

Stakeholder participation report

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2. Executive Summary

Western Power Distribution (WPD) carried out a significant amount of stakeholder engagement in support of its Business Plan for DPCR5, running from 2010 – 2015. The company also carried out an initial programme of engagement with its stakeholders ahead of DPCR6, which runs from 2015 – 2023. This involved a series of workshops across Wales and the south west of England which took place in May 2011.

In April 2011, WPD acquired the former Central Networks electricity distribution company. It was decided that it was important to gauge the views of WPD's stakeholders in the newly acquired network in order to bring the company's programme of engagement ahead of DPCR6 into line with the rest of the company.

It was the intention of WPD to engage with a broad cross-section of stakeholders from a range of backgrounds and interests in order to identify how they viewed the company's priorities over the upcoming price control review period.

WPD instructed Green Issues Communiqué (GIC) to facilitate workshops at three locations within the company's newly acquired network area. These workshops took place in Nottingham, Birmingham and Gloucester. On each of the tables, a scribe was used to take note of all the comments raised as well as the outcomes of the prioritisation exercises. GIC has endeavoured to detail, faithfully, all of the comments made at these workshops. These comments and outcomes are shown in more detail in this document.

Although the majority of the issues discussed were the same as those that had been discussed in the round of workshops that took place in May 2011, it was decided that a section focussing on innovation be included. There was a good deal of debate around most of the issues at the workshops and it is clear that from reviewing the outcomes of each session, there are a number of areas where stakeholders' priorities differ, either according to the sector they represent or, in some cases because of the geographical location of the workshop. In this document, after each workshop report, there is a short conclusions section along with visual representations of how the stakeholders ranked each Issue. Below is a broad summary of the comments received across all three workshops:

- In total, 118 stakeholders attended the three workshops. This represents an excellent turnout and the Birmingham workshop was the most well attended that WPD has hosted to date
- Stakeholders were asked at the end of each workshop for their feedback on how they found each event. Encouragingly, out of the 96 stakeholders who submitted feedback, 42 stated that they had found the event to be 'very useful' and 54 said they found it to be useful
- In the initial discussions on both the Customer Service and Networks and the Innovation and Environment Issues, most stakeholders viewed all of these as being priorities for WPD

- Although stakeholders did not necessarily view new and innovative methods of communication as being a high priority, most felt that WPD could do more to utilise new technology such as smartphones in order to keep customers informed in real time. The point was often made, however, that for elderly customers, the telephone would always be the primary method of contact and WPD should not lose sight of this
- Stakeholders generally thought that improving the service WPD offers for new connections should be considered a high priority. It was widely felt that anything that could be done to make this process easier for those people who wanted to connect to the network would be positive and that working in partnership with local authorities and developers, especially, was one way that WPD could make this happen. This theme of partnership working and planning, particularly for proposed new housing developments was something that was raised a number of times at the workshops
- 'Being prepared for major emergencies' was not seen as being a high priority for all stakeholders but this Issue was almost unanimously viewed as being very important by those who attended the Birmingham workshop. This may be because Birmingham is regarded as Britain's second city so there is a perception that such eventualities are more likely than in, for example, Gloucester. However, stakeholders who attended the Gloucester workshop were most likely to cite flooding as being an important Issue to be prepared for, presumably due to the floods that had affected the city so badly in 2007.
- Improving reliability for worst served customers was one Issue where stakeholders' own experiences steered their views. Although this was not seen as being a high priority, the point was made by a number of respondents that these customers pay the same for their electricity as those living in urban areas. Conversely, for many, this issue was seen as something that stakeholders should accept if they lived in rural or remote areas
- The point was made that particular attention should be paid to vulnerable 'worst served' customers. It was also the case that the Issue of reducing power cuts was the most likely to be included to the list as an additional priority
- Most stakeholders did not view the Issue of 'asset replacement to maintain business as usual' as being a high priority but it was often stated that, for stakeholders, this might be the least they expected from WPD. This Issue was frequently combined with 'future proofing' which was generally seen by stakeholders as being one of the most important priorities for WPD
- Many stakeholders were of the view that 'future proofing' was one Issue that linked with a number of other topics. Generally, most were of the view that 'future proofing' is essential but that WPD should adopt an incremental approach, particularly when it comes to upgrading its assets. Many stakeholders cited the fast pace of technological advancements as a reason for this
- Although there was considerable support for 'real time data exchanges', with many ranking this as an important priority, some felt that the cost of this may be prohibitive
- Metal theft was clearly a topical issue, particularly in Nottingham and Birmingham. While it was felt that this was an important Issue facing DNO's, the point was made that WPD's role should be to encourage the Government to do more to prevent this.

Some also felt that this Issue may decrease in importance later in the price control review period

- Stakeholders generally ranked Issues relating to Innovation over those relating to the Environment. The Issue of 'using innovation to support the existing network' was seen as being a high priority by most of the attendees at the workshops
- There was also a good deal of support given to Innovation Issues relating to the development of 'new technologies to accommodate increases in electricity demand' and to 'trailing new technologies to facilitate low carbon network'. Stakeholders were of the view that WPD should work with other organisations and bodies to pursue this but urged a cautious approach as it was felt by many that it was difficult to predict the future
- 'Making better use of the current system capacity' was seen by many as being the most important priority for WPD. The point was made a number of times that this was imperative and this was widely seen as a 'top three' priority for WPD
- The Issue of 'smart technology and telecommunications' was also seen by many as being a 'top three' priority for WPD. Stakeholders could see the benefits of real time information in the long term, although some were of the view that the cost of this may be prohibitive
- For many stakeholders, 'facilitating the connection of renewable energy' was one of the most pressing priorities for WPD. It was felt that the Government would play a big part in this but that WPD should make this as easy as possible. A number of stakeholders pointed out that this would be a huge challenge for WPD over the price control period and many questioned the viability of certain types of renewable energy
- Of all the Issues discussed across all three workshops, 'facilitating electric vehicle charging infrastructure' was seemingly the one with the least amount of support from stakeholders. Many were of the view that WPD should adopt a watching brief with regard to this Issue and should be reactive rather than proactive. It was felt by many that the market would dictate the importance of this Issue and that it was not the role of WPD to endeavour to set the agenda
- Although many stakeholders were of the view that 'minimising leakage from fluid filled cables and gas filled switchgear' was a serious Issue, it was nevertheless frequently deemed to be a medium rather than a high priority. Most stakeholders felt that the threat was manageable and that WPD should monitor this but should not devote significant resource to upgrading its assets to deal with this unless it was deemed essential
- The Issue of 'undergrounding cables in AONB's and National Parks' was something that a number of stakeholders felt very passionately about. Most could see that this was desirable in places of outstanding natural beauty but stakeholders as a whole generally viewed this as being a medium priority when placed in context with all the other Issues being discussed

- The same was true of 'protecting habitats and species'. While most saw this as being important, the consensus was that WPD should adhere to Government policy on this rather than strive to exceed its statutory obligations

- Of all the Environment Issues discussed, 'flood and climate change mitigation' was generally deemed the most important. A number of stakeholders had experienced the effects of severe flooding on the network and it was felt that mitigating this ought to be a high priority

3. Methodology

The first task for GIC was to carry out a thorough audit of WPD's existing databases of contacts and make recommendations on other relevant stakeholders who should be included in the process. GIC produced a comprehensive database of over 2,400 stakeholders falling into the following categories:

- MPs
- MEPs
- Consumer Groups
- Business Groups
- Environmental Groups
- Conservation Groups
- Housing and commercial developers
- Major electricity users
- Electricity suppliers
- Housing associations
- Representatives of emergency services
- Local authority Leaders
- Local authority Chief Executives
- Relevant local authority Portfolio Holders
- Relevant local authority Officers
- Parish and town councils

All stakeholders were sent a written invitation five weeks prior to the first workshop, ensuring they had adequate notice ahead of each event. Stakeholders were also emailed at this time and, in the weeks leading up to the events, telephone calls by members of the GIC team were also used to maximise attendance.

It was the intention of WPD to get as high a turn-out at the workshops as possible. GIC was instructed to find the best locations possible for events of this nature in three key locations: Nottingham, Birmingham and Gloucester. These three major cities in the former Central

Networks distribution area were chosen to make travel as convenient as possible for WPD's stakeholders.

Lunch was provided as way of encouraging attendance and in the case of the Birmingham and Gloucester events, tours of the stadiums (Villa Park and Gloucester RFC, Kingsholm Stadium) were offered. It was decided that all stakeholders should be invited to all of the events, regardless of their location.

The format for the workshops was very similar to those that had taken place in May 2011 as the intention was to bring the recently acquired network up to speed with the consultation that had already taken place by WPD. As with the previous round of workshops, it was decided to adopt a 'traffic light' approach to build consensus and identify which Issues stakeholders deemed to be of 'high', 'medium' or 'low' priority. This method of ranking certain issues had been used by Ofgem in a number of its previous consultations.

At the beginning of each workshop, there was a presentation by senior personnel from WPD, explaining the company's role including the acquisition of Central Networks and the objectives of each workshop session. It was decided that the workshops should be split into two sessions; the first dealing with Improving the Network and Improving Customer Service and the second dealing with Innovation and the Environment.

Stakeholders who attended the workshops were allocated places at tables. In order to encourage debate and ensure a good mix of comments, stakeholders were split up in order to ensure a broad cross-section of organisations at each table. Each table had a maximum of ten stakeholders as well as a representative of WPD on hand to answer technical questions, a GIC workshop facilitator and a workshop scribe.

The sessions began with a brief explanation of all of the Issues facing WPD and stakeholders were initially asked to state whether each issue should be a priority for over the upcoming price control review period. After this initial exercise, stakeholders were asked to consider which of these Issues should be ranked as 'high', 'medium' or 'low' priority and to comment on each one. At the end of each session, stakeholders were also asked to pick their top three priorities. These top three priorities were discussed among the wider group at the workshops after each session.

Further to the collation of all of the comments received, an outcomes report was produced by GIC and was finalised by 5th April 2012. This report details all of the comments received at the workshops as well as the prioritisation of each issue. Every effort was made at the workshops to achieve consensus around each Issue. At times, this was not possible but notes have been taken of issues where certain stakeholders could not agree with the consensus view on the table.