

Ofgem incentive scheme

Stakeholder Engagement



Welcome

2011/12



We have a great job to do at WPD, providing an essential customer service. We never lose sight of the fact that 7.7 million people rely on us every day – whether it's restoring supplies after a power cut, maintaining and upgrading the network, connecting new customers, keeping people safe around our equipment or helping to facilitate a low carbon future. Customers pay for everything we do, so they have a right to expect a high quality, value for money service.

Our stakeholder engagement strategy

We have had a stakeholder engagement strategy and have been hosting stakeholder workshops since 2008. I personally review our strategy every year.

I am committed to listening to our stakeholders and using their feedback to:

- a) Improve our day-to-day operations, policies & processes.
- b) Shape our business plans for the future.

True improvement in customer service and business efficiency comes from understanding the areas where we can do better. Frank stakeholder feedback is the foundation of key decision making at WPD, and it directly influences our overall business strategy.

A segmented stakeholder database

We have captured our different stakeholder groups on our database to ensure that we haven't missed anyone. All our stakeholders are important to us.

Our key database segments are:

- Domestic
- Vulnerable & hard-to-reach
- Major energy users
- Connections (Demand & Distributed Generation)
- Regulatory & local authorities
- Social & education
- Innovation & environment
- Emergency resilience
- Network security/safety

By first understanding that stakeholders' interests, knowledge and influence are different, we can tailor our engagement approach. This submission is structured in the same way as our stakeholder database and reflects the way we understand our 7.7 million customers. Within each category we explain what actions we are taking to address our stakeholders' key interests. It is critical that we understand the different ways they perceive and interact with WPD and that we adapt our engagement methods to suit them. There is a clear focus throughout on the outputs and benefits achieved for our customers as a result of our engagement.

I ask everyone at WPD to be an advocate for customers and wherever possible to speak to our stakeholders. I have met with our Customer Panel in the last year, and I ensure that members of my senior management team, especially those who are responsible for delivering the results locally, facilitate our stakeholder workshops. Stakeholder engagement isn't separate to our day-to-day activities, but something that underpins everything we do.

Chief Executive Officer, WPD

1. WPD's engagement strategy

Changing customer expectations and communication preferences, increased uptake of distributed generation and the evolution of smart technology and other low carbon innovations, will all change our relationships with customers and the services we provide. WPD have an up-to-date engagement strategy, as part of which we work closely with stakeholders to ensure our decisions for the future are well informed and lead to quantifiable outputs and improvements that benefit customers. WPD will demonstrate that:

<p>1 Identify our stakeholders</p> <ul style="list-style-type: none"> • We have mapped our stakeholder groups and created a segmented database of over 5,500 active contacts. • We annually update this via preparation for stakeholder events, as well as throughout the year from contacts who register for our events via our website and customers we have interacted with. 	<p>4 Make information available to customers, stakeholders & staff</p> <ul style="list-style-type: none"> • We publish comprehensive network and customer performance reports. • Following stakeholder workshops we publish full feedback reports, (prepared by a 3rd party to ensure objectivity) and a WPD response, so customers know what actions we will be taking.
<p>2 Understand how stakeholders use network companies</p> <p>We will engage with stakeholders across a range of issues:</p> <ul style="list-style-type: none"> • Overall investment priorities • Low carbon networks initiatives • Information & communication • Price changes • Planning work at a local level • Service and investment outcomes • Specific topics identified by stakeholders 	<p>5 Listen to stakeholders, make changes & measure the benefits</p> <ul style="list-style-type: none"> • We review our engagement programme annually to ensure our methods are effective and provide valid and reliable results. • We publish an annual stakeholder report and an update on stakeholder engagement, detailing feedback gained & actions taken.
<p>3 Use a range of mechanisms to inform & engage stakeholders</p> <ul style="list-style-type: none"> • We review annually the effectiveness of our methods for engaging stakeholders, including hard-to-reach and disadvantaged groups. • Methods include workshops, website, media campaigns, bilateral meetings & regional forums, written/email notifications, market research and customer committees. 	<p>6 Use engagement to improve service in the short and long term</p> <p>We will always adopt a two-fold approach. We will use feedback to:</p> <ul style="list-style-type: none"> • Inform our business plan for our next price control review known as RIIO-ED1, via bespoke workshops and research. • Improve our day-to-day business, by using feedback to improve our policies and procedures.

2. Summary of the key outcomes & benefits of our engagement

Stakeholder segments:

Example outcomes/benefits and associated stakeholder feedback:

Domestic

Business

- Four new Customer Panel members reflecting increased interest in Distributed Generation (DG) and innovation.
- Signed off 2012 WPD stakeholder engagement plan.
- 1600 'willingness to pay' customer surveys, tested improvements in 13 service areas.
- 218 stakeholders attended workshops & identified priorities for WPD's business plan.
- Customer awareness campaign reached 7.7m people. 2000 people surveyed in pre & post campaign opinion research.
- 50 respondents to our campaign took part in our willingness to pay research, 1 month later.

"Asset replacement" is not that well understood by household respondents - too many connotations with financial assets."

Feedback from our focus groups, which has since changed the way we survey customers about investments to "renew our equipment"

Vulnerable

Hard-to-reach

- Deaf awareness training for 100 contact centre staff.
- 62,753 vulnerable customers better prepared for a power cut & registered with WPD.
- Braille, audio, large print & foreign language customer information available.
- Power cut advice & 27,500 WPD leaflets distributed via aligned Red Cross services.

"WPD has been accredited longer than any other utility company. Our partnership continues to strengthen and we've seen huge improvements for people who are deaf or have hearing loss."
David Houghton, Action On Hearing Loss

"We've been working in partnership with WPD for a few years... The help has proved to be invaluable and by continuing our partnership it will allow us to keep older people safe in their homes."
Nicola Maule, Torfaen Care and Repair

Demand Connections

Distributed Generation (DG)

Major Energy Users

- Added 264 new DG contacts to our database.
- 400 in-depth interviews with business customers.
- New micro-generation guide designed with Centre for Sustainable Energy (CSE)
- 105% increase in hits to the generation connections webpages after they were redesigned.
- New processes bilaterally agreed to enable extension of contestability to include live LV mains jointing.

"A bilateral agreement is welcome and demonstrates to those DNO's who are still reluctant to offer them, that DNO's can manage any perceived liabilities."
Electrical Connections Manager, Amey LG Ltd – after our Extension of Contestability Seminar and new co-developed live jointing policy

Regulatory Bodies

Local Authorities

- Engagement strategy & timetable/plan presented to & agreed with Consumer Focus.
- Stakeholder feedback directly shaped WPD's new Innovation Strategy & Business Plan.
- WPD involved in shaping Welsh Government energy policy.
- Used major works as an opportunity to conduct several substation safety visits to a local schools & community engagement events.

"WPD gave a very interesting presentation and an active discussion took place including areas on rota disconnection, priority organisations for power and also WPD's production of an 8 year plan (2015 - 2023) and their desire to talk to our forum members again and include them in that consultation process." Chair, BCI Forum, following meeting including Leicester, Lincolnshire and Nottingham County Councils

Social Obligations

Education

- Targeted mailings to 30,000 customers in fuel poor regions.
- Helped 1,000 customers gain access to government energy efficiency grants.
- Co-developed and fully funded a £40,000 community outreach project.
- Over 13,000 children educated in electrical safety at 41 primary schools, & multiple events & learning centres.

"The project will support vulnerable customers by identifying, training and supporting local people/community groups to become volunteer energy champions... It will help to add value to the support you already give to customers on your Priority Services Register... whilst simultaneously helping you find other customers who are eligible but not currently registered." National Energy Action

"Great use of practical activities to get safety points across." Feedback from a schools safety event

Innovation

Environment

- New low carbon innovation strategy written & refined by stakeholder feedback.
- Over 1700 customers surveyed on innovation investment priorities via explicit stakeholder workshops and research.
- Drop in sessions, bespoke leaflets, FAQs & Jargon Busters supported innovation projects.
- Co-developing a standard Community Energy Monitoring service with CSE.

"I appreciate WPD as a supportive partner which is prepared to engage with other partners in the Low Carbon Living Programme to advise and explore opportunities. The executives are accessible and supportive."
Director of Strategy, Milton Keynes Council

"Support from WPD is helping us to engage and change people's energy behaviours."
Vice Chair, Tutbury Eco Power

Emergency Resilience

Network Security

- Flood plans and emergency response scenarios developed and tested.
- 56,000 new 'Electricity Watch' scheme leaflets distributed.
- Metal thefts reduced by 53% following use of Smartwater on 10,500 WPD assets.
- New cable identification chart developed for the Police & scrap dealers.
- Established Pan Wales Metal Theft Group.
- WPD accompanied Police on several successful visits to scrap metal dealers.
- New WPD crime reporting system created.

"Our volunteers were very quick to respond. They worked tirelessly through the night to support people – providing reassurance and the special packs – and working alongside WPD to keep people informed about the situation."
Sue Thompson, British Red Cross Senior Service Manager

Engaging 7.7 million domestic & business customers: Our stakeholders have a wide range of knowledge and interest levels in what we do. We make every effort to tailor our approach so we have an appropriate method of engagement depending on their interest. We listen when stakeholders seek us out to share their views. Just as important is proactively engaging people to ask for views on WPD and how we invest their money. By explaining who we are, what we do and how we're performing, they can then hold us to account for the service we provide.

WPD Customer Panel

WPD's innovative Customer Panel gives a broad range of stakeholders the chance to shape our thinking and future priorities by voicing their opinions, concerns and ideas in an open forum. We have worked hard to communicate WPD's plans, responsibilities, operations and performance; so that through their knowledge and understanding of WPD they can competently challenge and refine our overall business plan and strategy.

The Panel is chaired by WPD's Chief Executive and other senior managers, demonstrating the commitment at every level to proactively engage with customers. We meet quarterly with the 13 permanent members. We have at least one member per customer segment, to ensure we get a representative view. There is representation from national groups including the British Red Cross, Major Energy Users Council, and Environment Agency, as well as regional interest members such as Warwickshire Police and Lincoln University.

We evolve the Panel to ensure it continues to represent our diverse customer-base. Following an increase in Distributed Generation (DG) enquiries and interest in low carbon networks innovations, we have invited four new members who join the panel in June, from the Institute of Engineering & Technology, Co-operative Group, North Somerset Council & West Coast Energy.



Stakeholder Workshops – Future priorities for 2015-2023 (RIIO ED1)

We held six stakeholder workshops in 2011/12 to identify key themes and investment priorities to include in our business plan for 2015-2023 and consult on further. The events attracted 218 stakeholders from a broad cross-section of identified customer groups, including large customers, suppliers, manufacturers, local authorities, emergency planners, environmental groups, parish councils, health trusts and universities. Sessions were held in urban and rural locations across WPD's regions to ensure a representative view.

Following a dramatic increase in stakeholder interest in low carbon generation, we introduced this as a new focus area. Participants were asked to identify the priorities for long term investment using traffic light indicator boards, with respect to:

- Customer Service & Network Performance
- Innovation (to facilitate a low carbon future) & Environment.

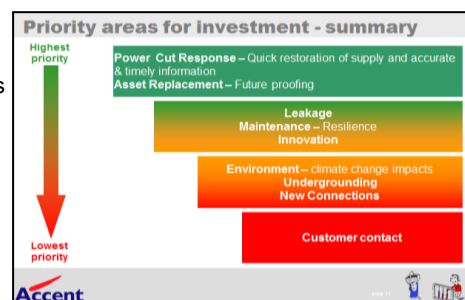


Market research

Working with the market research company 'Accent', we have completed focus groups with 90 (domestic and business) customers and 1600 in-depth quantitative surveys to assess customers' 'willingness to pay' for various service improvements and associated investments in our next business plan. Results are due in June 2012.

Examples of the attributes tested (in which multiple service improvement levels are surveyed) include:

- Frequency & average duration of power cuts
- Duration of longer power cuts (including compensation)
- Number of customers experiencing 15 cuts or more
- Enabling connections of solar panel/heat pumps/electric vehicles
- Time taken from first contact to completed connection
- Network resilience to major storms and flooding
- Reducing oil and gas leaks from equipment
- Improving ways customers can contact us.



Media campaign & stakeholder report

Research tells us that 60% of customers want general information about WPD, and in the Midlands 'not knowing who to contact' is the 2nd top issue for those surveyed after a power cut. So we now run an annual awareness campaign explaining who we are, how to contact us and detailing our performance, via newspaper and TV adverts, and information newsletters sent to every customer.

We publish our stakeholder report online and send it to everyone that participates in our workshops. It includes comprehensive network performance details, updates on our low carbon innovation projects and details of our stakeholder engagement programme and how to get involved.



Outcomes of our major engagement initiatives in 2011/12:

Customer Panel

- Agreed WPD's approach to the RIIO-ED1 business planning process.
- Signed off our associated 2012 stakeholder engagement plan.
- Agreed the content of our stakeholder report.
- Gave feedback on our innovation strategy.

Customer awareness campaign

- Over 300 people responded to our 2012 campaign.
- Of these, several volunteered to participate in our stakeholder programme – all of whom were subsequently surveyed in our in-depth market research surveys.

Findings from our stakeholder workshops:



Improving service for new connections & facilitating the connection of renewable energy
 WPD is organising a workshop and drop-in sessions for DG customers and local authorities to discuss better facilitating connections and access to network capacity information.



'Future-proofing' the replacement of equipment
 WPD's draft business plan will include asset replacement plans that cater for customers' future needs beyond 2023, including various investment scenarios for further consultation in 2012.



Making better use of current system capacity, smart technology & telecommunications
 WPD's innovation strategy is focusing on using innovation to support the existing network. At future workshops, WPD will share with stakeholders the outputs of various trial and test low carbon networks projects currently underway.



Being prepared for major emergencies
 WPD's customer research (on quantitative improvements and costs) will include a focus on customers' willingness to support increased investment regarding 'network resilience to major storms and flooding'.

4. Independent evaluation/audit

How we know our efforts are working: A wide range of our stakeholder engagement and customer service activities have received independent accreditation, including our processes for engagement, the culture of our organisation (including senior management buy-in), changes made as a result of stakeholder feedback and the way we measure the benefits to customers. Several WPD initiatives, detailed in this submission, have been identified as best practice across all industries.

Customer Service Excellence Standard



WPD are very proud to have held the Government's national Charter Mark continuously since 1992 – the only energy company to do so. In April 2010 this became the Government's new Customer Service Excellence (CSE) Award. It is now a much tougher standard to meet, with companies assessed under 57 separate best practice criteria including over 200 elements of stakeholder engagement and customer service delivery examined in detail.

WPD submit a detailed self-assessment, and host a follow-up audit with an independent CSE Assessor. In April 2011, of 57 assessed standards (within which multiple service aspects are evidenced) WPD achieved full compliance in 41, partial compliance in 2 and "Compliance Plus" – the highest level possible – in 14.

The standard covers the following key areas:

Independent assessment of WPD - Mike Smith, CSE Assessor:

*"There is a **strong process for the identification of customer groups**... assisted by effective consultation and customer satisfaction testing.*

*You have identified a new group of customers – those wishing to connect renewable generation. **Following consultation you can better address their needs for information...** You have also **strengthened the scope of your Stakeholder Engagement Strategy.**"*

*"There is **clear leadership at all levels** and **appropriate policies and procedures are in place to support staff** in delivering consistently high levels of performance.*

*The **emphasis being given to management development and customer care training** is impressive."*

*"You place a **high priority on providing timely and accurate information** at all times.*

*You have **taken the opportunity to review access channel usage**. You can now quantify hits to your website and demonstrate increased usage following recent improvements. **Access for those with visual and hearing impairments has also been reviewed and improved.**"*

*"**Services are delivered to a very high standard**, with successful outcomes for the vast majority of customers.*

*Benchmarking has been actively used to compare performance and **to learn from best practice elsewhere.**"*

"You have maintained your position as the leading industry performer in terms of timeliness and quality of customer service."

1. Customer insight & stakeholder engagement

2. Customer-focused culture

3. Provision of accessible information

4. Service delivery including complaints handling

5. Timeliness and quality of service, and performance standards

Vulnerable

Hard-to-reach

Representative Customer Panel
members:

BritishRedCross

Pauline Mahon, Service
Manager (East Midlands)David Haughton, Business
Development Manager

Example stakeholders on our contact database: Age UK, British Red Cross, Mencap, RNIB, WRVS, oxygen providers, doorstep crime prevention groups, South West Senior's Network, Nottingham Elder's Forum, Care & Repair Cymru.

Our objectives

- Raise awareness of WPD so potentially vulnerable people know who and how to contact us in an emergency.
- Promote important power cut preparation advice to those that need it most.
- Increase the number of vulnerable people signed-up to our Priority Service Register (PSR).
- Through consultation, ensure our vulnerable care processes provide the highest levels of support.

Outputs of our engagement

Improving communication accessibility

- We have worked with the RNIB (Royal National Institute of Blind People), Action On Hearing Loss and Mencap to understand the barriers to our services and how we can communicate better to overcome these. As a result:

Initiative

Louder Than Words

WPD has been awarded the Action on Hearing Loss (AOHL, formerly Royal National Institute for the Deaf) deaf awareness charter mark. This a great example of where engagement and stakeholder feedback has directly led to changes in our internal processes, which in turn has improved the service we offer our customers. Our Contact Centre was benchmarked across 10 areas of best practice.

As a result of feedback from AOHL, actions included:

BENEFIT Over 100 contact centre colleagues received a deaf awareness programme, which involved text phone & 'Text Relay' training.

BENEFIT We installed a new hearing loop system to improve communication with hearing impaired customers

The award shows our commitment to provide the best possible service to deaf and hard of hearing customers and staff.

In October 2011, WPD were invited to speak at a national event to share our experience as a 'best practice' company and one of the longest-serving accredited members.

NEWS RELEASE

For immediate release: Thursday 27 October 2011

POWER COMPANY JOINS FORCES WITH UK DEAF CHARITY TO URGE MORE ORGANISATIONS TO BE ACCESSIBLE TO PEOPLE WITH HEARING LOSS

Action on Hearing Loss was joined by electricity company Western Power Distribution (WPD) at a very special event last night to appeal to more organisations to be deaf aware.

The deaf charity held a reception at the J.P. Morgan Media Centre, Lord's Cricket Ground, St John's Wood, London, celebrating its prestigious Louder than Words charter mark, which is given to organisations that demonstrate a commitment to improving access and services to deaf and hard of hearing people.

WPD already has the charter mark and was delighted to support the event, which was also attended by OFWAT, Price Waterhouse Cooper and Visit England.

Action on Hearing Loss chief executive Jackie Ballard said: 'There are currently 10 million people in the UK that have hearing loss and businesses and organisations have a duty to ensure that they communicate appropriately and effectively with people who are deaf or hard of hearing in order to meet their needs, whether in the workplace or in service provision. That is why we urge them to sign up to our Louder than Words charter mark.'

Initiative

Sight & Sound

BENEFIT We've produced Braille, audio CD and plain text versions of information about what to do when in a power cut, including our eight-point advice plan and freephone number. We also offer the Browse Aloud facility on our website, which reads pages aloud.



▲ RNIB's Alison Thomas, Transcription Team Leader with Chris Griffiths, Contact Centre Manager, & CD versions of the new customer information leaflets.

BENEFIT Through our partnership with Language Line, research identified the six top languages spoken in our region. We now have foreign language webpages for each.

Promoting our emergency service to
vulnerable customers

Stakeholders wanted us to help vulnerable customers keep safe in emergencies, such as power cuts. As a result:

- WPD has formed a **new partnership with Wales Council for the Blind (WCB)** in an effort to sign up visually impaired people across South Wales to our Priority Service Register (PSR).

BENEFIT We organised and part-funded a series of customer roadshows in Cardiff, Newport, Camarthen and Swansea, attended by over 400 people. We provided visually impaired people with essential information about local services and tips on how to keep safe in the home.

BENEFIT WPD explained the purpose of the PSR and our efforts to proactively contact customers during power cuts. Feedback from customers about the types of support required during longer outages has in turn influenced our strategy and the specific terms of reference used in support partnerships with WRVS and Red Cross.

"I would urge people to take advantage of this scheme as it enables WPD to identify customers who may need additional support from it if there are power failures."

Michael Phillips, Wales Council for the Blind

- **Continued engagement with Age UK and Age Cymru**, saw WPD attend several specific events for customers to find out more about the PSR, including Bath & West (May 2011) and Royal Welsh agricultural shows (July 2011), seeing over 2,000 visitors at our stand in four days.

BENEFIT Following stakeholder feedback requesting a simple way to keep important information to hand, we distributed new fridge magnets displaying the number to call in the event of a power cut.

BENEFIT In 2011/12, WPD welcomed 62,753 new customers to the PSR.

Initiative

British Red Cross (BRC)
Support Partnership

In addition to well established agreements to provide reactive support to customers during power cuts, it was recognised by both WPD and BRC that preparedness for emergencies amongst the general public can be improved; particularly amongst those who may not recognise their potential vulnerability until the event of an emergency and will not be on WPD's PSR. For example, people recently discharged from hospital, or families with new-born babies.

WPD and BRC signed a formalised agreement to proactively: **Identify people potentially vulnerable in a power cut, explain how to join WPD's PSR and offer preparation advice.**

BENEFIT BRC will annually distribute 27,500 WPD leaflets and 8,500 torches displaying WPD's emergency numbers via their 'Warm Homes' initiatives, home fire safety checks, and medical equipment loan services.

BENEFIT WPD & BRC have collaboratively produced 2 new information leaflets.



Demand
connectionsDistributed
Generation
(DG)Major
Energy UsersRepresentative Customer Panel
members:

Hugh Conway, Chairman
Electricity, Major Energy
User's Council



Alex Spreadbury, Energy
Manager, B&Q



Geoff Stone, Investment
Services, UK Trade &
Investment



Example stakeholders on our contact database: CBI, various Chamber of Commerce, NHS, British Waterways, Rolls Royce, Jaguar Land Rover, Severn Trent Water, all universities in our region including Birmingham, Lincoln, Derby, Nottingham, Northampton, Cardiff, Warwick, Bristol & Bath, local housing associations, Barrett Homes, Bovis Homes, Taylor Wimpey, UK Trade & Investment, Energy Intensive User's Group.

Our objectives

- Ensure we have identified all our existing and potential future stakeholders in this dynamic and expanding area.
- Keep pace with customers' expectations by improving the connections process, communication and time from quote to energisation.
- Communicate the impact of price and charging methodology changes.
- Ensure an efficient and value for money end-to-end service.

Outputs of our engagement

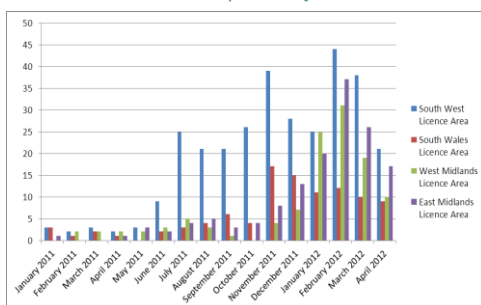
Identifying our stakeholders

- The last 12 months has seen a dramatic increase in customer enquiries about micro and small scale renewable generation. It's therefore vital we first know who our stakeholders are:

BENEFIT We have worked with the **Centre for Sustainable Energy (CSE)** to identify customers and developers interested in installing renewable generation.

BENEFIT Large customers, generators & developers are a key group of stakeholders in this area. Working with **Green Issues Communique**, a specialist research company, we have added 264 new contacts to our database.

▼ WPD DG work completed by month:



Representative research to understand stakeholder needs

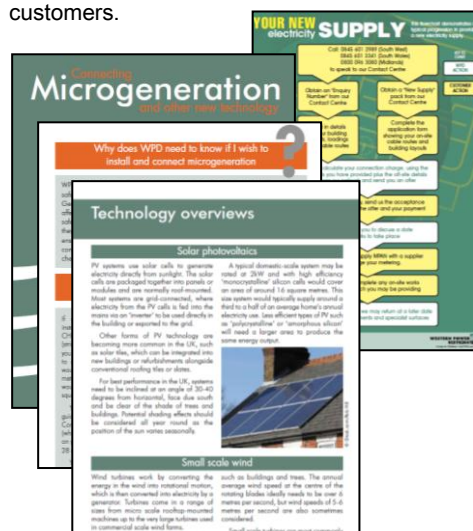
- We conducted over 400 in-depth interviews with business customers focused on their priorities for service improvement in the next price control review (RIIO-ED1).
- We worked with Regen South West on a survey of 40 installers of renewable energy.
- Our stakeholder events were very well attended by this stakeholder group. In follow up, we are organising a workshop for DG customers and local authorities to help better facilitate connections and improve access to network capacity information.

- Our customer research shows that nationally connections has considerably lower satisfaction (7.35/10 for quotations, 7.65/10 for completed work) compared to other core network services such as unplanned interruptions handled by agents (8.39/10).
- Along with the time taken to provide a quote, the top issues are:
 - Communication about/during the process
 - Explanation of charges/process

Having identified these emerging and future customers, our latest initiatives to engage with them and address these top issues include:

Initiative Clearer DG Communication & Information

BENEFIT We worked with CSE to produce a micro-generation guide for domestic customers.



BENEFIT CSE trained our Contact Centre staff to handle renewable generation enquiries.

BENEFIT We produced a new connections brochure, and simpler application form.

BENEFIT Redesigned our generation connections webpages with a 105% increase in hits as a result.

Initiative

Extension of Contestability Update Seminars

- We held a series of workshops with 30 independent connections providers (ICPs) to understand their needs, following an increased number of requests to carry out more work on the WPD network.

BENEFIT We co-developed new business processes & policies that will allow the trial to be implemented on a business as usual basis. E.g. Bilaterally designing the "Access & Adoption Agreement".

BENEFIT We updated attendees on a series of live jointing trials.

BENEFIT We made changes to accommodate ICP working practices and launched (for further consultation) the proposed new process for allowing ICPs to carry out live jointing for connections.

BENEFIT We hold weekly review meetings with participating ICPs to quickly implement changes.

Evidence of working with local authorities to making our processes more flexible:

Dear Robert Symons,

We would like to extend our thanks for all of the recent support your teams have given to Nottingham City Council and Nottingham City Homes whilst undertaking their programmes of photovoltaic panel installations across the city.

As a result of the experience with which your teams dealt with our requests for confirmation of capacity on the networks to fit the panels we have succeeded in installing over 2,200 domestic systems before the feed in tariff rate changes. This has meant the investments we have made will greatly benefit the citizens of Nottingham, the Council and help to secure the delivery of services into the future.

Additionally, the Council has been able to undertake a number of installations onto its own properties before the feed in tariff deadline, most notably a 150kWp installation at the Nottingham Tennis Centre. This scheme is believed to be the largest photovoltaic installation of any sports centre in the UK. Once again, this was able to be installed on time due to excellent service from your teams to help get a quick decision to allow installation to go ahead.

We look forward to continuing to build a partnership between our organisations and to the roll out of successful programmes of work in the future.

Yours sincerely


Councillor Alan Clark
Portfolio Holder for Energy and Sustainability


Councillor Graham Chapman
Deputy Leader

Regulatory
bodiesLocal
authorities

Representative Customer Panel members:

Jo Maddams, Emergency Planning Officer, Northants
County CouncilBill Evans, Clearwell (Gloucestershire) Parish Councillor
(and formerly Gloucester County council)

Example stakeholders on our contact database: All County, City & District Councils, all Parish Councils in our regions. Citizen's Advice, Consumer Focus, Which?, National Consumer Federation, Ofgem, DECC, DEFRA, Major Energy User's Council, MPs & MEPs, National Energy Action.

Outputs of our engagement

Our objectives are two-fold, and hinge on building enduring relationships with key stakeholder bodies:

Shaping our strategy and future business plan:

Over the last 12 months we have instigated and participated in a series of engagement meetings and events with stakeholders to consult on our stakeholder engagement strategy and our intended approach (and timetable) to produce a well justified business plan for RIIO ED1.

Energy Minister Meeting

- WPD's Policy Manager attended a meeting with the **Energy and Climate Change Minister**, Ed Davey, to discuss the operations and role of network companies in the UK energy industry and the priorities for our future strategy.
- WPD received feedback that a key objective of our stakeholder engagement programme should be to raise our profile so customers know who to contact in an emergency and understand how we are spending their money to maintain the electricity network.

BENEFIT This directly influenced the content of WPD's awareness campaign sent to the home of every customer.

- We discussed how Distribution Network Operators (DNOs) can be involved in the Green Deal and contribute to delivering innovation and a low carbon future; in particular, the importance of turning innovation from project deployment to business as usual.
- BENEFIT** WPD's new innovation strategy (detailed on page 8), now includes a key focus on how we quickly roll-out proven technologies as business as usual.
- The Energy Minister sought views on the potential benefits of smart metering, and in particular the data transfer process. WPD explained that due to the customer's enduring connection to a supply point we felt the centralised system was best.
- WPD explained the impact of metal theft and the disruption and inconvenience caused to customers, and the importance of a national policy to combat this issue.

Consumer Focus & Ofgem Wales

- WPD consulted with Consumer Focus on our new stakeholder engagement strategy and plan. We sought feedback on the timetable to produce a well-justified business plan and shared the feedback from our first round of stakeholder workshops that identified our top priorities for investment.

BENEFIT We agreed set points in our business plan consultation timeline to provide progress updates to Ofgem and Consumer Focus.

Regional Government

- In 2011, we became a Welsh Assembly Government Anchor Company.
- We met with Gwen Roberts (Deputy Director for Energy & Environment within the **Department for the Economy & Transport**) to introduce WPD and discuss how our connections performance can impact on areas within the Department's remit such as: New enterprise (including smart grids), renewables, environmental services, energy intensive users and generation.
- BENEFIT** A follow up meeting was scheduled for later in 2012 when WPD are consulting on our first draft RIIO-ED1 business plan, to discuss the impact in Wales and associated improvements to service.
- We held a separate meeting on future streetworks, and in particular smart networks.
- BENEFIT** Feedback received fed into our new 'innovation strategy'.
- BENEFIT** We discussed the importance of including details of how WPD will support and facilitate renewable generation, as a prominent theme in WPD's business plan.

- WPD's Consents & Wayleaves Manager, played a prominent role in a meeting that brought together energy companies and experts to debate and **influence Welsh Government policy** decisions on key strategic issues including:
 - What is the right energy mix for Wales?
 - Should the Welsh Government be responsible for energy policy?
 - How do you get projects funded & approved?
 - How do we ensure secure energy supply in the future?



Improving day-to-day operations:

Planning Major Works with Local Authorities

When planning major work schemes, which we know can potentially cause disruption, for WPD it's not just about planning the engineering work needed and getting the associated consents. For us, it's taking the opportunity to engage our customers about who we are and what we do via a range of communication channels.

For example, prior to major works to upgrade a city centre substation in Coventry we embarked on a six month programme to build relationships via proactive engagement.

Dec 2011:

- WPD's East Midlands Network Service Manager met with the Councillor for Coventry City to explain why the upgrade was necessary to secure supplies to the area, and removing existing transformers will alleviate fears about EMFs.

BENEFIT This allowed him to communicate key information to residents.

BENEFIT Through facilitation by the local authority, key stakeholders were identified and follow-up meetings agreed with local allotment holders, school and residents.

Feb 2012:

- Met with Coventry Allotments & Gardens Council, gaining support for work, and agreeing cable routes over the Common.

March 2012:

- Met with All Souls RC Primary School to explain the impact of work.
- BENEFIT** WPD used the project as an opportunity to conduct several substation safety education visits to the school.
- Met with Coventry City Council to agree details of work and timetable.
- Met with Ward Councillor and Hearsall Common Allotment Association (HCAA) to discuss minimizing disruption and consulting on specific cable routes and details of work including recovery of land for development.

BENEFIT Agreement to research and further clarify key issues including site ecology, WPD land ownership and associated wayleaves.

- Before work commences local residents and businesses will receive a letter from us, and clear signage in the local area will publicise WPD's information line numbers.

Social
obligationsEducation
(inc safety)Representative Customer Panel
members:Dennis Andrews,
Nottingham Elder's ForumBrian Davies, Chair, Long
Eaton Neighbourhood
Watch (formerly Chair,
Derbyshire NHW)

Example stakeholders on our contact database: *Neighbourhood Watch, Doorstep Crime Partnerships, all local schools colleges & universities, Parish Councils, WRVS, British Red Cross, Mencap, Age UK, Nottingham Elders Forum, South West Seniors Network, National Waterfront and National Wales Museums, Arts Council for Wales, NCVO (National Council for Voluntary Associations), NEA, Warm Front.*

Our objectives

- Work with stakeholders to provide relevant and timely support for vulnerable customers.
- Educate future generations about electrical safety.
- Devise initiatives that support and make life easier for people in our regions, and communicate with them using the most appropriate methods.

Outputs of our engagement

Tackling fuel poverty & helping vulnerable people

Whilst our core purpose must always be to keep the lights on, we feel we have a social obligation to work with the communities we serve to tackle wider issues affecting our customers. For example, whilst the primary function of our Priority Service Register (PSR) is to allow us to provide tailored support during power cuts, and to proactively prepare customers for an emergency, stakeholders told us to look beyond this to address associated issues that leave people vulnerable, such as fuel poverty.

Feedback from stakeholders Warm Front and National Energy Action (NEA) that the most hard-to-reach vulnerable customers are often not aware of the advice and support available, led us to develop two new innovations, each using different communication methods to suit our customers:

Educating & keeping communities safe

Schools education campaign

We've worked with stakeholders such as teachers and the emergency services, to understand the needs of future customers. Using their feedback we've developed an innovative and engaging children's safety education programme including a mock-substation and pyrotechnics demonstration.

BENEFIT We delivered vital safety messages to 5,000 pupils at 7 events, **delivered in partnership with blue light services and local authorities.**

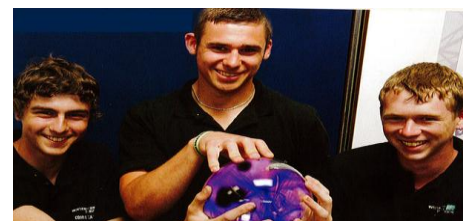
BENEFIT We educated 6,000 pupils at Warning Zone – a learning centre in Leicestershire.

BENEFIT Through our engagement with local schools, we have visited 41 schools, reaching 2,270 primary school children.

BENEFIT Our activities have received external accreditation, and WPD are now LASER Alliance members. This aims to share best practice to promote practical approaches to injury prevention, and encourage 'Learning About Safety by Experiencing Risk'.

Royal Welsh Show

More than 2,000 people visited WPD's safety exhibition over four days and watched safety demonstrations, whilst youngsters were greeted by WPD's safety character Pylonman.



▲WPD apprentices at a community event

NEW National Emergency Services Show

WPDs safety team led an engagement programme targeting the UK's emergency services including police, fire and rescue and ambulance services.

BENEFIT We delivered electrical safety advice to over 4000 visitors at the National Emergency Services Show in Coventry, demonstrating training exercises to emergency services who are often called to sites containing electrical equipment.

Existing PSR customers - mailings

Non-PSR customers – face-to-face

Initiative

Warm Front



- We are **working with Carillion Energy Services to promote the government's Warm Front scheme**, notifying customers of available funding for energy efficiency measures. Using DECC fuel poverty statistics we have intelligently segmented our data to identify customers aged over 60 living in the areas within our region with the highest percentage of total households affected by fuel poverty.

BENEFIT We have sponsored targeted mailings to nearly 30,000 WPD customers in Birmingham and Somerset, which are shown to have the largest concentrations (over 30%) of fuel poor customers for our urban and rural areas respectively.

BENEFIT We've taken the opportunity to remind these vulnerable customers of how to contact WPD in an emergency, including a power advice leaflet to all 30,000 customers.

BENEFIT In 2011, WPD's mailing scheme, carried out in conjunction with **Warm Front and the Cornwall Fuel Poverty Task Group**, had a fantastic response rate meaning we have helped nearly 1,000 customers to access government energy efficiency grants.

Initiative

Networking For Warmth



Campaigning for Warm Homes

- We have **joined forces with National Energy Action (NEA)** – who have 30 years of experience tackling fuel poverty. We are using their expertise, coupled with our data and pre-existing relationship with customers, to help overcome the barriers to identifying and supporting the most vulnerable fuel poor households in our region. This partnership allows us to engage customers and deliver services we have not traditionally offered.

BENEFIT We have collaboratively designed and fully funded a £40,000 'Networking for Warmth' community outreach project. It involves training and supporting local people/community groups to become volunteer energy champions. They will identify people living in or at risk of fuel poverty, and offer advice and practical measures to help reduce energy consumption, and better understand their energy bills.

BENEFIT Volunteers will also deliver targeted power cut preparation advice.

BENEFIT They will identify new 'harder to reach' customers eligible for WPD's PSR and register them with us.

Innovation

Environment

Representative Customer Panel members:



Melanie Byrne, Environment Agency, Anglian Region

Example stakeholders on our contact database: National Farmers Union, Campaign to Protect Rural England, County Land & Business association, English Heritage, Environment Agency, Forestry Commission, Friends of the Earth, National Association for Areas of Outstanding Natural Beauty, RSPB, Renewable Energy Association, Sustainability South West, Siemens, General Electric, A&D Technology, National Energy Foundation.

Our objectives

- Identify all existing, new and future stakeholders in this area.
- Develop an endorsed strategy for facilitating future networks, with well-informed plans to turn successful innovations into business as usual.
- Use consultation to help us make informed assumptions (for an uncertain future) and deliver projects that our customers want.

Outputs of our engagement

A new low carbon innovation strategy

- Following feedback at our workshops in May 2011 we found that low carbon issues had emerged as a key area of interest. Responding to this feedback, we developed a new innovation strategy and included a specific session on 'innovation' in our February 2012 workshops, to help identify the priority areas for investment.

BENEFIT We gave customers the opportunity to directly change our policy by presenting our strategy for critical consultation at our February 2012 stakeholder workshops, producing a clear, four-sided leaflet.

BENEFIT We refined our innovation strategy following feedback from the 118 attendees, from whom it received wholesale

endorsement. We have since published it on our website for further stakeholder comments.

"Stakeholders ranked this as a high priority and said this was the right approach."
Green Issues
Communique,
Workshop Report

Working with communities to deliver innovation

We are actively trialling and testing new technologies as part of the LCNF, and we are placing engagement at the heart of our activities. Each of our projects have structured education and knowledge dissemination elements, often supported by academic partners. In addition, **WPD will be hosting the national LCNF conference in Cardiff in 2012.** Below are a few examples of where we're going the extra mile to engage with our customers at every stage.

SoLa BRISTOL - The project tests an innovative solution that enables customers' equipment to be used to keep the local grid within operating parameters; but stakeholder engagement is integral to the project plan:

BENEFIT Working with Bristol charity KWMC, who support communities to develop cultural, social and economic regeneration, we've rebranded the project to 'SoLa Bristol' to better raise its profile to attract and engage more people in the scheme.

BENEFIT We've collaboratively produced and published a simple two sided leaflet, Frequently Asked Questions and Jargon Buster for customers. ▶

BENEFIT 45 local residents attended a drop in session to meet the project team, including representatives from WPD, Bristol City Council, Siemens, and KWMC and answer their questions.

What is So La Bristol?
So La Bristol will support 30 homes, 10 schools and 1 office block in the city of Bristol. Free solar panels will be fitted to your roof and connected to a battery system. The system will power your household lights and pieces of electrical equipment, such as your phone or computer.
Most importantly, it will also allow you to store some of the electricity generated by the panels in order to use it later.
In short, you'll have access to free solar energy when the sun's shining and even when it's not!

Get involved*
If you are a Bristol City Council tenant and want to get involved contact Misty or Gail. Any expression of interest in the project doesn't commit you to the project and we also need to check your house is suitable.

Call us on 0117 903 0444 or text us on 07426 879251

E-mail us at misty@kwmc.org.uk

Drop in on Thursday 26th April, 11am-1pm & 6-8pm

What do I get?

- Free electricity from solar panels owned by Bristol City Council
- Free battery storage to store the electricity to use when you need it
- Free digital tablet-style computer
- Energy efficient DC lighting, with a choice of lighting options and spare bulbs
- Save energy and money - up to £200 per year
- Meet like-minded people
- Use your stored solar electricity during a power cut
- No increase to your energy bills because of So La Bristol
- Be more environmentally friendly
- Be part of an exciting project - this is the first time that homes in the UK will be able to store their electricity!

Save money and energy:
generate and store your own electricity, use it later!

Free battery system to store the electricity you generate (part of a two-year trial)

The latest digital tablet

Free solar panels for your roof

KNOWLE WEST MEDIA CENTRE **WESTERN POWER DISTRIBUTION** **SIEMENS** **BATH**

* So La Bristol will run until November 2014. You can keep the tablet, the solar panel will remain on your home giving you free electricity, and you may have the option to keep the battery and DC lighting.

Low Voltage (LV) Network Templates in South Wales - The project investigates how LV networks can best handle future low-carbon technologies, and involves installing monitoring equipment at points along the network to monitor their impact on voltage.

Paul Richards, WPD's Team Manager responsible for the project explains that as well as partnerships work with the likes of Bath University, stakeholder engagement is integral to his project plan:

"The need to protect customers from bogus callers is a key consideration. We have sent 10,000 letters explaining the project, and the WPD website fully explains what we are doing. Customers have also been provided with contact numbers and are being advised to thoroughly check the ID of any callers."

Our communication plan has received feedback and the full support of Ofgem, and a lot of effort has gone into identifying a clear customer base so that Smart Metering can carry out their connections works as quickly as possible. Shutdowns will be needed with advance warnings, but we've purposefully not affected any special needs customers."

Supporting communities

We are working with numerous community groups in our regions to help them better understand their energy usage and to help them adopt low carbon solutions. For example in the Isles of Scilly we supported their "e-day" promotion which was featured on BBC TV by providing minute by minute data on energy consumption.

BENEFIT To improve our service further, **working with the Centre for Sustainable Energy, we are developing a standard Community Energy Monitoring service** which will help us to support communities by showing the impact of low carbon technologies on the local grid.

Using innovation to evolve
electricity networks

Over 17 million customers rely on Western Power Distribution to deliver a safe and reliable electricity supply to their homes and businesses across South West England, South Wales and the Midlands. We keep the lights on by operating the electricity network of wires, cables and substations effectively.

With the emergence of new technologies and innovations, the way we do this has changed through the years. The consequences of new and better technology, but we have always relied on technology when it comes to providing a benefit. It is our job to keep developing new innovations and make the best use of them in everything we do, to help us live in the challenges brought about by a new carbon future and the government's Low Carbon Transition Plan.

Our innovation strategy

Innovation must always be compatible with the existing network if we are to provide more efficient networks that are cost effective and reliable for our customers. WPD will therefore focus on four key goals:

1. **Efficiency and reliability** We will continue to use innovation to operate the existing electricity network more effectively.
2. **Flexibility** We will develop technologies to accommodate changes in electricity demand and customer behaviour.
3. **Safe and reliable** We will research and develop innovative ideas by carrying out practical trials of new technologies.
4. **Large scale roll out** We will turn successful trials into products and ways of working that can be applied across our network and used as business as usual.

Our values

We will continue to operate a safe, reliable network and deliver excellent customer service. Our staff are encouraged to work in innovative ways to deliver innovation to our customers. Innovation must always provide a value for change and we will make maximum use of virtual testing techniques. We will establish the benefits of our innovation. We will share our results with others and ensure our customers are fully knowledgeable on electricity networks in the UK.

Drivers for change

- **Government targets:** The UK has a target to reduce carbon dioxide emissions by 80% by 2050.
- **Increased electricity demand:** Meeting these targets will require more 'local energy' generation (DC, electric vehicles (EV) charging and electrically powered heating, may increase demand and put pressure on the current network capacity.
- **Regulatory challenges:** Our regulator, Ofgem is offering a number of incentives to help network companies deliver improved customer service at value for money.
- **Advances in technology:** A number of low carbon technologies are emerging that allow us to improve our network, such as smart meters, which can help increase the loading of our national and local networks, and change the way power flows around our network.

WPD played a major role in Ofgem's inaugural Low Carbon Networks Fund (LCNF) annual conference.

WPD's Policy Manager & Energy Projects Manager gave overviews of our comprehensive Future Networks programme and innovation strategy.



BENEFIT We received feedback from delegates including UK energy businesses, academics & global manufacturers. Ofgem attendees commented favourably on our strategic programme which places customer engagement at the heart of adapting networks to cope with the UK's Low Carbon transition.

BENEFIT Representatives from DECC asked for WPD's help raising the profile of UK networks innovation in Europe.

Emergency
Resilience

Network
Security

Representative Customer Panel members:



PC Ian King, Warwickshire Police



Lynda McMullan, Business Continuity & Resilience Manager, Lincoln University



Sam Ward, Head of WRVS Services - West & East Midlands



Example stakeholders on our contact database: *Environment Agency, Health & Safety Executive, Ambulance & Fire Services, BT, Highways Agency, Network Rail, National Grid, Water companies (Severn Trent, Anglian, South West & Welsh) Gas Distribution Networks.*

Outputs of our engagement

Form crucial relationships to understand customers' needs so we are able to best support them in emergencies

Emergency exercises

The severity of the 2007 floods, with infrastructure and utilities disrupted across five counties, stretched the emergency services and local agencies to the limit. The Pitt Review identified lessons to learn for responders to adapt and deal more effectively with flooding.

- WPD played a key role in a four day emergency scenario 'Exercise Watermark' helping to devise a strategic recovery plan alongside water companies, local & health authorities and blue light services.

BENEFIT We identified learning points in our IT requirements and telecoms facilities, to allow effective communication to continue between parties if day-to-day resources fail. This has led to changes and refined our emergency plans to ensure we can respond quickly with a structured approach.

- We have worked with local authorities, the Environment Agency and Severn Trent, Welsh & South West Water, to model what a reservoir failure would look like in practice, and use our knowledge to plan & prepare WPD procedures for a multi-agency response, including testing recovery exercises.

Local Resilience Forum (LRF) partnerships

- We attend quarterly meetings with all the major LRFs in our region – examples including Nottinghamshire, Avon & Somerset, Devon & Cornwall and South Wales, to establish and maintain key contacts with Category 1 & 2 responders.

BENEFIT WPD has assisted with LRFs' national and regional risk register plans.

BENEFIT Raised awareness of electricity related risk such as rota disconnection, demand management, Blackstart & Electricity Supply Emergency Code.

BENEFIT We receive direct and on-going feedback to inform and dynamically test our own emergency plans.

Resilience & Emergencies Directorate (RED)

- RED's develop the Department for Communities & Local Government's resilience policies. WPD participates in forums with the Midlands, Pan Wales and South divisions, through which we have had fruitful & enduring engagement with stakeholders such as National Grid, water companies, Network Rail, Highways Agency, Mobile Network Operators & BT.

BENEFIT We have reviewed protocols for handling vulnerable customer data and formed new flood and reservoir inundation plans.

BENEFIT Formed plans with Severn Trent & Anglian Water focussing on interdependence of water and electricity services and emergency responses.

Improve the security of the network & tackle the growing threat of metal theft

We have instigated a programme of stakeholder engagement to learn how WPD should respond to this national issue. As well as serious safety implications, metal theft directly impacts customers, causing high costs and disruptive power cuts. WPD experienced 410 metal theft incidents in 2011/12 alone.

- WPD set up a new Pan Wales Metal Theft Group to share information and best practice between utilities and all Welsh Police Forces and develop a co-ordinated approach to tackling metal theft.

BENEFIT Network attacks are significantly down in Wales since the group formed.

- We have established close working relationships with the Police, leading a series of meetings and accompanying them on visits to scrap dealers. This included Operation Ignite, when police raided a number of scrap dealers in Gwent in May 2011, discovering stolen WPD 66kV cable!
- WPD have also participated in various national workshops with other DNOs, including the ENA Metal Theft Workshop, to share information, identify common issues and trends and co-develop proactive crime reduction strategies.

New internal systems

BENEFIT Feedback from these events has led to the development of a new internal WPD monthly crime reporting system.

Initiative

Smartwater Programme

- We've engaged Smartwater, to devise a series of crime-prevention solutions and identify areas of the network most at risk, where, along with clear signage, we are using the substance that shows up under UV light and has unique qualities that can identify owners of the property.

BENEFIT A 53% reduction in substation attacks, since the rollout (from 841 in 10/11, to 397 since roll-out in 11/12).

Smartwater sites attacked - 20
Non Smartwater sites attacked - 377

Initiative

'Electricity Watch' scheme

BENEFIT Via partnerships with Crimestoppers, various Police forces and local Neighbourhood Watches, we've designed a new 'Electricity Watch' leaflet including a card with our

emergency telephone contact number on, that we've sent to 56,000 customers. The scheme provides information about metal theft and lets people living close to a substation know who we are and what to do if they spot a problem.



Initiative

Cable Identity Chart

BENEFIT Our latest innovation is a cable identification guide designed to help police and scrap dealers identify company property if they are presented with stolen cable.



Prepare customers for emergencies, disseminating information via key partnerships

East Midlands Business Continuity Institute (BCI) Stakeholders, including our Customer Panel, told us they needed help to understand the potential impact of power cuts on their organisations. Engaging stakeholders including the NHS, Nottingham County Council, Lincoln Fire Service, and major energy users such as Rolls-Royce and Santander, we raised awareness of WPD and ran through a specific network emergency scenario.

BENEFIT All attendees reviewed their (power cut) emergency and generator testing plans.

BENEFIT We held follow-up in depth meetings with Leicester County Council and Boots to further refine their continuity plans and specific electricity network assets.

BENEFIT On-going relationship established with the Co-operative group, who will now be represented on our Customer Panel.