

Engaging for a better business: our framework for engagement

1



Stuart Hogarth

I am pleased to present the Scottish Hydro Electric Power Distribution (SHEPD) and Southern Electric Power Distribution (SEPD) submission under the stakeholder engagement incentive scheme.

Engaging effectively with our stakeholders is central to our Distribution business. Whether working with our suppliers, customers, service providers or contractors, we know that working closely with our stakeholders is essential for our business to deliver on its promises to customers.

Consequently, we are committed to managing our engagement with stakeholders in a way which ensures that their views remain at the core of our business decisions enabling us to best serve our customers and communities.

Our approach – robust, holistic and verifiable

We have a robust, holistic and verifiable stakeholder engagement process that has clear values, reliable data and is operated in accordance with audited and accredited processes and standards. It is intentionally designed to be 'two-way' (thereby enabling us to both inform and obtain feedback from our stakeholders), is delivered by highly experienced and committed personnel, has robust governance procedures, appropriate

monitoring, audit and evaluation processes built in and enjoys full Scottish and Southern Energy Power Distribution Board backing.

This process and approach is explained in more detail in this, Part 1 of our submission where we have provided details on our strategy, the range of stakeholders we have engaged with, what methods we have used for this engagement and how we have developed processes and policies in response to stakeholder feedback.

Part 2 of our submission provides information on some of the initiatives we have been involved in during 2012/13 and the outcomes that have been delivered.

Working in partnership with our stakeholders

We have a long history of working with our stakeholders to improve our business and this year we have formalised our stakeholder approach. We are now confident that we have the correct foundation and rigour around these processes, and that they complement the way we run our business, thereby enabling us to continue to serve our customers' best interests, support growth in our communities and, most importantly, make sure the lights stay on.

Stuart Hogarth
Director of Distribution

Our key stakeholder engagement achievements this year

Stakeholder Engagement Policy, Strategy and Implementation Plan developed and endorsed at Director level through the SSEPD Board

Introduction of a Corporate Stakeholder Engagement Key Performance Indicator

Implementation of an SSEPD-wide 'Feedback and Procedure Change' Process

Development of a dedicated Stakeholder Engagement database

Stakeholders identified, mapped and segmented

Appointment of Head of Stakeholder Engagement with dedicated Stakeholder Engagement Managers and a supporting team

Independent audit and subsequent endorsement of our stakeholder engagement processes

ISO 9001:2008 certified approach

Verification of the quality of our engagement. Exceptional levels of satisfaction being reported by stakeholders as regards their 'engagement experience' with us during the development of RIIO-ED1 business plans.

Our engagement values

Safety

We will undertake our engagement with stakeholders safely and responsibly.

Service

We will engage with our stakeholders in a way that we are proud of and make commitments we can deliver.

Efficiency

We will keep our engagement activities simple, do the work that adds value and avoid wasting money, materials, energy or time.

Sustainability

We will undertake our engagement activities ethically and transparently and in changing our business in response to stakeholder views, we will take the long term view to achieve growth while safeguarding the environment.

Excellence

We will strive to ensure that our engagement gets better, smarter and more innovative.

Teamwork

We support and value our stakeholders and will work with them in an open and honest way; this will include actively involving our stakeholders in designing the engagement process.

Our Stakeholder Engagement Policy

2

Our Stakeholder Engagement Policy, approved by the Scottish and Southern Energy Power Distribution (SSEPD) board in 2012/13, sets out our high level objectives for stakeholder engagement and establishes the values and core principles that shape the design of our stakeholder engagement activities. In our Policy, we commit to placing stakeholders at the heart of our business – both in terms of informing them and obtaining feedback from them. Consequently, a key objective of the stakeholder engagement policy is to create the conditions for sharing information as well as capturing, recording, analysing, and applying the feedback from a representative range of stakeholders on an equitable, accessible and sustainable basis. In our Policy, we also commit to undertaking our engagement with stakeholders in a way that is in line with the values of our parent company, SSE plc.

Appendix 1: Our Stakeholder Engagement Policy

Key characteristics of our Stakeholder Engagement Policy

Consistent with our Values

Our approach is carefully designed to be in line with our company's longstanding values of Safety, Service, Efficiency, Sustainability, Excellence and Teamwork.

Based on reliable data

We have established specific databases which detail our extensive list of stakeholders and our interactions with them.

Audited

Our stakeholder engagement processes were independently audited in March 2013. The audit concluded that the necessary procedures and processes for stakeholder engagement are in place and are being managed effectively. The comprehensive audit covered key areas relating to our engagement process, the quality of our engagement and senior management involvement.

Appendix 2: Audit Report Summary

Accredited

We have had a successful management system certification audit carried out to ensure that our stakeholder engagement processes are compliant with the ISO 9001:2008 Quality Management System. Additionally, our Stakeholder Engagement Policy, Strategy, Implementation Plan and Key Performance Indicators have all been designed in accordance with the principles of the AA1000 Stakeholder Engagement Standard.

Appendix 3: ISO 9001:2008 Quality Management System Certification Audit

Verified

For key elements of our engagement activity, we have used electronic audience response systems to seek stakeholders' opinion on the quality of their 'engagement experience' with us. The satisfaction levels reported are well ahead of 90% on several key parameters.

Inclusive engagement

Our approach is rooted in a truly collaborative approach to engagement. We have identified and contacted over 3000 stakeholders whom we felt could add particular insight into our business – ranging from government organisations to representative bodies and people who are connected to our network or through whose land our network passes.

An experienced team

We have assembled a highly skilled and experienced team to guide and support our engagement activity who, in collaboration with Distribution colleagues, deliver a programme of engagement that makes it easier than ever for us to keep stakeholders informed and for stakeholders to tell us what they think of our business plans.

Effective governance

We have clear governance of our stakeholder engagement activity. Our Terms of Reference document defines the roles, responsibilities, modus operandi and decision making processes that challenge, shape and oversee all our engagement activity from the strategy, action plan and interpretation of feedback, through to our responses.

Appendix 4: Terms of Reference – Stakeholder Engagement Team

Acting on stakeholder input and measuring effectiveness

We have successfully implemented a common 'Feedback and Procedure Change Process' across our entire Distribution business to comprehensively capture,

track and follow-up on the individual issues our stakeholders raise with us, irrespective of the mode or timing of their engagement. We use this feedback from our stakeholders to test where we can incorporate their views in our business and, where we can, we do so. Where we cannot, we explain why. In addition, we have also successfully introduced a Key Performance Indicator which is specifically designed to measure how important and effective our engagement processes are in delivering meaningful changes for our stakeholders in relation to our Distribution business.

Senior management support

The SSEPD Board has demonstrated its buy-in to the concept of stakeholder engagement by approving all aspects of our engagement activity including our Stakeholder Engagement Policy, Strategy and Implementation Plan and our Audit and Accreditation approach. Directors have played an active role in our stakeholder engagement activities and are pro-active in introducing new initiatives. Specific targets to ensure that active engagement with our stakeholders is an ongoing reality are included in the key priorities and objectives of the Managing Director of Networks, the Directors of Distribution and Networks, Heads of each of the business areas and their managers and key staff. These targets are part of their Performance Contracts and ensure a sustained and continued commitment to work closely with the people who will help us to continue to shape and improve our business.

Our Stakeholder Engagement Strategy and Implementation Plan

In 2012 our Board also approved our Stakeholder Engagement Strategy and Implementation Plan. This set out how we will deliver the objectives described in our Policy.

Appendix 5: Our Stakeholder Engagement Strategy and Implementation Plan 2012/13

Stakeholders shaping our Strategy

In developing our strategy, we considered what stakeholders had told us through our RIIO-ED1 business plan consultations, through our stakeholder engagement open days, our ongoing customer surveys and through engagement in our business as usual activities. In summary, we learned that stakeholders want us to understand their needs and interests, contact them only in relation to issues that are relevant to them, enable them to quickly and easily understand what we are asking of them, have a method of engaging that suits their needs and engage with them in an efficient and effective manner that makes best use of their precious time and resources. We have also learned that whilst there are stakeholders who clearly have a significant interest in our business, we must work to identify individuals and organisations, not yet known to us, with whom it could be helpful to engage. To achieve this, and to make sure that we continue to engage efficiently, effectively and economically, we established the first three aspects of our strategy:

1. Identifying our stakeholders

We have developed a database of stakeholders who we felt could add particular insight into our day-to-day business and RIIO-ED1 business planning process. We have created a centralised stakeholder contact and record management system to enable us to actively manage engagement across the business. This is managed in accordance with our Data Protection Policy and in accordance with ISO 9001:2008.

2. Understanding our relationship with our stakeholders

We have categorised our stakeholders based upon our existing relationships with them; the level of influence they have over our business plan and processes; and their interest in helping us shape it. We describe this in greater detail on page 6.

3. Actively engaging our stakeholders

We offer a range of ways for stakeholders to engage with us:

- Interviewer administered surveys
- Written consultation documents
- Audio recorded focus groups
- Workshops and deliberative events
- On-line surveys
- Structured interviews with stakeholders
- Stakeholder meetings
- Events
- Fora
- Customer voice groups

With our stakeholders in mind, we will continually monitor and evaluate our mechanisms of engagement to ensure they are fit for purpose and sustain constructive engagement.

Our engagement activities have also revealed that stakeholders would benefit from a better understanding of our role as a DNO and the implications our activities may have for them or their organisation. Consequently, the final three aspects of our strategy are:

4. Informing our stakeholders

We will produce and regularly update our stakeholder engagement and communication plan which will provide stakeholders with enough information, and in a format they want, to enable them to participate in key debates.

To further underscore our commitment to transparency, our network and customer performance reports are publicly available in a range of formats.

5. Listening and responding to stakeholders

We will publish key themes arising from our stakeholder consultation processes and our responses to them so that our stakeholders know what action we will be taking both to improve our internal processes and how it has informed our business plan.

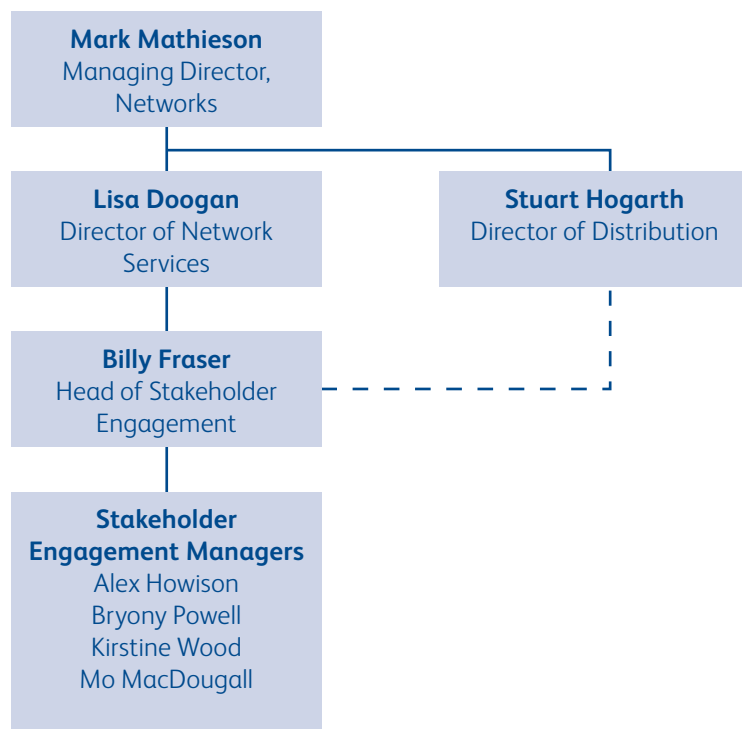


6. Being accessible to our stakeholders

We are committed to being open and easy to talk to. We have introduced additional measures to make it easier for stakeholders to contact us, both on day to day business and in relation to our engagement work. During 2012/13 we conducted open days at each of our main operational depots to allow stakeholders and customers to understand our operations and to provide an opportunity for them to 'have their say' on how we can improve. We use language that is easy for stakeholders to understand.

Our experienced team

4



We have created a multi-disciplinary team who provide a strong mix of stakeholder engagement expertise, communication skills experience, customer focus, project management experience and change management skills.

Billy Fraser Head of Stakeholder Engagement

Billy brings over 30 years of management experience in the energy industry to this role, and leads the Stakeholder Engagement team having been SSEPD's Head of Performance Improvement since 2006.

Bryony Powell Stakeholder Engagement Manager

Bryony took up this role having had over 10 years' experience in Customer Services with SSE. She has a passion for improving the customer experience and a strong desire to keep our customers and stakeholders at the heart of our operations. Before joining the team, Bryony headed up our employee volunteering initiative 'Community at Heart'.

Kirstine Wood Stakeholder Engagement Manager

Kirstine is a stakeholder engagement professional who joined SSEPD from her role as Energy Policy Manager at Consumer Focus Scotland. Kirstine has worked in engagement roles with public bodies for over 12 years.

Mo MacDougall Stakeholder Area Manager (North)

Mo has almost 20 years' operational experience with Scottish and Southern Energy Power Distribution, for the majority of which her role has centred on working with communities to ensure that the company's activities were aligned with their needs.

Alex Howison Stakeholder Area Manager (South)

Alex joined our Customer Service team in 2000 and over the last 13 years has progressed through the Distribution business, most recently as an Operational Manager.

Strong lines of command

Stakeholder engagement is central to SHEPD's and SEPD's future success and this is reflected in the intentional placement of the Stakeholder Engagement team *within* our business. Our Head of Stakeholder Engagement reports to our Director of Network Services, who in turn reports to our Managing Director of Networks. The Head of Stakeholder Engagement also has strong links to the Director of Distribution. Along with our stakeholder engagement processes, this ensures that the views of our stakeholders are considered at the highest levels within our organisation.

Audit and accreditation

In 2012/13 we undertook a range of activities relating to independent verification and accreditation of our stakeholder engagement activities.

Independent Audit

In March 2013 our stakeholder engagement processes were audited by SSE plc's Group Audit team in a comprehensive review. Group Audit is independent of the activities which it audits to ensure the unbiased judgements essential to its proper conduct and impartial advice to management.

The detailed Objectives and Scope were agreed between Mark Mathieson, Managing Director, Networks and SSE Group Audit. The overall objectives of the assignment were to identify the key risks associated with Distribution stakeholder engagement and to assess the effectiveness of controls to manage these risk areas. The Risk areas covered are noted in the Audit Report.

Appendix 2: Audit Report Summary

- Assess Engagement Strategy and policy;
- Review Risk Management process;
- Assess the process of identifying relevant Stakeholders;
- Review engagement strategy to inform and obtain feedback from Stakeholders;
- Review Change Management process with regard to Stakeholder feedback;
- Assess the application of innovation with regards to continuous improvement, and best practice being applied to Stakeholder engagement; and
- Review a sample of Stakeholder initiatives introduced to assess if benefits are being

measured and best value has been applied and shared.

A summary of key agreed actions with responsibilities and dates for completion was contained in the audit report and these have been progressed within the required timescales.

The auditors concluded that **“the overall control environment for Distribution Stakeholder Engagement is effective.”**

This means that in our auditors' opinion, the necessary processes and procedures are in place and effectively managed.

The independence of SSE Group Audit is outlined in a formal SSE Group policy which was approved by the SSE Audit Committee.

“The Group Audit department exists as an independent appraisal function within SSE to examine and evaluate Group activities.”

The SSE Group Audit Charter

ISO 9001:2008 Quality Management System Accreditation

We have had a successful management system certification audit carried out by an external accreditation organisation to ensure that our stakeholder engagement processes are compliant with the ISO 9001:2008 Quality Management System. This demonstrates our commitment to working effectively to meet the needs of customers and other stakeholders while simultaneously meeting the relevant statutory and regulatory requirements relating to our activities.



The objectives of the audit were:

- To confirm that the stakeholder engagement process is effectively implemented
- To confirm that it is operated within the requirements of the organisation's quality management system
- To confirm that it complies with the requirements of ISO 9001:2008.

This audit covered our quality management processes including Board level commitment and Senior Management involvement in the approach that we have taken, the benefits and outcomes for customers and communities, the allocation of budget and resources in a cost effective manner and the documented procedures and processes of our engagement.

The audit team concluded that **“the organisation has established and maintained its management system in line with the requirements of the standard and demonstrated the ability of the system to systematically achieve agreed requirements for products or services within the scope”.**

They also observed that “the commitment at SSEPD Board level was high to the development and implementation of the Stakeholder Engagement process and the continuous improving of its effectiveness” and “the implemented structure and framework of the stakeholder engagement system added to achieving set objectives and targets”.

Appendix 3: ISO 9001:2008 Quality Management System Certification Audit

Engaging on RIIO-ED1

“Having reviewed SSEPD's outputs from the [RIIO-ED1] process we are satisfied that SSEPD's interpretation and business response is consistent with what stakeholder and customers said. We are also satisfied that the stakeholder process has been transparent, inclusive and comprehensive with all customers / stakeholders identified offered a variety of opportunities and methods to have their voice heard. Furthermore, and as another quality indicator, the evidence from those customers and stakeholders who participated in the various engagement activities is overwhelmingly positive.”

SMR

Independent engagement experts SMR undertook a quality review of SSEPD's customer and stakeholder engagement programme relating to RIIO-ED1.

Appendix 6: Quality Assurance Report Summary

Looking ahead: Plain English Campaign

In 2013/14 we aim to attain corporate membership of the Plain English campaign to help continually improve the clarity of our communication with customers and the skills of our staff in delivering this.

Looking ahead: engaging our stakeholders in accreditation

In 2013/14 we will ask our stakeholders for their views on the types of accreditation they would like us to pursue.

Engaging a broad and inclusive range of stakeholders

We ensured that we engaged with a broad range of stakeholders by identifying all our stakeholders and subsequently segmenting them into 19 distinct categories.

Influence and interest

In order that our engagement was both effective and efficient, we focused on the stakeholders identified as belonging to Quadrant D, those we perceive to have the highest interest in what we do, coupled with the greatest influence they hold. However, we ensured inclusivity by engaging with each stakeholder group through at least one mechanism, and welcoming the involvement of all.

Evaluation: Stakeholders' Assessment of Our Approach

In addition to consulting stakeholders on their views on specific proposals and ideas, we also, as an integral part of all of the focus groups, one to one interviews and deliberative events carried out under the engagement process for RIIO-ED1, used an Electronic Audience Response System (EARS) to invite all 169 stakeholders to evaluate / rate their 'engagement experience' with us. This survey of their 'engagement experience' was done in compliance with our core principle of 'empowerment'¹ during engagement.

The following evidence clearly shows stakeholders' overwhelming satisfaction with the way in which our engagement activities have been designed and operated.

These results are strong evidence of (a) stakeholders' satisfaction with the opportunity they had to share their views with us and (b) their confidence that we are listening.

Across all of the groups, and in-depth interviews in Phase 1 of our RIIO-ED1 consultation (117 responses):

- ☑ 96% rated our approach as useful
- ☑ 99% said that taking part had been an enjoyable experience

Across the deliberative events in Phase 1 (52 responses):

- ☑ 100% rated SSEPD's effectiveness in engaging with its customers during the deliberative events as effective
- ☑ 100% found the group discussions helpful
- ☑ 98% rated the deliberative events as enjoyable
- ☑ 91% found the presentations helpful
- ☑ 85% scored the events useful
- ☑ 56% indicated a preference for events like these as a method of SSEPD engaging with customers.

This evidence suggest stakeholders are very satisfied with the high quality of engagement we are now providing.

"It [SSEPD Deliberative Event] was excellent – the best stakeholder event I have ever been to"

**Hayley Dunlop,
Smart Grid Director of GE Energy.**

Influence/Interest Matrix

| | |
|---|---|
| <p>High Influence / Low Interest C</p> <p>These stakeholders may be either temporarily less interested in our service (eg due to workload or other more pressing responsibilities). We keep these stakeholders informed. If the context changes, and they may become interested, they could move to Quadrant D.</p> | <p>High Influence/High Interest D</p> <p>These stakeholders are key players. We actively seek to engage these.</p> |
| <p>Low Influence/Low Interest A</p> <p>These stakeholders are affected by our day to day business and our business plan. We keep these stakeholders informed. If the context changes, and they may become more interested, they could move into Quadrant B.</p> | <p>Low Influence /High Interest B</p> <p>These stakeholders are very interested in what we are doing. We keep these stakeholders informed and continue to build relationships with them now. If the context changes, this group could move into Quadrant D.</p> |



Our annual Stakeholder Engagement Report keeps stakeholders in touch with how we are changing our business in line with their feedback.

¹ 'Empowerment' – Conduct engagement exercises so that, as far as possible, stakeholders experience them as constructive and empowering interactions.

Informing and engaging through a variety of mechanisms

7

Appropriateness of our methods of informing stakeholders

As described in our Stakeholder Engagement Policy, we aim for our stakeholder engagement to be accessible, inclusive and equitable as well as cost-effective. Based on feedback that customers and stakeholders wanted to be contacted by the most convenient method for them, we have deployed a diverse range of approaches spanning media, social media, web-based, apps, face to face events and written communications.

Our stakeholder engagement and communication plan sets out ways in which we will provide stakeholders with enough information, and in a format they want, to enable them to participate in key debates.

Appropriateness of our methods of seeking feedback from stakeholders

We aim to seek feedback from stakeholders in appropriate ways:

Clarity of purpose

We have a clear purpose and clear terms of reference for all our stakeholder engagement activity.

Inclusive

An appropriate breadth of stakeholder opinion is sought to give views on the various issues. We recognise that we can't engage interactively with everybody; we prioritise which groups of stakeholders' views we will actively seek as we work to improve and design our business processes.

We invite a representative sample drawn from our contacts database, and also offer open consultation to all our stakeholders via written consultation papers and on-line surveys.

The table below provides a breakdown of the stakeholders with whom we have engaged in 2012/13 through our structured activities.

| | |
|--|-------------|
| Customers | 1432 |
| Connections | 74 |
| Government and public sector organisations | 31 |
| Local authorities | 50 |
| Emergency Services and NHS bodies | 4 |
| Regulators | 3 |
| Energy supply companies | 3 |
| Elected Officials | 21 |
| Utilities | 35 |
| Consumer Representatives | 14 |
| Supply chain and service providers | 25 |
| Landowners and Estates | 7 |
| Innovation Community | 24 |
| Community/voluntary sector organisation | 10 |
| Other including environment | 45 |
| SSEPD Staff | 13 |
| TOTAL | 1791 |

Methodologically sound

We use a range of well-established quantitative and qualitative techniques to engage our stakeholders.

Tailored

We deploy specific quantitative and qualitative methods as appropriate:

- Quantitative approaches – We have used telephone and on-line surveys as required to gather information;
- Qualitative approaches – We have used one to one interviews for specialist / niche discussions; focus groups and deliberative events to support fuller and wider deliberation of key issues; meetings with stakeholders at fora, open days and other events to provide information and capture their views on the services we provide.

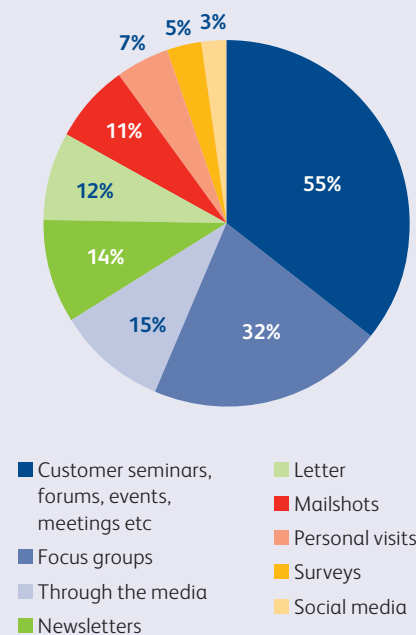
Triangulation

Wherever feasible, we triangulate the feedback we receive from stakeholders by offering them at least two methods to give us their views on the same topic. For example, the discussion of the key issues at focus groups and deliberative events (qualitative feedback) was triangulated by inviting the same stakeholders to 'vote' electronically on the same key issues (quantitative feedback). The two sets of 'results' were subsequently compared to test for consistency or inconsistency as regards stakeholders' opinions on various proposals. To complete the triangle, these views were considered in relation to responses to the open surveys which were submitted via our website.

Appropriately skilled personnel

We deploy personnel with the requisite expertise and experience to design and undertake our stakeholder engagement as well as subsequently analyse the feedback.

As part of our engagement under RIIO-ED1 we explicitly offered stakeholders a variety of ways in which we could engage with them. Their feedback told us that in relation to the consideration of complex issues (such as those under RIIO-ED1), they enjoy and would prefer to continue to be involved via group events.



Note: Stakeholders could choose more than one option, hence the total is over 100%.

Adapting our internal processes and policies in response to feedback

We have fundamentally reviewed our approach to stakeholder engagement and the key characteristics of this are set out in the preceding sections of this submission. Our new and comprehensive suite of formal policies and processes represents a major cultural shift across our entire organisation. These changes are a direct response to – and have been shaped by – Ofgem’s feedback to our submission in 2012.

The sheer magnitude of the changes, coupled with the reality that stakeholder engagement is now embedded as an integral and important activity within our business, constitutes an enormous, positive shift in culture within our organisation. This change within our business is evidenced by our commitment to ensure that we are doing the right thing for our stakeholders and this is why we have been careful to benchmark our approach and activities against the AA1000 Stakeholder Engagement Standard and also have formal audits carried out by our external auditors for the ISO 9001:2008 QMS standard as well as the independent SSE Group auditors.

Additionally we have formalised our process to ensure that stakeholder feedback is captured and acted on.

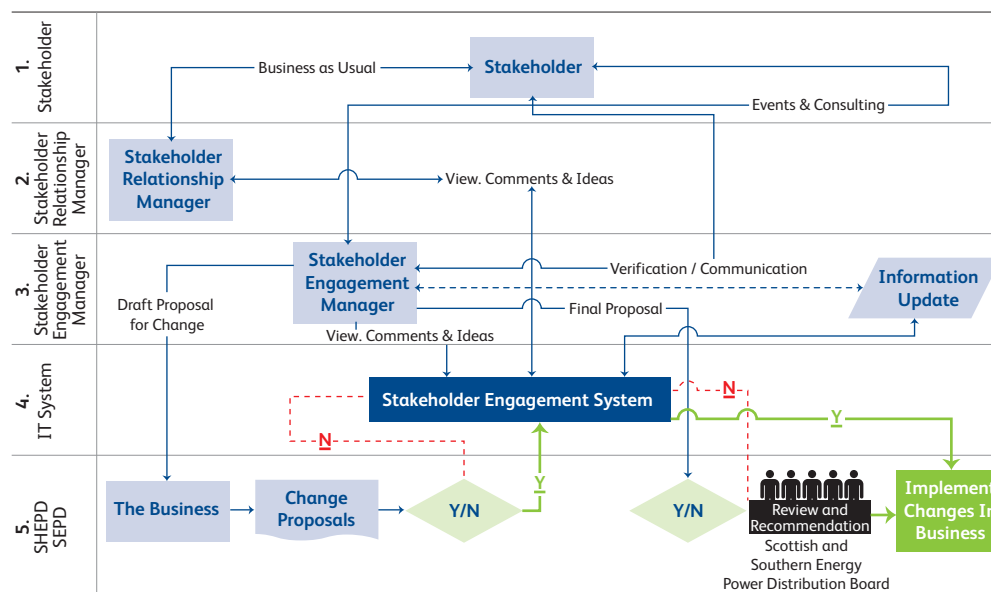
Our New Business-Wide ‘Feedback and Change Procedure’ Process

In 2012/13 we established a unified, Distribution-wide ‘Feedback and Change Procedure Process’. Irrespective of how a stakeholder engages with us – formally or informally – in every day situations or an emergency – in the context of business plan development or for some other reason – this universal and robust process is now embedded at business level and is used to (a) log every engagement encounter with a stakeholder; (b) ‘track and trace’ SHEPD and SEPD’s response to their feedback; (c) document the specific way(s) in which we have changed / or not changed our business as a result of our stakeholders’ views and suggestions; and (d) put on record the views of our stakeholders on the action we have (or have not) taken. In summary, it operates as follows:

- 1) Stakeholders engage with us either via our Stakeholder Relationship Managers or via events and consultations runs by our Stakeholder Engagement Team in collaboration with our Distribution colleagues.
- 2) We use the information from these interactions to assess how we could change our business to better meet stakeholder needs.

- 3) We take the proposals to the relevant business contacts for development and discussion. All feedback is thoroughly considered and fully assessed and an outcome (‘feasible’ or ‘not feasible’) will be determined.
- 4) We then re-engage with the stakeholder. We either propose what we can do to better meet their needs, or explain why we can’t comply with their request(s) / suggestion(s).
- 5) Developed proposals are submitted to our Board, and on approval, are implemented.
- 6) Confirmation that change is in place.
- 7) We audit the process as part of the internal audit regime related to ISO 9001:2008.

Our Feedback and Change Procedure Process in action



How stakeholder feedback has changed our internal policies and procedures

The following are some examples of how we have changed our internal policies and procedures in a meaningful and beneficial way as a direct result of stakeholder feedback:

| Context of engagement | What was the issue | What stakeholders said | Changes made as a direct result of stakeholder feedback | Stakeholder benefit |
|-----------------------------|---|--|--|--|
| Everyday engagement | The Orkney Islands have significant renewable energy resources. This meant that there was a high level of interest from generator developers seeking to connect to the network. As a result, the network capacity became fully utilised which meant that new generators were unable to connect. | There were still a number of generators who wanted to connect to the network as evidenced by the significant numbers of applications to connect and a large number of notes of interest. | As a result of engagement with local generation developer groups, individual developers and The University of Strathclyde an Active Network Management system was designed. This system makes better use of the existing network by instructing generators to control their output, in real time, to match the network capacity by matching the demand for energy to generation. | <p>The Active Network Management system has enabled in excess of 20MW of renewable generation to be connected to Orkney's distribution network for a fraction of the cost of conventional network reinforcement.</p> <p>The approach has been so successful that SSEPD is organising a study tour for DNOs to Orkney. This follows on from our high-profile dissemination event in London May 2012.</p> |
| Emergency situations | <p>As a result of working closely with our local Emergency Planning Groups throughout the year, and particularly in storm situations.</p> <p>We identified an opportunity to help communities with their resilience planning.</p> <p>(Detail of this activity is provided in part 2).</p> | All Stakeholders in this group told us they would welcome this and felt that more interaction was needed from SSEPD at both local and central events, possibly even headed by SSEPD. | <p>Based on the success of the approach used in the SHEPD region we have now appointed staff to attend local resilience planning groups across the entire SSEPD area.</p> <p>A pilot programme of eight visits to local Community Councils to encourage and assist them to prepare their own Community Emergency Plans has proved very popular and successful. This was borne out following storms in Kintyre and Arran where the communities we had been involved with were well prepared and able to cope until help could reach them.</p> | <p>Resilience teams and their communities have benefited from a greater interaction with SSEPD and our expertise regards the electricity networks.</p> <p>Over 20,000 customers in Kintyre and Arran benefited from these interactions during unusually severe weather conditions in March 2013 – particularly the elderly, disabled and other vulnerable customers.</p> <p>91% of surveyed stakeholders said the service we provided during the storms was excellent or good.</p> |

How stakeholder feedback has changed our internal policies and procedures

10

| Context of engagement | What was the issue | What stakeholders said | Changes made as a direct result of stakeholder feedback | Stakeholder benefit |
|---|--|---|---|---|
| Responding to network faults | A number of customers in the Kings Worthy area in Hampshire were affected by repeated lengthy interruptions, and were unsatisfied by the response we gave when asked the reasons for these power cuts. | The customers were not receiving enough detailed and structured information on what was causing the problem and how we were responding. | We progressed from our historical approach of dealing with individual queries and complaints by organising a public meeting, attended by local staff and senior management alongside local MPs to offer a more complete and comprehensive response. | This approach has now been formulated into a business as usual response across our operations, allowing us to provide a more detailed, professional and uniform response proactively when these difficult situations occur. |
| One to one with customers – simple solutions | An SSEPD Team Manager in West London encountered a distressed customer during a power cut. | The customer had no alternative facility to light their home during the outage. | The Team Manager submitted an idea through our 'Licence to Innovate' scheme for us to make glowsticks available to help our customers. The cost-effective units are delivered easily by hand allowing operational staff to quickly provide vulnerable customers with a safe, free and convenient means of emergency lighting. | Glowsticks are now a stock item and are distributed to all SSEPD emergency crews for issue to vulnerable customers and families alike, allowing them to move safely around their homes. A simple solution identified by customer feedback and initiated through our empowering innovation initiative. |

