

PART 2: Impact on Our Business

In 2012/13, we focused on implementing stakeholder feedback. Part 1 demonstrated that we have embedded stakeholder engagement through enhanced governance, robust processes and an improved database. This increased our ability to collect and analyse the views of our numerous and diverse stakeholder groups. Moreover, as described in Part 1, the timeliness of response improved after we designed and institutionalised specific tools, such as the action log, which enabled the Stakeholder Engagement Team to cluster feedback thematically and track the status of actions and responses across UK Power Networks.

In Part 2, we focus on some of the initiatives that we have put in place in response to stakeholder feedback. On many occasions, stakeholders' views reinforced our own thinking and gave UK Power Networks a powerful stimulus to act. But there have also been cases, in which stakeholders pushed us to think outside our comfort zone and explore innovative solutions in areas which are traditionally considered to be beyond the remit of distribution network operators (DNOs). Sharing data on vulnerable customers has been one such area where we rose to the challenge, and early results show that the outcomes have benefitted all parties.

The selection of initiatives and outcomes presented in Part 2 reflects the diverse nature of issues that UK Power Networks addresses on a daily basis and on which it receives stakeholder feedback. We hope that the outcomes that we have already achieved, such as the London 2012 Olympics, coupled with the initiatives that we currently have underway, such as partnering with local authorities to assist customers in power cuts, will give the reader an overview of how UK Power Networks is seeking to enhance its vision of being a respected corporate citizen, an employer of choice and sustainably cost efficient.

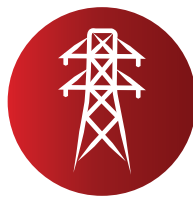
Our key stakeholders

Throughout the remainder of the document, we split examples thematically and signpost them using one or more of these icons. This is to demonstrate which of the stakeholder groups have benefitted or are expected to benefit from our actions.



CONSUMERS

- Domestic (including vulnerable customers)
- Industrial & commercial



INDUSTRY PARTIES

- ICPs / IDNOs
- Contractors
- Suppliers
- Energy service companies



GOVERNMENT INTERESTS

- Central government
- Local authorities
- Ofgem
- Others



LOCAL INTEREST GROUPS

- Charities / NGOs
- Unions
- Media
- Other community groups

UK Power Networks' Key Stakeholder Groups



DEVELOPERS AND ENGINEERS

- Low carbon / smart grid developers
- Construction
- Engineering institutions
- Generator developers



ENVIRONMENTAL GROUPS

- Renewable energy advocates
- Organisations focused on carbon



UTILITIES

- Water
- Other



INVESTORS

- Credit rating agencies
- Financial institutions

Key themes and actions

Across the range of stakeholders that we have engaged, several themes have emerged that, in our stakeholders' views, deserve special attention. Part 2 brings to life the measures that we have taken in response to the needs and expectations of our customers and other stakeholders. The table below is a snapshot of the initiatives that are discussed in subsequent pages in which we focus on the benefits for stakeholders and the impact on our business.

Numerous business-as-usual initiatives that we have put in place in 2012/13 have enabled us to involve a large number of stakeholders while also giving our employees a chance to interact directly with stakeholders relevant to their part of the business and respond to their concerns. This, in turn, has helped UK Power Networks to embed stakeholder engagement better across the organisation.

Theme	What our stakeholders have said	Initiatives we have implemented
Quality of Information to Specialists	<p><i>The most interesting for me is about future technologies and accommodating renewable energy onto the network and how the business model for DNO's needs to change.</i></p> <p><i>UKPN is doing a lot to improve connections support, but not necessarily telling anyone.</i></p>	<ul style="list-style-type: none"> - Competition in Connections - DG Surgeries - Ask the Expert - Employee Training - Online Design Specifications Library
Quality of Information to the General Public	<p><i>Make more information available and improve transparency.</i></p> <p><i>Connections & customer service should be improving.</i></p> <p><i>Better engagement with customers and communication.</i></p>	<ul style="list-style-type: none"> - 24/7 SMS Updates During Power Cuts - Magnetic Whiteboards - Landline Numbers for Mobile Users - Information Leaflets - Safety Videos - Twitter Service
Enhance On-site Presence and Better Customer Service	<p><i>Have someone to talk to on site.</i></p> <p><i>Develop trigger points and partnerships working around Priority Service customers.</i></p> <p><i>Customer focus in incidents needs to involve all the community affected. Customer care does not stop when power is restored.</i></p>	<ul style="list-style-type: none"> - Local Authorities - British Red Cross - National Energy Action - Customer Champions - Mobile Command Unit - London Liaison Representatives - Customer Feedback Cards <p style="text-align: right;">} collaboration</p>
More Proactive Help for Vulnerable Customers	<p><i>Encourage vulnerable customers to register with UK Power Networks.</i></p> <p><i>Data protection a problem to be overcome.</i></p>	<ul style="list-style-type: none"> - Updating Records - Spreading Awareness - Local Authorities Collaboration - Major Charity Collaboration - Power of Giving Fund
Greater Flexibility and Predictability in Highway Services	<p><i>UKPN interpret the '500W rule' differently to the NMO guidance notes.</i></p> <p><i>Would like double of what it [permissible unmetered connection] is today i.e. 1kW.</i></p>	<ul style="list-style-type: none"> - Increasing the load in Permissible Unmetered Connections - Unifying and revising Engineering Design Standards for Unmetered Street Furniture



We have improved the quality of information to specialists

Our stakeholders have repeatedly asked us to provide them with better quality information. 'Better' had a variety of undertones depending on the context: more accurate, more accessible, more targeted. In the section below, we present some of the initiatives that have enabled us to improve the quality of technical information that we provide.

Competition In Connections workshops

In 2012/13, we successfully built on the work of the previous year in identifying and addressing barriers to competition. Workshops have been a key tool in helping us provide targeted information to a specialised audience. The tenth competition workshop was held in February 2013 and a commitment to provide these sessions on a permanent basis has been made. In total, 64 different individuals have represented 35 competitor companies at one or more of these events. Feedback on this approach has been sought at every stage and has been consistently positive.



Benefits: Competition workshops enable attendees to collaborate with a wide range of UK Power Networks' representatives and agree desired improvement actions, hear about progress in delivering those actions, and contribute views on the effectiveness of their implementation. We have also worked with Independent Connection Providers (ICPs) and Independent Distribution Network Operators (IDNOs) to develop specific improvement solutions, such as a more efficient process for ICPs to secure land consents.

Best practice: The development of a new legal process associated with obtaining land rights by our competitors was complimented in the November 2012 workshop as being "the best in the UK".

Distributed Generation (DG) surgeries

DG refers to a productive generator connection to an electricity distribution network. The most common generation sources are wind turbines, solar panels (also known as Photovoltaic or PV) and combined heat and power (CHP).

Demand for connections in DG has grown many-fold over the past months. The DG Improvement Plan, approved in December 2012, envisages holding regular surgeries to provide targeted information. Following high attendance at first events, we have decided to hold monthly surgeries from October 2013.

DG surgeries are supported by a number of other initiatives aimed at improving transparency and clarity of our quotations. These include providing better information via the DG website, which has been updated and made more flexible and user friendly.



Benefits: There is a mutual benefit in holding DG surgeries and complementing them with additional information via the website. From the stakeholders' perspective, better knowledge often leads to the decision not to lodge a formal application. From UK Power Networks' perspective, stakeholder engagement through DG surgeries helps us work with customers to identify instances where applications are not likely to proceed

due to voltage and cost implications. Informing customers and managing expectations help reduce cost to the company. Following an expert-level discussion at a DG surgery in April, participants decided not to proceed with 27 formal applications – a 48% reduction for the day.



Ask the expert

For many of our customers the process of applying for a new or altered electricity connection can be a daunting thought. In December 2012, we launched a service called 'Ask the Expert' which provides information on the connection process and assistance with new connections applications. The service currently operates by email. Next steps will likely include a phone service and live internet chat.

Good to know: We have also developed a list of frequently asked questions, which customers can use to access a range of materials on our website.

For more information, please visit: www.ukpowernetworks.co.uk/internet/en/connections/ask-the-expert or email us on Asktheexpert@ukpowernetworks.co.uk



Benefits: Our Ask the Expert service answers a range of customer questions at the pre-application stage – from applying for a temporary builder supply to making an electricity connection in the highway to supply street furniture. The service is free to all, with our experts emailing back with answers by the end of the next working day.



Feedback to mid-May shows high rates of approval, with an average score of 9.58 out of 10.

Online Design Specifications Library

During 2012 we created a new online G81 library which gives users easily navigated access to hundreds of design standards, specifications and drawings.

We have received many compliments from our competitors (who are our main target audience), with ICP31 recently informing us that they now cite UK Power Networks as the standard which they expect other DNOs to attain. While the library has been developed specifically for ICPs and IDNOs, it is accessible to all stakeholders groups.

To visit our G81 library, please visit:

<http://library.ukpowernetworks.co.uk/library/en/g81>



Benefits: The G81 document library contains technical information for ICPs and IDNOs. The library is regularly updated with latest information, such as new design standards, and provides easy access to information for key stakeholder groups.

In addition to giving users 24-hour access to hundreds of documents, self-service helps UK Power Networks reduce cost as we do not need to allocate a significant number of human resources to manning this service.

We have improved the quality of information to the public

Providing more accurate information to our customers has been one of our priorities. In Part 1, we provided the example of how we increased the number of jobs that have an estimated time of restoration from 73% in 2012 to 98% in 2013. In this section, we highlight other initiatives that we have undertaken to improve the quality of information we provide to consumers in power cuts.



Accurate and timely information for consumers in power cuts

We have responded to stakeholders' requests to keep customers better informed during and after power cuts. We have implemented a number of initiatives, such as 24/7 messaging service to keep registered customers informed around the clock in case of power outage. As mentioned in Part 1, we have also introduced emergency landline numbers for those who choose to call us from mobiles during power cuts. These are in addition to 0800 numbers, which are free for landline users but not for those calling from mobile phones. In addition, our online power cut service is currently averaging 30,000 hits per month.



Magnetic whiteboards

Since August 2012, we have introduced magnetic whiteboards, which are mounted on the side of our London fault vehicles to provide up-to-date information on power cuts. The whiteboards include useful information, such as the Estimated Time of Restoration (ETR), the areas affected by the incident and the incident reference number, and customer contact information.

For those who prefer to get information digitally, we have included a QR code on the boards to enable customers to obtain information directly from our website.

New research: Echo Research conducted online interviews with 3,131 of our domestic customers and facilitated six customer panels and workshops across London, the South East and East of England. This perception study focused on how customers prefer to make initial contact with UK Power Networks. The findings from this will inform our external communication activity plan and ensure we make it easier for customers to contact us.



Information leaflets and safety videos

In response to stakeholder requests, we have made more information available to both the general public and technical staff.

Below are some of the examples of the information leaflets that we have produced:

- Think before you dig
- Working safely near power lines
- Three phase distribution
- Lane rental (specific to Kent)
- How to maintain supply to critical electrical equipment



We have created several short films aimed at promoting education and safety. Our latest film, 'UK Power Networks: Keeping Your Lights On' was released in April 2013 and received a finalist certificate at the New York Festival TV & Film award.

We have been shortlisted for Corporate Comms DigiAwards 2013 for Best Consumer Website and Best Use of Digital Media in Customer Services.

All of these materials are available on our website: www.ukpowernetworks.co.uk

UK Power Networks' Twitter Service



Twitter: @UKPowerNetworks (for customer service, including power outages) or @UKPNews (for company updates).

Fact: We started using new software internally to provide a better service to customers on social media.

We neared towards sending our 10,000th tweet in April and hit this target in early May.

Good practice: Our Twitter service for customers was praised by the Energy Networks Association at a national conference in April.

An example of customer feedback: 'Fantastic service fixed the problem in SW12 today and kept us informed all the way. Thanks to you and all the team.'

London 2012: We engaged stakeholders to remain invisible



A key project that came to fruition last year was the Olympic and Paralympic Games in which UK Power Networks successfully became the 'Invisible Game Makers'.

We built a whole new electricity network to serve the Olympic Park and improved network performance during the Games for our 2.2 million customers in London, despite unprecedented travel and roadwork restrictions.

We needed to ensure there were no power failures affecting the Olympic venues, command and control centres, the transport network, broadcasters and hotels.

The pressure to get it right was immense. We knew that we could only succeed if we engaged with all relevant stakeholders, including Government, transport, police, other utilities, trade unions and of course, our customers.

UK Power Networks' achievement was recognised at the Utility Industry Achievement Awards in December 2012 when it won the prestigious Utility of the Year title and Team of the Year.

The judges said that we won the Utility of the Year award because the company achieved both sets of its aims – delivering improved performance year-on-year in areas such as reliability of power supplies, customer satisfaction and financial performance while meeting the Olympics deadlines – and “neither challenge had detracted from performance elsewhere.”

Employee engagement

The 2012 London Olympics became a company-wide stakeholder engagement exercise. Successful employee buy-in was a big part of what enabled UK Power Networks to deliver power without a hitch.

Staff surveys showed a 5% increase in employee engagement despite difficult circumstances.

It was brilliant to see 400 employees give up their summer holidays to be part of our Olympic success: not just those directly involved on the Park but those dealing with customer calls, for example. I was astounded by their dedication and commitment.

Matt Rudling, Director of Customer Services, UK Power Networks

Key stakeholders



We identified over 100 stakeholder groups that we needed to keep informed about the impact of the Olympic and Paralympic Games on our services.



The communication initiatives included:

- holding regular face-to-face meetings with Tier 1 and other core stakeholders;
- proactively coordinating power issues with other DNOs;
- producing 3,500 customer communications (letters and website articles); and
- sending out 5,300 letters to key London entertainment venues.



Good to know: There were 225 training camps within UK Power Networks' footprint covering London, the South East and the East of England. The training camps hosted the preparations by the world's top athletes and any power interruptions at these sites could have caused disruption.

UK Power Networks was part of the London Resilience Partnership, which met quarterly to consider emergency preparations for London 2012. Our key contacts were the Metropolitan Police and London Fire Brigade. We shared our operational arrangements with the partners so they knew their normal processes would not change.

Our achievements have been recognised by our stakeholders

UK Power Networks staff, whether they were directly supporting the Games at the various Olympic venues or were ensuring that the lights stayed on for the millions of households in the region, have played a key role and can proudly share in the success of the 2012 Olympic and Paralympic Games.

Boris Johnson, Mayor of London

Over the Games period, enhanced reporting kept us informed about what was happening, and provided reassurance across government that energy supplies were being managed efficiently and effectively.

Edward Davey, Secretary of State for Energy and Climate Change

It was a pleasure working with UKPN and in particular all of the guys who completed the role of Electricity Duty Manager in the Venue Infrastructure Control Centre... at no point did we ever feel that there was an element of competition between our organisations.

Richard Mailer, Electricity depot manager from Scottish and Southern Electric

As a partner with TfL, you and your staff have all played a part in making that [the Games] happen and you can be justifiably proud. Your contribution has helped successfully deliver TfL's aim to ensure that from the Opening Ceremony to the Closing Ceremony, no athlete or official was late.

Alan Bristow, Director, Transport for London

On-site presence for better service

It was suggested during our Vulnerable Customers and Fuel Poor Priority Issue Group in December 2012 that UK Power Networks should aim to become better and more proactive at coordinating response with local authorities during supply interruptions in their area. Our response has been to set up a pilot to trial new ways of helping customers in power cuts while simultaneously seeking to strengthen our long-standing relations with the British Red Cross and continuing to build the ranks of volunteers from within UK Power Networks who attend incidents as Customer Champions.



Working with local authorities

UK Power Networks has applied a successful example of collaboration with the local authorities in Bedfordshire to other boroughs in its geographic footprint. In Bedfordshire, we had an agreement in place to contact the local authority if an incident affected more than 50 customers or if power was expected to remain off for longer than 12 hours.

Following stakeholder feedback, we decided to develop the same type of collaboration with other boroughs across our geographic footprint. We have set up a trial with nine local authorities and county councils (three from each of our DNO areas) and conducted an analysis of fault volumes, which has led to an agreement to trigger notifications in the following circumstances:

- any fault affecting 20 or more properties which is off for longer than 8 hours;
- a fault affecting 5,000 or more properties for 2 hours;
- any incident where a British Red Cross or Customer Champion has been activated; and
- any other situation where a member of the Customer Services team at UK Power Networks believes it to be appropriate to cascade the information (for instance, an incident where a number of vulnerable residents have been identified).

“What a breath of fresh air to have not only a company that actually considers its customers well-being but rings back to confirm when they say they will. Please thank the people concerned for the compassion they have shown.”

Mr C, Vice Chairman of the Plumstead Parish Council

After a successful introduction of the trial, we have started expanding to other boroughs in our licence areas. Currently, the agreed triggers result in approximately three notifications per day. We are expecting to review the process and outcomes in September.



Benefits: By notifying local authorities when an incident affects people in their area, we help ensure that there is more onsite presence and better service for people who need it.

Partnering with the British Red Cross

Feedback suggested that there was a desire for us to be proactive in updating the British Red Cross on power cuts and planned outages within their area.

It is recognised that UK Power Networks may deploy Customer Champions in support of a power outage to provide assistance to customers. In such instances where British Red Cross attendance has also been requested, UK Power Networks will inform the British Red Cross of their team's deployment and both parties will coordinate responses to beneficiaries to ensure clear division of responsibilities.

“The partnership with UK Power Networks acted as a catalyst for the British Red Cross to develop similar relationships with other DNO's.”

For British Red Cross, the partnership enables us to have increased awareness of the community at a local level and provides a greater reach for the organisation into those local communities.

Janet Meehan, Emergency Response & Resilience Support Manager, British Red Cross

New idea: UK Power Networks is currently considering whether we can build on the level of support we offer by responding with our own staff in branded vehicles and offer hot meals and drinks, re-assurance and up-to-date information directly to the customer.

New Initiative: Working with National Energy Action

In 2013, we became a member of the National Energy Action (NEA) and are currently developing a joint project to map and profile vulnerable customers within our geographic footprint. Understanding our customers better will enable us to undertake targeted initiatives such as expand our community surgeries programmes for vulnerable residents more effectively.



We will work together to:

- develop an information booklet that can be used as a stand-alone educational tool and be distributed throughout schools in our network areas.
- trial educational programmes (1-day activity workshops) within schools to educate children on the dangers of electricity.

Good to know: Within the next regulatory period 2015-23, we intend to educate an additional 1.8 million children.

On-site presence for better service



UK Power Networks has invested and will continue to invest in initiatives to provide direct customer support on site.

Customer champions

Customer Champions are volunteers from within UK Power Networks who assist our field teams in electrical emergencies by providing information and practical support to customers on site. In 2012/13, their number at UK Power Networks grew to 70.

Customer Champions provide the following benefits:

- serve as a clear on-site point of contact for customer enquiries;
- help identify vulnerable customers who are offered assistance where necessary and informed of our Priority Services Register; and
- enable engineers to work more efficiently to restore power quicker as they can concentrate on the problem without having to respond to customer enquiries.

“The Councillors are very hard to please but everybody was extremely impressed... [The customer champions]... were magnificent and the level of service provided was excellent.”

Barbara Knight via Mark Methven Customer Relations referring to the Glynde / Ringmer incident, December 2012

Feedback from customers has been positive and statistics show that where a customer champion has attended a site, our Service Delivery Centre has received zero complaints in relation to the incident.

Customer Champions attend 3-5 incidents per month on average. During the Olympic and Paralympic Games, pairs of Customer Champions were based on our premises at Bidder Street to enable their rapid attendance to faults in the London area. Customer Champions worked in shifts 24 hours a day and were deployed even in short duration incidents.

Mobile Command Unit

To enhance operational control during major incidents we have commissioned a £130,000 mobile command unit. Launched in November 2012, it is based at our site in East Ham, London. From this location, it can be easily deployed anywhere in London, the South East and East of England. The vehicle is equipped with satellite navigation systems, remote network access, high definition monitors, floodlights and its own generators.

The unit is sent to the scenes of serious incidents where the Lead Field Engineer on site deems its presence to be of benefit. These circumstances are not limited to disruptions on the network but can also include other serious incidents such as fatalities to members of the public.

UK Power Networks has deployed the vehicle 12 times since its introduction.



Mark Fiske, Operational Telecoms Manager at UK Power Networks with the new mobile command unit

New Initiative: Customer Liaison Team for London

We are creating a dedicated Customer Liaison Team for London in order to provide an on-site point of contact during and after incidents.

Once on site, Customer Liaison Representatives will liaise with customers and engineers on-site, providing updates and ensuring that our Dispatch Team and the Service Delivery Centre are kept-up-to date with the situation in real time. Customer Liaison Representatives will have the authority to activate Customer Champions or other approved services, such as Language Line and British Red Cross, based on their understanding of customer needs. Importantly, even after power has been restored, Liaison Representatives will continue to provide customer care, following up on any outstanding issues and managing concerns associated with the incident.

New Initiative: Customer Feedback Cards



Feedback cards have been created as a mechanism to enable field staff to collect customer feedback after closing a job. The new feedback cards have been available since February 2013 for field staff to give to customers in each of our three network areas and include the option of freepost return, email or return to a UK Power Networks representative. They also include a 'tear away and keep' section of useful UK Power Networks contact information.

For every completed feedback card received, we donate £1 to the British Red Cross. We received 875 responses between the week ending 1 March 2013 (when we published our first report) and 24 May 2013. 96% of responses have been positive.

Assisting vulnerable customers in power cuts

Although we traditionally associate vulnerable customers with the elderly or sick, UK Power Networks adheres to the definition developed by Energy UK, which captures a broader population and reflects the sometimes transient nature of vulnerability (e.g., a mother with a new-born baby).

A customer is vulnerable if for reasons of age, health, disability or severe financial insecurity, they are unable to safeguard their personal welfare or the personal welfare of other members of the household.

Updating our records and spreading awareness

An interruption to supply can be especially worrying for those reliant on electricity for medical equipment or those who have other special requirements. To assist these customers in times of need, we keep their details on our Priority Service Register (PSR).



We have taken the following steps to improve our service to vulnerable customers:

- Amended our PSR policy and began training staff to become more proactive in identifying and assisting vulnerable customers during power cuts;
- Automated the process of uploading customer data to our PSR, which in the first five months of 2013 led to a 66% increase in the number of customers registered on PSR; and
- Developed and trialled luminous stickers containing the Priority Service contact number which are now sent out to customers upon registration (2,000 people took part in the trial).

We also responded to stakeholder feedback and sought legal advice on the extent to which we can share customer data under the Data Protection Act.

We have found that under the Civil Contingencies Act 2004, we are able to share customer data with other Category 1 and 2 responders – such as emergency services, local authorities and health bodies – provided we use the data exclusively for the purpose for which it was collected and in compliance with data storage requirements under the Data Protection Act.

We are in the process of contacting the 53 local authorities within our geographic footprint to request that they share their data on vulnerable customers with us. We are also in the process of contacting 12 registered charities to request their help with updating the PSR.



Benefits: By updating our records, we have become better positioned to identify customers that may require practical and emotional support during a power cut. With a robust PSR in place, we will be increasingly able to extend the most appropriate assistance option to those who need it. We also hope that with the support of charities and local authorities, we will be able to raise awareness of the services we offer to those who register with us.

Good to know: The Power of Giving fund

UK Power Networks have launched a new community scheme open to all communities within our DNO footprint. In the first year of the programme £490,500 of funding will be split across our three licence areas (£300,000 from UK Power Networks and £190,500 through our collaboration with partners, including the British Red Cross, Wildlife Trusts and the Charities Aid Foundation).

Applications are accepted throughout the year for initiatives that are of benefit to community (including but not limited to initiatives related to vulnerable customers and fuel poverty). UK Power Networks is proactively promoting the fund in areas where it has a poor track record (e.g. communities that have been disrupted by construction works).

As well as one-off grants, successful projects can take advantage of our established employee volunteering programme which allows staff two days a year to help the community.



Greater flexibility and predictability in Highway Services

Highway Services at UK Power Networks is an example of how stakeholder engagement has become embedded in the organisation, leading to regular revisions of policies and processes. In this section, we briefly examine two recent cases in which UK Power Networks' responsiveness to stakeholder feedback has brought tangible benefits to consumers and other groups, such as ICPs and local authorities.



We have increased the load in permissible unmetered connections and moved away from the three separate unmetered connections policies that UK Power Networks previously had in its three DNO areas, adopting a unified Engineering Design Standard for unmetered street furniture. In both instances, the new, more flexible approach has been agreed with our stakeholders.

Increasing the load in Permissible Unmetered Connections from 500W to 2kW

We have consulted with stakeholders and amended our application of the provisions of SI 2001 No. 3263 The Electricity (Unmetered Supply) Regulations – colloquially known as the '500W rule'.

The consultations focused on assessing the impact of the National Measurement Office (NMO) Guidance Notes published in August 2012. The Guidance summarised the circumstances under which an authorised supplier may give an unmetered connection.

They are as follows:

- The load must be predictable and either less than 500W ;or
- It is impractical for the supply to be metered either technically, financially or for legal reasons (for example, under Health and Safety law).

Following consultations in August and September 2012 (both online and through a stakeholder forum), UK Power Networks decided in October 2012 to permit a cumulate load of up to 2kW to be taken from its supplying connection with the proviso that individual items would not usually exceed 500W.

As with any unmetered connection, the requests remain subject to UK Power Networks' approval but in normal circumstances can be expected to be agreed. The 2kW limit operates under our current engineering standard which employs a 10A fuse.

International benchmarking that we had conducted showed that 2kW compared well to other countries, including Australia, New Zealand and Ireland (where the 2kW limit is strictly enforced). We presented these findings to our stakeholders most of whom agreed that 2kW met their needs and expectations.

Benefits: The revision of the 500W rule has provided the following benefits:

- *A more flexible approach*, which benefits customers and ICPs;
- *Lower costs for end-users*;
- *A less-cluttered street-scene* given the lack of need for a feeder pillar; and
- *Less third-party involvement* as there is no meter operator onsite requirement.

Amending Engineering Design Standards for Unmetered Street Furniture

We have responded to stakeholders' requests by amending our Engineering Design Standards.

In 2011, UK Power Networks combined the three legacy unmetered connections policies from its three network areas into a single Engineering Design Standard – Underground Services to Unmetered Street Furniture (EDS 08-0133). UK Power Networks proactively sought stakeholders' views and suggestions, collecting feedback through forums held in 2011/12.

During these forums, stakeholders highlighted two concerns that they had with regard to the unified standard:

- Some considered UK Power Networks' policy restricting the connections of street furniture on a round-about or centre traffic island to be overly restrictive in areas of light traffic such as cul-de-sacs.
- Others identified UK Power Networks' disconnections process as being ambiguous and not always practicable or cost-efficient, with the potential of causing inconvenience to members of the public. Scarring to the street scene was also raised as a concern due to the additional footway excavations that may be required.

UK Power Networks revised the EDS twice with the latest revision taking place in February 2013:

It now permits new unmetered connections on turning circles within cul-de-sacs.

Service extensions have been allowed up to a total of 20 metres in length when the street furniture is not located on the route of a low voltage main (previously, a maximum of 2 metres was allowed).

A significant amendment was made to clarify the position in relation to the disconnections policy.

Benefits: The revision of the EDS has provided the following benefits:

- *A clearly defined, single EDS* for Unmetered Connections;
- *A more flexible approach* on the quantity of street furniture connections that can be made to existing service cables;
- *The removal of possible inconvenience to the public* and reduction in scarring to the street scene; and
- *The removal of barriers* which may otherwise have prevented effective competition in connections.

Engaging stakeholders in UK Power Networks' Business Plan

Since 2011, UK Power Networks has undertaken an extensive programme of consultation on all aspects of its Business Plan for the regulatory period 2015-23. The breadth and depth of the consultations intensified in 2012/13.

Why did we consult on the Business Plan?

While we adopted different formats suitable for different types of audience, the purpose of the consultations with regard to the Business Plan has been two-fold:

- To ensure it met the expectations of our customers and stakeholders more broadly, delivering value for money over the long term; and
- To factor in specific feedback into the various outputs such as network reliability, customer service and connections.

How did we collect feedback?

- We structured our stakeholder engagement sessions in a way that enabled us to collect views that fed into our business-as-usual activities as well as the Business Plan. In addition, we consulted extensively on the 'issues of the future', such as the uptake of heat pumps and innovations that could reduce the load on the system.
- We clustered suggestions into those that UK Power Networks can implement in the short and medium term (2013-15) and those that will feed into the Business Plan and thus become part of longer-term decision-making.

Incorporating stakeholder feedback into the Business Plan

In April 2013 we became the only network operator to publish an update on the Business Plan showing how stakeholder feedback was being incorporated into long-term decision-making. For added clarity, we laid out stakeholders' suggestions and our responses to them in the 'You said/We did/We will do' format.



In Strategy and Regulation we have been a key customer for the stakeholder engagement processes run by our Customer Services directorate this year. Customer Services have helped us engage with customers and other stakeholders to test our draft RIIO-ED1 plan and to gather feedback which we have then reflected in our revised plan. I've been very pleased to watch the development of long term relationships with our key stakeholders and I look forward to further feedback on our activities post-business plan submission.

Ben Wilson, Director of Strategy & Regulation and Chief Financial Officer, UK Power Networks

While delving into the specific outputs of the Business Plan is beyond the scope of this document, the engagement that we are undertaking with retail suppliers is given by way of example. It encapsulates the gradual transition that we envisage from the business-as-usual of today to the business-as-usual of 2015. The consultations we hold today continuously help us identify concerns and work with all relevant parties across the industry to shape future outcomes. The change, in many cases, can only be gradual.

Case study: Working with retail suppliers to deliver value to customers



Purpose of the consultation: UK Power Networks sought to focus on how we can ensure that customers receive value for money over the long term.

Action: We proactively sought bilateral meetings with all of the major suppliers and actively attended forums representing the smaller suppliers.

Feedback: The impact of Distribution Use of System (DUoS) price volatility on customers has been identified by retail suppliers as a key concern.

Suppliers highlighted that a significant proportion of their customer contracts are based on fixed prices or are set significantly in advance.

Sudden and large changes to prices therefore disproportionately impact suppliers' cash-flow risk and customers' final bills.

Next steps: UK Power Networks' supports an approach whereby the industry fixes its DUoS prices 15 months in advance of price application.

This approach will require changes to the industry framework and will need to allow for any Ofgem changes to incentive mechanisms.

It will also require UK Power Networks to amend its charging methodology.

We believe that there is still sufficient time to introduce these changes prior to the commencement of the RIIO-ED1 planning period in 2015.

Good to know: These consultations have been in addition to the ongoing engagement with suppliers undertaken through the Energy Network Association.

Throughout 2015-23, we will report to stakeholders on progress made against the outputs and initiatives that we have laid out in the Business Plan. Holding regular reviews and collecting further feedback will, no doubt, help us identify further opportunities of how we can deliver the service we all want.