

Electricity Distribution Customer Service Reward Scheme 2010/11

Stakeholder Engagement Initiatives

Stakeholder engagement is integral to the development of our business – as a platform for testing our strategies and proposals; as a stimulus for change; and as a gauge of progress. Our stakeholders have an important part to play in helping us to better understand the economic, social and environmental factors which will affect and influence our plans and working practices. We are committed to building strong relationships with our stakeholders and also recognise that we have a responsibility to the broader community and environment, where the impacts of our decisions are most acutely felt.

We interact with stakeholders on many different levels and must employ different modes of engagement for different audiences (domestic customers, local authorities, commercial businesses, government bodies etc). However, each of these mechanisms operates within an overall framework which captures and analyses feedback across the full spectrum of our activities and targets improvements as part of our business planning process.

Many of our business processes have an impact on our stakeholders, either directly or as a consequence of our actions, and we routinely work with specific stakeholders or their representatives to develop and improve them. Our discussions with these groups relate to particular issues and are therefore quite local in scope. We also recognise that there is a need for a broad dialogue with stakeholders to ensure that our plans are aligned to the regions we serve; to ensure that every one of our stakeholders, from local residents to larger corporations, can contribute to our strategy in equal measure.

Customer surveys and focus groups

Since 2006 we have surveyed over 1,000 of our customers each month to understand their level of satisfaction with our services. We have seen a marked improvement in customer satisfaction levels (see the graph below) but continue to analyse customers' comments to further understand how we can improve.

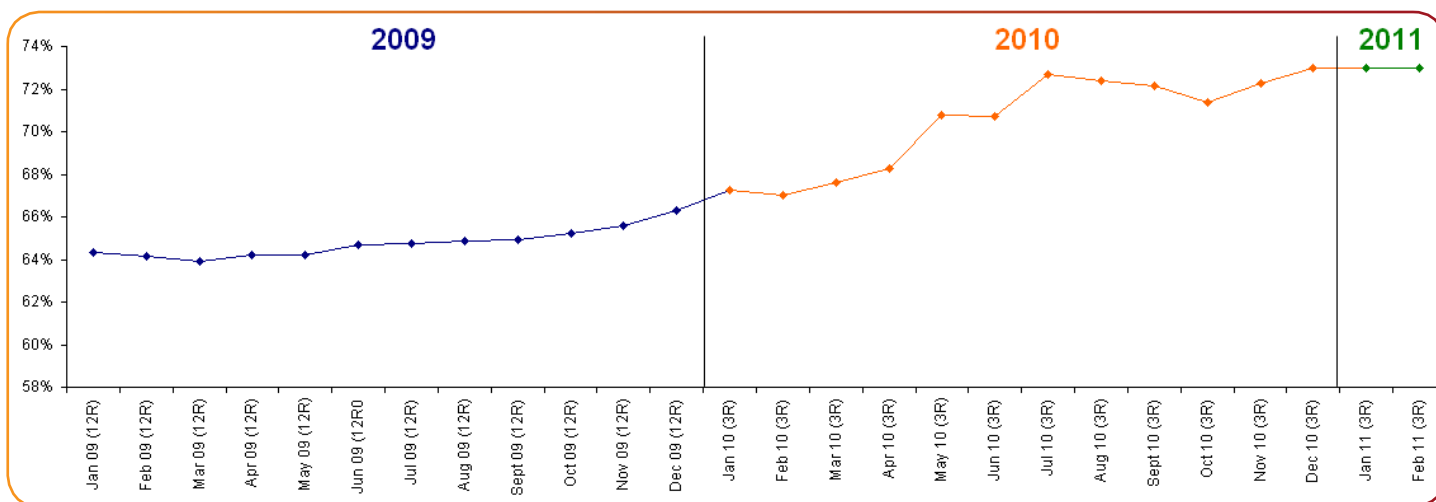
This customer insight has been critical in the development of our plans to improve both the customer service experience and customer satisfaction. Where there is specific customer feedback or requirements that we wish to explore in detail, we conduct market research focus groups. Through the focus groups we conducted in August 2010 we were able to gain much better insight into customer expectations across our different customer segments (including residential, business and local authority customers). This has formed the basis of our customer service strategy, with clear actions aligned to meeting customer expectations.

We continue to test that these actions are having an effect through 'pulse surveys', which are real-time surveys of our customers, immediately after work has been completed. This allows us to understand our customers' satisfaction with our services and to take action immediately in response to any concerns raised.

Regional panels

In addition to surveys and focus groups we have established three regional panels to gain input, feedback and insight from a broader range of stakeholders than just customers. Comprehensive notes are taken at all meetings and any issues are reflected in future action plans. Our London forum has already yielded some valuable feedback on the quality of our communications about planned shutdowns (see page 2). We are also in the process of creating a number of area panels which will meet twice-yearly in each of our 18 regions. The meetings will be hosted by an Area Manager or a Regional Manager in our Network Operations directorate, with support from Customer Service managers and local engineers. The meetings will be open to all customers and will be promoted in local media and through leaflet drops, with the co-operation of local groups such as parish and local councils. Any remedial actions that are proposed will be communicated locally, so that our stakeholders know their views have been taken into account. Both of these feedback mechanisms are illustrated on our evidence page (our stakeholder engagement model).

The remainder of our submission explains how we have engaged with stakeholders in three business areas (responding to network faults; delivering UMC services to local authorities; and developing specific information tools for connections customers in our London region) – and how we have used their feedback to inform our plans and drive improvements in customer service and performance.



Customer satisfaction score



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How we have engaged with our stakeholders: **network faults**

Power cuts are an unintended but inevitable consequence of the electricity distribution process and DNOs must do everything they can to minimise the disruption they cause and maintain a high level of customer service. Stakeholder engagement is essential to develop a robust customer service strategy which is aligned to actual rather than perceived needs. We are especially keen to connect with domestic customers (including the vulnerable) and smaller businesses, whose voices are not always heard.

Set out below are some of the initiatives we have implemented or are developing to increase our visibility to stakeholders and prompt feedback on our service. All of these initiatives are being co-ordinated by the Stakeholder Engagement Manager in our Customer Service function.

Customer champions

To complement our community support partnership with the British Red Cross we have trialled the use of volunteers from our workforce – ‘customer champions’ – to assist our field teams during power cuts and in electrical emergencies by speaking to customers on-site and providing practical help and advice.

Benefits:

- Provides high visibility of customer care ‘in the field’ and assists us in identifying customers in particular need of help
- Provides customers with a direct information channel, sparing them the inconvenience of calling our contact centre for updates
- Field staff can concentrate on restoration work knowing that a customer support mechanism is in place

This initiative has already attracted positive feedback (please see the quote from a customer in Ticehurst, East Sussex on our evidence page) and will be implemented in all three of our regions later in the year.

Customer service videos

We will approach customers who have suffered a prolonged power cut and ask them to relate their experiences to us on film, so we have a permanent record of what customer service means to them and whether or not we have met their expectations. The recording will be played to our Customer Service staff at team briefings.

Benefit:

- Feedback to improve our service – from customers or staff – will be captured as learning points and used to shape our customer service strategy

This initiative will be implemented later in the year.

Behind-the-scenes invitations

We are developing an event and campaign strategy to invite stakeholders’ views on our current service and future plans. We intend to contact representatives of vulnerable and special interest groups, elected representatives and opinion formers, environmental and land owning bodies, and large and small businesses. These stakeholders will be offered the opportunity to see and experience how we work behind the scenes – both ‘in the field’ and at our contact centre in Ipswich.

We have already trialled our approach with the British Red Cross and are targeting a wider rollout for later this year.

Benefit:

- Imparts a better knowledge of our fault response process and helps us to manage stakeholders’ expectations

Working with our contractors

As they are often the face of our company it is important that our contractors understand our customers’ expectations and are part of our future plans. We intend to form a contractor group later in the year to discuss customer service issues and identify improvements. A representative of the group will be invited to our regional meetings where appropriate.

Benefits:

- Forges a stronger working relationship with our contractors
- Identifies improved methods of working and of communicating with customers (we have already changed one of our processes in response to a request from stakeholders to improve the quality of our planned shutdown communications – using feedback from our LPN stakeholder panel to redesign our shutdown cards and develop wall posters for communal areas in apartment blocks)



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How we have engaged with our stakeholders: **UMC market**

Local authorities are a key stakeholder group and represent approximately 85 per cent of our customer base in the UMC market. They have varied requirements and are themselves accountable to a range of stakeholders; therefore, we are committed to involving them in everything we do, through regular dialogue at our customer contact meetings and a process of more formal engagement at quarterly and annual regional events (User Group Forums) where matters of common interest can be discussed.

Our situation in 2008

It is largely due to this collaborative approach that we enjoy a stronger working relationship with local authorities today. A few years ago our standing with these organisations was very poor. Our quarterly telephone surveys attracted consistently low customer satisfaction scores (36 per cent in the South East in 2008) and the feedback we received at customer meetings and User Group Forums testified to a lack of confidence in our UMC services – we were heavily criticised for our “poor performance”, “disjointed communications” and “adversarial approach”. Kent Highway Services even went so far as to say that “[the company] provides a poor service, is unreliable and difficult to contact and has no regard for the residents of Kent.”

We were, understandably, concerned by this feedback and anxious to earn and restore customers’ confidence in our service. We recognised that significant improvements were required but, equally, we knew these could not be delivered in isolation: we needed to work with local authorities if we were to truly understand and address their concerns – and this called for a radical overhaul of our customer engagement approach.

How we reacted

We established a dedicated project team – Excellence in Unmetered Connections (EiUMC) – to review our business systems and processes, organisational structure and reporting methodologies. One of EiUMC’s principal tasks was to engineer deliverables which would not only comply with, but exceed, the targets set out in the UMC SLA – a service level agreement developed jointly between DNOs and local authorities for the provision of new work orders and quotations to supply connections to UMC assets (lighting columns, advertising hoardings, road signs etc).

For 18 months we consulted extensively with the local authorities to seek their input in shaping the UMC SLA and supporting business processes. We produced a newsletter to keep them informed of developments; we established a ‘super-user group’ made up of local authority representatives who provided feedback to their peers; and we held more localised consultations so that we could continually test our interpretation of their requirements and establish a common approach. We also involved our contractors to ensure that they clearly understood our customers’ requirements and could deliver on the promises we had made.

Feedback told us that a major concern was the lack of an absolute ‘back-stop target’ for all faults and connections work which could be monitored jointly by customers and staff. To address this we developed a set of internal targets – over and above those set out in the UMC SLA – and committed to share our performance against them with our customers so that they in turn could update their stakeholders. As a result EiUMC:

- rationalised our delivery of UMC services;
- brought all activities under the control of one senior manager; and
- harmonised business processes and reporting systems across our entire area.

We also delivered on our back-stop targets as promised. To our knowledge, we are the only utility company to have introduced such measures.

Improved service

Feedback received from local authorities post EiUMC, attests to a much better standing with these organisations; they now comment favourably on our performance and frequently commend us on our supportive approach and effective communication channels. We have provided a sample of customer testimonials on our evidence page; the feedback from Kent Highway Services – previously one of our harshest critics – is particularly encouraging. This marked change in customer attitudes is further supported by the vastly improved results of our quarterly telephone surveys. Customer satisfaction levels are consistently at 85 per cent – an improvement of 50 per centime points since 2008.

We recognise that we can always do more to improve the customer experience. We have provided each of our local authority customers with a dedicated business contact for enquiries and will also continue to discuss issues with them collaboratively, at our User Group Forums. Enhanced performance reporting, policy changes, and improved working across our DNO boundaries are just three of the topics currently under discussion.

It has taken time to restore local authorities’ confidence in our service but we now understand that good stakeholder engagement is an essential part of that process – and the only mechanism through which to deliver excellent performance and a true partnership approach.

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How we have engaged with our stakeholders: **customer information tools**

Our customers told us they required better information about the connections process. This was the rationale for developing two customer information tools: the London Guide (written in conjunction with the Westminster Property Association (WPA)) and 'masterclasses'.

October 2008: concerns were raised

In October 2008 we attended a seminar to update members of the WPA on various topics including quality of supply and the process for obtaining a connection in London. Many concerns were raised, including:

- the time taken to obtain a quotation;
- the duration of the overall connection process; and
- a lack of clarity as to what was involved.

During the seminar, the concept arose of a guide to support customers in getting a connection. It was agreed that a guide should be produced for customers and that our Head of Customer Connections for London and a representative of the WPA would lead the working group.

Moving forward

The group first met in November 2008, with two representatives of our company and six customer representatives. It was agreed that the group would develop a best practice guide to getting a new connection in London; a document which would explain the end-to-end process, from application to energisation, and what could be done at each stage to make the process run more smoothly. The first draft of the guide was issued to the group for comment in January 2009. Feedback was received from the group in February and March and further iterations took place before the finalised version was issued to WPA members in July 2010. The document was then sent to other membership organisations, including City Property Advisory Trust, for onward

distribution to their members and was also published on our website. Additionally, our key account managers distributed copies to their customers.

The guide is very much a dynamic document and will be regularly updated and reissued. Three more versions have been issued since July 2010, reflecting further customer feedback and market changes. The guide now includes ICP data, the most common reasons for aborted jobs, a chart showing what the customer, the DNO and other parties are responsible for, and details of the new connections guaranteed standards of performance. Copies are distributed via membership organisations (e.g. City Property Association, Electrical Contractors Association, the WPA and the London Chamber of Commerce); account-managed customers; our website; and customers receiving an email from London team members (via a link in the footer).

The concept was developed

We continued to receive feedback from customers, some of whom requested more specific details of the typical issues associated with their own sites. We also asked customers whether the connections process had been made clear to them, through our monthly telephone surveys. It was apparent from their feedback that a more tailored information tool was required and hence the idea of a customer 'masterclass' was considered. The concept was developed with HCA Healthcare which has very specific requirements for a number of its sites, typically involving substations in listed buildings to serve high-current medical equipment. The masterclass was intended both as an evolution of the best practice guide and as a mechanism whereby a small group of customers could exchange on-site experiences with our design and field staff and develop a clearer understanding of the issues involved.

HCA Healthcare was asked for its requirements prior to the first masterclass in March 2011. Among the topics discussed were: an introduction to the London

distribution network and its characteristics; the design process (presented by a lead design engineer); the delivery process (presented by a lead field engineer); and the energisation and disconnection process (presented by a key account manager). Positive feedback was received after the event (see the example on our evidence page), rating the day as "effective" or "very effective" at helping to improve understanding – this will help to inform future agendas.

Our plan

We intend to roll out the masterclass concept, through a targeted series of contacts, to customers who have a high level of involvement in the process (e.g. consultancies) but do not use our services so regularly that they fully understand the process. Other specific activities will be targeted at other segments, as shown on our evidence page.

We will seek support from the same organisations that supported the development of the best practice guide. In the short term, we will check how effective each masterclass has been for our customers; in the longer term, we will monitor our customers' overall level of understanding of UK Power Networks.

We will develop specialist masterclasses in consultation with our customers, covering topics which are of particular interest to them. Initial conversations have already identified some possible themes e.g. technical subjects (such as earthing) and specific events such as the likely impact on connections by the Olympic and Paralympic Games.

The results

Since launching this initiative we have noticed a marked upturn in customer satisfaction levels. In February 2011 the customer satisfaction score for our London region was 76%, compared with a starting point of 65% at the beginning of 2010. We will continue to look at different ways of communicating with different customer groups to ensure their expectations are met.



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Evidence: Stakeholder Engagement Initiatives

Quote from Stanhope PLC:

We would like to take this opportunity to formally confirm how pleased we are with the way the UKPN works have been organised and managed. UKPN have delivered our connections in line with the programme and have enabled us to deliver a successful project to the client. Without the help & drive from the UKPN team, we would not have achieved this. The good attitude and understanding of what we are trying to achieve from you and the UKPN team was there from the start. A 'get it done together' approach was adopted by all, which made solving the arising problems possible within the constraints of the project.

Quote from Kent Highway Services:

Since the 'Excellence in UMC' project, there have been a number of improvements in some key areas of the service. The most noticeable difference in the service is in communication. The team is more accessible and regularly joins KHS team meetings at all levels. KHS staff are now able to respond to public complaints with more confidence.

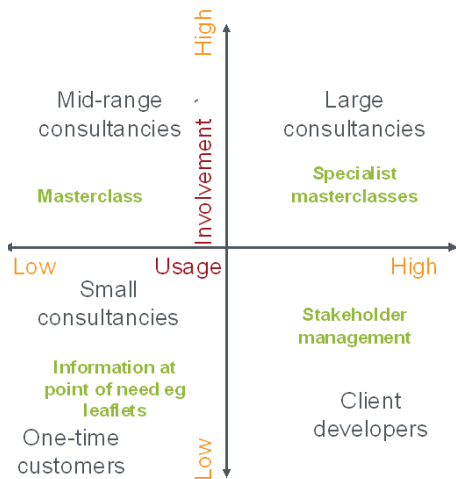
Quote from Bexley County Council:

I have been very impressed with the smooth way that the above lighting schemes have been implemented. All parties have been extremely efficient and professional and it would appear that communication between all parties has been effective. Everyone carried out the work to programme.

Quote from a customer in Ticehurst:

From the start of the day when I began to receive text messages to being told by your call centre that you were on site, I have received excellent service. I am very impressed by UKPN.

Activities targeted at specific customer segments



Questionnaire form from HCA Healthcare rating the masterclass as "very effective"

UK Power Networks Feedback Form Masterclass - HCA 23rd March 2011

WORKSHOP FEEDBACK QUESTIONNAIRE

Your Name: CHLOE SWENEY Contact Number: 0201 234 2004

Please complete this form by ticking the boxes & writing any comments in the relevant spaces, particularly if you have strong views.

YOUR EXPECTATIONS & THE OVERALL RESULTS

Before attending this workshop, what were you hoping to learn or to achieve?
To learn more about what it was to get connection in to site for HCA.

Having attended this workshop, how will this help you communicate and understand our processes going forward?
Yes.

YOUR FEEDBACK ON THE WORKSHOP

What did you learn from the Workshop?
 It helped me to learn a lot. It helped me to learn some new information. It helped to remind me about what I already know. It didn't help me to learn anything or remind me about what I already know.

How effective was the workshop in helping to improve your understanding in UK Power Networks?
 Very Effective Effective No Opinion Not Effective Not Effective At All

How much effect will this course have on the way you work on a day-to-day basis?
 A Considerable Effect Some Effect Minimal Effect No Effect At All

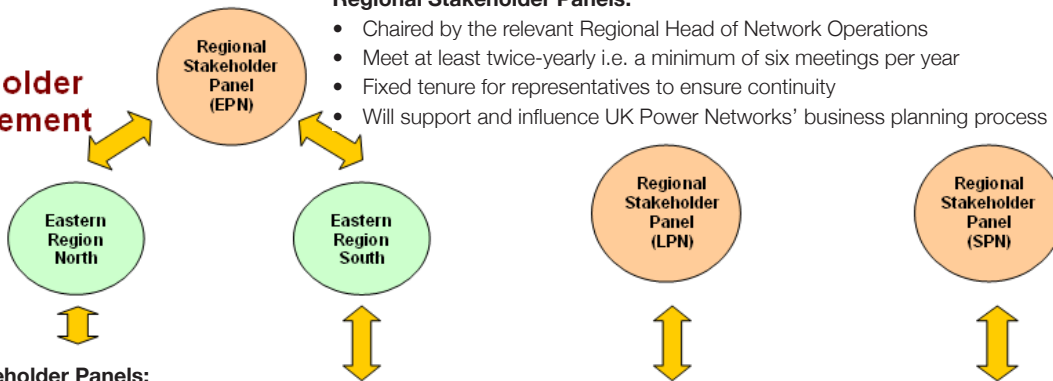
Is there anything that you feel should be added to or removed from this course? Yes No

If you answer 'Yes', please explain what should be added or removed, together with your reasons:

Our Stakeholder Engagement Model

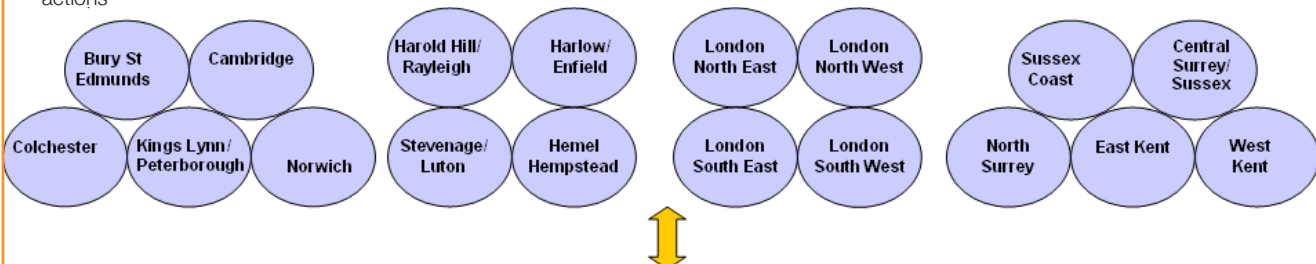
Regional Stakeholder Panels:

- Chaired by the relevant Regional Head of Network Operations
- Meet at least twice-yearly i.e. a minimum of six meetings per year
- Fixed tenure for representatives to ensure continuity
- Will support and influence UK Power Networks' business planning process



Area Stakeholder Panels:

- Delivered locally and supported centrally
- Meet at least twice-yearly in all 18 areas i.e. a minimum of 36 meetings per year
- More localised in terms of discussion topics; take feed in from Regional Stakeholder Panel discussions; feed back on effectiveness of improvement actions



Customer insight (surveys and focus groups):

- Commissioned at key points during the journey
- Focused research to understand and predict the effectiveness of planned improvement actions and the later on-the-ground experience as improvements are delivered