



Our Customer Promises

- Putting safety first.
- Respecting you, your time and your property.
- Doing a really good job.
- Being there when you need us.
- Caring for our local environment.



Corporate Social Responsibility

Ofgem Customer Service Reward Scheme 2010

Corporate Social Responsibility

Tackling social and environmental issues

Sustainability in action

As a significant participant in the energy industry on a national and regional level, we recognise the important developments that are happening in how energy is generated and used. We take our responsibilities for sustainability seriously.

As well as playing an active role in national forums scoping energy policy, we are working closely with private and public partners to understand their future needs and build on opportunities raised by the transition to the low-carbon economy. In addition to providing advice and assistance in the connection of new and renewable generation, we are developing projects that will lead to the realisation of a smart grid, including studies on customers' responses to new initiatives.

Our first annual *Sustainability Report*, being published this year, sets out what we are doing to reduce our carbon footprint so we can share our efforts with staff, customers, suppliers and contractors and learn from their experience. One of the key initiatives detailed in the report is how we have fitted speed limiters to more than 330 vehicles in our van fleet. We will fit a further 35 later this year.

New vans come with limiters already fitted. These restrict the vans' top speed to 62 mph and cut the fuel used by 8 per cent. In a full year, this will reduce our total carbon emissions by 170 tonnes. To further reduce carbon emissions in our fleet, we will hold trials this year with bio fuel and liquid petroleum gas (LPG). Our first electric vehicle trial, held in 2009, was very positive and further trials planned for 2011 will seek to explore the opportunities to expand this technology into our business fleet.

We are working closely with One North East and Newcastle City Council on the electric vehicle infrastructure programme. The programme involves installing over 1,000 charging points across the North East, of which 50 will be in public streets. We connected the first 10 street-side, plug-in charging points to our network earlier this year with the programme



Powerful technology: an electric van

ready to increase significantly as more electric vehicles become available later in the year. Our assistance also extends to advising on the establishment of complex industry metering and billing arrangements. We are working with Durham University to research how and when the charging points are used. We will use this data to make efficient investment decisions on changing our network to meet this growing source of demand.

We have launched sustainability zone groups based at each of our major sites, following a successful pilot last year, and are giving all our staff the opportunity to participate. The pilot team was responsible for several successful initiatives, including segregating waste into recyclable and non-recyclable items. This delivered the dual benefit of reducing our environmental impact and significantly reducing the cost of waste removed from our customer relations centre by two-thirds.

Tackling fuel poverty

We are working with partners to enable customers in fuel poverty to reduce both their bills and their carbon emissions. An excellent example of this is a pioneering project with Community Energy Solutions (CES), a non-profit distributing, community-interest company set up by the regional development agency One North East to focus on fuel poverty in areas without gas. (See our case study on air-source heat pumps (on the supplementary support page.) Together we are keen to show the benefits of installing air-source heat pumps in clusters of social housing of up

to 100 properties. The pumps cut fuel bills and carbon emissions significantly: by extracting heat from the outside air, they provide three units of heat for every one unit of electricity consumed. However, whilst we are working to get the air-source heat pumps connected to our network, we are ensuring they don't adversely impact on our network and our wider customer base.

Connecting low-carbon technology

Our first partnership project of this kind was at North Blyth in Northumberland, where CES installed 40 heat pumps. This ground-breaking scheme, a test-bed for similar schemes elsewhere in the country, has been monitored by National Energy Action, which campaigns on behalf of people in fuel poverty. We have continued to work with CES to achieve the most cost-effective electrical connection of a further 500 heat pumps of the sort used in North Blyth, not just in the North East but also in Yorkshire and Humberside. We believe that this is the largest concentration of heat pumps in the country.

CES plans to install 2,000 more efficient heat pumps on our network over the next year. We are working closely with CES and Daikin heat pump manufacturers to fully understand this developing technology. By exchanging key performance data on the heat pumps and the impact on our network, we are able to influence the design development for this technology. Taking network considerations into account will enhance the effectiveness of the pumps, minimise their impact on the network infrastructure and reduce the overall cost of production for the customer.

We shall also be able to make key changes in our low-voltage design to ensure that we maintain a safe and reliable electricity supply for all of our customers. A smaller carbon-reduction and fuel-poverty programme is under way in the Huddersfield area. The Energy Saving Trust is to install solar panels in 42 social housing properties in this area. We shall again install equipment to monitor their energy savings and measure the benefits.

Demonstrating wider customer and community benefits

Safety keeps improving

Safety is our first promise to our customers and our staff and we are relentless in our commitment to it. This is clearly demonstrated by our consistent

performance and has been endorsed by the recent RoSPA announcements that both our distribution network licensees have once again received gold medals. RoSPA awards are recognised as the highest possible

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Demonstrating wider customer and community benefits

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awards for continuous improvement
within safety standards and performance.

Safer driving makes for a safer community

In October 2009 we became a champion of the 'Driving for Better Business' programme run by the charity, RoadSafe, for the Department for Transport. In conjunction with this, our road risk plan encourages our staff, who cover 14 million miles on business each year, to drive as safely as possible. In February our Road Risk Manager, former Head of Road Police for North Yorkshire, Chris Charlton, launched the initiative with staff taking part in an online assessment of their driving techniques. We also launched an initiative for field staff who don't usually have access to a computer. By the end of 2010, we will have assessed the entire workforce. Any staff who fail to meet the required standard will receive accelerated training and guidance to ensure they meet the standards.

Collaborating to improve emergency response

Our fourth customer promise is being there for customers when they need us. Our corporate social responsibility programme outlines our commitment to forging strong links with partners and working with them to continuously improve our response to customers at times of emergency so that we know exactly who to call to help us, when and where. A typical example of the strong relationships we have forged was in



Safety drive: Chris Charlton, left, Road Risk Manager for CE Electric UK, receives the Driving for Better Business certificate

January this year when severe snowstorms damaged one of our main overhead power lines at the top of the Wear Valley, leaving around 150 customers without power overnight. The roads were inaccessible, even to our 4x4 vehicles, and we could not complete all the repairs. An added complication was that our overhead line spanned the county boundary between Northumberland and Durham. Due to the depth of the relationships formed by our emergency planning teams, each council quickly provided both a snow plough and a snow



Weather damage: Wear Valley repairs

blower to clear the road from opposite ends, so we could gain access and restore power to all our customers. We have also strengthened our relationship with the Environment Agency and local councils so we can respond faster when river levels rise. We now have a full-time Civil Contingency Coordinator, who liaises with the seven local authority Resilience Forums in our area. We are included in all local authority flood action plans as part of an overall, multi-agency response. Once the Environment Agency issues a flood warning, our database identifies primary and distribution substations that may be at risk so we can immediately mobilise staff to activate the perimeter flood defences at our high-risk, primary substations and organise portable flood defence barriers for lower-risk sites.

Caring for our local environment

Our fifth customer promise – to care for our local environment – was at the forefront of our planning considerations when we made system improvements at the RSPB Saltholme Wildlife and Reserve Park, Middlesbrough.

We invested to underground 750 metres of overhead line and, where this was not possible, we added bird diverters on our lines. We excavated the cleared land to join two separate lagoons and installed poles as fencing to provide added protection for the birds. All of this work was planned with the RSPB to present the least disruption to the nesting and breeding birds. The RSPB was delighted with the outcome.

Engaging disadvantaged groups within the community



Getting involved: Catherine Harris and Sarah Dresser of CE Electric UK with young people on the project

We have launched an exciting initiative with a new partner, Stretch, an arts charity that aims to inspire learning and education in socially excluded groups by participation in art and exposure to the benefits of museum and gallery education.

The project is giving a group of vulnerable young people the opportunity to create a series of sculptures based on a wildlife theme that will be located along a nature trail in an RSPB reserve. The group is made up of 11- to 16-year-olds from Network 2, a government-funded organisation based in York.

It focuses on helping vulnerable young people, referred from various agencies due to social or educational exclusion, who are on the cusp of offending. See

the case study on the Stretch partnership on the supplementary support page.

We are also building relationships with inmates at Doncaster Prison where the Community Resettlement Team is keen to work with local businesses to strengthen its award-winning education programmes designed to reduce the number of prisoners reoffending.

We are working with the prison's in-house design and print team, which is supervised by prison officers but staffed by prisoners who are taught valuable employment skills.

We have given the team a print project and plan to extend this to the production of company stationery, promotional items and leaflets.

Case study: air-source heat pumps

David Lacey, Operations Director, Community Energy Solutions: “I have been involved with CE Electric UK for three years, working closely with them to resolve the issues faced by an electricity distribution network operator (DNO) in dealing with air-source heat pumps when they are fitted in large numbers in a small area.

“Among these issues are how to deal with the added load, how to assess and allocate the cost of reinforcing or upgrading the network and how to get better information about the impact on the network of harmonic distortion that can be caused by inverter-driven heat pumps.

Household savings

“These are very important issues, not just to CE Electric UK. In a short time, as air-source heat pumps become installed more widely, they will have to be faced by all DNOs. There is no doubt that they will become much more widely available, as people realise that, when the Renewable Heat Incentive tariffs start in April 2011, air-source heat pumps could gain a typical household an extra income of around £1,000 a year for 20 years.

“We have a rapidly closing window of time to resolve these issues as a country. This is why I applaud CE



An air-source heat pump

March, I thought that was fantastic.

“We saw not just the current product range and how it was made but also a prototype of a new product: a single high-temperature air-source heat pump fitted in a roof, capable of heating an entire block of flats. There were also detailed discussions with Daikin’s technical experts on the issues of added load and harmonic distortion.

“As a result of this visit, we are now very clear about where each party is coming from. We have a much better understanding

Electric UK for its commitment to work so closely with us. We have an excellent relationship with their people and when three senior members of their team agreed to visit a manufacturer, Daikin, with us and colleagues from National Energy Action in Ostend in

not just of the challenges but also of the opportunities that air-source heat pumps present. That prepares all of us to take an active part in the national debate that will undoubtedly take place very soon regarding their impact on the country’s electricity network.”

Case study: Stretch partnership

The aim of the partnership with the arts charity, Stretch, is to create a project that not only motivates socially excluded, vulnerable young people into continuing their education but offers them an opportunity to develop skills that they can transfer into a work environment in the future.

The project is enabling them to create a series of sculptures based on a wildlife theme, within an RSPB nature reserve known as Fairburn Ings, and focuses on improving the personal, interpersonal and communication skills of the participants, whilst also offering them the chance to gain a nationally recognised Arts award, a qualification for under-25s.

Carlotta Goulding, who runs the charity, said of the project: “It is really great that

such a prominent company as CE Electric UK is getting behind Stretch and supporting us in getting vulnerable children back into some form of education: it really makes a difference to their lives and wellbeing. The children are working really well together to achieve the Bronze Arts Award which is a nationally recognised qualification, and this will hold them in good stead in the future. Not only do the children benefit from the outcome of the project, but so does the local community.”

The reserve consists of extensive marsh, wet pasture and open water and includes areas of special scientific interest that attract a large number of birds. Visits have also been arranged for the participants to experience the Yorkshire Sculpture Park near Barnsley to carry out research on



Stretch sketch: group members drawing

sculpture art and find out what would work best in their nature trail. This is being followed by sculpture sessions with a local artist so they can learn the techniques needed to create their sculptures.