Stakeholder Engagement Incentive Scheme
2012/2013

UK Power Networks
Delivering your energy

Foreword

I am delighted to introduce UK Power Networks' entry for the Electricity Stakeholder Engagement Incentive Scheme 2012/13. All of us at UK Power Networks are very proud of the progress we have made in this area over a very short period. We have embarked on what is undeniably the most extensive stakeholder engagement process ever undertaken by the organisation and are already seeing tangible, positive results.

Last regulatory year became the year of achievements with unforgettable milestones such as the Olympic and Paralympic Games. We had the eyes of the world upon us and the pressure to get it right was immense. We knew that we could only get it right if we engaged with all relevant stakeholders, including Government, transport, police, other utilities, trade unions and, of course, our customers.

Last year was also crucial to formulating our Business Plan for the RIIO-ED1 period. In November 2012, we became the first Distribution Network Operator (DNO) group to publish a detailed plan for the next regulatory period (2015-23). Following the publication of the plan, we sought extensive feedback from our stakeholders. In April 2013, we published an update, which shows lower costs and improved outputs alongside a plethora of actions that we have undertaken and will continue to undertake in response to stakeholder suggestions. The thorough approach that we have taken in consulting our diverse stakeholder audience puts us in an excellent position to submit a well-justified business plan to Ofgem in July this year.

Yet for us at UK Power Networks, stakeholder engagement is not just about a handful of grand projects. It is a daily activity undertaken to achieve a key strand of our company vision: to be a responsible corporate citizen. As such, our business-as-usual approach is about delivering on the expectations of our stakeholders and doing so in a socially responsible and sustainable manner. We focus on what is important to our customers, never losing sight of UK Power Networks' *raison d'être* – we are here to deliver electricity safely and reliably to over 8 million customers.

Customers pay for everything we do and, as such, have the right to expect a high-level service that fits their needs. But our aspiration is not only to provide a reliable network and good service every time a customer contacts us; it is also to be better at anticipating stakeholders' needs and planning for the low carbon economy future.

Stakeholders have a right to influence the direction of our business. We, on the other hand, have a responsibility to ensure that our diverse stakeholder groups have been given meaningful opportunities to have a say and that their views and suggestions have been considered and acted upon where possible. I personally update the Board on the key themes that emerge from stakeholders' feedback and present the measures that we take to include their suggestions and preferences in our business activities.

The document you are about to read provides an overview of our strategy, process and achievements in the last year. Our biggest achievement to date is that stakeholder engagement has become firmly embedded across UK Power Networks and it compares to what successful organisations in a competitive market normally do. It is now part and parcel of our yearly planning cycle. We believe it is our recipe of success – one that will enable us to excel as a business and deliver our business vision of becoming a responsible corporate citizen.

Basil Scarsella
Chief Executive Officer, UK Power Networks

Stakeholder engagement is embedded in our vision and values

We aspire to be a leading company in the electricity distribution sector. Our vision drives us to ensure that we bring our customers a reliable service that delivers value, safety and innovation. We recognise that this can only be achieved if our priorities are aligned with the interests and requirements of our stakeholders. Meeting the expectations of stakeholders is a Key Performance Indicator in UK Power Networks' Strategic Plan that supports its vision of being:

1. An employer of choice

2. A respected corporate citizen

3. Sustainably cost efficient

We work to a vision defined by our core values. Stakeholder engagement underpins our core values.

our **values**

Our values are the DNA of our business: they will help us to deliver our Vision 'To become and organisation which is an Employer of Choice, a respected Corporate Citizen and Sustainably Cost Efficient.'

Diversity and inclusiveness

We seek to be inclusive in engaging stakeholders, internal and external, recognising the value which difference and constructive challenge can bring. Our stakeholder groups are multiple and diverse, and we continuously benefit from listening to their views and suggestions.

Integrity

We will do what we say we will do. When we collect feedback, we act on it. We seek to act promptly on feedback that is practical to implement in the short term. We use long term ideas to inform our business plans. Where it is not possible to act on the feedback from stakeholders, we provide a rationale for this. We build confidence and trust by being honest to ourselves, our partners and our customers.

Respect

We treat our stakeholders, internal and external, the way in which we would want to be treated.

Responsibility

Stakeholder engagement is a fundamental mechanism to support accountability and promote more equitable decision-making. We are committed to acting in an ethical manner: accountability and equitability are the key components of corporate responsibility. Stakeholder input is also crucial in enhancing UK Power Networks' culture of safety and social/environmental responsibility.

Unity

We are stronger together and this comes from working collaboratively to a common purpose with a broad range of stakeholders.

Continuous improvement

We are committed to learning, development, innovation and achievement. Through various forums, we seek to learn from our stakeholders and share our experience and knowledge with them.

PART 1: Our Approach

At UK Power Networks, we believe that every stakeholder has a right to be heard. We take this right very seriously and spend time listening to the requirements and preferences of our customers and other stakeholders in every segment of our business.

> **Who is a stakeholder?**
> Any individual, group of individuals or organisation that affects, or could be affected, by UK Power Networks' activities, services or associated performance.
>
> – UK Power Networks Stakeholder Engagement Policy

In our stakeholder engagement, we adhere to international standards. Our strategy is aligned with the AA1000 Stakeholder Engagement Standard (2011), a leading international standard which builds on three principles:

- **Inclusiveness:** Identifying and involving the full range of stakeholders in the internal decision-making process;

- **Materiality:** engaging with stakeholders on issues that they have a material interest in and that are within UK Power Networks' control or influence; and

- **Responsiveness:** committing to act and respond to stakeholders' views and opinions.

This submission document is in two parts. The first focuses on the capabilities that we have built across UK Power Networks to ensure that stakeholder engagement became firmly entrenched in our daily activities. We provide selected examples of outcomes to highlight some areas of success but the emphasis is primarily on strategy, process and mechanisms that have been developed to facilitate change. The second part explores the examples of change in greater detail, focusing on the impact that stakeholder engagement has had on our business.

Throughout this document, we will demonstrate how these principles guide our approach. We will provide an overview of how stakeholder engagement has become embedded in the organisation before describing the four pillars of our approach and their associated outcomes.

The four pillars of our approach are:

Pillar 1: Being inclusive and proactive in our engagement;

Pillar 2: Listening and understanding stakeholders' perspective;

Pillar 3: Undertaking targeted engagement; and

Pillar 4: Acting on feedback and reporting back to stakeholders.

Management-led approach to stakeholder engagement

Management buy-in and the hands-on attitude to stakeholder engagement of our executive and senior management teams have raised the profile of our stakeholder interaction, enhanced the quality of engagement and led to rapid implementation of actions.

Board update. In January 2013, our CEO, Basil Scarsella, provided the Board with a paper updating on UK Power Networks' stakeholder engagement process and activities, and the significant impact that the feedback was having on the business.

High visibility. At stakeholder events, relevant members of our executive and senior management teams presented and facilitated, while technical subject matter experts were at the table contributing to the discussion and answering some of the more specific questions.

The CEO took an active part in five sessions. Notably, he attended all three key sessions (one in each of UK Power Networks' three licence areas) in which we reported back to stakeholders on the actions that we had undertaken following their feedback. Selected feedback from those sessions, which formed part of the fourth set of our Critical Friends Panels (CFP), is presented in the Reality Check box on this page and throughout the document. The concept of Critical Friends Panels is further explained on page 8 of the document.

Information was presented in the 'You said/ We did/ We will do' format summarising key feedback and our follow-up actions from the previous three panels. This type of engagement was welcomed by the audience.

Executive ownership. Every member of the Executive Management Team has responsibility for a specific group of key (Tier 1) stakeholders, with the Chief Executive Officer covering all stakeholders on the needs basis.

Tier 1 stakeholders are those who wield significant influence over and take an interest in UK Power Networks' activities. This is also ingrained UK Power Networks' Stakeholder Engagement Strategy.

Reality check – How did we do on management engagement?

" Really good mix of management, giving ability to provide immediate and informative answers. *– CFP 4 - SPN*

Great to see Basil (CEO) at the event. *– CFP 4 - EPN*

UKPN are dedicated to improve in the future; will be interesting to see the outcome. *– CFP 3 - EPN*

Strong high level engagement providing clear messages to stakeholders and actively inviting feedback. *– CFP 4 - EPN* "

Building sustainable capability in stakeholder engagement

Governance

In early 2012, Stakeholder Engagement became a separate business unit within the Customer Services directorate (previously, the Strategy and Regulation team had the responsibility for stakeholder activities). The new Head of Stakeholder Engagement is currently supported by five members of staff (an addition of three year-on-year) as well as numerous business leads from across the business. This is in line with UK Power Networks' aim of building a decentralised model for stakeholder engagement where numerous activities taking place across the organisation are coordinated by the Stakeholder Engagement team.

Strategic coordination at the senior management level has become part of the routine through the regular briefings that the Head of Stakeholder Engagement gives to the Executive Management Team and to the senior management teams of individual directorates. The briefings are well-suited to update senior decision-makers on the success of key initiatives underway and review progress made against feedback to ensure implementation.

Training

Reflecting the importance of stakeholder engagement at UK Power Networks, the Executive Management Team, including the CEO, participated in a half-day refresher workshop to explore good, bad and best practice in stakeholder engagement, focusing on global examples that could be of relevance to the company. The group exercises held on the day helped focus stakeholder engagement on company-wide strategic considerations, prioritising issues and enriching our existing approach. It also gave us as the company a clear steer on issues in which we want to be more proactive, such as enhancing our role in working with vulnerable customers. The conclusions reached in the workshop have affected both our short-term thinking and long-term business planning.

Through the leadership of the Executive Management Team, similar training is also being rolled out to the organisation at large, tailored to the individual needs of every directorate.

Moreover, significant funds are being allocated to training in order to encourage our personnel across the directorates to see the customer perspective and capture their feedback. A large-scale training programme called "Through our customers' eyes" has been rolled out to field staff and tailored to key customer-facing directorates – notably, Customer Services, Connections and Network Operations. Over 1,000 people have been trained between January and mid-May and the ambition is to train another 2,500 by the end of the year.

Employee Engagement

We seek to engage internal stakeholders to understand their views and preferences. Ideas that have been implemented in the past based on feedback from employees include: Digital Signage, The Cable newspaper for field staff, CEO updates on UK Power Networks TV and *Our Story* film. The Business Transformation project, which was launched in April 2013, has employee involvement as a key success measure.

The members of our Executive Management Team, including the CEO, host regular Q&A Dial-In sessions to which all employees are invited and encouraged to ask questions.

The London 2012 Olympics project, in which UK Power Networks built a whole new electricity network to serve the Olympic Park, helped promote employee engagement further. This is discussed in Part 2.

Database

The use of the Stakeholder Engagement Solution (SES) database, introduced in the second half of the regulatory year 2011/12, has received wide recognition across UK Power Networks as a valuable repository of stakeholder data. SES replaced the paper dashboard, previously used to provide an update on the meetings of the Executive Management Team with Tier 1 stakeholders, after the personal assistants of the CEO and the directors were trained to use it. A member of the stakeholder team monitors the timely upload of relevant data and offers refresher training where appropriate.

The SES manual has been developed to enhance the discipline of entering data on a day-to-day basis and facilitate the roll-out to a wider user community, which began in March 2013. Key account managers have started transferring their records to SES in May, with a view to abandon their database and move to a single data repository.

SES has recently undergone a technical upgrade. The new filtering functionalities enable users to analyse data at a greater level of granularity while the option of exporting to Excel facilitates work with bulk data.

There are plans to develop SES further, and the launch of the Business Transformation project in April envisages the integration of SES into a new system that will improve and simplify the process of managing data in SES.

Building sustainable capability in stakeholder engagement

Processes

In many ways, quality engagement predicates on the existence of adequate processes that allow UK Power Networks to engage with numerous and diverse stakeholder groups in ways that are fit for purpose.

Examples of the processes that we have put in place include:

- internal coordination between different teams within UK Power Networks (e.g. the Dispatch Team and the Service Delivery Centre to increase the accuracy of information given to customers);

- process simplification and standardisation (e.g. the format in which the information is presented to include estimated times of arrival of our engineers on site and the removal of jargon in staff notes);

- feedback collection on site through specially designed cards that our field staff distribute after completing a job;

- transcripts posted on our website to inform stakeholders who may have been unable to attend on the day;

- reports produced after every stakeholder engagement event – e.g. action reports that complement stakeholder engagement event sessions by answering any outstanding questions and reporting on actions undertaken in response to stakeholder suggestions that had been expressed in the session; and

- phone call follow-up to ensure the customer understands and is satisfied with the quality of information provided and our service more generally (e.g., in Connections, specially trained staff make a post-quote call to the customer offering to explain our charges).

These initiatives, endorsed by the Executive Management Team and supported by the lower levels of the organisation, have enabled UK Power Networks to make significant strides in understanding and profiling stakeholders, making us more attuned and responsive to customer needs.

Reality check – How did we do on Inclusiveness?

'Very interesting, excellent range of stakeholders. Good stuff! – *Vulnerable and Fuel Poor Customer Focus Group*

Good mix of cross-industry partners. – *Metal Theft Focus Group*

The right mix of professionals at the event, which challenged the presenters to respond to most highly political matters. – *Street Works Focus Group*'
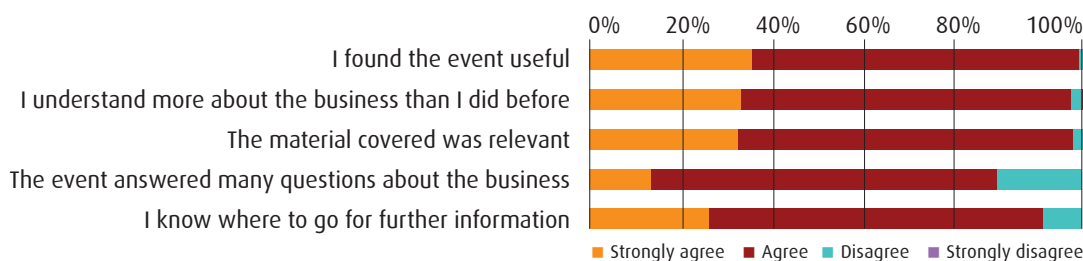
Planning for the future: Business Transformation Project (2013-15) and RIIO-ED1 Business Plan (2015-23)

Our business-as-usual stakeholder engagement has been taking place alongside the preparation of the Business Plan for the next regulatory period 2015-23. The panel sessions provided us with an excellent opportunity to collect short-term and long-term suggestions in parallel.

Feedback that can be implemented in the short term has informed our Business Transformation project. This project, aimed at enhancing our processes and systems, was launched in April 2013 and is due for completion in 2015, prior to the start of RIIO-ED1. It is being financed wholly by UK Power Networks' shareholders, at no cost to consumers.

Longer term suggestions made by our stakeholders have formed part of the Business Plan. More detail can be found on page 10 and in Part 2 of this document.

Selected stakeholder feedback from our events

	0%	20%	40%	60%	80%	100%
I found the event useful						
I understand more about the business than I did before						
The material covered was relevant						
The event answered many questions about the business						
I know where to go for further information						

■ Strongly agree ■ Agree ■ Disagree ■ Strongly disagree

NB: This table incorporates feedback received from 12 Critical Friends Panels and our 4 Priority issues sessions (Vulnerable customers, Storms Performance, Metal Theft and Street works). A total of 833 data points.

We are pleased to show that on the whole the responses we received were extremely positive. Slight disagreement was around the level of detail that was sometimes necessary to introduce in order to consult on subjects such as network resilience, quality of supply and demand-side response. We have taken this feedback onboard and from now on will produce introductory reading materials that will be emailed to stakeholders prior to the session to ensure adequate levels of knowledge among the less technical audience.

It is planned that Critical Friends Panel sessions will continue, becoming an enduring process with a recognised panel. In time, the intention is that they will be led by an independent chair who would set the agenda and facilitate the discussion.

How extensive is our stakeholder engagement activity?

In 2012/13, we have undertaken the most extensive stakeholder engagement ever conducted by the organisation. We held over 50 hours of sessions between April 2012 and April 2013 and engaged over 700 different stakeholders representing 175 organisations and groups.

2012 Timeline

Above the line:
- **Apr:** Focus Group: Performance during storms - EPN & SPN
- **May:** Stakeholder Engagement Solution live
- **Aug:** Embracing Competition workshop 8
- **Oct:** Embracing Competition workshop 9
- **Dec:** Focus Group: Vulnerable customers

2012	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec

Below the line:
- **Apr:** Embracing Competition workshop 7
- **Jun:** Willingness to Pay Seminar
- **Oct:** DG Surgery
- **Nov:** Critical Friends panels 1 & 2

2013 Timeline

Above the line:
- **Jan:** Strategy, Policy and Procedure approved & published
- **Feb:** Written updates to individual stakeholders
- **Mar:** Session 3: Street Works; DG surgery
- **Apr:** Consolidated Report Published
- **May:** Incentive Scheme Submission
- **Jul:** Business Plan Submission
- **Aug:** Customer Focus Groups
- **Oct:** Critical Friends panel 5 – Transformation
- **Nov:** DG surgery
- **Dec:** Session 7: TBC with stakeholders

2013	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec

Below the line:
- **Jan:** Session 2: Metal theft
- **Feb:** Competition in Connections workshop; Major Energy Users Council Conference
- **Apr:** Future Networks Consultation; Critical Friends panel 4 – Progress review and smart meters
- **May:** Session 5: City of London Consultation
- **Jul:** 'Best-in-Class' Workshop; DG surgery
- **Sep:** Session 6: Solar panels
- **Oct:** DG surgery
- **Nov:** Critical Friends panel 6 – Transformation
- **Dec:** DG surgery

The pace did not slacken in April and May 2013 when we held an additional five consultations, including a dedicated consultation with the City of London which was organised on their request. The figure above shows that we plan many more sessions until the end of the year and we have also suggested that panels will continue by popular demand.

For more information on our events and consultations, please visit:

www.ukpowernetworks.co.uk/internet/en/have-your-say/events-consultations/reports-presentations

Or follow us on Twitter @UKPNews Please note that this account is for company news updates. For customer service or to contact us in power outages, please follow us on @UKPowerNetworks.

Pillar 1 – Inclusive and Proactive Engagement

Inclusiveness is the founding block of good stakeholder engagement. We recognise that time rather than lack of interest is often a constraint to engaging with us.

The key objective of our Stakeholder Engagement Strategy is to "develop arrangements that will provide meaningful opportunities to a range of UK Power Networks' stakeholders to influence the direction of the organisation's thinking on network development and business operation on an ongoing basis". We have been proactive in our efforts to provide stakeholders with opportunities to engage with us by, for example:

- Identifying topics that are of interest to stakeholders (e.g. low carbon technologies, vulnerable customers, street works, metal theft, etc);

- engaging with people across UK Power Networks and in the industry at large to identify relevant stakeholders who could contribute to the direction of our business;

- sending out 3,122 invites across different groups between 1 April 2012 and 1 April 2013 to encourage people to attend our stakeholder panel sessions and meetings;

- producing regular internal briefings to ensure knowledge sharing which helps to bring onboard internal stakeholders and engage people externally as our staff are more aware of initiatives, areas of strengths and potential problems; and

- organising face-to-face meetings to listen to stakeholders' concerns and suggestions.

Our proactive efforts and tailored approach were determining factors behind our success to engage a large number of stakeholders across different tiers.

Following the conclusion of the Olympic and Paralympic Games, we have built on the momentum of successful stakeholder engagement.

- We have continued our work with the British Red Cross to support vulnerable customers during power cuts. This relationship has previously gained positive external recognition through accreditation with a Business in the Community Big Tick award.

- We have reached out and developed strong ties with new stakeholders, which previously had little or no interaction with us, such as National Energy Action, Consumer Futures, Major Energy Users Council, suppliers, businesses and other utilities.

- We have strengthened relations with numerous local authorities in our geographic footprint and built relations with regional organisations such as the East of England Energy Group (EEEGR).

Between 1 April 2012 and 1 April 2013 we invited 3,122 stakeholders to our panel sessions and Tier 1 face-to-face meetings. We were successful at hosting 744 of them.

The following breakdown demonstrates that through our structured approach, we have been successful at engaging with at least some of the stakeholders in each stakeholder group.

CONSUMERS		
Domestic	31	267
Industrial & commercial	83	384

UTILITIES		
Water	8	33
Other	2	10

ENVIRONMENTAL GROUPS		
Renewable energy advocates	5	27
Organisations focused on carbon	11	41

INVESTORS		
Credit rating agencies	0	1
Financial Institutions	18	18

GOVERNMENT INTERESTS		
Central government	54	86
Local authorities	77	541
Ofgem	99	108
Others	41	147

INDUSTRY PARTIES		
ICPs / IDNOs	75	329
Contractors	41	56
Suppliers	12	43
Energy service companies	69	189

LOCAL INTEREST GROUPS		
Charities / NGOs	32	175
Unions	21	21
Media	5	14
Other community groups	3	35

DEVELOPERS AND ENGINEERS		
Low carbon / smart grid developers	23	346
Construction	15	183
Engineering institutions	8	53
Generator Developers	11	15

Key: # Stakeholders attended   # Stakeholders invited   Total attended 744   Total invited 3122   Attendance ratio 24%

Pillar 2 – Listening and understanding stakeholders' perspectives

The qualitative and quantitative Willingness-to-Pay research, which concluded in June 2012, gave us a better understanding of the preferences and interests of the various stakeholder groups. The wealth of data collected through this research included discussions and interviews with 1,200 domestic customers and 300 with businesses. It provided us with valuable insight on the topics that different stakeholder groups would find interesting and relevant – the topics on which they would be willing to engage with us.

The Willingness-to-Pay research, which also fed into our RIIO-ED1 Business Plan 2015-23, was supplemented by face-to-face meetings and discussions with various stakeholders. The research was the first step in our listening exercise, which provided us with a solid foundation for proactive and targeted stakeholder interaction.

We noticed that in the last regulatory year, we tended to focus on issues that were of interest to our stakeholders but were often retrospective in nature in so far as they dealt with the assessment of our past performance. A representative example of such an engagement was the review we held of UK Power Networks' performance during the storms of January 2012.

Our challenge this year was to ensure that business-as-usual stakeholder engagement was not synonymous with passive or reactive responses to stakeholders' needs.

Listening to our stakeholders enriched our understanding of the various topics that are of greatest interest and led to the setting up of the Critical Friends Panels in October 2012. The panels addressed a range of topics, many of which related to future issues, such as the evolution of UK Power Networks' role in the low carbon economy and smart meters.

The targeted nature of the panels ensures that the workshops we hold address the questions that are of genuine interest to our customers. This is in line with the principle of materiality to which we adhere.

The feedback we have received from stakeholders has been very encouraging. The forums have been repeatedly recognised and complimented as being meaningful and informative, enabling stakeholders to make suggestions and raise issues with UK Power Networks' senior management. Stakeholders explicitly asked us to continue with this initiative, giving us confidence that we are on the right track.

Distributed Generation (DG) initiative

In 2012, recognising the growing importance of the subject, UK Power Networks surveyed its distributed generation (DG) customers to understand their needs and expectations. It subsequently held two workshops, which were well received. The first workshop alone identified over sixty areas of improvement.

The next workshops (which we now call surgeries) have been planned for 18 July and 10 October 2013, after which, we intend to hold them on a monthly basis to meet high demand. DG surgeries form part of the DG Improvement Plan developed in December 2012. We now also conduct a customer satisfaction survey for DG to ensure our service is in line with needs.

Reality check – Are our panels useful?

This was very worthwhile – please continue.
– *CFP 4 - LPN*

Willingness to listen – will see if any outcomes are positive and address issues on the ground.
– *CFP 3 - EPN*

This opportunity is greatly welcomed and encouragement given to future events of this nature.
– *Street Works Focus Group*

I was pleased to be invited. I am more than happy to help UKPN improve their business.
– *CFP 2 - EPN*

What is Critical Friends?

- Upon the completion of the key research phase in June 2012, we developed our Critical Friends Stakeholder Engagement Panels. The first one was held in October 2012.

- We held twelve panel sessions between October and May – four panels held in each of our three DNO areas. The panels focused on a range of different subjects and were tailored to the needs of each network area.

- Discussions and feedback from the panels have led to new, topic-specific engagement sessions such as vulnerable customers, metal theft and street works

- In all sessions, we opted for an interactive format. At each event, we presented on key issues and then held an open forum to gather stakeholder feedback.

- We have sought to address most questions on the day by having relevant members of the senior management team present at the event. All unanswered questions have been followed up separately in an Actions Report or in one-to-one meetings with stakeholders.

What can we do better?

As we sought to engage with diverse groups of stakeholders, we came to realise that some topics were inherently technical and jargon-heavy. This was reflected in the feedback when some panellists asked for 'jargon busters'.

We intend to produce pre-reading materials for a non-technical audience to be circulated before the sessions. We will also compile a list of commonly used terms and abbreviations relevant to the topic of discussion on the day. These will be sent out to delegates in advance as well as distributed on the day for ease of reference.

Pillar 3 – Targeted Engagement

The fact that we held dedicated sessions to cover the topics in each of our three licence areas meant that panellists had more time to discuss issues that were local to them. In addition, in the course of the discussions, we made the following observations:

- Some panellists had a special interest in subjects that were considered 'niche' by others. Such issues included street works, lane rental and metal theft.

- Time constraints meant that some issues could not be covered to their full potential within the scope of the Critical Friends Panels. One such prominent issue was vulnerable customers.

We organised Priority Issue Focus Groups on each of the identified subjects in order to provide stakeholders with a forum to voice views and raise concerns. These forums were well attended and led to a host of actions that we took on following stakeholders' comments and suggestions.

What can we do differently?

Some stakeholders suggested dividing sessions into two groups: domestic/small business and major energy users. While we are planning to continue with the present set-up of Critical Friends Panels by popular demand, we are currently also considering smaller roundtable discussions with these two types of audience.

Reality check – Are our issue-specific forums targeted enough?

'Very useful, with a right balance.
– *Vulnerable and Fuel Poor Customer Focus Group*

A good networking opportunity and a chance to broaden from a London centric perspective.
– *Street Works Focus Group*

Good discussions – probably some need further exploration.
– *Metal Theft Focus Group* '

We report publicly on stakeholder engagement. To ensure that events get exposure beyond the audience present on the day and that all questions are answered thoroughly, we produce the following two types of reports:

- A transcript report after every session providing a detailed summary of the proceedings and actions that we committed to undertake on the day of the session in response to individual queries;

- An actions report after every panel (comprising three sessions). In these, we report back on actions that UK Power Networks is undertaking or planning to undertake in response to stakeholder suggestions; and

- We have published a consolidated report, entitled "Stakeholder Engagement: Our commitment to you", to provide an overview of key themes and actions that came out of the stakeholder engagement sessions held between October 2012 and April 2013. The report focuses on short to medium term actions and, as such, is intended to complement the April update to our Business Plan, for RIIO-ED1, which details how stakeholder feedback is being incorporated into longer-term decisions.

All our reports are publicly available on
www.ukpowernetworks.co.uk/internet/en/have-your-say/events-consultations

Pillar 4 – Acting on feedback and reporting back to stakeholders

To deal with a very large amount of feedback that we have been receiving as a result of our proactive efforts, the Stakeholder Engagement Team has designed a process that enables us to collect and cluster feedback after every session before assigning internal business owners to individual actions. The action log has become a key mechanism which we use to track action owners and the status of every action. This helps ensure that feedback is implemented systematically and in a timely manner.

While many outcomes that we have achieved by acting on stakeholder feedback will be discussed in Part 2, one example worth mentioning is the introduction for mobile users of emergency landline numbers as a cheaper alternative to 0800 numbers which customers can call in case of power outage.

We have also been repeatedly complimented for introducing 24/7 SMS service designed to alert registered customers to the restoration of power supply. This initiative is discussed in more detail in Part 2.

Reality check – What do stakeholders think of the way we implement feedback?

'Felt that the issues and challenges we have discussed in past panels are being considered and delivered on.
– *CFP 4 - SPN*

Would be good to see how continuous improvement, technology deployment etc. talked about is considered in the planning cycle and how this is reflected in the overall benefit for the customers.
– *CFP 2 SPN*

Good update on business plan. Nice to see our inputs are being listened to. – *CFP 4 - EPN*

UKPN are seriously listening to the panels and taking actions. – *CFP 1 - EPN* '

In April 2013, UK Power Networks published an update on its Business Plan for the RIIO-ED1 period in which it placed a special emphasis on how stakeholder views are being incorporated into every output category defined by Ofgem.

Acting on feedback is part of our business-as-usual approach and the feedback that we collected in panel sessions was subsequently grouped into actions that we can implement before the start of RIIO in 2015 and those that have longer lead times and will therefore form part of the Business Plan 2015-23.

We sought to act promptly on the suggestions in the pre-2015 category.

In the fourth set of Critical Friends Panels in May, we reported back to the panellists in the 'You said/We did/We will do' format, demonstrating how we are acting on stakeholder suggestions in the run-up to RIIO and how their suggestions set a foundation for the improvements planned in the next eight-year regulatory period.

Below is a small sample of the feedback that we have collected and actions that we have implemented

You said	We did	We will do
Improve the accuracy of information provided to customers.	We have amended our practice and now hold daily meetings between the Dispatch Centre and Service Delivery managers. 98% of the jobs raised now have an estimated time of restoration that our staff could provide to customers. This compares to 73% of the jobs in 2012.	We will improve our capacity for making pro-active phone calls to customers off supply.

The outputs put in place for Customer Services within the Business Transformation project have been designed to enhance this capability. |
Sharing vulnerable customer data and supporting vulnerable customers more proactively.	We sought legal advice on how we can share data. We have found that under the Civil Contingencies Act 2004, we are able to share customer data with other category 1 & 2 responders if we use the data only for the purpose for which it was collected.* A project has been set up within Customer Services to enable us to capture a greater number of vulnerable customers on our Priority Service Register. To ensure that all vulnerable customer data that we receive from suppliers is uploaded accurately and on time, we have automated the process.	We have set up a pilot with nine boroughs to pro-actively notify their Emergency Planning Teams about power cuts. We will develop triggers and response mechanisms, working closely with local authorities.
Improve transparency around how we calculate connection charges.	We have changed our business process to include a post-quote call to customers in which we offer to explain our charges.	The process for major quotations and ways to improve customer information continues to be examined, including within the Connections workstream of the Business Transformation Project.
Provide more information on the process for new connections.	We have launched a service called 'Ask the Expert' which provides information on the connection process and assistance with new connections applications.	Given the positive feedback from customers, next steps will likely include a phone service and live chat.
UK Power Networks should improve resourcing to reduce long-lead times.	We have allocated additional resources to assess and develop improvements in this process.
We have reallocated the responsibility for enquiries of generation connections under 50kW to a larger resource pool.	We will assess whether bringing selected services and teams in-house delivers a more efficient process (we have already done so for the delivery of small service works in the South East).

* Category 1 responders: Emergency services, Local authorities, Health bodies, Government agencies
   Category 2 responders: Utilities, Transport, Health bodies, Government agencies

The momentum generated in October-March is expected to be sustained thanks to the implementation of the Business Transformation Project between now and April 2015, which will improve our systems and processes in the run-up to RIIO-ED1. The resulting enhancements in customer service, faults response, connections, asset and contract management will enable UK Power Networks to improve performance in line with stakeholders' expectations.

In Part 2, we turn to examine our ongoing efforts in implementing stakeholder suggestions and the associated outcomes in more detail.