WESTERN POWER DISTRIBUTION

Serving the Midlands, South West and Wales

RIIO-EDI: Stakeholder Workshops

November 6th – 15th 2012

GreenIssuesCommuniqué

1. Contents

2. Introduction

Western Power Distribution (WPD) appointed Green Issues Communiqué (GIC) to facilitate a series of six stakeholder workshops to support its draft business plan for the price control review period running from 2015-2023 (RIIO-ED1). A total of 206 stakeholders attended the six workshops. This is an excellent turnout and we thank all of those stakeholders who gave up their time. This document and its appendices details the methodology employed and the feedback given by WPD's stakeholders at each of these events. GIC was responsible for collating all feedback and has endeavoured to detail, faithfully, all of the comments made.

2.1. RIIO-ED1 Methodology

Prior to the commencement of work on this phase of the business planning consultation, WPD had already hosted a series of workshops (in the south west in May 2011 and in the Midlands in February 2012), the purpose of which was to gain an initial insight into the investment priorities and interest areas of its stakeholders. WPD then commissioned a survey of 1,600 business and domestic customers, known as 'Willingness to pay' research. At this point, WPD was in a position to produce a draft business plan and present this to its stakeholders at a further round of six workshops which took place in November 2012.

When asking stakeholders to initially rank their investment priorities, GIC had employed a 'thermometer' consultation tool in order to build consensus. After initial discussions on a range of issues groups of between seven and ten stakeholders were asked how they rated each investment priority, from 'boiling hot' for very important to 'freezing cold' for those issues deemed unimportant. Whilst this method of engagement was suitable for establishing the relative importance of each issue, it was decided that a more robust method of engagement should be employed for subsequent phases of engagement to enable WPD to gain detailed quantitative feedback from all of its stakeholders. WPD therefore instructed a specialist electronic voting company (Maddison Media) to assist in this phase of stakeholder engagement. A further advantage of using this technology was that WPD could gain an insight into the views of its stakeholders across its network with no geographical differences. This method of engagement also allowed WPD to see how the views of its stakeholders differed according to their roles and the types of organisations they represent.

Prior to the commencement of the most recent phase of stakeholder engagement detailed in this report, GIC sourced contact details of a total of 4,679 stakeholders who each fell into the following categories:

- Domestic customer (or representative)
- Business customer (or representative)
- Local authority / council officer
- Parish councillor
- Developer / connections representative

- Environmental representative
- Energy / utility company
- Regulator / government
- Emergency resilience officer
- Other

Each of these stakeholders was sent a written invitation to attend any of the six workshops, five weeks prior to the events. These invitations were also emailed to each one. In the weeks preceding the workshops, a further two rounds of emails to each stakeholder who had not responded were sent and a phase of telephone calls was also undertaken in order to encourage attendance.

The workshops were held at well known venues in six different locations across WPD's network area and refreshments were provided. Prior to each workshop, all attendees who had registered were sent an agenda for the day along with details of the venue and on public transport and parking at each one.

At the beginning of each event, there was a presentation by WPD, explaining the company's role, putting the engagement process into context and stating the objectives of each workshop session. The morning workshop was split into two sessions, the first dealing with the issues of power cuts; severe weather resilience; flooding; and oil and gas leaks. The second session of the morning covered the issues of worst served customers; undergrounding in national parks and AONBs; new connections – process speed; and communications methods. Both of these workshops began with a presentation from WPD explaining the issues and detailing the outcomes of previous engagement. At this point there were facilitated, round-table discussions with GIC representatives on hand to note the comments made and representatives of WPD on hand to answer technical questions. After approximately 45 minutes of round-table discussion, stakeholders had an opportunity to vote on the four issues that had been discussed. After lunch there was a further session on low carbon technologies which began with a presentation from WPD explaining the issues, followed by a further 45 minute round-table discussion.

At all times stakeholders were encouraged to speak freely and openly and it was made clear to them that comments would not be attributed to individuals. Following the workshops, GIC collated all of the comments made by WPD's stakeholders as well as the outcomes of the voting.

1. Feedback summary

- A total of 206 stakeholders attended the workshops. Over 20% were representatives of local authorities and a similar proportion were parish councillors. 13% of attendees represented energy / utility companies and approximately one in eight were business customer representatives
- 134 stakeholders filled out a feedback form after the events
- 76 of the 132 stakeholders who answered the question told us that they found the workshop to be 'very useful' and 55 found it to be 'useful'. Only one person said that the workshop was 'not useful' for them
- 96% of workshop attendees said that the venues were conveniently located for them
- Over 90% of stakeholders who submitted their comments told us that we had provided enough information for them on the day
- 130 out of 131 workshop attendees who answered the question told us that they had had sufficient opportunity to express their views at the events
- Over 95% of stakeholders told us that we had covered the right topics on the day

Power cuts

- When asked to vote on the issue, two thirds of stakeholders told us that reducing the number and average duration of power cuts was a high priority for WPD. Just over half of stakeholders polled, including every domestic customer, supported WPD's proposals to reduce the average frequency of power cuts to 7.75 per 10 years and the average duration to 52 minutes. Whilst a quarter were of the view that WPD should go further, almost one in five thought that the company should do less than proposed

Severe weather / emergency resilience

- Two thirds of stakeholders either agree or strongly agree that a tree trimming programme to reduce the risk of power cuts during storms should be a high priority for WPD. Although over half of stakeholders polled endorsed WPD's proposed option for a 25 year programme of resilience tree trimming, a significant proportion (45%) thought the company should actually accelerate this work

Protection against flooding

- Almost 90% of stakeholders either 'agree' or 'strongly agree' that protecting substations against the risk of flooding should be a high priority for WPD. Less than half of the stakeholders who voted on the issue agreed with WPD's proposed approach to protect the 100 most at risk from flooding with more than half of the view that WPD should go further. This figure included all emergency resilience officers

Oil and gas leaks

- Whilst over half of stakeholders either 'agree' or 'strongly agree' that acting to reduce the risk of oil leaks from fluid-filled cables and SF6 gas leaks from equipment should be

a high priority for WPD, over one in five did not agree and a relatively high proportion (20%) were not sure. The majority of stakeholders polled (56%) endorsed WPD's proposals to replace the worst 1% of equipment with the highest leakage rate. This figure included three quarters of those representing business customers

Worst served customers

- Two thirds of stakeholders either agreed of strongly agreed that improving levels of service for worst served customers should be one of WPD's high priorities. WPD's proposed option to reduce the number of worst served customers from 10k to 6k was the most popular choice of stakeholders when polled, although one quarter stated they would be happy for this number to remain as it is

Undergrounding in national parks and AONBs

- Although almost a third of stakeholders either agreed or strongly agreed that replacing overhead lines with underground cables in national parks and AONBs was a high priority over 60% did not agree with this statement. The most prevalent choice with regard to WPD's approach was to underground 40 kilometres over the 8 year period, although almost a quarter were of the view that WPD should actually do less. A similar proportion voted to increase the figure to 70 kilometres over the eight year period

New connections – process speed

- The majority of stakeholders believe that the current process speeds of 90 days for large connections and 30 days for small connections are acceptable. This includes almost two thirds of local authority representatives and a similar proportion of developers. Only 4% of stakeholders strongly disagreed with this statement. When asked who should pay for new connections, the vast majority of stakeholders were of the view that new connections customers themselves should foot the bill. This figure included 80% of developers / connections representatives. In terms of options for the price control review period, stakeholders were generally in agreement that the process speed should remain as it is, with over 80% endorsing this view (including 80% of local authority representatives and 77% of developers / new connections representatives)

Communication methods

- Of all of the communications methods for new connections customers put forward by WPD, the greatest support was seen for the inclusion of online applications, payments and job tracking

- Over three quarters of stakeholders either agree or strongly agree that innovating the methods by which WPD communicates with its customers should be a high priority. Of all the options put to stakeholders, real time outage information on WPD's website was the most popular. Although social media channels on their own were not popular, almost one third of stakeholders, when presented with a range of options including: telephone operators and automated messages to respond to calls; 2-way text messaging; social media channels; and real-time outage information on the website voted for 'all of the above'

Low carbon scenarios

- When asked to comment on WPD's best view with regard to the transition to a low carbon economy, a number of stakeholders were of the view that WPD's projections were challenging. Of all the types of technology included in the best view scenario

many stakeholders stated that projections for the take up of electric vehicles were the most optimistic

- A number of stakeholders made the point that challenging targets for the introduction of low carbon technologies would only be achievable with government assistance in the form of incentives and subsidies

- Opinion was split on the matter of smart meters. Some stakeholders told us that behaviour would change with the introduction of smart meters as customers would be able to see how much energy they are using at any given time. However, the point was made that behavioural changes may be short lived unless customers could see the real financial benefits of reducing their energy consumption

- There was a good deal of support for the introduction of smart grid technologies and stakeholders were of the view that the levels of service to customers should not suffer as a result of their introduction

- Stakeholders were broadly of the view that service levels should not suffer as a result of the introduction of smart grid technologies