

Part One Submission

Overview of Evidence



This document demonstrates WPD’s compliance with the minimum requirements specified for the Stakeholder Engagement Incentive Scheme 2013. It is intended to support and evidence the narrative outlined in WPD’s Part One submission entry form.

It consists of a series of extracts and summaries from larger documents, including strategy papers and accreditation reports. Full copies of these documents are available on request.

It can be read in conjunction with WPD’s Part Two submission, which provides further insight into our strategy, and gives detailed examples of our initiatives and the measurable outcomes achieved for customers. We maintain a detailed file that evidences every element of our Part One and Two submissions.

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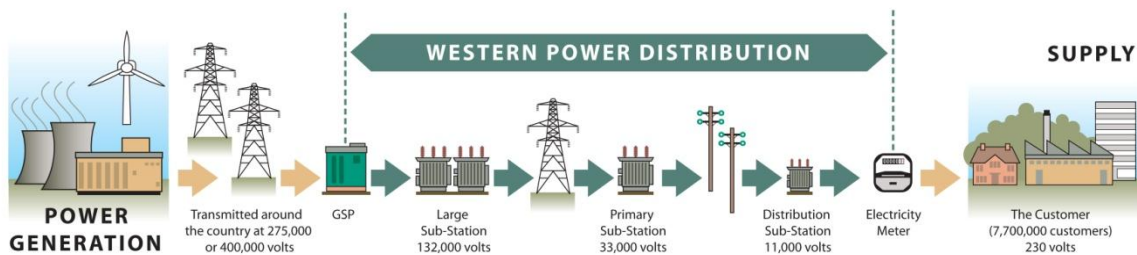
Company overview

Who we are and what we do

Western Power Distribution (WPD) is an electricity Distribution Network Operator (DNO). The network we operate covers a geographic area of some 55,500 sq. km serving 7.7 million customers.

What we do is simple and comprises of four key tasks:

- we operate our network assets effectively to 'keep the lights on';
- we maintain our assets so that they are in a condition to remain reliable;
- we fix our assets if they get damaged or if they are faulty; and
- we upgrade the existing networks or build new ones to provide additional electricity supplies or capacity.



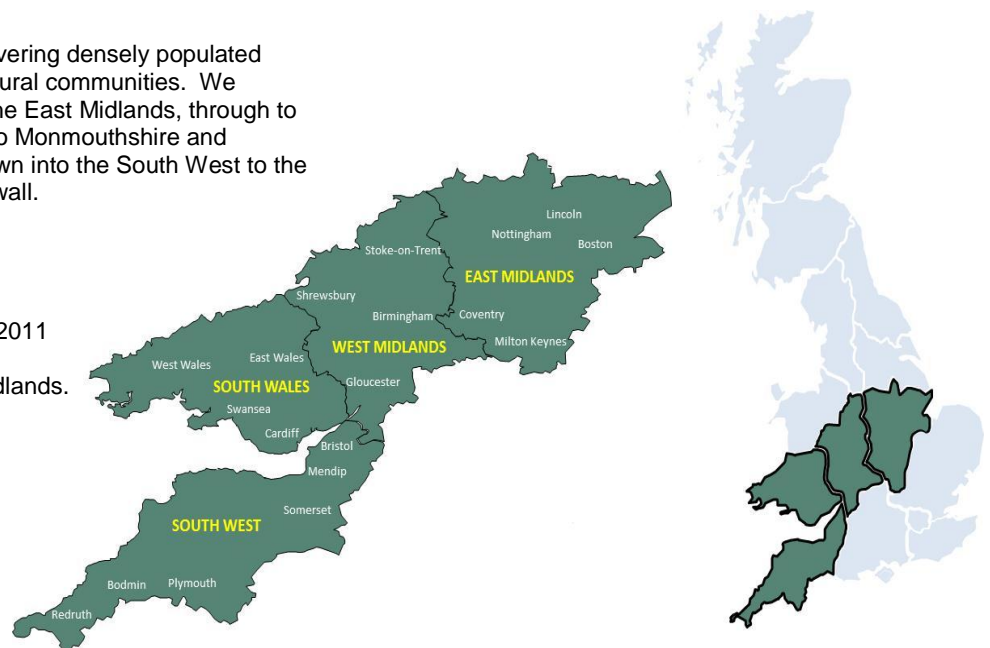
Where we operate

Our network is the largest in the UK, covering densely populated residential areas and widely dispersed rural communities. We operate from the Lincolnshire coast in the East Midlands, through to Gloucestershire in the West Midlands, to Monmouthshire and Pembrokeshire in South Wales, and down into the South West to the counties of Somerset, Devon and Cornwall.

Our structure

WPD is owned by PPL Corporation of Allentown, Pennsylvania, USA. In April 2011 PPL acquired the distribution networks operated by Central Networks in the Midlands.

We employ approximately 6,100 staff and operate a geographically organised, team-based business. This means that our teams are based in local offices where they take responsibility for local issues, deliver local work programmes and respond to local power cuts quickly.



'First time, every time' culture

At WPD we try to get things right 'first time, every time' regardless of what we are delivering. All staff know this and work hard to provide the best possible service. To encourage this we stress that all employees should:

- Take personal responsibility.
- Follow the problem through until the end.
- Work with others to find a solution.
- Keep the customer informed.
- Follow the Golden Rule – treat customers the way you would like to be treated.

Independent evaluation/audit and relevant accreditation schemes

Evidence 1: Customer Service Excellence (CSE) Standard

– Assessment Summary 2013

Independently assessed evidence of: Comprehensive and up to date stakeholder engagement strategy, clear processes of engagement using a variety of mechanisms, senior manager-buy-in, acting on feedback from stakeholders and achieving positive outcomes.

WPD have held the Government's charter mark since 1992. Below is an extract from the 2013 external Assessor's report. A full copy is available on request:

Western Power Distribution

Assessment Report

Assessment Summary

Overview

Overall Self-assessment

Satisfactory

Overall outcome (independently assessed):

Successful

WPD is continuing to perform strongly following the incorporation and consolidation of the East and West Midlands areas. Ofgem statistics confirm that Western Power is again leading the field in the timeliness and quality of customer service. All reviewed 'Compliance Plus' ratings have been maintained and just one partial compliance remains in relation to the need to set clearer standards for the timeliness of response to e-mails.

2013 Assessment:

1: Customer Insight

Criterion 1 self-assessment:

Satisfactory

Criterion 1 outcome (independently assessed):

Successful

There is a strong process for the identification of customer groups by a range of relevant characteristics and this is used to segment groups and deliver services that meet their needs in an appropriate manner. This process is assisted by effective consultation and customer satisfaction testing and by sound analysis of findings. The Stakeholder Engagement Strategic Review with its Action Plan focusing on planning for the next license period of 2015-2023 justifies the continued rating of '**Compliance Plus**'.

2: The Culture of the Organisation

Criterion 2 self-assessment:

Strong

Criterion 2 outcome (independently assessed):

Successful

There is clear leadership at all levels and appropriate policies and procedures are in place to support staff in delivering consistently high levels of performance. The priorities of WPD can be seen in the emphasis given to customer focus in the 'First Time Every Time' and 'Target 60' policies. The Annual Staff Roadshows encourage everyone to be involved with this customer-focused culture.

3: Information and Access

Criterion 3 self-assessment:

Strong

Criterion 3 outcome (independently assessed):

Successful

Your relaunched website is a great improvement and offers live power cut information. This has been complemented by a leaflet distributed to all customers (over 7 million) and a supporting TV advertisement. The quality of your Power Discovery Zone Primary Key Stage 2 resources pack justifies a continued 'Compliance Plus'.

4: Delivery

Criterion 4 self-assessment:

Strong

Criterion 4 outcome (independently assessed):

Successful

Services are delivered to a very high standard, with successful outcomes for the vast majority of customers. Complaints activity is minimal and you are good at capturing informal comments and suggestions. Guidance on complaints is available for staff on every PC. Good evidence of the use of benchmarking and the sharing of good practice has been noted this year.

5: Timeliness and Quality of Service

Criterion 5 self-assessment:

Strong

Criterion 5 outcome (independently assessed):

Successful

There are clear standards for delivering customer service with emphasis on timeliness and quality of service and you have maintained your position as the leading industry performer in this area. A number of improvements have been made since the last visit including more pro-active information provision to customers during power cuts, and a closer focus on the needs of vulnerable customers. There is still scope to review your standard for responding to emails to ensure that it meets expectations and current performance.

Independent evaluation/audit and relevant accreditation schemes**Evidence 2: CSE Standard – Extract of one of the 57 standards assessed**

The following is an extract from the full CSE 2013 assessment report and outlines one of the standards assessed under criterion 1 'Customer Insight':

Western Power Distribution

Assessment Report

1. Customer Insight

1.2 Engagement and Consultation

1.2.3: We regularly review our strategies and opportunities for consulting and engaging with customers to ensure that the methods used are effective and provide reliable and representative results.

Applicant Self Assessment: **Strong**
Compliance to Standard: **Compliance Plus**

New Evidence

CSE68: Stakeholder Workshop Results Assessor Acceptance: Yes

We hold workshops all over our region with a variety of stakeholders to gain their views on future investment and business plan proposals. Part of this engagement includes a review of the stakeholder engagement strategy to ensure our stakeholders consider our methods effective.

CSE72: Stakeholder Engagement Strategic Review Assessor Acceptance: Yes

In August 2012 we carried out a stakeholder engagement strategic review to consider our drivers to engage with stakeholders and to review our strategies and opportunities for engagement.

CSE84: Customer Panel Minutes Dec12 Assessor Acceptance: Yes

Our CEO attends and runs a customer panel every quarter to obtain customer views about various aspects of our business. We use this as an opportunity to review our engagement methods.

CSE107: Feedback from Distributed Generation (DG) Customers Assessor Acceptance: Yes

Our DG Forum enabled us to review strategies for consultation with Independent Connections Providers, for example. This ensures our consultation methods are effective. Positive feedback from DG customers demonstrates that such engagement improves our service.

Independent Assessment

2011 Assessment:

The quality and scope of the updated Stakeholder Engagement strategy is excellent and is commended as 'Compliance Plus'.

2012 Assessment:

The development of the Innovation and Environment Customer Panel to engage with stakeholders in the future direction of the business in relation to a range of environmental and network innovation choices is commended as 'Compliance Plus'.

2013 Assessment:

This continues to be a strongly performing area. The Stakeholder Engagement Strategic Review with its Action Plan focusing on planning for the next licence period of 2015 - 2023 justifies the continued rating of 'Compliance Plus' here.

Independent evaluation/audit and relevant accreditation schemes

Evidence 3: BSI Standard – Extract of 20 of the 37 assessed requirements

BSI Standard for Inclusive Service Provision – Identifying and responding to consumer vulnerability:

Area of service	Requirement	Compliant
Board commitment	Policies, processes and required improvements should be communicated to employees at all levels.	✓
Customer service framework	Have a framework in place and ensure signs of vulnerability (which may not be obvious) are recognised.	✓
Sufficient resources for identification/ assistance of vulnerable consumers	New and existing customers, whose circumstances may change, will be provided for by sufficient resources.	✓
Identify risk factors that might make consumers vulnerable	Determine objectives required to identify and meet needs of vulnerable customers.	✓
Prepare guidance on provision available	Description of risk factors likely to place consumers at a disadvantage, with guidance on provision available.	✓
Knowledge of best practice	All staff have knowledge/skills for the provision of inclusive service so they can meet the needs of all consumers and fulfil legislative requirements.	✓
Wide publication	Widely publicise, using accessible formats, its intent to provide an inclusive service.	✓
Accessible formats	Providing accessible services and premises to customers and ensuring information is in accessible formats.	✓
Contact options	Consumers given options e.g. telephone, post, internet.	✓
Confidentiality	Personal information about consumers stored and treated confidentially.	✓
Fairness	Policies and processes to treat all consumers fairly, and not discriminate against/exploit, any group(s).	✓
Policy and procedure review and implementation of necessary improvements	Have relevant policies and procedures and understand and review the impact of these (e.g. understanding vulnerability, applying best practice, identifying regulatory requirements, stakeholder engagement , trialling services with users, training and supporting frontline staff, ensuring flexibility ensures no disadvantage to the vulnerable, audits, feedback and complaints facilities.)	✓
Planning for inclusive service provision	Approaches must enable us to meet needs of all consumers.	✓
Authorised staff	Staff to be authorised to resolve issues.	✓
Processes must identify and manage needs of the disadvantaged	Must ensure consumers; <ul style="list-style-type: none"> • not disadvantaged by policies which discriminate against certain groups or fail to take account of circumstances, • receive the full planned level of service, • receive guidance on what they can expect, • have access to information in relevant format, • can obtain, understand and act on info • can contact us easily and have issues addressed • have easy access to complaint handling process/redress. 	✓
Records	Records of consumer's vulnerability kept, with approval and kept up to date and comply with the DPA. Access to records is granted only to WPD staff. Consumers not required to disclose full details of their circumstances.	✓
Dealing with consumer's representatives	Protocol should include ensuring agents or representatives have authorisation to deal with such data.	✓
Information	Info will be appropriate, jargon free and readily available in the appropriate format.	✓
Providing information	Reasonable steps taken to ensure consumers receive and understand relevant info.	✓
Promotions and Marketing	Must be easily legible, not stereotype, promote the view that all consumers want to access relevant services	✓

Primary Evidence Used	Externally Assessed
PSR policy	✓
Social obligation strategy	✓
CEO commitment	✓
Contact Centre training	✓
Codes of Practice	✓
Website	✓
Publications for customers and staff – including annual Stakeholder Report	✓
Annual and monthly customer satisfaction research and analyses	✓

A comprehensive and up-to-date stakeholder engagement strategy

Evidence 4: Extract from WPD's stakeholder engagement strategy

Evidence of: *Senior management buy-in, keeping stakeholders informed and engaged using a variety of mechanisms, and feedback from stakeholders is used to inform decision making.*

WPD STAKEHOLDER ENGAGEMENT STRATEGY - STRATEGIC REVIEW

1. INTRODUCTION – DRIVERS FOR STAKEHOLDER ENGAGEMENT

- **It's the right thing to do**
Customers pay for everything we do. We must work closely with our stakeholders to give them opportunities to feedback on our services and shape our plans for the future.
- **The current regulatory framework – DPCR5**
The DPCR5 package sets out a range of requirements and incentives on DNOs in relation to stakeholder engagement during the price control review period.
- **Changes to the regulatory framework – RIIO ED1**
WPD's next price control review will be set by Ofgem under the new RIIO mechanism (Revenue = Innovation + Incentives + Outputs). In order to be a successful company, WPD must demonstrate that we undertake stakeholder engagement on a regular basis in order to inform the development of robust and compelling business plans.
- **Technological changes bringing less certainty for our future business planning**
An increased uptake of distributed generation, the evolution of smart grids and other low carbon technologies, will change the services we provide and the relationships we have with consumers. WPD must work closely with our stakeholders to ensure our decisions (and assumptions for the future) are well informed and benefit our customers.

2. OUR OBJECTIVES

- To identify who our stakeholders are and the best ways to elicit their views.
- To identify instances in which lack of understanding or information prevent feedback on key debates and come up with ways to address this.
- To identify top stakeholder concerns about our performance and implement plans to address them.
- To understand the different needs of different types of customers and tailor information accordingly.
- To assess how customers might use the network differently in the future and use this to shape the services we provide.
- To produce a well-justified business plan, underpinned by stakeholder feedback.

3. WPD's STAKEHOLDER ENGAGEMENT STRATEGY

- To identify our stakeholders (including customers of the future).
- To understand what stakeholders want from network companies.
- To use a range of mechanisms to inform and engage stakeholders.
- To make information and all stakeholder feedback available.
- To measure the effectiveness of our strategy and stakeholder engagement activities.
 - We can demonstrate the impact of engagement on the business plan for RIIO-ED1.
 - We can demonstrate the impact of engagement on our day-to-day business.
- To periodically review and redefine our engagement strategy in response to feedback.

To ensure engagement is not separate to our day-to-day activities and is seen as part of everyone's role at WPD, many of our stakeholder events will be:

- Led by the experts who are responsible for that area of our business.
- Attended by operational staff who will be responsible for delivering the work locally.

3.1 How will WPD identify its stakeholders?

In order to engage most effectively and tailor our approach, it is critical that we first understand the different knowledge and interest levels of our stakeholders. We have identified a range of different stakeholder types. We have built a database of individuals and organisations representing the following segments, which we review and update regularly:

- domestic and business customers;
- other utilities (including DNOs and suppliers);
- local authorities and parish councils;
- government and regulatory bodies;
- fuel poverty agencies;
- vulnerable customer representatives;
- connections customers and representatives
- distributed generation customers and developers;
- major energy users;
- innovation/ smart grid representatives;
- environmental groups;
- emergency planners;
- network security representatives
- future customers;
- schools and education institutions;
- investors.

3.2 How will WPD engage with its stakeholders?

- Website
- Media campaigns
- Written information
- Stakeholder events
- Bilateral meetings
- Email notifications
- Telephone conferencing
- Regional Forums - CBI, Unions, Resilience Forums.
- Meetings with local residents & businesses
- Individual meetings
- Customer research
- Customer committees

3.3 What issues will WPD focus on?

- Overall investment priorities
- Low carbon network initiatives
- Distributed generation
- Information and communication needs
- Social obligations and fuel poverty
- Price changes
- Planning work at a local level
- Service and investment outcomes
- Specific issues identified by our stakeholders

3.4 What will WPD do with the feedback it receives?

- We will review the stakeholder engagement programme each year to ensure that the methods are effective and provide valid and reliable results.
- We will publish periodic updates on stakeholder engagement, detailing the methods used, the consultation materials presented, feedback gained and the actions taken as a result
- We will publish an annual stakeholder report.
- We will measure customer satisfaction as part of the Broad Measure surveys and will produce detailed monthly performance reports, trend analysis, take actions to improve service and measure the results.

4. ACTION PLAN: April 2012 – March 2013

Our stakeholder engagement programme will include many activities that are not listed below. The following summarises the major actions, with a key focus on RIIO-ED1:

Timing	Action	Lead	Additional contributors from the business	Complete?
Q2 2012	WPD staff road shows	Chief Executive	All WPD staff	✓
Q2 2012	Customer Service Excellence Standard assessment & reaccreditation	Stakeholder Manager	Policy Manager	✓
Q2 2012	Distributed generation customer research	Stakeholder Manager	Network Services Managers	✓
Q2 2012	Willingness to pay research	Stakeholder Manager	Regulation Manager, Network Services Managers	✓
Q2 2012	Customer Panel meeting	Chief Executive	Regulation Manager, Stakeholder Manager	✓
Q2 2012	LCNF projects knowledge dissemination event	Policy Manager, Future Networks Manager	Low Carbon Engineers	✓
Q3 2012	Updated stakeholder engagement strategy reviewed & signed off	Chief Executive & Directors	Customer Panel	✓
Q3 2012	Update WPD stakeholder database	Stakeholder Manager	-	✓
Q3, Q4 2012 & Q1 2013	DG Connections Surgeries	WPD Distribution Managers	Team Managers, Network Planners	✓
Q4 2012	Customer Panel meeting (presentation of new strategy)	Chief Executive	Regulation Manager, Stakeholder Manager	✓
Q4 2012	Stakeholder workshops x6 (consultation on business plan)	Regulation Manager, Stakeholder Manager	WPD Distribution Managers	✓
Q4 2012	Customer Panel meeting	Chief Executive	Regulation Manager, Stakeholder Manager	✓
Q1 2013	KEY MILESTONE Business Plan consultation document launched			✓
Q1 2013	NEA fuel poverty conference	Regulation Manager	-	✓
Q1 2013	Future bill payers workshops x2	Stakeholder Manager	Regulatory Officer	✓
Q1 2013	Social obligations workshops x2	Regulation Manager, Stakeholder Manager	Regulatory Officer	✓
Q1 2013	KEY MILESTONE 2012 Stakeholder Report published			✓
Q1 2013	Energy suppliers workshops	Regulation Manager	Income & Connection Manager	✓
Q1 2013	Major Energy Users Council conference	Future Networks Manager	Stakeholder Manager	✓
Q1 2013	KEY MILESTONE Draft Business Plan published for stakeholders			✓
Q1 2013	Customer awareness campaign	Communications Manager	-	✓
Q1/2 2013	Stakeholder workshops x6 (consultation on business plan)	Regulation Manager, Stakeholder Manager	WPD Distribution Managers	✓
Q1/2 2013	Vulnerable (Priority Service Register) customers research	Stakeholder Officer	Contact Centre Manager	✓

THE WPD EXECUTIVE IS ASKED TO REVIEW AND ENDORSE THIS STRATEGY AND THE SPECIFIC ACTIONS FOR 2012/13.

A broad and inclusive range of stakeholders have been engaged

Evidence 5: WPD Customer Panel terms of reference

Customer Panel Terms of Reference

- Provide feedback on the effectiveness of WPD's initiatives and methods of addressing consumer issues/concerns.
- Act as a "sounding board" for new ideas.
- Advise/draw attention to key issues of current or emerging consumer concern.
- Influence WPD's strategic objectives and future investment plans.
- Support and facilitate joint-working between WPD and consumer groups.
- Offer advice on any other issues that may be referred to it by WPD.
- Act as arbiters for customers.

Our panel members and their representative stakeholder segment(s)

Panel Member	Stakeholder Segment (representative of)
1. Electricity Chairman, Major Energy Users Council	Major Energy Users; Connections
2. Energy Manager, B&Q	Business; Major Energy Users
3. (Former) Service Manager, British Red Cross	Vulnerable; Emergency Resilience
4. Head of Grid and Regulatory Affairs, West Coast Energy	Distributed Generation; Connections; Innovation
5. Chair, Clearwell Parish Council	Domestic; Parish/Local Authorities; Vulnerable
6. Director of Operations, Energy Saving Trust	Fuel Poverty; Environment; Education
7. Business Development Manager, Action On Hearing Loss	Vulnerable; Hard-to-reach
8. Environmental & Sustainability Manager, Lincoln University	Emergency Resilience; Environment; Innovation
9. Regional Energy Manager, The Cooperative Group	Major Energy Users; Business; Environment; Innovation
10. Chair, Long Eaton Neighbourhood Watch	Domestic; Vulnerable
11. Chair, Nottingham Elders Forum	Domestic; Vulnerable
12. Inspector, Warwickshire Police	Network security; Emergency Resilience
13. Head of RVS Midlands, Royal Voluntary Service	Vulnerable; Emergency Resilience
14. Research Professor, Institute of Engineering & Technology	Innovation
15. Chairman, North Somerset Council	Local Authorities; Major Energy Users
16. Senior Services Manager, British Red Cross	Vulnerable; Emergency Resilience
17. Energy Support Advisor, Severn Trent Water	Major Energy Users; Distributed Generation
18. Lead Category Specialist, Severn Trent Water	Emergency Resilience
19. Director, PowerCon UK	Connections; Innovation
20. Emergency Planning Officer, Northamptonshire County Council	Local Authorities; Emergency Planning

Appropriate mechanisms to inform and engage stakeholders

Evidence 6: Overview of WPD's key engagement methods

Evidence of: *Engagement mechanisms that have been tailored to meet the needs of various stakeholder groups.*

In 2012/13 we have held:



Face-to-face workshops and forums

- 12 business plan stakeholder workshops.
- 2 future bill payers workshops.
- 2 social obligations workshops.
- 1 energy suppliers workshop.
- 4 Customer Panel meetings.
- 10 connections surgeries.



Surveys and telephone interviews

- 400 vulnerable customer surveys.
- 1,634 willingness to pay research interviews.
- 774 distributed generation customer interviews.
- 12,962 customer satisfaction surveys (monthly Ofgem Broad Measure).
- 390 stakeholders surveyed on business plan.



Media campaign

- New TV advert screened on ITV and Channel Four.
- Four-page newsletter sent to every WPD customer (7.7 million).
- Advertising in every regional daily and evening newspaper.
- 2,000 customers surveyed as part of face-to-face opinion research, pre and post campaign.



Written reports and consultations

- Annual stakeholder report published online.
- Business Plan consultation document sent to 2,000 stakeholders and published online.
- Rural customer advice newsletter sent to 2,500 parish councils.
- Draft Business Plan and second consultation published online.



Face-to-face education/outreach

- 120 children's education events
- WPD's Priority Services Register promoted and leaflets distributed via Red Cross 'Warm Homes', home fire safety checks and medical equipment loan services.
- Held power cut awareness events with organisations including Wales Council for the Blind, Age UK/Cymru and WRVS.
- Attend major public shows such as Bath & West, Three Counties Show, Malvern and the Royal Welsh Show.
- 21 energy advice and fuel poverty events reaching c13,500 people.

Acting on input/feedback from customers

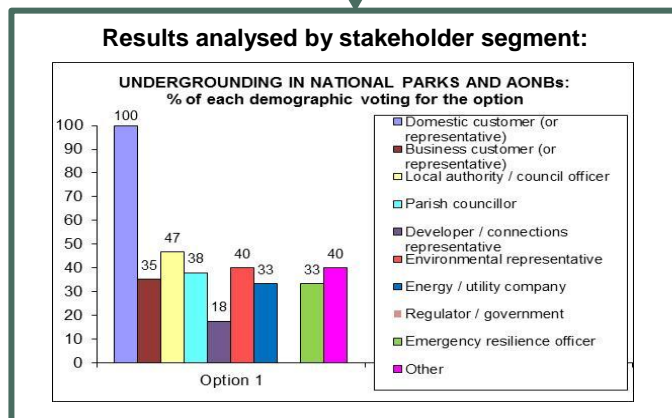
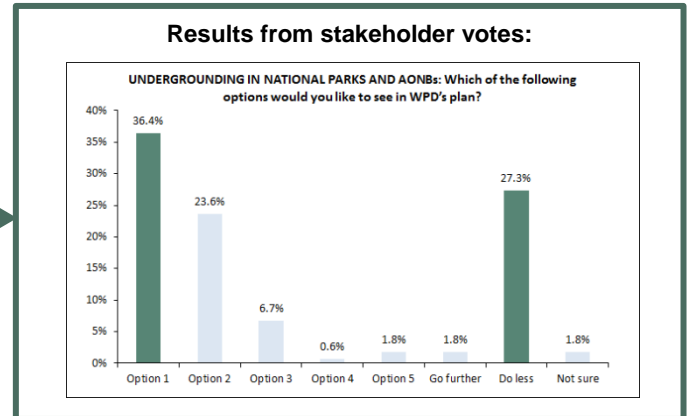
Evidence 7: Example results from stakeholder research

Example investment option discussed and voted on by 206 stakeholders at WPD stakeholder events in November 2012:

Length of overhead lines to be undergrounded in Areas of Outstanding Natural Beauty and National Parks:

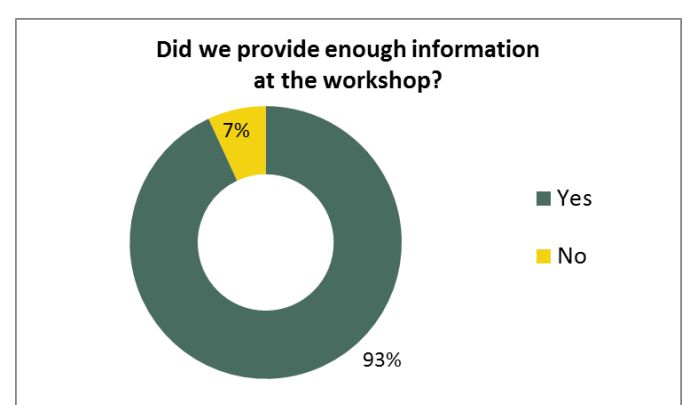
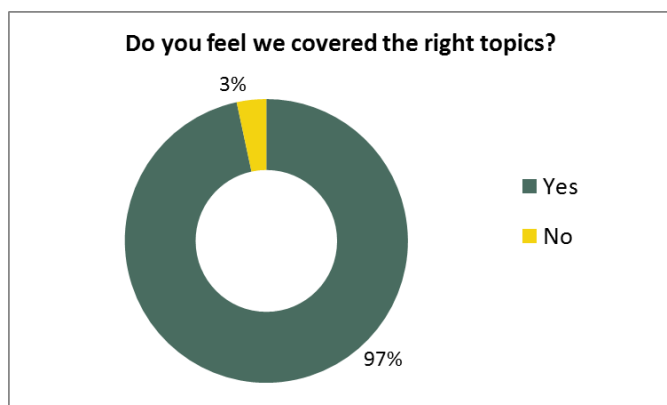
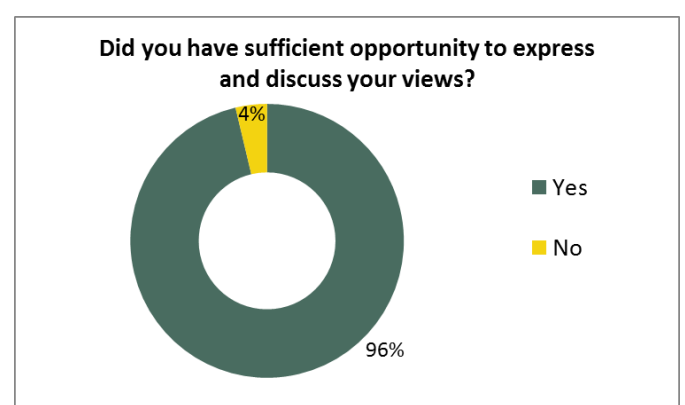
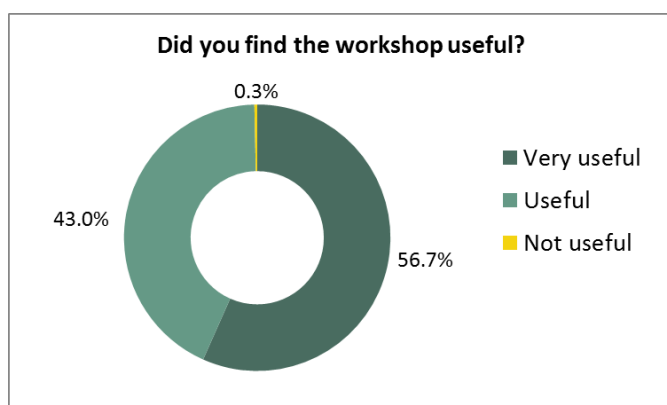
Options presented:

	KM overhead line undergrounded (in 8 years)	Total cost over 8 years	Maximum extra on domestic bill every year
Option 1: NOW	40km	£6m	9p
Option 2: WPD's current view	70km	£10.5m	16p
Option 3	120km	£18m	28p
Option 4	240km	£36m	56p
Option 5	480km	£72m	£1.12



- WPD action taken:**
- Based on the clear feedback to scale-back our plans we updated our proposal so that WPD would underground 40km in 8 years.
 - This option was presented at our next round of stakeholder events, where 28% of stakeholders then voted for WPD to do more than 40km.
 - WPD RESPONSE: On balance of the views received, we will increase the amount of overhead lines being undergrounded to 55km, but not go as far as the 70km initially proposed.**

Satisfaction results from WPD's 12 business plan workshops in 2012/13:



Acting on input/feedback from customers

Evidence 8: Extract from WPD Business Plan, Stakeholder Engagement Annex

Evidence of: Acting on feedback from stakeholders, culture change and senior management buy-in, and timely input from stakeholders (via appropriate mechanisms) informs decision making.

The following is an extract from our Draft Business Plan which is available online. It is an example page from the stakeholder engagement annex and demonstrates how stakeholder feedback has influenced our outputs in the area of 'network reliability and availability':

Chapter 3: Summary of key findings

Network reliability and availability

During normal weather conditions

- 3.1 **STAKEHOLDER FEEDBACK: Network reliability (during normal weather conditions) is the number one priority for our stakeholders and they are not willing to see any deterioration in service.**
- 3.2 Stakeholders would like to see, as a minimum, a 10% reduction in both power cut frequency and duration. Initial stakeholder engagement, indicating that improvements were expected, was reinforced during our Business Plan discussions where two thirds of stakeholders stated that reducing the number and average duration of power cuts should be a high priority. Over half agreed with WPD's proposals to reduce average frequency and duration of power cuts and a further 30% wanted even greater reductions.
- 3.3 **WPD RESPONSE:** We will improve network performance so that on average customers will have 13% fewer power cuts (moving from 7 in 10 years, to 6 in 10 years) and have their electricity supplies restored 20% quicker (moving from an average duration of 48 minutes to 38 minutes).

Worst served customers

- 3.4 **STAKEHOLDER FEEDBACK: There should be increased investment to improve network reliability for worst served customers. Stakeholders support Ofgem's decision to change the definition from 15 power cuts in 3 years (lasting 3 minutes or more), to 12 power cuts in 3 years.**
- 3.5 Stakeholders recognise that living in remote areas can make power cuts more likely and they support investment where it improves performance for customers receiving the poorest performance. Using the present definition (15 higher voltage power cuts in 3 years), stakeholders would like to see the number of worst served customers reduced by 20%, from 10,000 to 8,000 customers. When WPD proposed to go further (improve by 40%) stakeholders told us to scale-back our plans to, what they felt was, a more reasonable cost per benefitting customer.
- 3.6 Ofgem have since indicated that the definition of a worst served customer will change. WPD tested improvements against this new definition via 'willingness to pay' research and qualitative workshop discussions. Stakeholders overwhelmingly supported WPD's proposals to apply the same level of improvement previously agreed with stakeholders (20% reduction), to the new definition, therefore reducing the number of worst served customers from around 20,000 to 16,000. A significant proportion of stakeholders (40%) favoured a 20% improvement in network reliability for those 4,000 benefitting customers, at a maximum expenditure per customer of £800.
- 3.7 **WPD RESPONSE:** We recognise the inconvenience of frequent power cuts and will reduce by 20% the number of customers classified as worst served.

Resilience to severe weather

- 3.8 **STAKEHOLDER FEEDBACK: The importance of network resilience to severe weather and flooding is an issue that has increased significantly for stakeholders over the last 18 months, and is now viewed as one of WPD's top three priorities.**
- 3.9 A number of high profile floods during 2012 made stakeholders more aware of the disturbance flooding can cause. 95% would like to see our flood mitigation measures extended to protect more substations from flooding.
- 3.10 Tree clearance to reduce the impact of storms on the electricity network was strongly supported, with half endorsing WPD's existing programme and over 40% wanting this to be accelerated.
- 3.11 **WPD RESPONSE:** We will accelerate the rate of resilience tree trimming by 40%, to complete the programme five years earlier than suggested by Government guidelines (accelerate from 25 years to 20 years), clearing 700km of overhead line per annum. We will apply flood defences to an additional 75 major substations, reducing the risk of damage to equipment and power cuts due to flooding.