



8

Why we engage with you

- We are a regional monopoly
- We want to be the best. This means:
 - Listening to our stakeholders
 - Acting on their feedback
 - Asking stakeholders to identify improvements & priorities
 - Working with stakeholders to deliver them
- Our latest Business Plan covers 2015-2023
 - It was 'fast-tracked' by Ofgem
 - And shaped by 4,500 stakeholders

WESTERN POWER DISTRIBUTION
Serving the Midlands, South West and Wales

VULNERABLE CUSTOMERS

Did you know?

Last year we proactively contacted 125,000 vulnerable customers during power cuts
We contacted 300,000 customers to update their records and give advice



Tackling fuel poverty

Last year we helped 5,000 fuel poor customers to save £750,000 a year

Part 1 submission:

Stakeholder & consumer vulnerability strategies

Ofgem Stakeholder Engagement & Consumer Vulnerability Incentive

2015/16



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This document is Western Power Distribution's **Part One submission** to Ofgem's Stakeholder Engagement & Consumer Vulnerability (SECV) Incentive for the regulatory year 2015/16.

Western Power Distribution (WPD) is the Distribution Network Operator (DNO) responsible for delivering electricity to 7.8 million customers across the East and West Midlands, South West England and South Wales.

Ofgem's SECV Incentive is an annual scheme, which encourages network companies to engage proactively with stakeholders in order to anticipate their needs and deliver a consumer focussed, socially responsible and sustainable energy service. WPD's submission to this incentive is divided into three parts:

- Part 1: WPD's stakeholder engagement & consumer vulnerability strategy and key evidence (Demonstrating that we meet Ofgem's minimum requirements).
- Part 2: Key outcomes resulting from WPD's stakeholder engagement activities.
- Part 3: Key outcomes resulting from WPD's consumer vulnerability activities.

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1. INTRODUCTION

Welcome

Stakeholder engagement is vital to the operation of any top performing company. We provide an essential service – keeping the lights on for 7.8 million customers. The impact of our actions and decisions is significant. That's why we engage stakeholders; to make sure they influence our decision-making, drive us to continually improve and hold us to account for our performance.

Our culture – “engagement is everyone’s responsibility”

Engagement is not something we do simply in the run-up to a Business Plan submission, nor is it an activity that can be outsourced or ring-fenced centrally. It is embedded in our culture and I expect all of my managers to be involved. I make it a priority that Distribution Managers responsible for WPD’s local network facilitate all our core stakeholder workshops, and local Network Planners attend our bespoke surgeries to address specific interests such as community energy and distributed generation.

Our approach – “ensuring our actions have legitimacy”

We regularly review **who** our stakeholders are to ensure we are inclusive of emerging groups, **how** we tailor our approach to best suit the audience and **what** we do to build and maintain enduring relationships. Key to this is taking action as a result of feedback. Where this isn’t possible, we clearly communicate the reasons and work with stakeholders to consider alternatives.

Leading by example – “CEO personal involvement”

I review our updated stakeholder and consumer vulnerability strategies every year. I then monitor performance against the objectives, timescales and budgets, via monthly reports. Our strategies also undergo critical external evaluation as part of the Customer Service Excellence and British Standards Institute Vulnerability Standard annual assessments.

I personally lead every Customer Panel and Connections Steering Group. This year I met with 40 MPs and key stakeholders at WPD’s first ever parliamentary reception. To ensure legitimacy, these activities are only worthwhile if they help us to improve. For example, our expert Customer Panel have helped us to develop 5 new strategies and policies in 2015/16; whilst our engagement with MPs, to help promote the Priority Service Register (PSR), led to an 138% increase in direct sign-ups.

Specifically introducing our Part 1 submission

I strongly believe that we are doing the right thing for WPD’s customers and that we are significantly exceeding the minimum requirements set by Ofgem as part of the ‘Stakeholder Engagement and Consumer Vulnerability Incentive’. This submission is structured specifically around these criteria and gives examples of how these are being met by WPD. This includes a detailed overview of our strategies.

Our stakeholder engagement and consumer vulnerability programmes undergo rigorous external accreditation each year to ensure they are fit for purpose and deliver the best possible outcomes for WPD’s customers. As part of these assessments, over 100 separate pieces of evidence are reviewed ranging from company policies to consultation event reports. This is then followed by interviews with senior staff including members of WPD’s executive team and audits of front-line WPD teams delivering the service.

We can demonstrate that our efforts have delivered 112 substantial outcomes for customers, as listed in full on pages 6 and 7. These have come as a direct consequence of our engagement with stakeholders. Amongst the many outputs, I am particularly proud that our extensive fuel poverty schemes have provided support to 6,359 customers in 2015/16 and delivered £1.4 million annual savings to customers. This initiative, along with our other key projects are outlined in greater detail in our Part Two and Part Three submissions.



Robert Symons, WPD Chief Executive



Key outputs in this submission

LIST OF
112 ↑
OUTPUTS ACHIEVED
FOLLOWING ENGAGEMENT

46 IMPROVEMENT
ACTIONS TAKEN

| | | |
|-----------|-----------|----------|
| 33 | 13 | 4 |
| ★ | ✓ | ✗ |
| Adopted | Underway | Rejected |

IMPROVED
OVERALL
CUSTOMER
SATISFACTION TO
8.91/10
HIGHEST IN INDUSTRY
5TH CONSECUTIVE YEAR

★ ★ ★
BSI STANDARD FULL
COMPLIANCE FOR
3RD YEAR

1st CUSTOMER SERVICE
EXCELLENCE STANDARD
best performer in the UK

2. OUR STRATEGIES: STAKEHOLDER ENGAGEMENT

Our well-established strategy

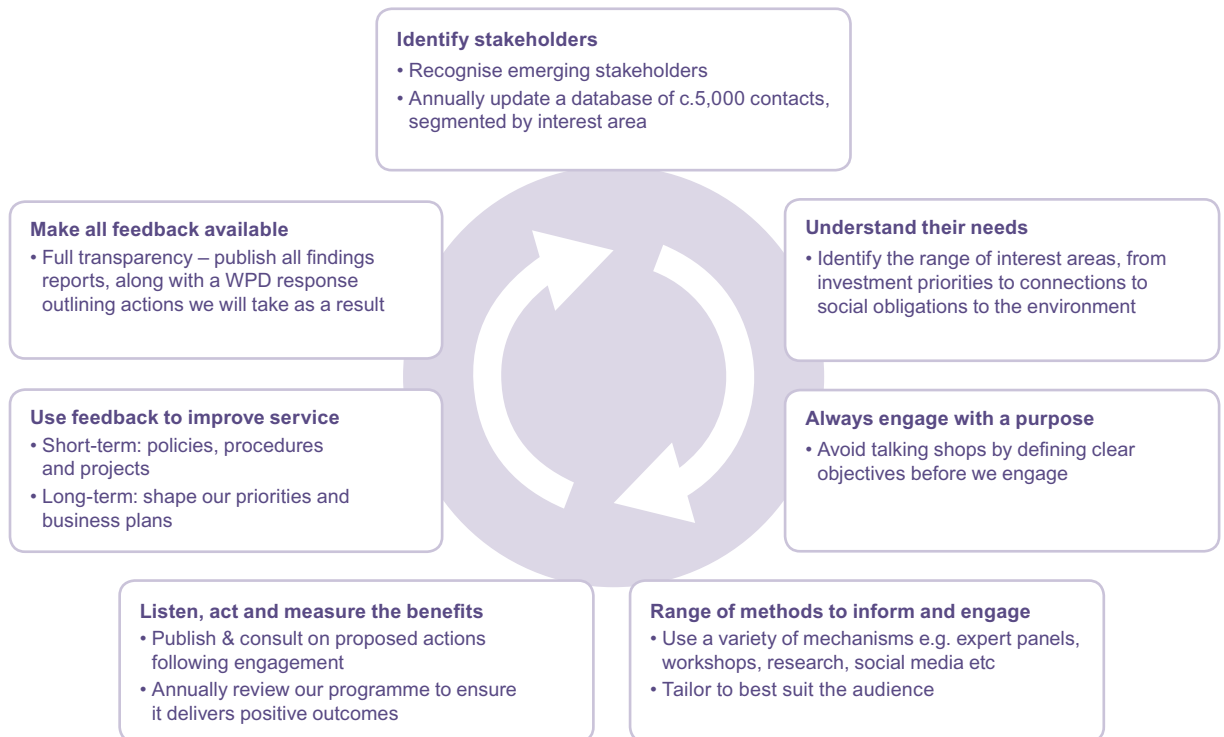
WPD have a long-established and comprehensive stakeholder engagement strategy that has been in place since 2007. It is updated annually and reviewed by our Chief Executive and Directors. This includes approving an action plan with owners, costs and target outcomes. Progress against this plan is then monitored via monthly director reports.

To ensure this strategy is effective and robust it undergoes comprehensive external review each year. In 2016:

- The Customer Service Excellence Standard awarded WPD ‘compliance plus’ for our stakeholder engagement and consumer vulnerability strategies.

- The British Standards Institute stated:

“WPD’s strategy documents were reviewed to support the discussions held with senior management. These demonstrated that there is a high level of commitment to ensuring that stakeholders and vulnerable consumers are dealt with in an appropriate way at all times and that continual improvement is central to these strategies, with new initiatives implemented, ongoing and under consideration.”



Our approach

In short, our stakeholder engagement strategy is underpinned by a commitment to be:

- **Inclusive**
(of all stakeholders, including the hard-to-reach)
- **Tailored**
(using methods to best suit each group)
- **Focussed on action**
(engagement leading to measurable outputs)

Our approach to deliver this has three key components:

1. Engagement is part of everyone’s job at WPD

This ranges from our CEO chairing our Customer Panels, to local Network Planners hosting Connections Surgeries. Our programme is centrally coordinated, but locally delivered.

In practice, this means that WPD’s engagement is ‘**expert-led**’ (workshops are facilitated by staff directly responsible for the areas being discussed) and ‘**deliverer-led**’ (sessions are also facilitated by Distribution Managers who are responsible for delivering the actions we take as a result of feedback).

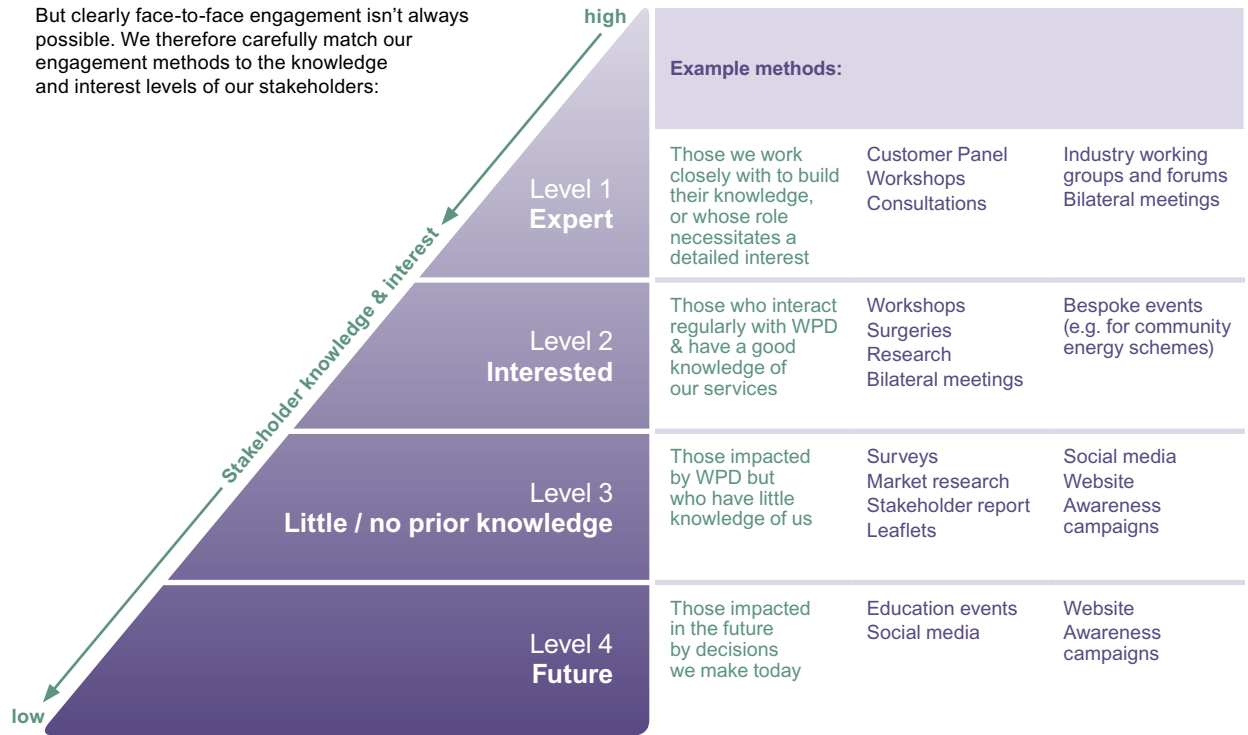
2. We use a range of appropriate engagement methods

It is important we engage with all stakeholders. To do so we must recognise that stakeholders have different willingness and availability to engage with WPD. To ensure inclusivity, we work hard to make our programme broad enough to allow stakeholders at all levels to influence our plans and be kept informed of our performance.

3. WPD place significant focus on face-to-face engagement wherever possible

This enables detailed exploration of the issues, and collaboration when identifying effective ways to address them.

But clearly face-to-face engagement isn't always possible. We therefore carefully match our engagement methods to the knowledge and interest levels of our stakeholders:



How we built on this in 2015/16

Even a well-established approach must be regularly reviewed to ensure it remains effective. In 2015/16, we first worked with our expert Customer Panel to update our strategy, before consulting with wider stakeholders at our annual workshops. It then underwent critical, external evaluation via the Customer Service Excellence Standard and British Standard Institute's vulnerable customer standard (BS18477).

We identified two key drivers for WPD's stakeholder engagement in 2015/16:

- **Legitimacy** – making sure we create the right conditions for stakeholders from all our key stakeholder segments to understand our performance and give informed feedback.
- **Relevance** – making sure stakeholders are given a say on key issues that impact WPD's future, even though the majority of our investment plans in the short term are agreed.

We will achieve this by:

- 1. Avoiding talking shops**
We engage before we act, consult during implementation and then ask stakeholders to evaluate the effectiveness of our actions after.
- 2. Guaranteeing stakeholders the chance to affect change**
Our long-standing principle is that "engagement leads to action". We are transparent about how we respond to feedback, outlining the actions we will take as a result and where action is not possible, clearly explain the reasons why.
- 3. Ensuring engagement is everyone's responsibility**
This is why at least 25 operational Distribution Managers facilitate our stakeholder workshops every year and events such as our community energy sessions involve local Team Managers and Network Planners.
- 4. Focussing on two specific areas of engagement**
Now that our Business Plan for 2015-2023 is agreed with stakeholders, it is important that stakeholders are still given the opportunity to directly impact our plans and performance.

Despite our investment plans now being set, and to maintain the relationships we have built over many years, we have now shifted our focus to engage on:



In 2014/15 stakeholder engagement helped us to identify long-term strategic priorities for WPD. In 2015/16 our focus was to further develop our understanding of these and begin to take action to address them. Our Part Two submission is therefore structured around these priorities. The full list, in the order of importance identified by stakeholders, is:

| Rank | Category | Importance (out of 10) |
|------|--------------------------------------|------------------------|
| 1 | Keeping the lights on | 9.20/10 |
| 2 | Smart networks | 7.46 |
| 3 | Environment & sustainability | 6.85 |
| 4 | Workforce renewal, skills & training | 6.65 |
| 5 | Vulnerability | 6.64 |
| 6 | Government legislation/policy | 6.21 |
| 7 | Affordability | 6.00 |
| 8 | Customer information and data | 5.90 |
| 9 | Customer awareness | 4.08 |

2.2 OUR STRATEGIES: CONSUMER VULNERABILITY

Our well-established strategy

WPD's long-standing approach to consumer vulnerability has focussed on the ability of customers to cope during a power cut. In recent years we have concentrated on developing a deeper understanding of vulnerability through comprehensive engagement with stakeholders. In 2013 we redefined our approach and developed a stand-alone consumer vulnerability strategy.

Our stakeholders are clear that the Priority Service Register (PSR) should remain our primary objective, but we must recognise the broad and multi-dimensional nature of vulnerability. Our strategy has four key objectives to achieve this. It is designed to enable WPD to address social obligations in relation to a broader group of customers, who are vulnerable for reasons ranging from 'permanent and transient vulnerabilities to a power cut' to 'energy affordability' to 'fuel poverty'. In summary, WPD is committed to identifying key social issues we may not directly cause, but are uniquely placed to address.

Partnerships are crucial to our success. We work with others to identify vulnerable customers, examine the range of social issues facing them and co-deliver projects.

The strategy is reviewed annually by WPD's CEO, including an action plan with outputs, delivery dates, costs and sign-off of the resources required. As a result, WPD's programme has significantly expanded in the last two years and we commenced delivery ahead of RIIO-ED1 with a £1m spend funded by WPD's owners.

Our programme has robust project management. WPD's Social Obligations Manager co-ordinates all activities and performance is monitored via detailed management reports sent to the CEO, Directors and senior managers. External partners are required to provide monthly project reports so we can review delivery, trends and quickly address any issues.

Defining our approach to fuel poverty

While the first three objectives in our strategy are built on our long-standing approach to vulnerability, the fourth – fuel poverty – is a new area for WPD. Over the last two years we have therefore worked with stakeholders, including bespoke consumer vulnerability workshops, to develop our understanding of what 'addressing fuel poverty' means for WPD and other energy networks, as well as learning from a number of successful pilot initiatives. Reflecting our growing understanding, we developed a more detailed approach.

Our core strategy:



How we built on this in 2015/16

Our consumer vulnerability strategy and annual action plan also undergoes external evaluation each year to ensure it is effective and robust, as detailed on page eight. This challenges us to seek continual improvement and helps us to identify areas to prioritise. For 2015/16 this gave us four areas for specific strategic focus. Our Part Three submission is therefore structured around these objectives:

- 1 Expand our core programme**
 - Including innovative steps to improve the data we hold on the PSR and the range of welfare support services offered to customers
- 2 Expand successful fuel poverty schemes towards 'business-as-usual'**
 - Ensure projects include referrals for existing PSR customers, as well as new affordable warmth services to target customers not already known to WPD
- 3 Build Priority Service Register referral networks**
 - Engage relevant front-line agencies working with people eligible for the PSR and develop processes to gain informed consent for direct registrations
- 4 Embed WPD's approach with front-line staff**
 - Roll-out training to field staff to widen the organisation's understanding of vulnerability and embed the ways to trigger support services for customers

2.3 RANGE OF APPROPRIATE ENGAGEMENT MECHANISMS

Engagement with our stakeholders helped us to build WPD's stakeholder and consumer vulnerability strategies; and it now remains crucial to their successful implementation. This is particularly important because the issues impacting stakeholders continue to evolve, as does their knowledge and interest about WPD.

Inclusive

To guarantee a robust approach we:

- Identify new stakeholders for engagement (e.g. in recent years: community energy, non-traditional business models, fuel poverty, smart meters and smart networks representatives).
- Identify existing and hard-to-reach stakeholders that require a different approach (e.g. investors & pensions stakeholders, small businesses, MPs, community energy and vulnerable customer representatives).

Tailored

As the 'knowledge and interest' matrix shows on page three, stakeholders have different willingness to engage. We therefore use a variety of mechanisms, and monitor their appropriateness through the outputs they lead to and by seeking regular feedback. We tailor our methods to suit the needs of our various stakeholder groups, and ensure a breadth of perspectives are included. Key examples are set out in the table below.

Focused on action

Meaningful engagement is not achieved over night – we build enduring relationships with stakeholders over time. We earn their trust that we take feedback seriously and it leads to action. Consequently stakeholder knowledge grows, enabling us to discuss topics in greater detail, which in turn leads to more robust feedback. For example, in 2016 our eighth consecutive round of annual workshops involved the highest number of stakeholders to date and 41% were return attendees.

| | Example of the audience | Tailored approach | Total reach | Times a year | Example positive outcomes |
|--|--|---|-------------|--------------|--|
| Customer Panel Level 1 – Expert  | Stakeholders from all key segments. E.g: Vulnerable/fuel poor – Citizens Advice, Energy Saving Trust Connections – Major Energy Users Council Domestic – Customers Business – B&Q Emergency resilience/security – Police, British Red Cross Health – University hospitals Government – Welsh Assembly, Parish Councils Innovation/Education – Nottingham University, IET Industry – National Grid, British Gas | Detailed presentations CEO Question & Answer Debate and critical challenge Policy drafting Action plan drafting Topic-specific surgeries | 30 | 4 | Updated WPD stakeholder & consumer vulnerability strategies New consumer vulnerability policy New business target – zero PSR 12 hour faults |
| Stakeholders workshops Level 2 – Interested  | Stakeholders from all key segments. E.g: Parish Councils, Local Authorities, Consumer interest bodies, Charities, Connections providers, Community energy representatives (e.g. Regen), Housing developers, Trade associations (e.g. Federation of Small Businesses & Chambers of Commerce), DNOs, Gas networks, Energy suppliers, Water companies, Small businesses, Major energy users and Industrial customers, Universities, Environmental interest groups (e.g. various AONBs, National Trust, NFU) | Short WPD presentations to introduce topics Facilitated round-table discussions (mixed tables to encourage balanced debate) Electronic voting | 259 | 6 | 26 actions in total Identified topics for inclusion in annual Business Plan performance reports Identified nine long-term strategic priorities identified for ongoing engagement |
| Topic-specific events Level 2 – Interested  | E.g. Consumer Vulnerability Red Cross, Parish Councils & Local Authorities, Citizens Advice, Centre for Sustainable Energy, National Energy Action, Community Housing Cymru, utilities (e.g. British Gas, SPEN, SSEPD, National Grid, nPower, E.ON, EDF), Energy Saving Trust, Royal Voluntary Service etc. E.g. Community Energy (CE) Community Energy England, Robin Hood Energy, Mongoose Energy, Teign Energy Community, Bristol Energy Co-op, Gower Power Co-op, Bath and West CE | Topic-specific surgeries Round-table discussions Review WPD action plans Q&A with WPD senior manager | 81 | 6 | Expanded fuel poverty referral schemes. Supported 6,359 customers to save over £1.4m. |
| Bespoke engagement Level 2 – Interested  | E.g. Parliamentary reception Members of Parliament (from across WPD's regions), Chair of the Energy & Climate Change Select Committee, Ofgem, Department of Energy & Climate Change E.g. Small business resilience Small and Medium Enterprises (SME) | CEO address Information stands Bespoke press releases per constituency Resilience booklet & checklist | 40 | 1 | Promotion of Priority Service Register (PSR) to vulnerable constituents 138% increase in direct sign-ups to WPD's PSR Emergency planning support for SMEs |
| Research & surveys Level 3 & 4 – Little knowledge | All customers (following planned interruptions, unplanned interruptions & general enquiries), vulnerable customers, major connections customers, Distributed Generation | Satisfaction surveys Research re: priorities & 'willingness to pay' | 20,920 | Monthly | Multiple improvement actions taken. Highest customer satisfaction in the industry |
| Information campaign Level 3 & 4 – Little knowledge | All customers | Newsletter sent to all TV adverts & social media | 7.8m | 1 | Awareness of WPD increased to 54% |

3. KEY OUTCOMES FROM OUR ENGAGEMENT

Stakeholders return to engage with us regularly because they see that engagement leads to action. In 2015/16 it led to over **112** positive outcomes.

| With | How | Cost | Action/Output as a result | Benefit |
|--|--------------------|--|--|--|
| Domestic; Business; Utilities/Industry; Parish Councils | Media | £800k | 1. WPD awareness campaign: incl TV & newsletter on new "105" national number. Budget reduced after feedback – more focus on social media. | Sent direct to all 7.8m customers. Awareness of WPD increased to 54% |
| | Workshops | £221k | 2-27. Six stakeholder workshops: 259 stakeholders. 26 actions identified | E.g. – Agreed format & content for annual Business Plan performance reporting – Agreed to publish updated smart networks strategy & engagement plan |
| | Audit | £2k | 28. Customer Service Excellence Standard Re-accreditation | Improved service & engagement. WPD are now top rated company in the UK |
| | Workshops | £9k | 29. Small business emergency resilience booklet & new partnership with Somerset Chamber of Commerce | 5,500 businesses supported to develop resilience plans |
| | Promotion | £5k | 30. 20,000 power cut and PSR advice leaflets distributed via partners | Improved emergency resilience. Freepost registration form for PSR |
| | Partnership | £215k | 31. Steps to improve customer data: e.g. 2.9m mobile phone records added | Better data enabled 364,590 proactive calls to customers during power cuts. (123,866 to PSR customers) |
| | Customer Panel | £16k | 32. Change in policy to only text mobile phone numbers | 705,687 proactive text messages sent. Improved satisfaction |
| | Customer contact | – | 33. Expanded social media team: 34,446 tweets, 13,000 followers, 3,164 Facebook page likes | Quick access to power cut updates 24/7 (average response time <5 mins. During Storm Imogen, one WPD tweet had 53,597 views |
| | Customer contact | £5k | 34. Live webchat launched: 23,897 customer conversations | New method of contact. 94.2% satisfaction from users of the service |
| | Customer Panel | £644k | 35. 12hr restoration target and purchase of 30 new generators | 88% reduction in customers off >12hrs in normal weather (only 59 in 2015). Restored 99% of 239,397 customers off in Storms Imogen & Barney <12 hrs |
| | Customer Panel | – | 36-55. Quarterly Customer Panel meetings: 20 actions identified | E.g. – Updated stakeholder & consumer vulnerability strategies – New target for zero PSR customers off >12hrs |
| | Customer contact | £12k | 56. Interactive Stakeholder Report published | Key performance reporting in an accessible format |
| | Customer contact | – | 57. 'Who's my supplier?' web app: 602,713 customers helped | Quicker "self-service" access to information. Huge 553,000 increase in hits |
| | Customer contact | £33k | 58. Website redesign | Improved accessibility. E.g. 666,323 views of WPD's live power cut map |
| | Workshops | £43k | 59. New WPD smartphone app launched | New method to access information. 754 downloads in the first month |
| | Research | £34k | 60. Joint "willingness to pay" research with National Grid | Identify the financial value customers attribute to various potential service improvements. Used to aid our cost benefit analysis for initiatives |
| Workshops | – | 61. New apprentice recruitment campaign included various social media initiatives such as live Twitter Q&As with existing apprentices | Almost 1,700 applications for 100 vacancies – 23% increase | |
| Vulnerable; Priority Service Register (PSR); Hard-to-reach; Fuel Poverty | Customer Panel | £364k | 62. Expanded PSR cleanse team & changes in processes (20 additional staff trained) | 543,401 customers contacted. 317,532 records updated (58%). Enabling more targeted support to PSR customers in power cuts |
| | Accreditation | £6k | 63. Bespoke training for PSR cleanse teams: e.g. Dementia UK and Hijinx Theatre Group (re learning disabilities) | Help staff provide tailored service for vulnerable customers. 9.04/10 overall customer satisfaction after PSR cleanse calls |
| | Partnerships | £16k | 64. Purchased 'deceased' records to aid PSR data cleanse | 40,000 records updated at lower cost than direct WPD contact to cleanse |
| | Workshops | £9k | 65. Parliamentary reception on 'cutting the risk to vulnerable customers' | Promoted PSR to vulnerable constituents. Led to 138% increase in direct registrations. Built relationships with MPs for ongoing engagement |
| | Partnerships | £25k | 66. Renewed welfare support agreements with British Red Cross | Vulnerable customers receive face-to-face assistance during emergencies |
| | Partnerships | – | 67. Established PSR referral partnerships with 23 organisations: gaining informed consent to directly sign-up PSR customers | Around 32,000 customers joined WPD's PSR direct in 2015/16. Ensure accurate and complete data records added |
| | Bilateral meetings | – | 68. Initiatives with gas networks to add customers to PSR via field works now business as usual | 613 customer register to date. On track for 7,000 a year |
| | Customer Panel | – | 69. New PSR policy and training underway with all 4,700 field staff | Provide tools for field staff to identify, register and support PSR customers |
| | Bilateral meetings | – | 70. British Gas PSR data cross-check exercise underway | Improved PSR data to better target services (e.g. future smart meter roll-out) |
| | Partnerships | £265k | 71. Renewed WPD's three 'Power Up' fuel poverty referral schemes | Supported 5,053 fuel poor customers to save £831k a year |
| | Partnerships | £47k | 72. Created fourth 'Power Up' fuel poverty referral scheme (E.Mids) | 144 supported in first 2 months (on track for 900 a year). Fuel poverty support becoming business as usual – one project in each WPD licence area |
| | Partnerships | – | 73. Best practice event for fuel poverty referral partners | Expanded scope – defined 6 key types of support all schemes must deliver |
| | Workshops | £60k | 74. Expanded 'Affordable Warmth' fuel poverty outreach scheme | 497 customers saved £319k in first 3 months (average £641 per customer). 167 added to the PSR (34%) |
| | Research | £18k | 75. Introduced monthly vulnerable customer satisfaction surveys | Track satisfaction with WPD's partners & services provided. Validate outputs |
| | Accreditation | £4k | 76. BSI vulnerability standard (BS18477) held for 3rd year | Ensure services are accessible for all customers. Identify improvements |
| Accreditation | – | 77. System changes to register customers with transient vulnerabilities | Broadened our understanding of vulnerability and support offered. 468 registered to date | |
| Accreditation | £1k | 78. "Louder Than Words" deaf awareness charter mark | External assurance our services are accessible and to identify improvements | |
| Accreditation | £57k | 79. New text message service for deaf customers – wrote to 98,000 | Improved access to WPD's services for deaf customers. Mailing led to 23,950 PSR records updated (25% response rate) | |
| Best practice | – | 80. Attended 19 industry working group meetings | Industry collaboration to progress common PSR codes and data sharing | |

| With | How | Cost | Action/Output as a result | Benefit |
|--|--------------------|--|---|---|
| Connections; Smart networks; Distributed Generation; Community Energy; Major Users | Surgeries | £2k | 81. Hosted a Renewable Energy Exchange event: 100 stakeholders | Expert-led sessions to support and inform customers interested in investing in and connecting low carbon technologies |
| | Surgeries | - | 82. Connections surgeries at local WPD depots: 32 stakeholders | Enable stakeholders to understand and feedback on our improvement plans. |
| | Workshops | £60k | 83. WPD Distributed Generation Forum: 68 stakeholders | Opportunities to meet with local WPD Network Planners one-on-one to discuss specific schemes |
| | Workshops | £17k | 84. 13 Community Energy events: 593 stakeholders | Consult on WPD's 'Distribution System Operator' strategy |
| | Connections Panel | - | 86. Developed a new type of 'smart' connections offer (now 4 in total) | Enabling connections quicker and avoiding traditional reinforcement costs. 254 'smart' connections offers, releasing 635MW of capacity |
| | | - | 87. New processes to now offer 'smart' offers as standard | |
| | Research | £14k | 88. Distributed Generation survey: 400 customers | Identify customer satisfaction and areas for improvement. Demonstrates that steps taken are working – e.g. 8.67/10 (WPD) vs 8.34 (industry average) |
| | Research | £38k | 89. New monthly 'major' connections survey: 1999 customers | |
| | Best practice | £13k | 90. Joint DNO community energy guide produced and two joint workshops planned for 2016 | Collaborate with all DNOs to assist wider community energy groups and explain the connections process |
| | Connections Panel | - | 91-93. Various online improvements including to online connections application feature, more frequently updated capacity maps and published information on statement of works | Improved access to key information for connections customers, including self-service options. E.g. 3,397 online applications and 39,852 capacity map hits |
| | | £14k | 94. Conducted best practice review of industry constraint/heat maps, capacity registers and Long term Development Statements | |
| | Workshops | - | 95. Improved email alerts for website content changes: 180 registered | Connections information and updates promptly shared |
| Emergency response; Network security | Best practice | £40k | 96. Renewed agreement with Nationwide Caterers Association | Availability of warm meals for customers 24/7 during severe weather |
| | Bilateral meetings | - | 97. Seven formal agreements reached with Local Resilience Forums to share vulnerable customer data in emergencies | Improved emergency response preparedness and processes in place to support customers. Participated in 180 meetings with various LRFs |
| | | - | 98. South Wales Fire Service partnership to promote PSR & resilience advice | 25,000 customers reach a year via home fire safety checks |
| | | - | 99. New incident impact reports developed | Map vulnerable customers with potential to be affected before severe weather (e.g. by substations at high flood risk) to target resilience services |
| | Partnerships | £21k | 100. Specialist boat training from Somerset Fire Service | Quicker emergency response during severe flooding |
| Partnerships | £15k | 101. 1,000 crisis packs distributed via partner agencies & field staff | Practical support for vulnerable customers during power cuts | |
| Education; Future customers | Community outreach | £50k | 102. WPD Community Chest fund for community energy saving measures | 55 groups supports. Saved a total of 57.84 tonnes of CO2 |
| | Education | £225k | 103. Expanded schools education programme and online resources | 80,000 children educated. 12,274 website hits and class resources downloaded |
| | Community outreach | | 104. 'Cash for the Community' and 'Cash for schools' schemes | Raise awareness of WPD to fund environmental and sustainability measures across our region |
| | Community outreach | | 105. Partnerships with nine wildlife trusts established | Engage 2,500 members of the public about energy, safety and sustainability |
| Other E.g. Government; Innovation; Environment; Investors; Staff | Ofgem Panel | £1k | 106. 204 MPs sent a newsletter bespoke to their area | Introduce WPD & opportunities for engagement. 54 specific interactions since |
| | Workshops | £50k | 107. Developed in-home plug-in power cut notification devices and new partnership with Orbit Housing for trial of 500 installations | Support vulnerable customers in social housing and test new feature and interactions likely to come from smart meter installations |
| | Workshops | - | 108. Published an environment improvement plan and consulted on WPD's new annual environmental performance report | Clear performance reporting and give stakeholders the opportunity to shape our future plans |
| | Workshops | £5k | 109. 11 meetings to consult regarding undergrounding schemes | Smoother delivery of 25 schemes, working with local communities |
| | Bilateral meetings | £180k | 110. Launched a long-term strategic study into future energy scenarios | Address potential growths in Distributed Generation to aid network planning Linked to National Grid's future energy scenarios |
| | Workshops | - | 111. Ran a series of "non-deal" investor roadshows: 56 investors | Increase stakeholder knowledge so they can influence outputs in a wider range of business performance areas in the future |
| | Staff engagement | £9k | 112. 6,500 staff attended WPD's CEO roadshows and 2,860 participated in a staff survey | Engage staff about WPD's Business Plan commitments and how their specific roles contribute to WPD's performance |

TOTAL £3.7m

Actions we rejected

Whilst taking action as a result of engagement is a key way to evidence the legitimacy of our consultation programme, this doesn't mean automatic acceptance of every suggestion. Ensuring legitimacy involves sensible consideration of the options, including the viability and potential benefits

of any action beforehand. It therefore isn't always possible to take specific actions requested by stakeholders. When this occurs we are clear about the reasons why and suggest alternative ways to address the feedback given. Below are a few examples from WPD's workshops in January 2016:

| Action requested by stakeholders | Rationale for rejection | Alternative proposed |
|--|---|---|
| 1. To use traffic lights to summarise Business Plan performance | They are too ambiguous and difficult to set consistent definitions. For example for 'Environment', if WPD has improved in all measures (e.g. emissions, losses, waste to landfill) but overall business carbon footprint is increased (e.g. due to changes in reporting rules and increased overall work activity), is it green, amber or red? Also, can safety ever be considered 'green'? | Stakeholders have instead suggested summary infographics per category and short YouTube explanations as an alternative. |
| 2. Run workshops specifically on 'becoming a Distribution System Operator' (DSO) | It is too early in our development of this area to host bespoke workshops. The topic is linked to other key engagement areas – e.g. innovation, Distributed Generation and community energy. | We will make 'DSO' an explicit part of WPD's innovation strategy and publish an overall 'smart networks & innovation' engagement plan. |
| 3. Introduce 'key account managers' for connections | Doesn't fit with WPD's geographic, team-based model, where managers have overall responsibility for all aspects of network in their area. | We will offer larger customers a single, senior management point of contact within WPD. After successful trials with Severn Trent Water, B&Q, Welsh Water and Sainsburys we will use local Distribution Managers to be the prime point of contact for national companies. |
| 4. Fuel poverty programmes in food banks | This oversteps our responsibilities as a DNO and encroaches on the role of others. Expert stakeholders working in this area have suggested this outreach method will have limited value as food bank users are not keen on prolonged discussion/engagement. | We will instead ask our existing fuel poverty partners to consider using food banks as part of their outreach methods, if appropriate. |

4. INDEPENDENT EVALUATION & ACCREDITATION

Customer Service Excellence (CSE) Standard

The assessment process

WPD's compliance with the CSE Standard is reviewed via a two day annual audit. Over 100 separate pieces of evidence are reviewed, including strategies, policies, improvement plans and reports following stakeholder engagement. This is coupled with interviews with senior managers and audits of teams to assess the quality of our delivery.

There are 57 elements in total, with one third assessed each year. The Standard benchmarks WPD across multiple industries and focuses heavily on the quality and range of WPD's engagement methods and the effectiveness of our consumer vulnerability programme. This includes how we develop customer insight, understand users' experiences, robustly capture feedback and measure satisfaction.

Result:
Highest compliance of any UK company assessed by G4S



The assessment elements are grouped into 5 categories, as outlined below. There are four potential outcomes ranging from 'Non-compliance' to 'Compliance Plus' which is the highest level possible and indicates best practice across sectors.

The result – headlines

Although WPD have held the CSE Standard for many years, it continues to offer considerable challenge and scrutiny, driving our standards higher. **Improvements made in 2016 mean that WPD has become the highest scoring organisation – with 36 'Compliance Plus' ratings – out of the 237 organisations accredited by G4S against the CSE Standard.** The outcome of the 19 elements assessed this year was:

| | Previous | 2016 | Change | New total |
|-----------------|----------|------|--------|----------------|
| Compliance Plus | 3 | 10 | ↑ 7 | 36 (out of 57) |
| Compliance | 16 | 9 | | 21 (out of 57) |
| Partial | 0 | 0 | | 0 |
| Non-compliance | 0 | 0 | | 0 |

"The overall standard of customer service offered is excellent and is reflected in yet further improvements to customer satisfaction levels. A clear understanding of the needs of a range of customer groups has resulted in some good examples of improvements in service delivery".

"The quality and scope of the updated Stakeholder Engagement Strategic Review (now including social obligations) is excellent".

The result - in detail

| | 1. Engagement process | 2. Culture | 3. Information & access | 4. Delivery | 5. Quality of service |
|-------------------|--|--|--|--|---|
| Example element: | 1.2.3 Review engagement and consultation | 2.1.6 Staff promote customer service culture | 3.4.3 Working with the wider community | 4.2.4 Using and publishing best practice | 5.3.3 Benchmark timeliness/quality performance |
| Example evidence: | Workshop findings reports | Field staff training programme | School visits reaching 80,000 children | WPD's role in industry Customer Safeguarding Working Group | Results from multiple customer satisfaction surveys |
| Result: | Compliance Plus | Compliance Plus | Compliance Plus | Compliance Plus | Compliance Plus |

British standard for Inclusive Service Provision (BS18477)

The assessment process

The BSI Standard is driven by the principle that all consumers are different, with a wide range of needs, abilities and personal circumstances, which can put some in a position of vulnerability. Consumer vulnerability is relative and dynamic, and a consumer's needs can change in different situations and can be caused by a range of factors, including mental health issues, illness, limited awareness of services, or a change in personal circumstances.

BS18477 assesses WPD's ability to recognise and address the broad and complex nature of consumer vulnerability, by providing flexible and inclusive services.

BSI undertake a two day audit of WPD, which includes interviews with senior managers and an audit of delivery by relevant teams.

Result:
Full compliance for the 3rd year – the only UK utility company to achieve this



There are 36 elements reviewed, with categories including:

- Senior management commitment
- Provision of information & flexible services
- Policies, processes & procedures
- Staff training

The result – headlines

WPD have achieved full compliance with all aspects of the Standard for the 3rd consecutive year – the only UK network company to do so. The auditor commented:

"Social obligations are embedded in WPD's business and are a topic that is consistently high on the agenda".

"Staff interviewed during the audit consistently demonstrated an innate understanding of the requirements of the standard and a wider understanding of the needs of vulnerable customers. It was clear that improvement is built on a solid foundation of good practice with a constant review cycle in place driving both organic and innovative improvements".

5. EVIDENCE OF OUR CULTURE

How we do things – senior management buy in

Chief Executive leading by example

Robert Symons, WPD's Chief Executive, reviews WPD's stakeholder and consumer vulnerability strategies every year and is personally involved in the delivery too. For example, in 2015/16 he led four Customer Panel meetings, three Connections Customer Steering Group sessions and WPD's Parliamentary reception.

In 2015 following a review of best practice engagement in the water sector, we gave our Customer Panel the option to appoint an independent chair. This was rejected by all members, who cited the personal interaction with Robert and the ownership demonstrated for acting on their feedback as a crucial factor.

Robert also carries our annual roadshow presentations to all 6,500 WPD employees. This is done in acknowledgement that WPD's staff are key stakeholders, responsible for delivering the services and improvements we take as a result of external feedback.

To that end, we have made the focus for 2015/16 to communicate the key outputs from WPD's Business Plan to staff. Key to this is explaining how the commitments were shaped by stakeholders, and how our delivery is now essential to demonstrate to our customers that we deliver our promises.

Example 1: Infographic summary of WPD's commitments to address consumer vulnerability, communicated to all staff in August 2015:



Senior Manager involvement

WPD follow a “centrally co-ordinated, locally delivered” approach to stakeholder engagement.

Firstly, this means WPD's programme is project managed by a Stakeholder Engagement Manager, who co-ordinates all activities and produces robust monthly performance reports, sent to the CEO, Directors and WPD's owner PPL. As part of this, all external partners provide monthly project reports to allow us to review delivery of outputs and identify improvements.

Secondly, when it comes to delivering engagement, this is part of everyone's role at WPD. For example, 25 Distribution Managers (who are responsible for the local network) facilitated our workshops in 2016.

Attendees tell us that this sets our events apart from others and has significant value because it enables stakeholders to seek detailed explanations and raise local concerns, as well as discuss company-wide priorities. For WPD, it allows managers to hear directly from stakeholders and better understand the actions we will take to address their feedback.

Example 2: As detailed on pg 9 of our Part 3 submission, following sessions on vulnerability at our 2015 workshops (led by WPD's Distribution Managers), we have since taken significant steps to embed our consumer vulnerability programme in our wider business. We are rolling out training to our 4,700 field staff, delivered by our Distribution Managers and local Team Managers.

Example 3: As detailed on pg 4 of our Part 2 submission, after attending our workshops WPD's Helicopter Unit Manager identified several capabilities to help support vulnerable customers in remote access areas during severe weather that have since been put into action to deliver excellent benefits to customers.

Example 4: As detailed on pg 6 of our Part 2 submission, WPD's Parliamentary Reception was led by WPD's CEO. We engaged 40 MPs and key stakeholders and policy makers from Ofgem and DECC. WPD's information stands were hosted by senior managers from across WPD including WPD's Operations Director, Network Services Managers for the East & West Midlands, six local Distribution Managers and four WPD Apprentices.

External assessment of our culture

Customer Service Excellence Audit Report, 2016:

“There is strong evidence presented to show that staff and stakeholders are involved in the setting, raising and reviewing of standards.”

“There continues to be clear leadership at all levels and appropriate policies and procedures are in place to support staff in delivering consistently high levels of performance.”

“Field staff are being trained to identify disadvantaged individuals when they are working on the network.”

“All staff met during the visit felt valued for their inputs and took pride in being part of an organisation with such a good reputation for customer service.”

Customer Service Excellence Audit Report, 2016:

“A culture of ownership and continual improvement is promoted at all levels of the organisation, which was consistently demonstrated throughout the audit.”

“A new policy document has been introduced that contains all of the detail relating to dealing with vulnerable customers. WPD's Networks Service Manager explained the improvement, with regard to training field staff on supporting vulnerable customers, and how it was instigated... this is another example demonstrating the commitment to and expansion of the scope of the standard, and continual improvement by the organisation at a senior level to increase the reach of the PSR approach in identifying and supporting vulnerable customers.”

6. MEASURING THE IMPACT OF ENGAGEMENT

While WPD's stakeholder engagement has led to a significant number of actions, the best way for us to know that these have led to positive outcomes is to ask customers to rate our service. In addition to the surveys undertaken as part of Ofgem's Broad Measure of Customer Satisfaction, WPD therefore commission a wide range of additional research.

23,441 WPD customers were surveyed in the last 12 months.

All research is conducted by expert external research providers to ensure the results are objective and robust. We survey customers to measure satisfaction after actions have been taken, and identify further improvements. The results also contribute to the cost

benefit analysis we undertake before major projects get underway each year, to help us set targets and objectives that will ensure our actions deliver the best value possible to customers. In 2015/16 alone, we have introduced two new monthly surveys: firstly for 'major' connections schemes that are not included in the sample for the industry's connections surveys; and secondly, for vulnerable customers referred to one of WPD's external partnership schemes to provide fuel poverty support.

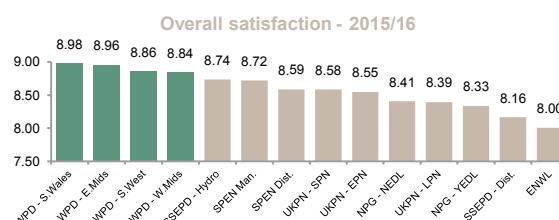
Below is a summary of the headline feedback received from all WPD's satisfaction surveys (none have been excluded). We have linked results to the key contributing initiatives that are outlined in detail in WPD's Part 2 and 3 submissions:

Overall customer satisfaction

Our most important stakeholders are the 7.8m domestic and business customers who rely on us every day to connect and keep the lights on. Ultimately all of our engagement activities are with the aim of improving this service.

20,219 customers were surveyed as part of Ofgem's Broad Measure of Customer Satisfaction, following power cuts, connections and general enquiries.

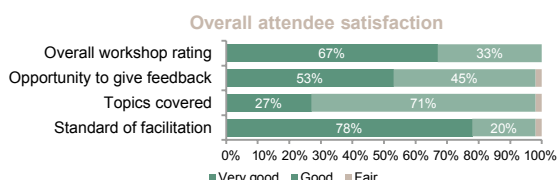
| Example WPD actions it measures the impact of | For more detail |
|---|-----------------|
| All outputs | Part 1, pg 6-7 |
| E.g. New target for zero PSR customers off >12 hours and reductions in overall power cut levels | Part 2, pg 4 |
| E.g. Improved accuracy of customer records enabling more proactive contact | Part 2, pg 7 |



Stakeholder workshops

259 stakeholders were surveyed following our workshops held in January 2016.

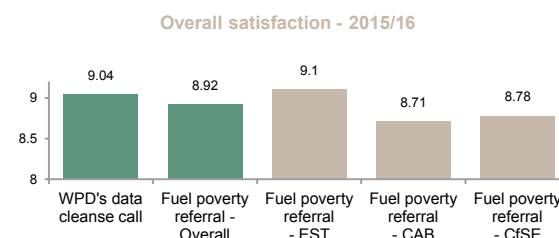
| Example WPD actions it measures the impact of | For more detail |
|---|-----------------|
| Six events leading to 26 outputs | Part 2, pg 3 |



Vulnerable customers

562 vulnerable customers were surveyed in 2015/16 following contact from WPD to update their PSR details and a subsequent referral to a partner agency for fuel poverty advice. Surveys now take place monthly to identify improvements to our projects.

| Example WPD actions it measures the impact of | For more detail |
|---|-----------------|
| PSR data cleanse team | Part 3, pg 4 |
| Four 'Power Up' fuel poverty referral schemes | Part 3, pg 6-7 |



'Major' connections and Distributed Generation customers

Industry surveys changed in 2015 to now only include smaller connections. To ensure we continue to seek feedback from 'major' schemes we've introduced monthly research, with 1,999 customers surveyed in 2015/16. We also surveyed 402 Distributed Generation (DG) customers annually, for the fourth consecutive year.

| Example WPD actions it measures the impact of | For more detail |
|--|-----------------|
| Multiple initiatives including smart connections offers as standard and a 4th new type of offer launched | Part 2, pg 3 |

