

Ofgem Incentive on Connections Engagement 2014 / 15 Trial

WPD Part one - looking forward report submission

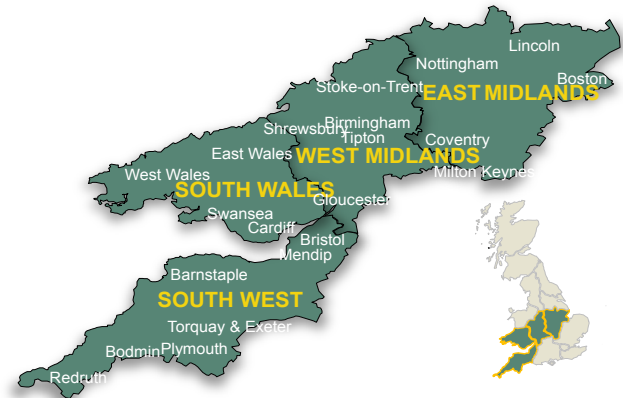
Introduction

This report explains our customer engagement strategy and plans for improving our connections activities in line with the Ofgem Incentive on Connection Engagement (ICE).

The report specifically covers both contestable and non-contestable connections activities for the Distributed Generation (DG) market segments: DG low voltage (LV) work and DG high voltage (HV) and extra high voltage (EHV) work, in each of our four Distribution Service Areas (DSAs) in the South West, South Wales, East Midlands and West Midlands.

We have seen a very large increase in the volume of applications and enquiries regarding connection of DG to our network over the past two years and the trend does not show any sign of slowing down. Providing excellent service for these customers is important to us and we are committed to a wide range of stakeholder engagement activities to understand what we need to do to provide for their needs.

It is essential that WPD has an Engagement Strategy for all types of stakeholder using a range of methods, to ensure we have the full picture of what we need to do to meet their service expectations.



To deliver the improvements necessary for our customers to keep telling us we are doing the right things, we need a workplan which has been put together with the input and endorsement of a broad range of our stakeholders. We have worked with our Customer Connection Steering Group (CCSG) to identify issues for improvement and to create our CCSG workplan which will deliver the required improvements with clear outputs and delivery targets.

Engagement approach

WPD has a well established stakeholder engagement strategy and approach. The feedback from our stakeholders and our first place ranking in Ofgem's stakeholder incentive scheme and broader measure customer satisfaction scores



► WPD Stakeholder engagement cycle

indicate that our approach is effective. In 2013 and again in 2014 we were externally assessed for our stakeholder engagement activities as 'Compliance Plus' under our Customer Service Excellence Standard accreditation.

Our engagement for ICE is integrated with our overall WPD stakeholder engagement strategy, as a continuation of this robust and successful approach. Our strategy of engagement (left) ensures the thoroughness of our programme and that our engagement is meaningful, delivering on the outputs identified.

For our DG connection stakeholders we use a wide range of methods tailored to the stakeholder type and to ensure we capture a full range of views, experiences and input required to influence our improvement plans (see section below and our engagement timetable on pg. 2 for further details).

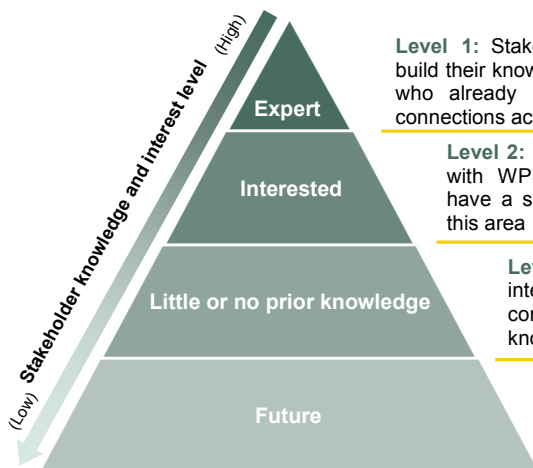
Our engagement is business-led with staff at all levels being involved in our range of activities - from CEO and Director-level involvement at our CCSG to Planners helping customers at Connection Surgeries - stakeholder engagement is seen as part everyone's job at WPD.

Stakeholder engagement strategy

Engagement methods for connection stakeholder types

It is important that we engage with our full range of connections stakeholders, using methods that are appropriate to their level of interest and knowledge about connection activities. As such, we tailor our engagement methods to best suit the needs of the various stakeholders. This approach ensures our engagement has the correct breadth and thoroughness in order for us to gather the input we need to develop and endorse the plans we put in place to improve our connections performance.

Our engagement methods, matching the knowledge level of our DG connection stakeholders, are set out below:



Level 1: Stakeholders we work closely with to build their knowledge to an 'expert' level, or those who already have an in-depth knowledge of connections activities

Level 2: Stakeholders who interact regularly with WPD for connections activities and have a sizeable knowledge and interest in this area

Level 3: Stakeholders who may only interact once or occasionally for connections activities and have little knowledge of WPD or this area

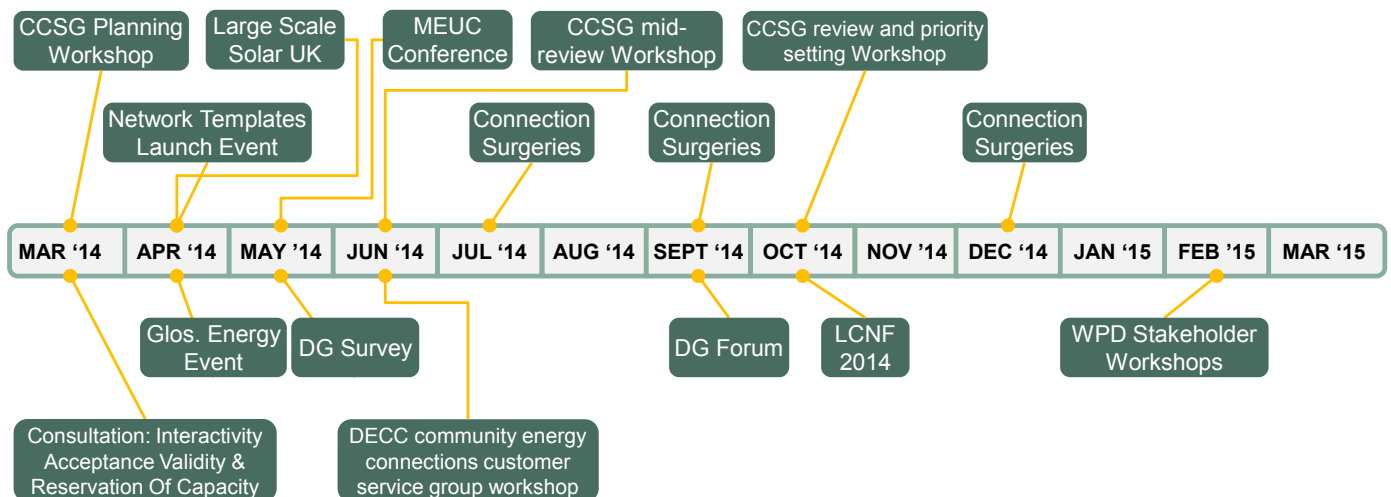
Level 4: Stakeholders who may want connections in the future and may have no knowledge of WPD or this area

Engagement methods:

- CCSG
- Stakeholder workshops
- Consultations
- Bilateral meetings
- Stakeholder workshops
- Consultations
- Bilateral meetings
- DG survey
- Connections surgeries
- DG & customer surveys
- Connections surgeries
- Annual stakeholder & ICE reports
- Website
- Media awareness campaign
- Connections surgeries
- Annual stakeholder & ICE reports
- Website
- Media awareness campaign

Planned connection engagement activities for 2014 / 15

From April 2014 to March 2015 we will engage with a wide range of stakeholders through a variety of activities. More detail is provided on pages 6-8 about many of these key engagement activities that we have planned for this year. A summary of these is provided below:



Connection Customer Steering Group (CCSG)

CCSG Background

The CCSG was formed at the end of 2013 in order to better facilitate the continued development of our connections services. Chaired by our Chief Executive, Robert Symons and made up of a broad range of connection stakeholders from a cross-section of sectors, the group comprises of a panel of experts who help to inform and guide our strategy and decisions.

Each panel member will represent their own views and the views of their colleagues within their market segment(s).

The CCSG meets three times per year and the inaugural meeting took place in 2013. There will be a cycle of planning, update and review workshops. Instinctif Partners has been engaged by WPD to attend each workshop to capture and report the outputs and to deliver an independent report from each workshop.

The Group inform and endorse the priorities, actions, initiatives and targets forming the annual workplan for WPD connections activities (detail on the workplan is provided on the next page).



CCSG Objectives

The CCSG's terms of reference are to:

- Provide feedback on the effectiveness of WPD's connections service and plans for future developments
- Act as a source of and a sounding board for new ideas
- Advise and draw attention to key issues of current or emerging connection customer concerns
- Influence WPD's strategic objectives and future plans for connections services
- Influence and feedback on WPD's connections performance indicators
- Support and facilitate joint-working between WPD and connections groups
- Act as an arbiter for connections customers

CCSG Workshop cycle

The CCSG has a rolling programme of annual workshops with a cycle of planning, update and review:

March	<ul style="list-style-type: none"> • Present WPD's draft proposals based on priorities identified at end of previous year • Ask stakeholders for comments that will be used to refine our thinking • Finalise and agree plan based on CCSG feedback
June	<ul style="list-style-type: none"> • Present a review of progress against the Plan • Present any additions or modifications which may have been identified
October	<ul style="list-style-type: none"> • Evaluate progress and successes • Reassess the key outstanding issues • Agree actions and priorities for the following year

Range of stakeholders on the CCSG

The CCSG is made up of a range of stakeholders representing a cross section of connection customers in order to provide a balanced view of connection issues. Members cover the full range of connection market segments:

- Public Lighting Authorities
- Utilities
- Large commercial connection customers
- Connection consultants
- DG developers
- Community Energy Schemes
- Independent connection providers
- Independent network operators

CCSG Workplan

Workplan development

The WPD 2014 workplan has been created using input from our CCSG panel and wider stakeholders. The issues in the plan were identified and informed by the CCSG and from other stakeholder engagement such as the 2013 DG Forum (see p.g.7 for details on this year's forum), the Ofgem DG working group, and our other engagement activities. Based on discussions with stakeholders we proposed a range of initiatives to improve service and performance and developed these into a workplan. The workplan will be updated throughout the year with progress and additional initiatives where required.

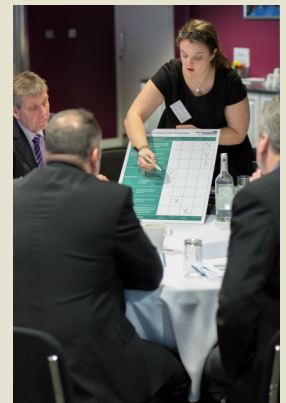
WPD Business Plan Delivery (BPD) workshops

In February 2014, BPD workshops were held in 6 locations across our region. We held separate connection sessions in the afternoon. In these sessions we presented the draft plan, gaining endorsement for the initiatives and timescales. We also sort their input on any further initiatives where identified.

Our stakeholders told us that it is important for them to have access to help and advice at the applications stage, particularly with an option to talk to WPD. We therefore included Connection Surgeries in the plan to address this. We also added an action to hold a workshop for community energy schemes following feedback that this is an area where more engagement is required for this type of stakeholder. We also invited Community representatives to join the CCSG.

CCSG Endorsement

To get feedback on the suitability and timescales of the initiatives, the draft plan was presented to the CCSG along with the further issues and inputs from the BDP stakeholders. After this input and endorsement from the CCSG, the final workplan will be signed off annually by the CCSG members and WPD senior management. The Workplan issues and initiatives relevant to DG connections are shown below. ▼



Issue	WPD initiative	Target Date
Improve online application functionality	Implement staged CIRT (web-based tool for application and tracking) functionality for all connections enquiries / customers i.e. non-Competition In Connections applications	Nov'14
Improve awareness of website services including updates & changes	Implement user email alert for website updates and changes	Jun'14
	improve accessibility of website info and services	Jun'14
Improve availability of Network information	Review network information currently available to customers and assess further requirements where necessary	Mar'14
	Implement access to further network information for customers	Nov'14
Improve assistance of customers wishing to apply for connections	Implement a programme of Connection Surgeries following on from last year's trial (see p.g.6)	Jun'14
	hold workshop event for community energy schemes to better understand their requirements (see p.g.6)	Jun'14
Improve information provided in formal offers and consistency	assess whether further information could be provided to improve the offer letter, in particular the cost breakdown, timescales and milestones. Implement improvements identified	Nov'14
Consult on processes regarding interactivity, acceptance validity, payments and reservation of capacity	WPD to consult with stakeholders on the approach it takes (see p.g.7)	Feb'14
	Implement a clear strategy and communicate to stakeholders.	Jun'14
Acceptance of e-signatures	implement policy to allow acceptance of electronic signatures for agreements	Nov'14
improving the process of gaining legals and consents	identify and implement improvements to connections legals process to improve timescales, consistency and transparency for customers	Nov'14
Extension of contestability - Point of Connections (POC) self-assessment	Trial and implement process to allow self assessment of POC for Independent Connection Providers (ICPs)	Nov'14
Extension of contestability - connection reinforcement	Develop trial and procedures to facilitate ICPs carrying out connections reinforcement	Nov'14
Expand service for IDNO network emergency support	rollout ability to support Independent Network Operators (IDNOs) networks for fault repair service across WPD regions	Nov'14
Improve Consistency of process	implement training and briefings to improve consistency across teams	Nov'14
Improve and consolidate inspection and monitoring (I&M) processes	Consult on and develop integrated I&M process	Nov'14

Outputs & Measures

Outputs of the workplan

It is important that WPD are able to assess and measure that the work undertaken through the CCSG workplan and other activities are delivering the improvements and changes expected. The outputs and measures below give us this ability and will help us understand the successes but also help determine where further work is required for the following year's plan:

- **CCSG workplan – initiatives, actions and target completion dates**
- **Business Plan targets - improve the overall time to deliver a connection by 20%**
- **Broader measure – maintain top 4 positions**
- **DG Survey – improvement in satisfaction levels**

CCSG workplan actions and target completion dates

The CCSG workplan contains a range of issues to address, related to connections activities. Each of these issues has one or more initiatives designed to improve our performance, with target completion dates set against each initiative. Meeting these targets will be a measure of successful delivery of improvements to our connection services.

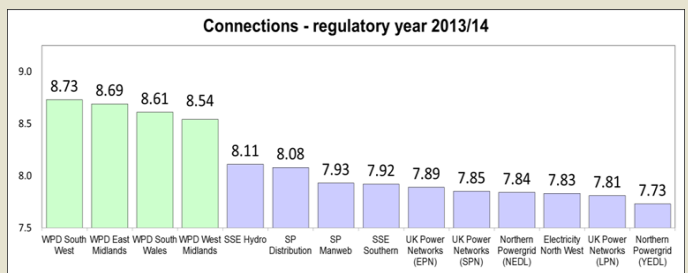
Business Plan targets - improve the overall time to deliver a connection by 20%

We will publish our targets and performance each year. We are currently working with Ofgem to agree common industry definitions for the time to quote and time to construct the connection. Whilst the Ofgem decision document states that the new overall time to deliver a connection will only apply to certain categories of connection (small developments of typically 1-4 properties), WPD will apply this measure across all market segments.

Broader measure – maintain top 4 positions

WPD plans to maintain its leading position on connections customer service by remaining in the top four of the 14 distribution licensees.

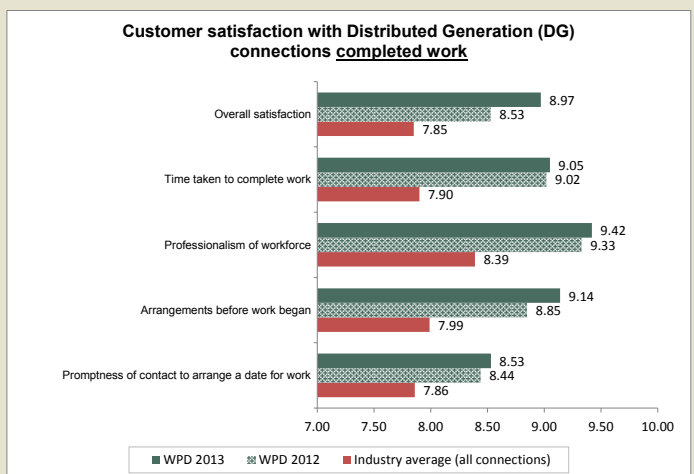
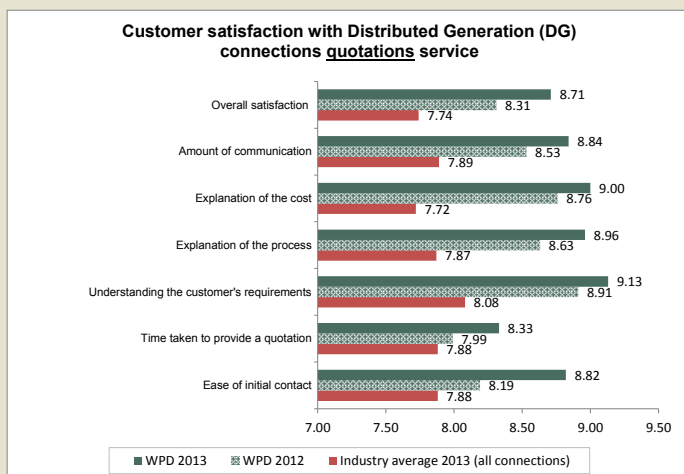
For the regulatory year 2013/14 we achieved satisfaction scores between 8.54 and 8.73 out of 10 for our four licence areas. However, we are not complacent and know that there is more work to do to improve satisfaction and maintain these places. This performance will be a measure of the success of the initiatives in the workplan and our engagement strategy.



DG survey – improvement in satisfaction levels

In 2012, WPD were the first Distribution company to conduct annual customer satisfaction surveys specifically for DG customers. Interviews were conducted with 400 customers about the key aspects of our service. Between 2012 and 2013 the customer satisfaction improved in every area of our DG service and this trend has continued in to 2013 (see charts below) following the outputs of the actions taken through our previous DG improvement plans.

We will continue to use the DG survey this year as a measure of whether the workplan detailed in this submission is delivering the benefits expected for our customers and showing the continued upwards trend in satisfaction.



Planned customer engagement

Connection Surgeries

Stakeholder Focus: *Connection customers, developers, landowners and community groups*

Following a successful trial last year and feedback at our stakeholder workshops, this year we are rolling out an annual schedule of Connection Surgeries as a business as usual initiative. At our business plan roadshows our stakeholders told us that it was important to be able to discuss their connections options early on in the process, even before they have made an application.

Our Connection Surgeries allow customers to discuss face-to-face with one of our engineers, either the process of applying for a connection in general or specifics about a particular scheme. Particularly aimed at DG connection customers, the surgeries hope to provide assistance with questions on process, timescales, technical requirements and possible constraints in a particular network area.

The surgeries will be held three times a year in WPD locations as close as possible to where most participants who have requested an appointment live.

To make sure that we reach as many interested customers as possible we are advertising on our website and also in a variety of national publications from May 2014, including Utility Week, CLA, Farmer Union Wales, NFU, Farmers Weekly (see advertisement to be used above). These publications are targeted at groups who may be interested in putting DG on their land and want to understand the connections process.

ELECTRICITY NETWORK CONNECTION SURGERIES

Western Power Distribution (WPD) is the electricity distribution network operator (DNO) for South Wales, South West England and the Midlands.

We operate the regional electricity network and provide New Connections to homes, businesses and generation sites at voltages from 230 volts to 132,000 volts.

We understand that ahead of applying to WPD for a quote for a new connection and particularly for generation connections, people often have questions and want to understand more about the process, timescales, technical requirements and possible constraints of making a connection to the network in a particular area.

We are therefore running 'Connection Surgeries' where our engineers will be able to assist you.

The surgeries will run on the dates listed and enables interested parties (eg landowners, developers and community groups) to make a 30 minute appointment with an engineer to discuss their requirements and the connection process ahead of making an actual application for a connection to the network.

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CONNECTION SURGERY DATES

To run at various regional offices in our distribution area. Surgeries will be held at office locations as close as possible to where most participants live.

9th JULY 2014

24th SEPTEMBER 2014

10th DECEMBER 2014

To find out more or to book an appointment, please call:

SOUTH WEST & WALES: 0800 028 6229

MIDLANDS: 0800 121 4909

e-mail:

wpdconnectsurgeries@westempower.co.uk

Please mention that your enquiry is for **CONNECTION SURGERIES** when you call.

For the area which we cover please visit our website
www.westernpower.co.uk

▶ **WPD Connection Surgery Advertisement**



Community Energy Scheme Workshop

Stakeholder Focus: *Customers, developers, landowners and community groups*

At the WPD stakeholder engagement workshops for our Business Plan rollout, we held connection workshops in the afternoon to gather feedback on the draft CCSG workplan and to allow stakeholders to discuss any specific connections issues they had. Amongst the feedback from these sessions was the need for WPD to engage specifically with, and provide assistance to, Community Energy Schemes.

Taking this feedback on board, to address this we have invited community energy representatives to join our CCSG panel to input into our plans. We have also organised a Community Energy Workshop jointly with Regen SW in June 2014.

Community energy is an area of DG where customers may need more assistance, having not gone through the process before and not necessarily being energy 'experts'. We therefore need to engage and assist them differently

than we would the broader DG customer base. The objective of the workshop is to begin to engage with these stakeholders and understand their requirements and what we can do to help them and deliver a great service.

Attended by senior management, the workshop will give an introduction to WPD and the electricity grid, a guide to the connection processes, focusing on small to medium scale connections, with a session to get feedback on how WPD could help community energy groups and a surgery for individual issues / large scale connection questions.

We will use the outputs of this workshop to feed into initiatives in the CCSG workplan regarding our connections activity at the information and applications stage.

Planned customer engagement

Consultation on Interactivity Acceptance Validity & Reservation Of Capacity

Stakeholder Focus: *DG & other customers, DG consultants, developers, ICPs, IDNOs & DNOs*

During 2014, as part of the issues identified in our CCSG workplan we are working with DG stakeholders to explore the issues of connection interactivity, acceptance validity and reservation of capacity.

With the increasing volumes of connections applications, particularly for DG schemes, we are seeing a large increase in instances of applications becoming interactive with one another. With this we are also experiencing a variety of scenarios not originally envisaged when the interactive connections process was first developed.

Connection applications become interactive where we provide offers for more than one connection and there is not

enough capacity on the existing network to allow all of them to connect. The process allows a fair allocation of the capacity to the customers in order of the queue of applications; however, this is not always straightforward.

We published a consultation covering the issues we are encountering, with proposals and questions to help us better understand the views of our stakeholders. The objective of this consultation is to help us implement a fair approach to the issues and address areas which will benefit from clarification.

We were keen to hear from all stakeholders to ensure we could form a balanced view of the issues and topics covered in the consultation, so we sent it out to a wide range of stakeholders and made it available on our website. The consultation can be found at the following weblink: www.westernpower.co.uk/About-us/Stakeholder-information/Connection-Customer-Engagement.aspx. We will analyse the feedback and publish our response, including the actions we plan to take in June.

WPD Consultation on Connection Interactivity, Acceptance Validity and Reservation of Capacity

March 2014

the date of the reapplication as the date to slot them into the new queue. This approach would minimise the impact on others already in the other queue who could be pushed down the order if we utilised the applicants original application date.

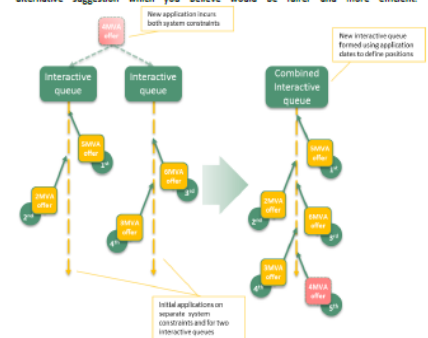
We are therefore looking to gain a consensus away from specific examples and apply that approach.

Joining together of queues

We have encountered scenarios where an application for connection requires a connection scheme which incorporates more than one system constraint where there is already an interactive queue of applications on each constraint.

In this scenario, as shown in the diagram below, we would propose that the fairest approach would be to join the interactive queues together and form a new combined queue. This new queue would be ordered based on the valid application dates of each applicant. The drawback for those in the original queues would be that they may receive notification that their position has dropped down the order. We would however apply the approaches described in the sections above regarding joint 1st place and secondary queues which could help to minimise the impacts.

We would like to seek views on whether you agree with our approach or if you have an alternative suggestion which you believe would be fairer and more efficient.



► [WPD Consultation Document](#)

DG Forum

Stakeholder Focus: *DG Customers, Developers, Community Groups, Govt. Local Authorities, ICPs, DNOs & Ofgem*

In September 2014 we will once again be hosting one of the ENA's three annual DG fora. Held in Cardiff, this conference will give DG stakeholders across all market segments the opportunity to network with others from the industry and to meet and discuss issues and potential improvements with DNOs.

With presentations by Robert Symons, WPD Chief Executive and other WPD experts, the conference will provide a chance for us to engage with a broad range of

DG stakeholders on the issues faced in the DG sector. This information and feedback will help to inform and endorse this year's workplan initiatives as they are developed and implemented.

This engagement is also important in allowing us to take the output of the discussions and feed them into our connection improvement plans for next year's workplan.

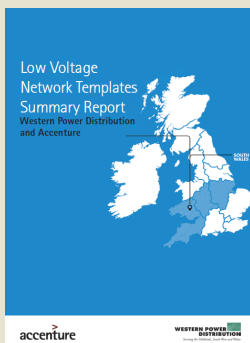
Planned customer engagement

Innovation & Low Carbon Networks

Stakeholder Focus: *DG Customers, Developers, Consultants, Community Groups, Govt./Local Authorities, ICPs, DNOs, Ofgem, Utilities Finance Companies & Press*

Our Innovation and Low Carbon Networks team use stakeholder engagement as a vital aspect of the work they do and innovation in the connection of DG to the network is an important part of this work. The team engage and work closely with DG connection stakeholders to understand their requirements and develop their projects. They also use stakeholder events to raise awareness of their innovation trials and increase customer knowledge of the options available to them when looking to connect DG to the WPD network now and in the future. For our DG connections activity the key engagement activities with input planned for this year are provided below.

Network Templates Launch Event



Following a successful Low Carbon Networks Fund Tier 2 project to develop tools to facilitate the connection of low carbon technology to the distribution network, this event held in Cardiff, explains the findings of the project to the industry, Government and community / public groups.

Attending the event were members of the Welsh assembly government, local politicians and councils, ENA, press, charitable and environmental groups, and other DNO's.

Large Scale Solar UK 2014 Conference

This conference focusing on solar generation activity will be attended by WPD's Steve Burns, Innovation and Low Carbon Networks Engineer participating in a session on "DG connections – the options and potential opportunities using innovation".

The discussion will cover:

- How DNOs plan and operate distribution systems
- WPDs innovation portfolio – How innovation trials can increase generation capacity
- DG focussed projects, case study at LV, HV and EHV
- Alternative DG connections, Timed, Soft-intertrip and Active Network Management.

Major Energy Users Council Conference

Having taken the opportunity to engage with around 400 stakeholders at the event last year, we will once again be attending this year's Major Energy Users' Council (MEUC) national conference. WPD's Future Networks Manager will be presenting on network issues and price implications and we will also have a WPD exhibition stand with staff on hand for more detailed discussions with stakeholders.



Incentive on Connection Engagement

If you have any questions about this report:

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More information can be found on our website at www.westernpower.co.uk/connections

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