

Incentive on Connections Engagement Part 1 – Looking forward report

**Trial for the Distributed Generation market
segment**

April 2014



Incentive on Connections Engagement

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1. Introduction

This document is the UK Power Networks trial submission under the Incentive on Connections Engagement and constitutes the part one report for the regulatory year 2014/15.

It is a submission in respect of the following three licensed distribution networks:

- Eastern Power Networks plc (EPN)
- London Power Networks plc (LPN)
- South Eastern Power Networks plc (SPN)

The report is specifically written to reflect the stakeholder activities planned for two Relevant Market Segments (RMS) during the 2014/15 regulatory year. Those RMS are in respect of metered premises in which Distributed Generation is situated:

Metered Distributed Generation (DG)	LV work: Low voltage connection activities involving only low voltage work.
	HV and EHV work: Any connection activities involving work at HV or above.

This report describes the engagement strategy applicable to all UK Power Networks connections customers with a specific focus on the engagement activities, work plan and key performance indicators relevant to Distributed Generation (DG) customers.

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2. Stakeholder engagement in UK Power Networks

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 our vision of being:



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 part of our business

Who is a stakeholder?

Any individual, group of individuals or organisation that affects, or could be affected, by UK Power Networks', services or associated performance.

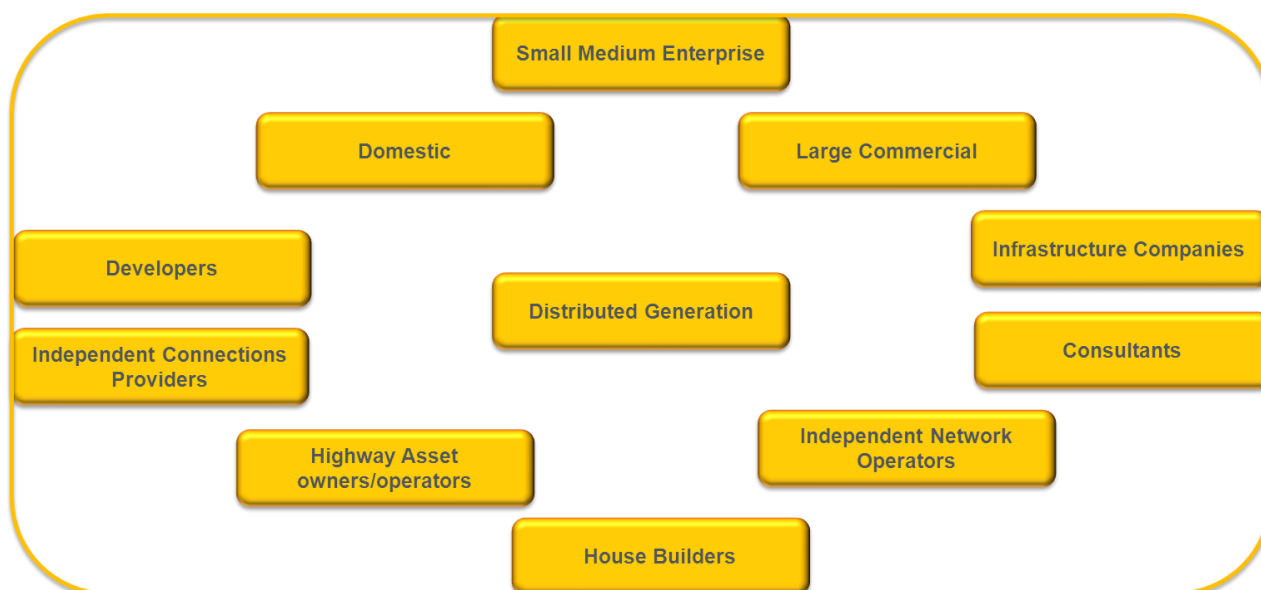
- UK Power Networks Stakeholder Engagement Policy

Since becoming UK Power Networks there has been a significant change in the company's philosophy and approach to stakeholder engagement. This has involved:

- A business-wide approach to stakeholder engagement;
- Making stakeholder engagement a business-as-usual activity; and
- A number of business improvements and continuous improvement actions.

3. Our stakeholder engagement strategy for connections customers

The connections market is characterised by a broad range of customers, each with specific needs;



We have sought to establish and maintain effective engagement with connections customers taking into account the diverse customer base. We always use customer feedback to inform our business improvement activities and shape our products and services.

There are four strands to our stakeholder engagement approach for connections customers:

Targeted engagement

We believe nothing beats face-to-face engagement, and the feedback received is the most effective way to assess service. UK Power Networks has a track record of effective engagement with connections customers and the key to this is forums that bring together stakeholders with common interests. These forums include regular meetings of Highway Assets, Distributed Generation and Competition in Connections sectors. We have recently introduced a forum aimed at customers who rely on metered services, this covers Developers, House Builders and Consultants.

Hosting a forum provides an opportunity for us to share updates on our business and gain feedback on business performance. The forums currently in place for connections customers are:

Forum	Target customers
Customer Experience workshops	Distributed Generation (DG)
Highway Services Forum	Highway Asset owner/operators (HA)
Competition in Connections Forum	Independent Connections Providers (ICP) & Independent Distribution Network Operators (IDNO)
Connections Forum	Developers, House Builders & Consultants

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Managed service provision

UK Power Networks has a business structure that ensures effective engagement is a feature of business-as-usual operations. The managed service approach is delivered by either teams or individuals who are accountable for delivering a bespoke service designed for specific customer needs. Examples of this across UK Power Networks are:

- A Highway Assets team that provides unmetered services to Highway Asset owner/operators and features dedicated co-ordinators who provide a single point of contact for customers
- A Competition in Connections team processing applications from ICPs and IDNOs and with service delivery accountability
- A DG Development Manager who has responsibility to work with DG customers to identify and implement service improvements
- A Major Connections team that provides an end-to-end service for metered customers requiring connections >5MVA and DG customers requiring connections >1MVA, featuring dedicated Project Managers for customers.

Relationship management

We offer an Account Management service to approximately 250 connections customers. This service includes the provision of a dedicated contact that will meet and communicate regularly with customers to update them on business developments and ensure their work portfolio is progressing to plan. In addition they seek to understand customers' future work plans to inform our workload and resource planning process. This is a service we are looking to extend and we have made a commitment in our RIIO-ED1 Business Plan to '*offer account management to any business/commercial customer who requests this service*'

Bespoke research

Where we interact with customers on a one off or infrequent basis then our approach is two-fold:

- To review and understand the drivers of satisfaction and frustration for customers who respond to the Broad Measure of Customer Satisfaction (BMOCS) survey
- To undertake specific research to help us understand the needs and expectations of particular customers. A recent example of this is the 'Voice of the Customer' research completed to gain an insight into the views of our domestic and small medium enterprise customers who use connections services infrequently. This research has been used to inform our Business Transformation programme

4. Engagement activities for DG customers

Within our broader engagement strategy for connections customers there are two activities planned for DG customers for 2014/15. In addition to the activities described below we will also publish regular e-mail and newsletter updates for our DG customers when there is a relevant business update to communicate.

Customer Experience Workshops

Our senior leadership team host regular forums for DG customers which we call our Customer Experience Workshops, these have been in place since November 2012. The agenda is set by asking customers what they would like to discuss and the opportunity is taken to update customers on business improvements and seek their views on any proposed business change. All DG customers are invited and we normally get around 50 attendees per event.

At each workshop we capture feedback in a consistent way by asking customers to score the session out of 10 against a number of key questions including;

- I felt the session was productive and valuable
- Would you be interested in attending future DG Customer Experience Workshops

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We also ask customers 'what we should start doing/do more of and what we should stop doing/do less of'. This allows us to identify improvement activities as inputs and outcomes to our 'You said/We did/We will do' approach to service improvement described in section 5 of this report.

All of the feedback received is reviewed and used to shape and inform our DG Service Improvement Plan. We plan to host three Customer Experience Workshops during 2014/15 although at present only two dates have been confirmed and booked.

DG Surgeries

One of the outcomes of the Customer Experience Workshops was that our DG customers told us that they would welcome the opportunity for early engagement with us to better understand the potential cost implications of electrical connections at the scheme planning and feasibility stage. In response we introduced our DG Surgery initiative, initially in EPN, where customers can arrange to visit our offices and discuss specific plans and proposals for new generation sites. This has proved extremely popular, particularly with developers of large scale wind and solar generation sites, with over 400 schemes reviewed to date. In response we extended the concept to our SPN region and increased the frequency of the sessions to monthly to meet customer demand.

At present there is no significant demand from DG Developers in London and we respond to requests for specific site pre-application dialogue on an ad-hoc basis in our LPN region.

We will continue to offer DG Surgeries in EPN and SPN and will ensure the frequency of sessions matches demand during 2014/15.

5. Service improvement for DG customers

At UK Power Networks we continually strive to improve the service provided to customers. For connections customers service improvement can be tracked through the satisfaction score received under the BMOCS survey. Under BMOCS the majority of connections customers who receive a quote, or have connections completed, are submitted to an independent survey company to conduct a satisfaction survey on a sample basis. The BMOCS mechanism not only provides an assessment of the service experience from the customers' perspective, but also provides insight into customers' needs and expectations through the verbatim comments provided.

The BMOCS feedback, when combined with that received from targeted engagement sessions, our Account Managers and the experience of our managed service teams, all feed in to our service improvement planning activity. This ensures we respond to customers in a way that meets their needs and improves the service experience.

Having reviewed and assessed all of the feedback from connections customers we have identified three key themes for our service improvement strategy:



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Although DG customers are submitted under the BMOCS survey process the DG segment is only one element of the overall connections sample. This means that due to the random nature of the survey DG customers are infrequently surveyed through BMOCS. To ensure we capture feedback and insight into the growing DG market we took the decision to run a shadow survey for DG customers that follows the same process and question protocol as the BMOCS survey. This has been in place since January 2013 and we successfully survey 25 DG customers per month, we intend to continue this shadow survey during 2014/15.

In 2012, recognising the emerging DG market, UK Power Networks surveyed its DG customers to gain an understanding of their needs and expectations. Following this survey we decided that to effectively meet the needs of these customers we should produce a DG Service Improvement plan. This plan has been in place since the beginning of 2013 and has proved successful and we will therefore continue this into 2014/15. It details a broad range of initiatives and actions designed to improve service. It is produced annually and published on the UK Power Networks web site, an update is issued quarterly and sent to OFGEM. Progress to plan is reviewed at each Customer Experience Workshop and copies of the plan are sent to our DG customers.

We adopt an approach we call 'You said/We did/We will do' to help us communicate our response to improvements identified by our DG customers and two examples of this are shown below;

You said	We did	We will do
Provide access to network capacity information	Introduced Heat Maps for EPN and SPN on our web site to show graphically the capacity headroom in a geographic area. This information allows customers an element of self-assessment of their DG connection;	We will regularly update our Heat Maps following significant network changes to maintain a current view of capacity headroom. We are also looking to develop a future looking view of network capacity taking into account planned work
Take a more flexible approach to payment terms	Trialed a staged payment approach for DG schemes	Review the impact of the trial and assess customer feedback and outline the next steps on payment terms

The initiatives below are specific examples designed to improve service for DG customers and are designed to ensure we meet our 2014/15 objective of achieving an average satisfaction score of 8.2.

Improved pre-application support

Customers have told us that they appreciate early engagement to understand the options and potential costs associated with the connection elements of their generation projects. In response we have been focusing on pre-application support for DG customers to help them make better informed decisions regarding the viability and potential cost of their proposed schemes.

For our DG customers the specific pre-application activities that we will focus on during 2014/15 are:

- We will regularly update our on-line Heat Maps to reflect any significant changes on our network and we will look to develop these to provide a future view of network capacity.
- We will hold DG Surgeries in EPN and SPN on a frequency that matches demand; and
- We will extend our Ask the Expert service, which is designed to provide technical support on any connection matter. This is currently an e-mail service but we will offer this as a phone service during Quarter 4 of 2014.

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More choice and flexibility

Choice is a key satisfier for customers and in the past Distribution Network Operator's (DNOs) have often been described as inflexible.

The UK Power Networks Business Transformation Programme is scheduled to commence the deployment of revised and improved systems and processes during Quarter 4 2014. This deployment will allow us to commence the introduction of improved services that offer more choice and flexibility for customers requiring new or altered connections; this will include DG customers. Depending on the complexity of the connection required these services will include:

- On-line submission of service requests;
- Tracking of enquiries and applications;
- Ability to make payments on-line;
- More contact channel options to allow customer to choose their preferred contact method; and
- Flexible quotations that will allow customers to select either the non-contestable only or all elements of a connection offer depending on their preference.

Lead time reduction

We recognise the importance of a timely service to our customers who are often working to tight deadlines. With the significant growth we have seen in the DG market there is increasing need for us to match resources to demand to ensure we deliver quotations or work in a timescale that meets customers' needs. We must ensure we are well placed to respond to the growth in enquiries and able to improve our lead times and will do this by:

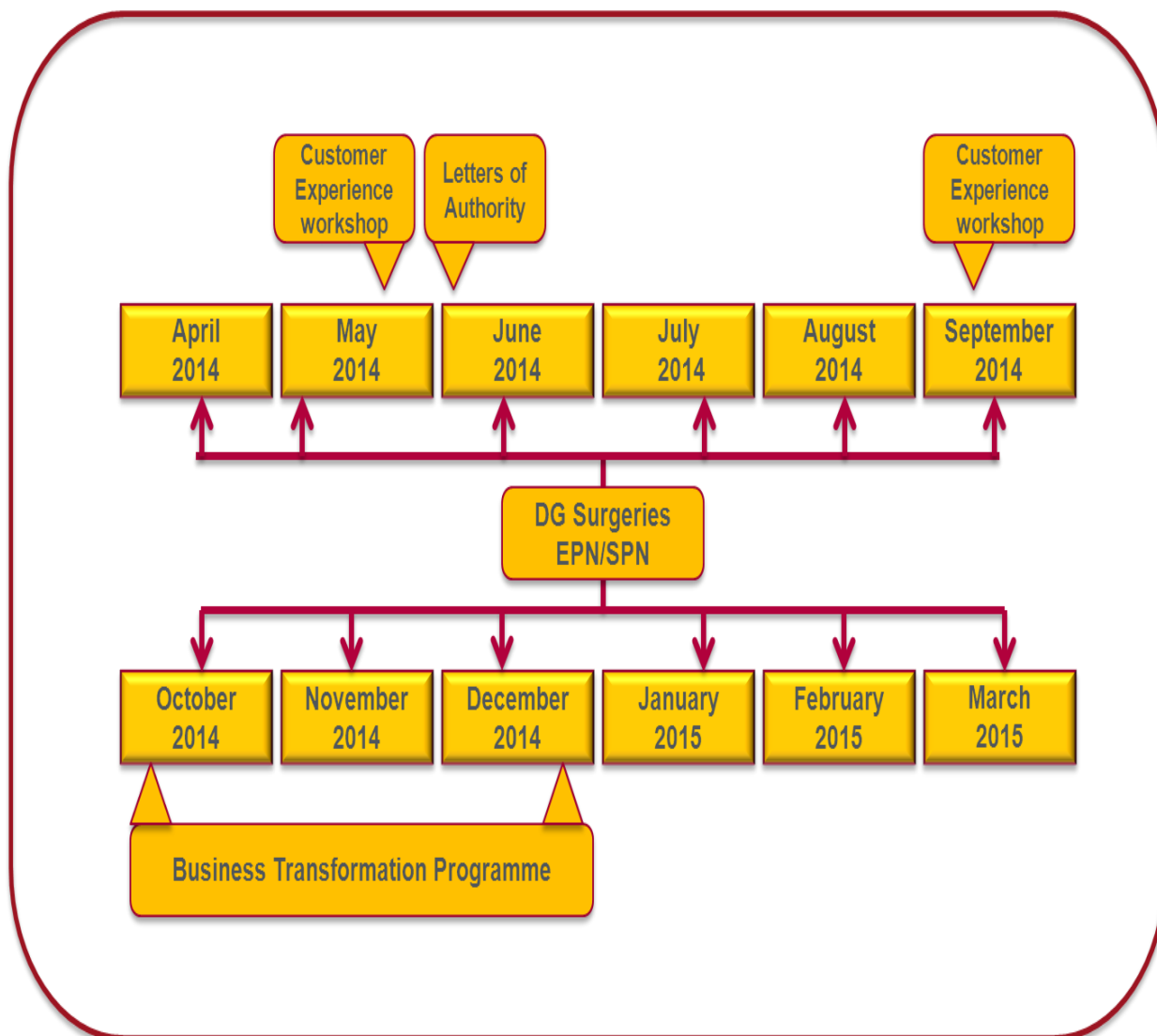
- Following discussion at our Customer Experience Workshop in February 2014 we will introduce the requirement for 'Letters of Authority' to accompany all DG applications with effect from 1 June 2014. This will provide proof that applications are made on behalf of Landowners and is designed to speed up the application process;
- Recruiting additional staff to produce DG quotations if the need is identified; and
- Develop the newly introduced role of Technical Support Assistant which is designed to support our Design teams and increase our enquiry processing capacity.

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6. Work plan of activities for DG customers

During the 2014/15 regulatory year the key timelines of the engagement and service improvement activities aimed at DG are:



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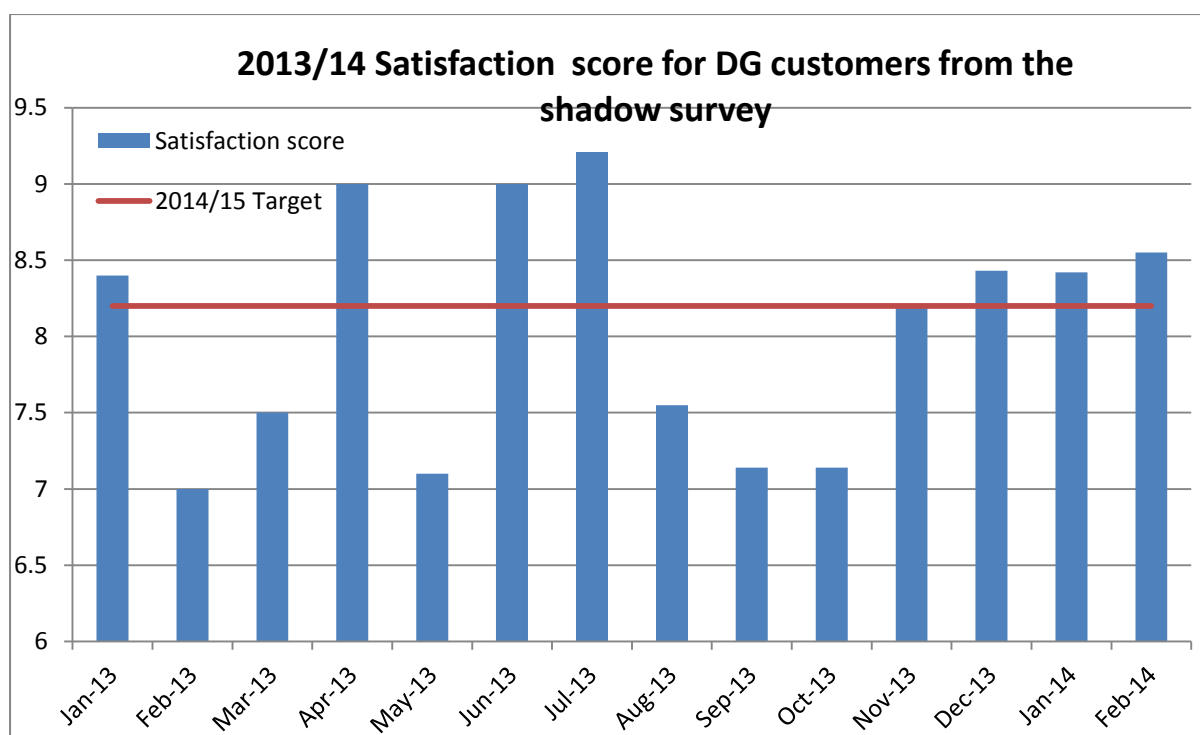


7. Key Performance Indicators

We will use the following key performance indicators to track the activities described in this report.

Key Performance Indicators	Measure	Target
'I felt the session was productive and valuable' score from Customer Experience Workshops	Score out of 10	8.5
'Interested in attending a future event' score from Customer Experience Workshops	Score out of 10	8.5
Shadow survey score for DG customers	Score out of 10	8.2
DG Improvement Plan milestones achieved	% of plan completed	85%

The satisfaction score from the shadow survey of DG customers is important indicator of the service received. The graph below shows the tracks of these scores since January 2013, the UK Power Networks target for 2014/15 is 8.2.



8. Appendix – Heat Maps for EPN and SPN