am and 7pm and three separate call attempts are made (at morning, afternoon and early evening) before an easy-read letter is sent.

Given the potentially sensitive nature of the calls, the British Red Cross, Citizens Advice and Energy Saving Trust have all delivered bespoke empathy training to staff. The project was designed as a six month trial to establish the most effective methods and rate of successful contact. The considerable benefits, endorsed by satisfaction surveys conducted by a third party company, saw the team made permanent and doubled to 20 call handlers after just three months. From December - March 2014, we have:



WPD's new PSR data-cleanse team following the successful BSI standard audit

- Proactively contacted 31,219 customers
- Updated 36% of records
- Removed 1,211 customers that no longer need to be registered
- Updated records via 100,586 call backs to PSR customers after a power cut, since July 2013
- Average customer satisfaction of 8.98 out of 10

The contact rate of the expanded team will see WPD contact over 7,000 customers a month and over 350,000 a year - therefore moving towards achieving our commitment for bi-annual contact.

WPD takes the lead on key industry changes

WPD has led a major change to the D0225 industry dataflow which will significantly improve the quality and usefulness of the data received from electricity suppliers about PSR customers.

In addition to promoting the PSR via partnerships and community events, a significant number of customers join via suppliers. The change will ensure that the primary contact details for any customer registered will be sent to the relevant DNO. This does not currently happen consistently. WPD presented the proposals to every DNO and supplier and the amendment was formally approved in May 2014.

WPD has worked with the Centre for Sustainable Energy (CSE) to develop a 'balanced scorecard' for assessing social obligations. It reviews a DNO's:

- Strategic understanding & commitment to tackling social issues
- Use of data and customer insight
- Approach taken to management and use of PSR
- Affordable warmth initiatives
- Development of referral networks for support services
- Integration of their social role into customer-facing services

CSE will be carrying out a dry-run assessment of WPD's social obligations activities against these criteria in early 2014.

Improve services provided for vulnerable customers (in relation to power cuts); & address fuel poverty by supporting customers to access key information

COMMUNITY PROJECTS TARGET THE HEARDEST-TO-REACH FUEL POOR

The most effective way to reach some vulnerable audiences is through trusted local bodies. People in fuel poverty may find it difficult to seek support, or hide their difficulties when speaking to WPD. So we've teamed up with expert partners to identify, train and support a group of local volunteers to become 'energy champions' in their communities.

Building on the success of WPD's first fuel poverty outreach project in Derbyshire in 2013 we have scaled this model, now with four projects, one in each WPD licence area. Each targets regions where data analysis, undertaken with the Centre for Sustainable Energy, indicates high levels of fuel poverty. Investing over £100,000 in 2013/14, WPD are working with Energy Saving Trust (EST) and National Energy Action (NEA) who have significant experience working with householders and local community support networks.

We have developed free training courses on recognising customers eligible for the PSR, providing energy advice and making households aware of the assistance available to reduce fuel bills and keep warm at home. Volunteers are helped to develop volunteering plans and given ongoing mentoring support and materials including information booklets. The projects have reached customers on low-incomes, vulnerable young adults, people with physical and mental health issues, the elderly, and those who are socially and geographically isolated. To date, we have:

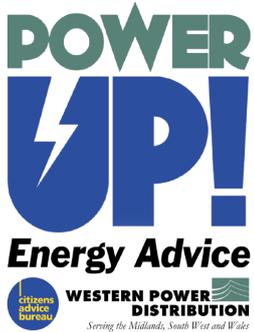
- Recruited 122 energy champions from 33 different organisations including Age UK, City & Borough Councils, housing associations, NHS trusts and elderly forums
- Engaged 1,148 customers in the first four months, increasing sign ups to WPD's PSR in project areas by 11%



Action for Warm Homes



PARTNERSHIP LIFTS PEOPLE OUT OF FUEL POVERTY



WPD has funded a £56,000 pilot scheme called 'Power Up' to help customers save hundreds of pounds a year and provide much needed support. Working with an expert partner – the Coventry Citizens Advice Bureau (CAB) - WPD identifies customers for referral for debt advice through our:

- Data cleansing exercise of the Priority Service Register
- Contact centre as part of wider conversation about fuel poverty
- Pro-active direct contact with clients in fuel poor areas

A direct referral process is in place to deliver initial advice by telephone, followed by a casework service including a benefits check, debt and fuel tariff advice, fuel usage reduction, budgeting and ECO schemes that might support a household to obtain a new boiler or wall/loft insulation. Detailed monthly reports are used to measure the benefits. In the first three months we have:

- Handled 224 fuel poverty referrals, with clients spending on average 20.32% of their monthly household income on their energy
- Led to total monthly savings of £2,740 for those supported (almost £33,000 per year)
- Assisted clients in managing overall levels of debt totalling £121,644

After a successful pilot, the scheme is being expanded to Warwickshire and Leicestershire.

Case studies

82 year old with no debts, supported in claiming Pension Credit. Also referred to ECO scheme for a replacement for current grade G rated boiler, saving £310 a year on energy costs

Client was confused by energy tariffs & had no access to a computer. CAB helped her to compare tariffs on switching website & handled switch on her behalf to best available deal

Elderly, living alone with severe arthritis. Even with 2 rails she struggles to climb stairs & literally has to crawl up. CAB gained a GP referral to an occupational therapist & helped apply for a disabled facilities grant

£115 better off per week

£85 better off per year

New stair lift

An example Cost Benefit Analysis:

To demonstrate the value of our actions we've assessed the return on investment of one of our key social obligations initiatives:

Outputs (with financial benefits)				
	WPD actions taken	Actual cost to	Customer Willingness	Stakeholder benefits
New PSR team to proactively call customers to update records	Staff costs for outbound calls: (£83,333)	£0.02	£1.00	<p><u>Qualitative:</u></p> <ul style="list-style-type: none"> • Most vulnerable customers are reassured & given practical advice • Customers are aware of the PSR, service offered & know who/how to contact WPD in an emergency • Accuracy of customer records greatly improved - allowing quicker & more meaningful contact with customers during power cuts & better utilisation of welfare support via partners such as the Red Cross <p>All delivering a notional benefit of £30,595²</p> <p><u>Quantitative:</u></p> <ul style="list-style-type: none"> • Improved satisfaction & WPD reputation - research in 2013 showed proactive contact improved satisfaction by 39% (estimated impact on Broad Measure rewards if customers surveyed: £50,000) • Customers helped with £121,644 total debts, making annual savings of £32,881
	Telecomms costs for outbound calls: (£891)			
	Letters, leaflets & postage costs: (£6,809)			
	Citizens Advice fuel poverty referral project (first 4 months): (£18,968)			
	Total = (£110,001)			Total = £113,476

¹ Social obligations activities not directly tested in stated preference research in 2012; however preference for proactive information and advice, including telephone contact, received a willingness to pay of £1.00; ² Calculated as: (willingness to pay – actual cost) x number of benefitting customers

Resilience

COMMUNICATION IMPROVEMENTS PROVE KEY AS STORMS HIT REGIONS

The WPD network was affected by 11 exceptional weather events between October 2013 and February 2014, affecting over 1 million customers, as wind gusts of over 90mph led to the busiest periods ever experienced in many WPD regions. As these unprecedented winter storms battered the UK, communications improvements made in early 2013 and shaped by feedback from stakeholders, meant that customers were kept well informed as supplies were restored to one of the worst affected areas of the country.



PROACTIVE CALLS & TEXT SMS

We use stakeholder engagement to improve day-to-day operations and inform our business priorities. In 2012, willingness to pay research revealed a high preference for proactive calls and text messages during power cuts. In 2013, 76% of stakeholders agreed this should be a top priority and at our most recent events nearly 40% voted for our commitments in this area to be delivered early. In addition, analysis of monthly satisfaction surveys revealed one of the most common issues is that customers did not initially know who to contact and would have preferred proactive information. This feedback has led to significant changes.

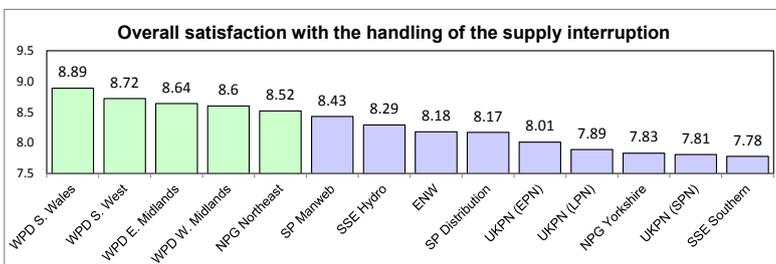
We have developed a bespoke system that sends a text message to the mobile or land-line number of every customer affected by a power cut on the high voltage network. The message apologises and gives the estimated restoration time. Once the power comes back on, an updated message is sent. We have shared our work with industry stakeholders and hosted best practice visits from other DNOs.

We have also invested to proactively call customers with the latest information - taking away the time and effort for customers. We ring when the restoration time changes and when supplies have been restored. We also call every affected vulnerable customer to check that they are ok. In 2013/14 we provided:

301,549 proactive calls; 100,586 to PSR customers
681,180 proactive text messages

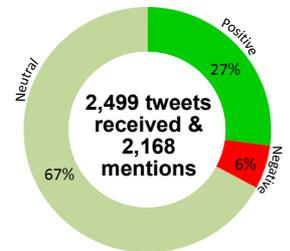
As a result inbound calls reduced by 123,684, while satisfaction increased from 8.47 to 8.76 out of 10.

Customers rated WPD as the top industry performer (out of 10) during the worst storm-affected month of December 2013:



24 HOUR TWITTER

Since its launch in July 2013 the @wpduk Twitter service has gone from strength to strength. And with over 14,000 customer interactions in just nine months we've been learning from stakeholders throughout.



74% - Power cut related
 18% - Thank you's
 Only 3% - complaints

Reviewed by WPD's Customer Panel, we designed our twitter profile and homepage, and implemented a new social media policy. With an initial core focus on answering power cut enquiries promptly and providing useful advice, we quickly increased and diversified our proactive messaging to popular topics including major investments, community activities and low carbon innovations.

Total tweets sent	7,446
<i>Power cut responses</i>	3,357
<i>Proactive power cut information</i>	1,700
<i>Proactive advice, education & news</i>	2,409
Retweets (by others)	2,151
Total followers	3,225

Key to its successful operation is ensuring Twitter users get quick, accurate information in a conversational yet professional and consistent tone. Tweets are always handled by a named member of the WPD's Contact Centre who takes ownership for resolving the query.

We now proactively tweet on all faults affecting more than 500 customers and respond to any variations of 'powercuts' in our area. Feedback from the Christmas storms led us to launch a permanent 24 hour service. Detailed monthly reports are sent to the WPD Executive to ensure performance and resources are monitored. This has led to extra staff employed in a dedicated Contact Centre Twitter Team to manage WPD's account and swiftly implement improvements identified by stakeholders. For example we have:

Improvement action:	When:
1. More public conversations, as only 30% sent a direct message when asked. This has increased retweets & followers	Aug-13
2. Improved detail about the areas affected by providing postcodes & specific towns, rather than cities & counties	Sep-13
3. Proactive tweets for power cuts affecting 1000+ properties	Sep-13
4. Reduced the threshold for proactive tweets to 500+ affected customers	Oct-13
5. Introduced a twitter form to allow customers to provide contact information quickly & easily	Nov-13
6. Extended to 24hr operating during severe weather	Dec-13
7. Permanently expanded the service to 24/7	May-14



Aiden Maguire Dec 23: "I received an apology & estimated time for power to be restored via a text message. Power was restored before the initial estimation & a further text was sent too. If only other utilities could offer this excellent service."

@gmandfabulous 24 Dec: Huge thanks to @wpduk today for their help & reassurance! Great e.g. of a company working with customer focus

@Jmobanks 28 Dec: When I read about all these people who haven't had any power for days, I feel very fortunate to live in the @wpduk area. They're fab!

@webpackets 1 Jan: Apparently there are 838 customers affected by the power cut & estimated to be fixed by 3pm. Good info on the @wpduk website :)

@CLLRMORRIS 15 Feb: Thanks @wpduk for responding to your tweets so promptly and keeping us all updated with latest info re power cuts

@samp_k 2 Mar: It's very clever how @wpduk text you when you have a power cut to tell you when your power will be back on

@F1Smasher 7 Mar: Good to see @wpduk openly publishes mobile friendly 03 contact numbers #win

@ComplianceBill: Respect! Unsolicited apology and I was not even following you! Smart customer service and the power is back now, so happy. Thanks.

EMERGENCY PLANNING HELP FOR LOCAL COMMUNITIES

Close working with Local Resilience Forums (LRFs) throughout the severe weather incidents revealed that many local communities would appreciate support in writing and testing their emergency resilience plans. Turn-over of Parish Council clerks, for example, can see plans become out of date.

In a £100,000 investment, we sent a demonstration emergency pack to 2,235 Parish Councils containing useful items households should keep handy in case of a power cut including an analogue phone, torch, wind-up radio and portable mobile phone charger.



We also sent a community resilience plan booklet, designed with the help of Northamptonshire County Council's Emergency Planning Department and our Customer Panel. In addition, we've created simple resilience and communication plans specifically for LRFs and sent them to every contact in our region.

DOMESTIC CRISIS PACKS VIA RED CROSS

Identified by DNOs as a best practice action for all companies to adopt, WPD's well-established agreement with the British Red Cross (BRC) proved vital during the severe weather. Between October and February over 500 customers were provided with emotional and practical support including handing out hundreds of crisis packs. The partnership also sees customers referred to the PSR via BRC home fire safety checks and medical equipment loan services.

- In 2013/14 the BRC attended a total of 46 WPD power cut incidents, supporting 601 customers.



SINGLE EMERGENCY NUMBER LEADS STORM REVIEW ACTIONS

While the industry as a whole received criticism, WPD's performance during the Christmas storms saw us restore 134,112 customers within 24.32 hours, fail zero guaranteed standards and handle 100,659 inbound calls in an average 'speed of answer' (to an agent) of 1.6 seconds. This was in the context of the longest power cut in the industry lasting over 6 days, with maximum call wait times over 2 hours. But we always look to learn and improve. Engaging with DECC, Ofgem, WPD's Customer Panel and wider stakeholders via workshops, we have identified multiple improvement actions.

For example, we are introducing a single contact telephone number for WPD's four licences, after 68% of stakeholders favoured the option for just one number. The project was driven by our CEO in advance of the single emergency number currently under discussion at a national level. The number will soon be displayed on every WPD vehicle. Other actions include:

- We have implemented 24 improvement actions identified by a WPD-led DNO best practice review of stakeholder engagement in severe weather
- The 2014 WPD Customer Awareness Campaign, included a focus on promoting the WPD emergency numbers (completed March)
- Our online outage information was expanded to allow area-wide searching to aid emergency resilience stakeholders (completed April)
- WPD's mapping system was updated to show surface water data (up to 1/1000 year risk) alongside existing flood zones (completed March)
- We will publish "be prepared" notifications via social media (ongoing)
- After attending our workshops, where a stakeholder raised the idea, we worked with them to design a new meter box key displaying our new emergency number. We will distribute around 30,000 per year
- In 2014 we will write to every all 7.8m customers to send them a fridge magnet displaying the new single number. And after feedback from our Junior Panels they will now be glow-in-the-dark.



An example Cost Benefit Analysis:

To demonstrate the value of our actions we've assessed the return on investment of one of our key resilience initiatives:

Proactive calls & text messages during power cuts	Outputs (with financial benefits)			
	WPD actions taken	Actual cost to customer	Customer Willingness to Pay ¹	Stakeholder benefits
Staff for proactive calls: (£661,062)	£0.10	£1.57	Qualitative: • Customers better/more frequently informed • Less effort/stress to access information All delivering a notional benefit of £443,277 ² Quantitative: • Reduction of 123,684 inbound calls: £318,435 • Increase in satisfaction for communication during power cuts (from 8.47 to 8.76), delivering additional Broad Measure rewards: £424,000	
Telecomms for proactive calls: (£37,698)				
Proactive calls system development (staff & IT): (£43,493 – one off)				
Text messaging running costs: (£17,121)				
Text messaging system development (staff & IT): (£24,123 – one off)				
Total = (£783,497)			Total = £1,185,712	

¹ Stated preference research in 2012 indicated a willingness to pay an additional £1.57 per year for the introduction of more proactive information during power cuts, including text messages. ² Calculated as: (willingness to pay – actual cost) x number of benefitting customers

Connections

Over the past two years we have seen a large increase in applications and enquiries for connections of distributed generation (DG) and the trend shows no signs of slowing. New stakeholder groups are emerging, so we're tailoring our engagement with customers big and small - from developers to landowners to community energy groups - to understand how we can meet their expectations.

CONNECTIONS CUSTOMER STEERING GROUP (CCSG)

Modelled on WPD's wider Customer Panel, the CCSG was formed in 2013 to specifically drive developments to our connections service. It is chaired by our CEO, Robert Symons, and made up of a broad range of connection stakeholders from a variety of sectors in order to provide a balanced view of connection issues. Permanent, expert members will help to inform our strategy and refine and co-deliver improvements. In order to provide a balanced view, the 21 members represent every connection market segment including: Public Lighting Authorities, Utilities, Large commercial, Connection consultants, DG developers, Community Energy Schemes, Independent Connection Providers (ICPs) and Independent Distribution Network Operators.

Most importantly the talking leads to action. Feedback has led to the creation of a work-plan for 2014, outlining 13 key issues and 19 actions to address them. In February the plan was shared with wider stakeholders to gain feedback on the suitability and timescales of the initiatives. The work-plan is signed off annually by CCSG members and WPD's CEO. Example initiatives include:



Issue	WPD improvement initiative
Improve online application functionality	1. Implement a web-based tool for application and tracking for all connections enquiries
Acceptance of e-signatures	2. Implement a policy to allow acceptance of electronic signatures for agreements
Extension of contestability	3. Trial and implement a process to allow self assessment of 'point of connection' for ICPs
Consistency of process	4. Deliver company-wide training and briefings to improve consistency across teams

5. SURGERIES TO CLARIFY THE PROCESS

At our workshops stakeholders told us they wanted WPD to make it easier for them to discuss their options for a connection, before applying. Following a successful trial we are rolling out an annual schedule of Connection Surgeries across all our regions for customers to visit their local office and speak face-to-face with a WPD engineer.

The sessions enable customers to discuss the application process as a whole or details about a specific scheme - providing assistance with questions on work stages, timescales, technical requirements and possible constraints in a particular network area.

To reach as many interested customers as possible and targeting groups most likely to be interested in putting DG on their land, we have advertised on our website and in a variety of national publications, including Utility Week, CLA, NFU and Farmers Weekly.

- Six events held in 2013/14
- 300 stakeholders engaged (150 by pre-arranged appointment)

NETWORK CONNECTION SURGERIES

Western Power Distribution (WPD) is the electricity distribution network operator (DNO) for South Wales, South West England and the Midlands.

We operate the regional electricity network and provide New Connections to homes, businesses and generation sites at voltages from 230 volts to 132,000 volts.

We understand that ahead of applying to WPD for a quote for a new connection and particularly for generation connections, people often have questions and want to understand more about the process, timescales, technical requirements and possible constraints of making a connection to the network in a particular area.

We are therefore running 'Connection Surgeries' where our engineers will be able to assist you.

The surgeries will run on the specified days below and enables interested parties (eg landowners, developers and community groups) to make a 30 minute appointment with an engineer to discuss their requirements and the connection process ahead of making an actual application for a connection to the network.

Connection Surgery DATES

To run at various regional offices in our distribution area. Surgeries will be held at office locations as close as possible to where most participants live.

09th JULY 2014
24th SEPTEMBER 2014
10th DECEMBER 2014

To find out more or to book an appointment, please call:

SOUTH WEST & WALES 0800 028 0229
MIDLANDS 0800 121 4909

e-mail: wpdconnectionsurgeries@westempower.co.uk

Please mention that your enquiry is for CONNECTION SURGERIES when you call.

WESTERN POWER DISTRIBUTION
Serving the Midlands, South West and Wales

▲ WPD's advertisement

6. COMMUNITY ENERGY SCHEME WORKSHOPS

At our Business Plan delivery workshops in February 2014, as part of the specific connections 'breakout' workshops, stakeholders alerted us to the emergence of a new stakeholder segment for specific engagement - Community Energy Schemes. Community energy is an area of DG where customers often need more assistance because they have not been through the process before and are not 'experts' in energy.

We have since added community energy representatives to our CCSG and are organising a workshop with Regen South West in June 2014 to help us understand customers' key requirements and how we can better support them.

7. CONSULTATION ON RESERVING CAPACITY

With increasing volumes of DG applications it is becoming common for applications to become interactive with one another, creating scenarios that were never envisaged when the process was first developed. This occurs when we provide offers for more than one connection and there is not enough network capacity to allow all of them to connect. The process currently allows a fair allocation of capacity to customers in order of the queue of applications, but this can become very complicated with multiple proposals and options considered by customers at the same time.

Rather than developing new ways of working in isolation, we're engaging stakeholders to design the most effective process and implement a fair and transparent approach. We've launched a consultation detailing the core issues, with proposals and questions to help us better understand the views of our stakeholders. We will publish an action plan in June 2014.