CE Electric UK
delivering power all day, every day

Corporate Social Responsibility

Ofgem Customer Service Reward Scheme 2011

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CE Electric UK | A responsible business going beyond regulatory compliance

What we do as a network operator touches people's lives in many ways. We have always taken the view as a business that simple regulatory compliance is not enough: unless we provide a service grounded in care for the customer, the environment (both local and global) and the community we serve, we are failing in our duty as a responsible business. Consequently, environmental and social concerns are placed at the heart of our everyday investment decisions. Every capital investment project explicitly considers customer service, environmental and community issues, in addition to appropriate economic and regulatory criteria.

Examples of initiatives that have benefited from this approach are outlined below:

1. Customer Service

- Following severe floods in 2000, we led the industry in developing a flood defence strategy to protect our major substations from river, tidal or surface-water flooding. The benefits of this were seen in 2007, particularly in Sheffield, where we were able to restore vital electricity supplies significantly faster than utilities that had not defended their sites. As part of this work we relocated our major substation at Snaith, which was affected by the flooding in 2000, to a location outside the floodplain. We continue to treat this as a priority and over 30 of our most critical substations are now fully defended.
- Our hot-spot management process goes beyond investing to improve worst-performing circuits. Where a circuit becomes too unreliable, we immediately bring to bear a managed process of customer care and stakeholder communication whilst long-term solutions are designed and constructed.
- Consolidating our connections and power-cut call centres into one operating unit has enabled us to take advantage of the differing workload peaks and troughs in each area to maximise the service our customers receive overall including extending connections enquiry opening hours.

2. Environmental

- We have installed energy-management systems at seven of our larger sites to reduce energy usage. This has assisted in reducing our carbon footprint by 5% in 2010 as part of our carbon reduction programme. We aim to achieve a further 5% reduction in 2011.
- When it is necessary to trim trees around overhead lines we seek to do so in a sustainable manner. We look to maintain the local environment by encouraging growth away from our lines as opposed to just removing trees. We employ techniques such as replanting with low-growing vegetation, e.g. hazel trees, improving the line's aesthetics and protecting important habitats for local wildlife such as the dormouse. When we encounter factors such as areas of special scientific interest, trees that are subject to preservation orders or the risk of disruption to habitats of wildlife such as badgers, bats and nesting birds, we augment our work-planning teams to enable them to work with relevant local specialists to tailor a solution that works for the environment.

It's not what you do; it's how you do it

We routinely go the extra mile to make maximum use of power outages that are arranged when it is necessary to trim vegetation from our overhead lines. We adopt a 'circuit possession' approach whereby all planned replacement, refurbishment and additional enhancement works are carried out at the same time. Although this increases the scale and complexity of the coordination required on our part, it reduces the overall time that our customers would be off supply and delivers a significant improvement in the resilience of our network.

- In selecting sites for installation of bird diverters on overhead lines in proximity to rural waterways, we take advice from local environment groups, customers and the Royal Society for the Protection of Birds (RSPB). This helps prevent birds from flying into the lines.
- We minimise the impact of oil loss from our assets by installing bunds around transformers as well as around our oil-storage areas. We are rolling out a programme to install bunds at all of our extra-high voltage (EHV) substations, exceeding the minimum legal requirement.
- We respond quickly and effectively to detected fluid loss with rapid 24/7 deployment of resources to carry out leak repairs. The aim is not just to fix leaks to maximise network availability but to go beyond that by minimising contamination wherever possible. This complements our substantial and proactive investment targeted at asset condition to prevent leaks occurring in the first place. Over the last four years we have achieved a 49% reduction in oil lost from our fluid-filled cables.
- In order that we can quantify our environmental performance as the first stage in improvement, we are participating in Business in the Community's (BITC) environmental index, benchmarking our performance against other companies.

3. Community

- As one of the industry's leading safety performers, we take an uncompromising stance on the safety of our employees and the public. We continually achieve consecutive gold awards from ROSPA in recognition of continuous improvements; our Northern licensee has received 10 consecutive gold awards, and our Yorkshire licensee seven.
- In turn we explicitly recognise best and most improved safety performance amongst our contractors via awards presented at our annual safety conference.
- We pursue a proactive and extensive programme of investment to protect our assets from metal theft. We do this in recognition of the fact that we have a duty of care to all members of society and so we do our level best to protect everyone from the risks of coming into contact with our assets.
- Street pillars, containing live electrical equipment, are being systematically removed and replaced with underground link boxes to remove the risk of inadvertent contact or malicious interference. This policy was developed in recognition of the fact that street furniture is often used as a focal gathering point for young people, particularly in high-density housing areas.

Leading efforts to minimise carbon emissions in the supply chain

As members of the Prince's Mayday Network, convened by BITC, we have made the six pledges to reduce both our own carbon footprint and that of our suppliers. Our strategy is to achieve this throughout our supply chain. To fulfil this pledge we have joined the Certified Emissions Measurement and Reduction Scheme (CEMARS) group. The group, launched in partnership with Achilles Information Ltd, is a collaboration of members, including other utility companies, to reduce emissions in our supply chain.

In conjunction with CEMARS, we have proactively produced a questionnaire and sent it to our top 100 suppliers asking about their carbon footprint. Our aim is to align our suppliers with our own sustainability goals by initially raising awareness of their carbon footprint but in due course requiring target reductions as part of the qualifying criteria for our contract awards.

DRIVING THE SUSTAINABILITY AGENDA

Opening up microgeneration UK wide

We recognise that we are a key enabler in facilitating the uptake of microgeneration by our customers. Our microgeneration guide, published in 2010, details the renewable technologies available and provides straightforward information about connecting microgeneration to the network. We have given a number of talks to community renewables groups about issues relating to connecting renewable generation to the network, sponsored a regional conference, and frequently provided informal advice on this topic. A specific event will be held in June 2011 to explain all the options available and what customers need to consider when installing microgeneration. We have provided over 1,350 quotations to connect microgeneration in the past year and we have successfully connected 895 renewable generation units to our network in the first quarter of 2011 alone, compared with 83 installations in the same period last year.

Installers of domestic photovoltaic solar cells have been keen to maximise the financial benefit to be gained under the Government's feed-in tariff scheme from installing up to 4kW of panels per household. By encouraging installers to notify us with the net capacity of these panels (after conversion to alternating current), we have been able to reduce the bureaucracy, delay and cost involved with them notifying us of larger domestic arrays of solar panels whilst still ensuring legal and regulatory compliance.

Limiting speed reduces fuel usage

15% of our vehicle fleet now has speed limiters fitted. Limiting speed to a maximum of 62mph increases fuel efficiency by at least 7% and this, in turn, has contributed to an 11% reduction from 7,119 tonnes of carbon to 6,319 tonnes in our regulated business. We have leased an electric car for a trial period to assess charging, performance and cost-effectiveness issues, with the ultimate aim of finding a solution that meets operational, economic and environmental needs.

Managing metal theft

Effectively managing the social and financial impact of the metal-theft epidemic is right at the top of our agenda. Through our dedicated Vulnerable Assets Group, we have developed a robust strategy for protecting the community and those of our assets already being affected in the most financially responsible way possible, whilst developing strategies with our partners to stem the tide. Please see the supplementary support page case study detailing a recent metal theft at Sutton on Hull.

There is no other major issue currently impacting on our communities to the same degree. The safety of our customers is of paramount concern and when a metal theft occurs we have robust plans in place to ensure electricity supplies are restored and communities made safe as soon as possible. Our major incident management plan has been designed to streamline our response. This includes deploying additional resources from across the business, working closely with local authorities and contacting our priority service customers to monitor their welfare. On occasions we have stationed our customer service vans in the heart of the affected area to give customers a point of contact and to provide a hot drink.

In close liaison with the local police forces our efforts are helping to mitigate the effect while the activity continues to increase. In the whole of 2010, there were only 37 arrests leading to convictions in our area, but there have already been 43 arrests in the first quarter of 2011.

Building on partner relationships

We are constantly working with our key partners to find new ways to meet both of our respective objectives. Our work last year with Community Energy Solutions and National Energy Action on heat pumps (with total numbers installed in our distribution service areas up from 500 in 2009 to around 1000 in 2011) was an essential precursor to our Low Carbon Network Fund project, in which both of these partners have a key role.

The cooperation developed last year between Newcastle City Council and CE Electric UK on locations for street-side charging points in Newcastle has led to coordination of 40 further installations of public charging posts in Sunderland, County Durham and Newcastle. We have also assisted One North East to find suitable sites for a number of 50kW fast-charge points, avoiding significant reinforcement costs.

Safety doesn't happen by accident

We delivered our safety talks to almost 31,000 pupils last year and encouraged children to develop their own safety messages.

We invited all secondary schools across our region to participate in our Powertunes competition. Students were asked to write lyrics and make videos of themselves singing their tune warning other youngsters about the dangers of playing on or near electricity substations, pylons and poles. An overall winner (selected from regional finalists) won £1,000 for their school.

Working with the media department of Darlington College, we have produced a series of short videos to highlight the dangers of electricity. The 'victim', fatally injured by one of five scenarios, e.g. climbing trees/pylons; flying kites; fishing etc, invites the audience to discuss and assess what happened. All the scripts were developed by the students and the project forms part of their final qualifications. The film was shot at our training school, with the college using a local drama school for all the actors. These videos will be used as part of our safety talks in the future.

Sponsorship

In support of our CSR objectives and values, our sponsorship programme supports the voluntary work of employees within their local communities. Encouraging active participation in their chosen charities, our 'global days of service' scheme allocates funding based on the number of hours worked. In this last year the scheme supported 8,365 hours (£32,000).

In partnership with England Athletics and UK School Games, we continue to support local athletes and sporting events. Promoting an active and healthy lifestyle through schools we also promote our safety messages with the help of our mascot, Vic Voltage.

Redcar on Teesside, blighted by significant economic challenges, is an area much in need of support. Our President visited Redcar in 2010 alongside Prince Charles (as part of BITC's 'Seeing Is Believing' programme for engaging business leaders with key social responsibility issues). Following that we are now sponsoring the Redcar Development Trust, whose community schemes, accessible to over 50 groups, include regenerating disused buildings in the town and providing local access to employment training, accommodation for new business start-ups and space for health groups.

SUPPLEMENTARY SUPPORT PAGE

Case study – Sutton on Hull metal theft

We are dealing with 17 metal-theft incidents on average per week in our area. Since 2005, we have seen a tenfold rise in attacks on our network.

At 5.30am on 24 March 2011 metal thieves broke into an 11 kV substation in Sutton on Hull and removed the copper earthing component. 215 properties were affected, causing voltage irregularities and suspected appliance damage in customers' properties.

Our engineers arrived on site within the hour to repair the damaged substation. Electricity supplies had to be switched off whilst repair work was carried out. Once repairs were complete engineers carried out visual inspections at each of the households affected to ensure that it was safe to restore power to each individual property.

Two customer service vans were deployed to site and manned by our customer ambassadors, who distributed hot drinks and snacks to customers, particularly those who were vulnerable, and we ensured they were given regular updates on the repair. Power was restored to all properties by 11am the following day.

One customer was so pleased with the service we had provided during the incident that he wrote to our Customer Services Operations Manager.

"This is just to say how very well we were informed and looked after during the recent power surge and cut out in our area.

"Constant concern was shown as to our welfare, particularly with regard to my wife's need to use a stair lift.

"Everyone tried their very best to get the power back to us as soon as possible and we really did feel efforts were made because of my wife's needs.

"So, once again, many thanks and congratulations to all concerned."

We are continuing to work closely with local police forces to raise the profile of metal theft with our local communities to make them aware of the dangers associated with this type of crime and the detrimental effect it has on their homes and community. We have done this through direct communication via mass letter-drops to customers in the worst-hit areas. We also take part in regular joint operations with the police and other organisations to search scrap yards for our stolen metal.

We carry out regular inspections at our substations and have extensive security measures to protect against this sort of crime. Despite perimeter fencing, hardwood doors, razor wire and 'danger of death' signs, instances of this crime are still increasing.

In this particular case, security measures have been heightened to deter further attacks, including on-site 24-hour security at the substation and patrols of the other 52 substations located in the immediate vicinity.