



**WALES&WEST**  
UTILITIES

# Stakeholder Engagement Submission

2014/15



working with you



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## Supplementary evidence

The supplementary evidence listed below is referred to in this document and can be found in the separate supporting material.

**1** Stakeholder strategy

**2** Vulnerable customer strategy

**3** Panel reports

**4** Aberystwyth case study

Additional evidence available upon request.





# The challenge continues

## Stakeholders are central to our business planning, delivery and performance

Every day our skilled and dedicated colleagues do their very best to keep our 7.5 million gas consumers safe and warm, with a supply they can rely on and a level of service they can trust. We don't sell gas – we use our extensive pipelines and associated infrastructure to transport gas to homes and businesses throughout Wales and the south west of England. It's a vital service, and one we are extremely proud to deliver.

2015 is a milestone year in our history, as we celebrate 10 years of keeping our customers and stakeholders safe and warm. During this time we have prospered by delivering excellent customer service – with safety, reliability and value for money at the heart of everything we do.

I am hugely proud of the journey we have made, with WWU widely recognised as a **leading player in our sector**. But while we've come a long way in our first decade, the challenge is to build on that success in the next.

Central to our success, both past and future, is making sure the needs of our varied stakeholders are central to our business planning, delivery and performance.

Our stakeholders are an integral part of everything we do, and by listening and responding to their feedback we can make sure we:

- support the diverse communities we serve
- promote sustainability in all our operations
- develop our workforce for the future
- play a key role in our changing marketplace.

Our excellent achievements this year have been made possible by cementing existing partnerships and creating new ones to help us deliver on these focus areas.

By prioritising harder to reach, vulnerable audiences, we are working collaboratively to deliver fuel poor connections, raise vital gas safety awareness, and provide access to cheaper alternative forms of energy.

We fully recognise the energy market is changing, so it's key that we continue to contribute fully to the ongoing discussion around UK energy policy – making sure that we continue to play a key role in a balanced and affordable energy mix for the future.

Going forward, homes, businesses and industry need sustainable and secure energy sources that offer security as well as value for money. Here at WWU we see this difficult landscape as an opportunity to build on our impressive record, further improve our performance, and show how gas can continue to play a key role in a balanced energy portfolio for many years to come – to the benefit of all our stakeholders.

It's up to us as energy networks to constantly innovate and demonstrate we are delivering good value for consumers' money, while continually improving transparency around the real cost of different energy sources as the UK seeks a clear energy strategy.

Recognising the obvious challenge that energy prices place on our customers, I am pleased to say that in 2015 we have reduced our distribution charges by 5% – while at the same time achieving our stakeholder outputs. Provided the

supply companies pass this reduction on, this represents a real benefit to gas consumers from our efforts around ongoing efficiency improvements. We are continually striving to deliver improved value for our customers and consumers, and we will continue to work with all our stakeholders to help shape the future of our business and the services we provide.

Maintaining a firm focus on our business priorities and values is key to all of this. They will guide us to continuously improve, supported by ongoing investment in our people so that we have the skills, confidence and innovative thinking to build our business long into the future.

In the spirit of engaging stakeholders as widely as possible, we published our first annual stakeholder report in September 2014 – and were the only network to receive a Crystal Mark from the Plain English Campaign for its accessibility. The report took stock of our performance in the first year of RIIO-GD1 and looked at the challenges that lay ahead. We did not do this in isolation, but consulted widely with both external and internal stakeholders to help shape our strategy for the future.

I and my executive team take stakeholder engagement in its widest context very seriously – ultimately it provides the rationale and underlying direction for our business. I also encourage all our people at WWU to be champions for our customers, consumers and wider stakeholders – to deal with them in an open and transparent way and to ensure we deliver on the promises we make to them.



**Graham Edwards,**  
**Chief Executive**





## PART 1.1

# Overview of our engagement strategy

### Vision, purpose and goals

By 2050 we want a low-emission, smart network which is at the centre of transporting secure and affordable energy to smarter homes and businesses.

Our stakeholder strategy outlines our approach to engagement and was developed as we built our business plan through extensive consultation with a wide range of stakeholders<sup>1</sup>. This consists of a number of steps and not only sets out the purpose and benefits of engagement to our stakeholders

but also to our business as a key to unlocking performance improvement.

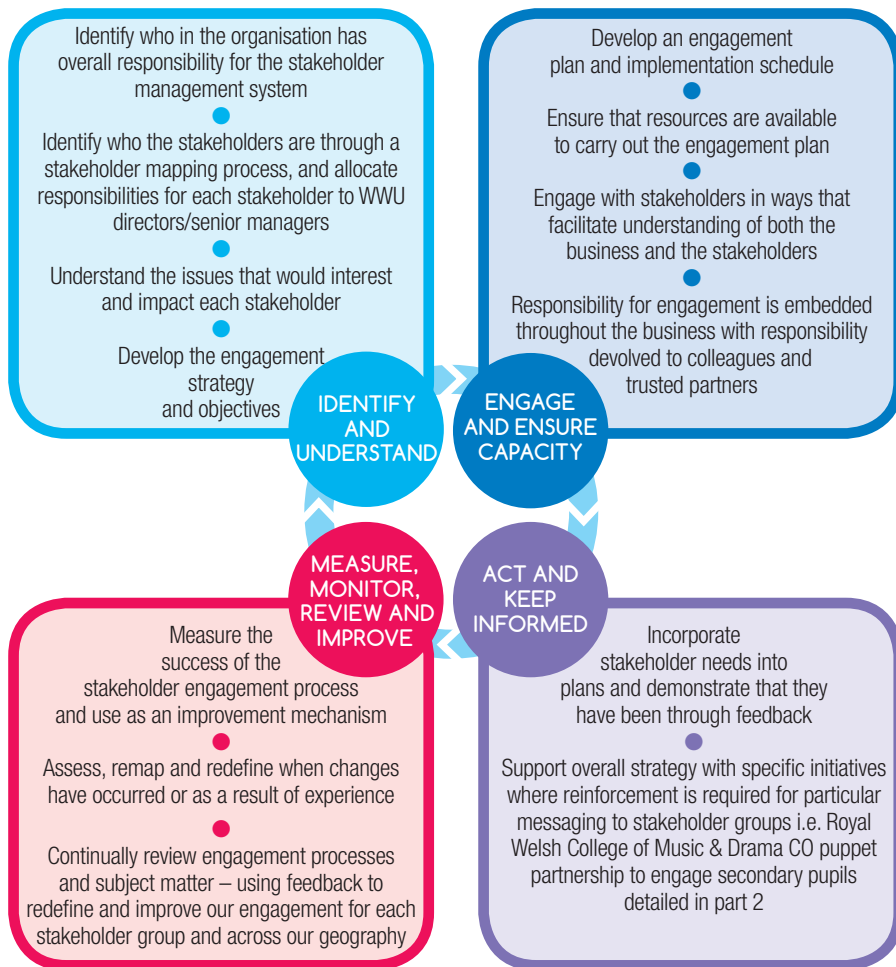
In developing and refining our strategy, we have taken into account best practice and aligned our approach to AccountAbility Stakeholder Engagement Standard (AA1000SES). In September 2014 we commissioned AccountAbility, the custodians of the standard, to undertake a gap analysis along with an independent benchmark of best practice across a number of sectors. We have used the findings to improve our approach and implement learning from other sectors.

We are committed to becoming an even more stakeholder-centric organisation. We will continue to work with a broad range of stakeholders and partners to ensure inclusive, all-encompassing, proactive engagement, which shapes the future of our business and supports our strategic business vision developed with stakeholders during our business planning process.

- We are committed to ensuring stakeholders are informed, engaged and empowered to influence our business decisions to enable continuous improvement.
- We proactively consult with a broad and inclusive range of stakeholders in appropriate and innovative ways.
- We care, listen and act on views, exceeding expectations wherever possible.

The principles that continue to guide our engagement programme are:

### Our vision for better engagement – working with you – to shape the future of our business



#### TRANSPARENCY

- We ensure relevant information is easy to access and understand.

#### INCLUSIVITY

- We acknowledge stakeholders' right to be heard, and engage in a variety of ways to allow everyone to be involved.
- We take the views of all our stakeholders seriously.

#### MATERIALITY

- We engage on material issues informed by what is important to us and to our stakeholders.
- We ensure those engaged are informed and empowered to discuss and influence areas they consider important.

#### RESPONSIVENESS

- We respond to stakeholders' and the organisation's material issues – showing stakeholders how we have taken their views into account and where we have not we will explain why.



## Our priorities

We want to ensure that we are doing the right things, both for our stakeholders and our business. We regularly review and update our priorities and objectives as appropriate. In response to both stakeholder panel and AccountAbility feedback, the process included the development of a detailed longer-term strategic plan. All objectives are classified by the following time horizon:

### IMMEDIATE ACTIONS

Deliverables within the next 12–18 months

### SHORT TERM OBJECTIVES

Deliverables in the current price control period which ends in 2021

### MEDIUM TERM OBJECTIVES

Deliverables for RIIO-GD2 (2021–2029)

### LONG TERM OBJECTIVES

Beyond RIIO-GD2 and out to 2050

Planning for the long term brings about its own uncertainties. We recognise that stakeholder needs change over time, as will the environment in which we operate.

We use our consultative frameworks to review these regularly and update them as appropriate. We are confident that our engagement strategy clearly works to improve business performance while delivering outcomes our stakeholders value, as well as being responsive to change, ensuring we can easily and quickly identify emerging issues.

## Our priorities

### Demanding safety, always



- Efficiently deliver Mains Replacement Programme
- Improve Major Incident Planning
- Minimise risks of carbon monoxide (CO)

### Driving outstanding service



- Customer driven connections process
- Reduce duration of planned interruptions
- Customer-centric emergency response
- Vulnerable customer support

### Delivering value for money



- Minimise customer bills
- Reduce costs of our services
- Tackle theft of gas
- Maximise benefits of innovation

### Doing all we can to provide a reliable gas supply and promote sustainability



- Meeting peak capacity requirement
- Reduce our carbon emissions
- Tackle our contaminated sites

### Designing our future



- Improve our skills capability
- Tackle fuel poverty
- Deliver a smart low carbon, low cost network
- Future of heat and injection of green gas into the network

## We will use our engagement to...

**Short term** – Ensure we deliver our emergency commitments to consumers and the HSE with additional focus on vulnerable customers. Continue to engage with HSE on the key industry issues, including the replacement of iron mains. Ensure no vulnerable customer has a gas appliance without a carbon monoxide alarm.

**Medium term** – Ensure no gas appliance is sold without appropriate failure device. Focus on training and development of our field force as we refresh it over the medium/longer term. Continue to engage with IGEM and ensure fit for purpose industry standards.

**Long term** – All homes to have a carbon monoxide alarm and no accidental deaths from carbon monoxide poisoning. Ensure the current skills and experience are transferred to the next generation of employees and partners.

**Short term** – Identify and develop more targeted support for the most vulnerable customers while building on current feedback from our stakeholders.

**Medium term** – Deliver the best service to all customers within the energy sector. Focus on greater collaboration with other utilities to share best practice and make engagement efficient for utility stakeholders. This will influence our longer-term plans from 2021 onwards.

**Long term** – Deliver outstanding service to all our stakeholder groups and ensure this is embedded within our culture.

**Short term** – Deliver additional fuel poor connections and vulnerable customer services while operating within our allowed costs. (Cost savings are passed on to customers.) Tackling theft of gas to reduce burden on those that pay.

**Medium term** – Focus innovation on a prioritised basis to maximise long-term cost savings to customers. Support off grid and rural communities with an advisory service to help them minimise their energy bills.

**Long term** – Deliver world-leading asset management principles and operational delivery to maximise benefits for consumers. Develop tailored solutions with partners to offer services for those currently off grid.

**Short term** – Reduce our impact on the environment by reducing work where we can. We are replacing inefficient assets and using world-leading techniques to remediate land following excavations. Increase the sustainable use of on site materials to avoid cost, disruption and landfill. Lower our emissions by at least 12%, having delivered an additional 2% this year.

**Medium term** – Build on successful technical innovations that prove successful. Deliver engagement ahead of the RIIO GD2 plan to influence our medium/longer-term strategy and deliverables.

**Long term** – Completely remove any high risk/high cost assets. Develop our infrastructure to fully support the UK government carbon plan. Work with experts to replace as much natural gas as possible with lower carbon/cost alternatives.

**Short term** – Embed our ambition, priorities and values across our business. Continue to develop skills within our workforce and also recruit the new skills we need. Develop real case studies that provide robust evidence for future energy policy makers – eg impact of heat networks. Continue to focus on key challenges as highlighted within Government publications. Explore a range of alternatives to natural gas. One key challenge is to bring consumers into the debates.

**Medium term** – Respond to changing customer needs through new and innovative tools such as the “Ignite” platform. We are changing our system and processes to support the rollout of smart meters that will support a smart future and “customer switching”.

**Long term** – Engage and influence policy makers with objective research and analysis. We are looking to 2050 to understand the services and investments that stakeholders will require to support a transition to a lower carbon, low cost future.





## Creating a culture of engagement

Our people are critical to the success of our engagement programme. Our governance structure ensures that people at every level of the organisation are fully engaged in and understand our business priorities and are accountable for engagement.

In addition, stakeholder engagement is integrated into our performance management system through each employee's individual objectives; both implicitly in the delivery of the business outputs we developed in collaboration with our stakeholders as part of the business planning process, and explicitly in how we do it. Our values, which underpin all colleagues' performance objectives and behaviours, target "better relationships with colleagues and wider stakeholders" and refer to the building of trust by "listening and taking action" on what our stakeholders tell us.

We measure success through our revised colleague engagement survey, which helps to assess our culture and identify areas for improvement. This survey is critical, as we recognise the importance of engaging with our 1,330 direct employees and 700 contractors who interact with stakeholders on a daily basis. It is crucial that they buy into our business priorities and values and are willing to listen and act on stakeholder feedback. Some of the questions asked, together with the results from our March 2015 staff survey include:

- I understand our business priorities and values: 91%
- I understand who my customers are and give excellent service by

**WWU Board**  
review and sign off our engagement strategy annually

**Executive Business Operating Committee**

**Emergency and Repair**

**Network Management**

**Mains Replacement**

We use a number of different approaches to ensure our culture of engagement is integrated throughout the business. For example, investment papers at each operating committee cite key stakeholders affected, how they were consulted, and how their views incorporated into decision-making.

**Stakeholder Steering Group**

**Innovation Steering Group**

We review the quality and effectiveness of our ongoing engagement programme monthly through a steering group that comprises our full executive team plus other key decision makers and process owners. This structure allows us to respond quickly to feedback and incorporate it into our decision making at the highest level.

**Vulnerable Customer Panel**

**Critical Friends' Panel**

Graham Edwards, our CEO, continues to chair our critical friends' panel sessions, which allow these key stakeholders and group representatives direct access to Graham, encouraging timely delivery of feedback on progress and delivery against plan.

listening to them and taking action on what they tell me: 96%

To further embed this engagement culture, in 2014 we introduced a colleague award ceremony – "Celebrating Excellence" to celebrate success and recognise outstanding performance across our workforce. Many of the projects and teams rewarded were stories of successful engagement in practice.

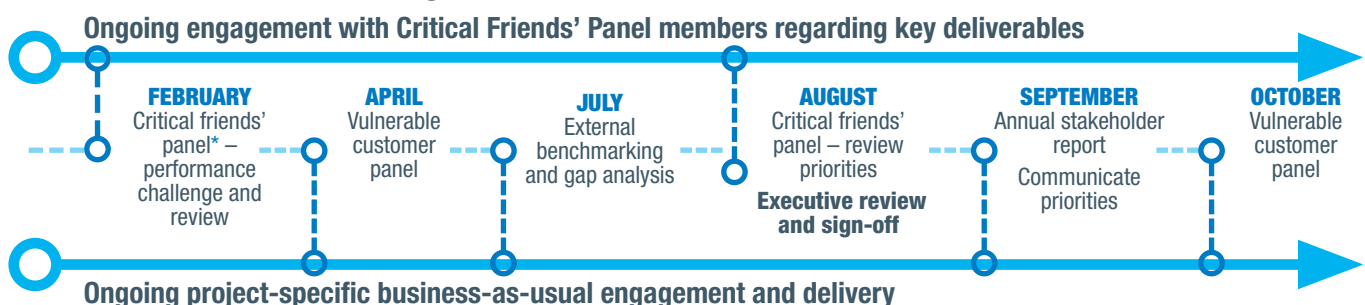
### Indicative annual rolling timeline

This process helps us to ensure that our strategy remains relevant and that our ongoing programme quickly adjusts to reflect emerging issues.

There are gaps between where we are now as a business and where we want to be as a business in 2050. By 2050, we want a low cost, low emission, smart network which is at the centre of transporting secure and affordable energy to smarter homes and businesses. We may also be an entry point for locally generated energy, providing fuelling points for low-energy transport vehicles. We are updating our network now to work toward this and our continuing investment has one eye on achieving our vision for 2050.

We recognise that these can only be achieved through close collaboration with our stakeholders. Our updated engagement strategy is supporting us on this journey.

## Indicative annual rolling timeline



\* Critical friends' panels consist of over 40 individual and organisational representatives from each of our stakeholder groups. Panels meet formally twice a year with independent facilitators. We are in regular consultation with one or more on an almost daily basis.



## PART 1.2

# Broad and inclusive engagement

### Our guiding principles

- Transparency
- Inclusivity
- Materiality
- Responsiveness

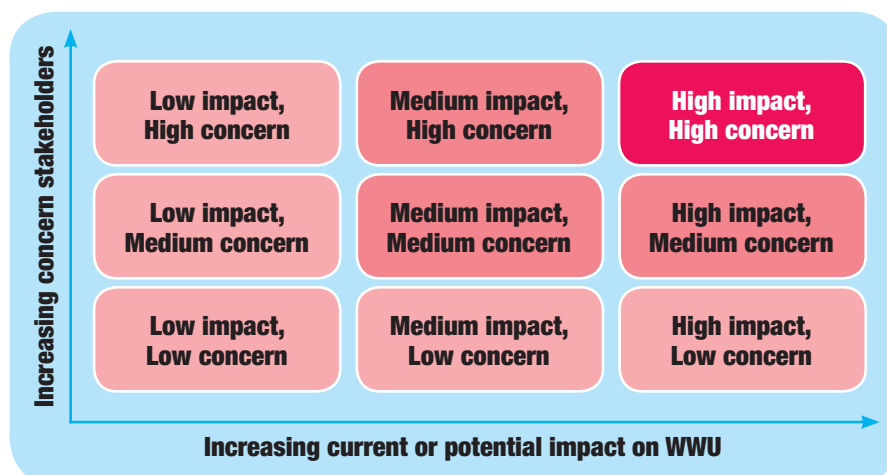
The planning and implementation of our activities is supported by:

- stakeholder segmentation and insight
- appropriate resource
- supporting frameworks of engagement
- partnerships and collaboration.

### Stakeholder segmentation and insight

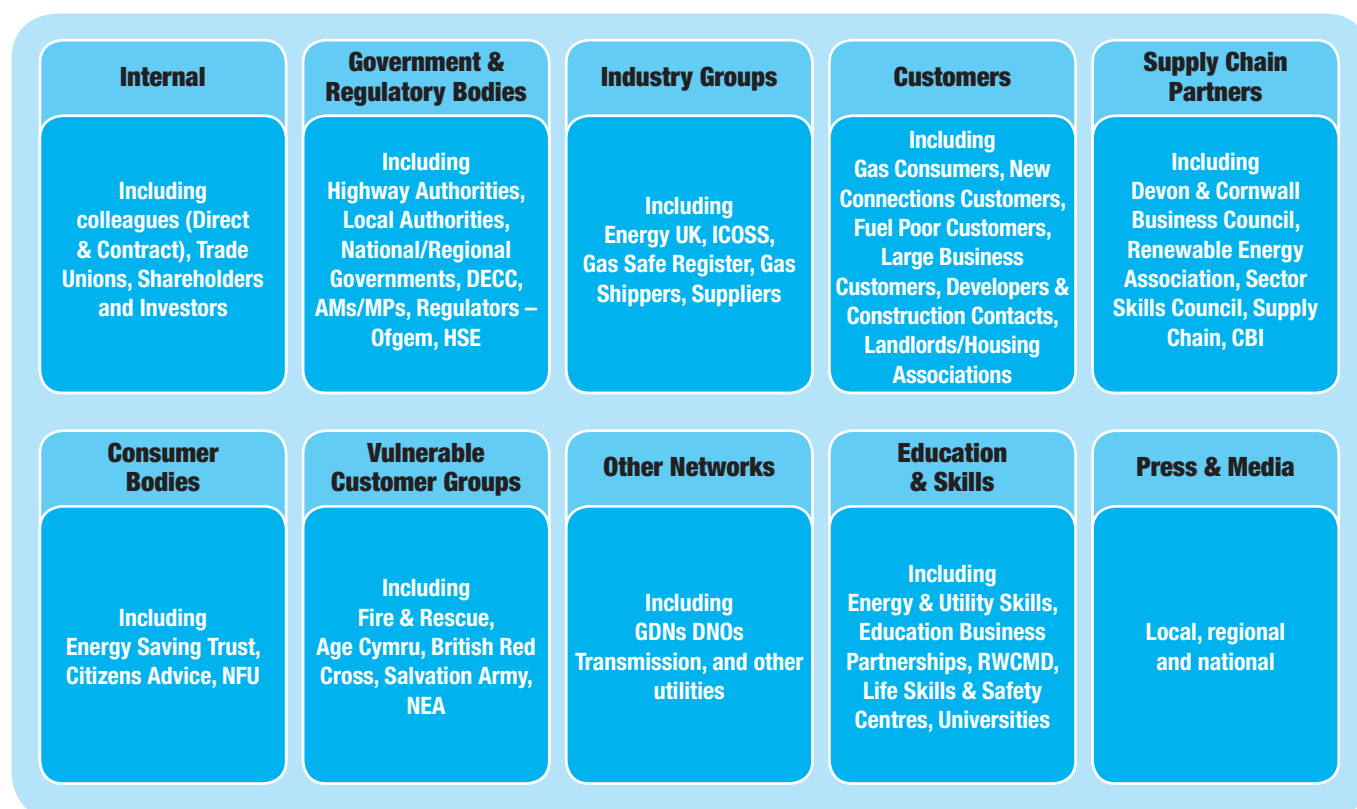
We **identify** the stakeholders with an interest in our activities internally via a process led by our executive team. Our assumptions are then sense checked through consultation with our critical friends' panel to identify any gaps.

We **segment** our stakeholders by interest and map them to our business priorities and outcomes. This ensures we align our engagement towards



both their needs and ours. A recent example of this was the launch of our Handy Van service. Tailored for over 50s who are vulnerable, the service provides help with small household repairs, minor adaptations and odd jobs that improve quality of life, giving peace of mind by making homes more safe and secure. Although we promote the service via social media, we chose

to launch at a local market, as this was more relevant to the target audience. We continually **review** and assess whether stakeholders are still appropriate and if any are missing from our database. This ensures inclusiveness of engagement. Our stakeholders are segmented into 10 groups, displayed below:





## Appropriate resource

Our core engagement team is minimal: Our ethos is that, for stakeholder engagement to be truly effective, it must be part of everyone's role. The cross-functional nature of our stakeholder steering group provides links into all areas of the business and our Stakeholder Engagement Manager acts as a conduit for recording business-as-usual engagement activities, working with management teams to develop stakeholder maps and materiality matrices relevant to each area of the business. This informs our company engagement plan and shapes our wider public consultation approach.

The fantastic volunteer culture of our staff helps us to go beyond standard business objectives without having to fund additional resources. Our regular presence at county shows is only made possible through their support. With a population of ~3m and a footprint of 241,000 we engage with 8% of the Welsh population at the Royal Welsh show alone. We don't ignore smaller rural communities and take our stand to the Royal Cornish Show – a county where 19% of the permanent population lives in fuel poverty and 22% are elderly. This provides an excellent forum to share our services for vulnerable customers.

These cost effective approaches allow us to leverage best value from our investment for our customers. Where specific focus is needed, however, we invest appropriately and a Vulnerable Customer Manager has been appointed to work alongside our vulnerable customer panel to further develop our strategy in this area<sup>2</sup>. In the event of an incident, this person attends site to manage teams whose role it is to identify and support all vulnerable customers. This assistance is not limited to those on the Priority Service Register.

## Supporting frameworks of engagement

Our vulnerable customer and critical friends' panels continue to be a success. The relationships we built with a broad range of stakeholders through these forums continue to help shape our strategy and approach to

engagement. We meet formally as a group biannually, ensuring that each of our segmented stakeholder groups are represented and engage regularly with the organisations on the panel<sup>3</sup>.

## Partnerships and collaboration

We maximise the effectiveness of our engagement activities through appropriate partnerships and collaboration. To ensure we do not duplicate effort, we collaborate with the industry to share best practice and develop common approaches where appropriate.

One example followed a GB-wide innovation summit led by the CEOs of the four gas distribution companies. "Ignite", the resulting project, is an innovative and ambitious approach for us to come together to create dynamic solutions to provide access to cheaper alternative forms of energy for everybody. The first stage of this project was a series of customer engagement workshops and research to identify the key areas on focus.

Other examples of our partnerships on a national level are:

- We represent the networks on the Fuel Poverty Advisory Group. This group shapes and influences government policy on fuel poverty and has played a role in the recently published new government strategy. **We lead the Off Gas Grid Industry Working Group** on behalf of the networks and have led the data mapping exercise, completed first for Wales, which is now being rolled out to map all 4 million off gas properties nationally by DECC with our support.

- We are a member of the Welsh Government Energy and Environment sector panel. We are providing a straw man document for the Welsh Government that will inform the principles of a future Welsh Energy Policy.

- We **represent the GDNs on the All Fuels Action Forum**. Following a consultation commissioned by WWU, we identified private landlords as a key group to engage on CO safety. We were able to support new legislation and influence national policy formation on behalf of the networks. This contributed to the recent Government announcement to make installation of CO alarms mandatory in rental properties – effective October 2015.

At a local level, we look to maximise value from every pound spent on our projects by engaging with appropriate partners. A recent example of this working was on a project in South Wales with the Vale Council, Fire and Rescue Services and the Police. We used CO Awareness Week as an opportunity to target a vulnerable community in South Wales. Our dedicated employee volunteers gained access to 500 properties over four days, providing each home with safety advice and installing a CO alarm. For this project, we leveraged value from our relationship with Council for Gas Detection and Environmental Monitoring (CoGDEM) members and the 500 alarms distributed as part of this project were not at WWU cost. Environmental Health graduates are surveying the properties pre and post intervention to undertake a detailed piece of research into the impact of this campaign.



<sup>2</sup> Supplementary evidence – Vulnerable customer strategy

<sup>3</sup> Supplementary evidence – Panel reports





## PART 1.3

# Tailored tools and techniques

Our experience shows that there is no single most effective method to involve stakeholders in any given decision. In many cases a number of differing methods need to be employed, sequentially or in combination, to maximise the flow of information and understanding.

Our business engagement planning is not undertaken in isolation and involves colleagues from all areas of the business. In order to further develop our engagement strategy and improve understanding, we have developed and successfully piloted a stakeholder engagement workshop for managers. This familiarises our people with the relevant skills, tools and terms needed for successful engagement. The workshop culminates in participants working with their management teams to develop a stakeholder map and materiality matrix relevant to their area of the business. This ensures we continue to focus our efforts where they will add most value. The relationships grid below forms part of our training programme to support staff in targeting their engagement and informs our plan, particularly identifying where we can work better together to support our colleagues in their daily engagement activities – address risk and prevent waste.

The methods used to inform, consult, involve, collaborate and empower will vary depending upon the stakeholder. We implemented a number of new methods in 2014/15. These are highlighted in red.

### Inform

- Our first **annual performance report** for stakeholders was published in September 2014.
- **Text messages and social media** are now used as a matter of course to update people during an incident. We are reviewing our social media strategy to understand how we use social media to engage and involve

our stakeholders in addition to using it to inform them of our activities.

- We continue to proactively engage via **press releases** at appropriate times of the year and have received good coverage of our activities in BiTC Responsible Business Week, Gas Safety Week, CO Awareness Week and for other industry events and awards.
- We have introduced **QR codes** on our mains replacement site signage to provide additional information around project progress and completion for residents.
- In order to improve our accessibility we have worked with the Shaw Trust to update our **Internet** site. The new site, which will launch in July 2015, is being accredited for accessibility by the Shaw Trust following detailed user testing by a cross section of our vulnerable customers.

### Consult

- We have established **consultation forums and conferences** to share best practice as appropriate. In 2014/15, our **Emergency Planning Conference** brought together organisations involved in emergency response to share best practice.
- Surveys, focus groups and research commissioned on a case by case basis.
- In 2014 we completed a series of 19 **colleague roadshows** hosted by our CEO Graham Edwards and members of the executive team in locations across our network. From Falmouth to Llandudno, we spoke to almost 80% of our workforce about our work, seeking feedback through interactive discussion groups.
- We followed this with an employee engagement survey, now annual.

### Involve

- We involve our colleagues through **employee round table meetings** – these are an important opportunity for our executive team to engage customer facing staff directly, seeking their input.
- **Business Insider round table meetings** to engage LEPs, SMEs and local business.
- We continue to target **major shows** with our interactive CO learning environment developed with science centre Technquest. We are able to engage directly with 8% of the Welsh population at the Royal Welsh Show and 19% of the Cornish population at the Royal Cornwall Show.

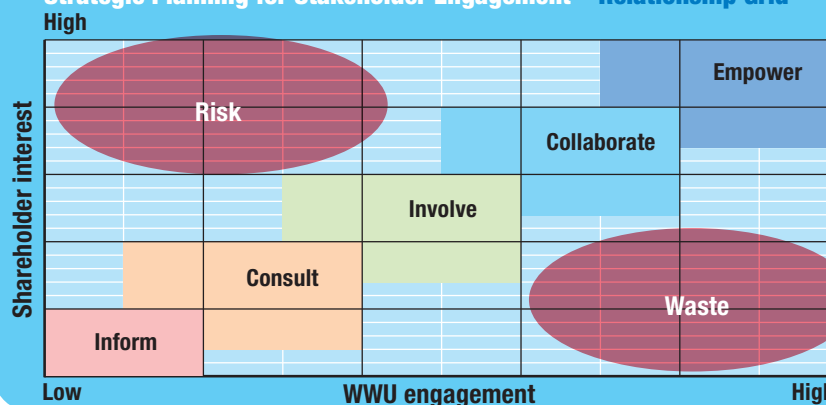
### Collaborate

- In order to deliver outcomes beyond our expertise and maximise the effectiveness of our engagement activities, partnerships and collaboration are crucial.
- Building on our whole house approach to fuel poverty, we have worked with a local energy and renewables SME, Egnida, to deliver a whole house retrofit solution for a vulnerable community in Bridgend.

### Empower

- We continue to engage a cross section of our stakeholders in our decision making processes through our **critical friends' panel** and **vulnerable customer panel**. Graham Edwards, CEO, personally chairs these meetings.
- Our **Customer Service Application** empowers customers to share their views and allows us to respond to feedback in real time.

Strategic Planning for Stakeholder Engagement – Relationship Grid



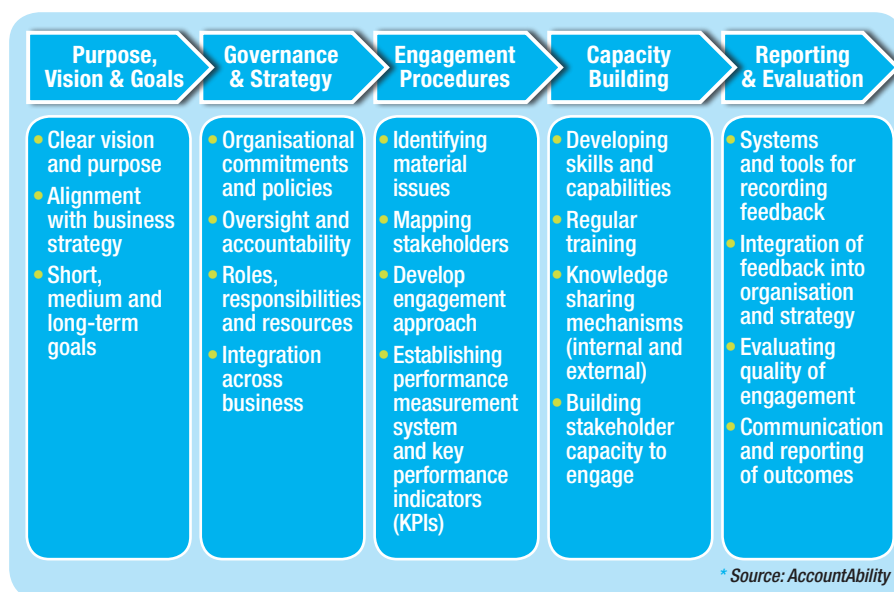


## PART 1.4

# Audit, evaluation and accreditation

### 1.4.1 The quality of our engagement strategy

In September 2014 we worked with AccountAbility to undertake a gap analysis of our engagement strategy and processes against AA1000SES. The analysis reviewed the following areas:



### AccountAbility audit report

Out of 32 areas assessed, seven areas for improvement were identified. These were primarily around how we could further embed at all levels of the organisation. We have since been working to close these gaps by developing a training programme and engagement tools and plan to reassess ourselves against the standard later this year.

“ WWU is building on previous stakeholder engagement experience and is willing to work closely with its stakeholders in order to strengthen a solid process for the years ahead ”

AccountAbility audit report

### 1.4.2 How we serve our stakeholders

#### First gas distribution business to achieve ISO 55001

The standard, only introduced in January 2014, replaced the British Standards Institution Publicly Available Specification (PAS-55) for Asset Management and has a much greater emphasis on stakeholder engagement than its predecessor. We continue to hold the standard. The last audit in February 2015 identified no areas of non-conformance.

The report highlighted that “the organisation has determined relevant stakeholders and their requirements and expectations; the process...for decision making and stakeholder requirements is robust.”

### Institute of Customer Service (ICS)



The ICS is the UK-wide professional body for customer service across all UK companies. We applied for and achieved their ServiceMark accreditation in 2013, at which time we proved to be not only one of the leading gas networks for customer service but also one of the leading performers in the UK. We have since worked to improve our performance further and are currently undertaking surveys with the ICS to measure and re-benchmark.

### Gas Industry Awards

Winners for the fifth time since 2008, we were proud to receive the gas industry award for customer service in 2015.

The awarding judges commented that our business had set itself apart from other gas networks by not only providing excellent customer service, but also by measuring the quality of that service in innovative ways. This award recognises our efforts and performance in driving outstanding service and in putting our customers first: building trust by listening and taking action on what they tell us.



### RoSPA Gold Award – a gas industry first

The RoSPA Awards recognise excellence and encourage improvement in managing safety, recognising and encouraging improvement in performance standards in this vital operational area.

Entries are judged on a combination of verifiable historical performance data, together with evidence of an effective and cohesive programme of working with stakeholders to manage and address risk. In 2014 we were proud to receive a Gold Award to recognise our performance which has since been reaccredited in 2015 – a first in gas distribution.





### 1.4.3 How we speak to our stakeholders

#### Plain English Campaign



We are committed to delivering clear, concise information which can be understood and actioned upon a single read. We have been members of the Plain English Campaign since 2013. We have already Crystal Marked all of our standard text and external correspondence. We have

also trained 40 staff who regularly write free text letters. We hold annual refresher training to ensure that the principles of corresponding in plain English are embedded. Our 2013/14 annual stakeholder report was the only GDN report which was awarded an accreditation by the Plain English Campaign.

### 1.4.4 The outcomes of our engagement

#### Business in the Community (BiTC)

BiTC are a business-led, issue-focused charity whose members work together to tackle a wide range of issues that are essential to building a



fairer society and a more sustainable future. In 2014, we were proud to win a Wales Responsible Business Award. The Building Stronger Communities category recognises partnerships between businesses and community organisations that successfully address a key social issue and make a lasting impact. Our “No to CO” campaign was highly commended by the judges for its ambition, reach and lasting benefits to the community.

Our responsible business practices consider not only the communities we serve, but also the market place in which we operate. We are mindful of limiting our impact on the environment while ensuring our workplace encourages the development of our workforce. This year we are delighted to be shortlisted in the Welsh Large Business of the Year category and await the decision of the panel in June.



## PART 1.5

# Acting on feedback

We continue to receive rich and diverse feedback from a wide range of our stakeholders through our engagement channels. We highlight here some recent key feedback and associated actions.

Since our first critical friends’ panel was established, this forum has engaged with over 40 organisations, covering topics and implementing feedback in business areas such as our carbon monoxide awareness strategy, vulnerable customer strategy, our new branding and consultation on the redesign of our website. In the past year we agreed 32 action points, over 70% have been completed and closed.

Our panel members are kept up to date on the progression of actions between panel meetings. They have also influenced the redesign of our website. By consulting on issues in the early stages of projects, we are able to ensure that our stakeholders’ views are at the heart of everything we do. We are delivering value for money

and completing projects efficiently and effectively. We have acted on feedback from the panel sessions, developed a quarterly newsletter, and shared all our consultation responses with appropriate stakeholders.

We also received a positive response from the panel members who have highly rated the sessions overall. We were praised for our “willingness to listen then act” and our “keen to engage” attitude. All of our panel members rated the sessions and methods of engagement as “good” or “very good” and all agreed that they were provided with enough information and had sufficient opportunity to express their views during the panel.

#### Ignite Platform – Industry Summit; planning for the future

During 2014 we invited a broad range of stakeholders to the first UK-wide “Industry Summit”. The key objective of the summit was to engage with

senior figures and key influencers and understand directly from them what were the key challenges facing the industry in a group environment. Five key theme areas we identified were:

- Social energy – How to help customers
- Vehicle compressed natural gas – How to decarbonise large vehicle emissions
- Appliance ecosystems – How gas would enter the smart home of the future
- Integrated renewables – How gas can integrate with renewable technologies
- Bio-future – How to replace natural gas with alternatives.

The immediate major priority identified was social energy and we are now developing the work in this area to bring energy solutions for customers off the gas network using a smart platform known as Ignite.





Initial customer research has been completed and early concepts developed. Work is now progressing on this key theme during 2015. The key change is that customers are driving the agenda. Feedback to key stakeholders will be provided at future industry summit events. The next challenge will be to develop the other themes of work.

## Cross sector engagement

During the year, we saw the development of “Local Enterprise Partnerships” and “regional hubs”. Following feedback from the parties engaged within these two new stakeholder groups, we are now developing specific engagement opportunities with these groups on a cross utility sector basis. We attended other local utility engagement events and have broad buy-in to develop engagement in this area. This will be a focus for 2015.

## Innovative delivery models

Feedback received through customer satisfaction surveys and engagement with our own work force has informed new working arrangements. We’re focused on delivering the best outcomes for our customers and our revised arrangements, delivered in conjunction with the trade union, have resulted in significant improvements in both productivity and performance, which is delivering lower cost outputs for our customers.

## Security of our critical network assets

We have worked with MI5 and other government departments to develop a plan to upgrade the security of our critical infrastructure assets. Their expertise, combined with our engineering know how, has resulted in improved resilience.

## Communication of our performance

We recognise that our industry is complex, with a significant variety of stakeholders wanting to understand and engage. We used our critical friends’ panel to help us develop a new annual stakeholder engagement report. The first report was delivered in September 2014. The critical friends’ panel gave us some great direction on content, and how we could maximise the accessibility of the document. As a result, we had our communication endorsed by the Plain English Campaign and achieved a Crystal Marked document – the only network to achieve this. We have been widely praised for the content and accessibility of the document. We will follow a similar process this year.

## PART 1.6

# Measuring and evaluating benefits

## Business engagement and intelligence

The success of our engagement links directly to the success of our business. We need to get our performance targets right through our continued engagement, and continually work to improve our performance.

Over 600 colleagues participated in a strategic review that included online surveys, workshops and interviews. This uncovered some key areas for improvement, including strong themes that colleagues wanted “to better understand how they contributed to our wider business purpose” and “better access to performance information”.

Subsequent workshops with both internal and external stakeholders helped to shape our refreshed priorities, values and business targets

that built on the deliverables agreed as part of our business planning engagement process. To support the delivery of our targets, colleagues need timely and trusted information to

understand performance and support improvements; to achieve this our business intelligence tool “Insight” was created. Insight is strategically aligned to our business priorities,



Sample dashboard



Leading from the top... our FD briefs colleagues on our innovative tools

enabling individuals to understand how their actions contribute to the delivery of outcomes important to our stakeholders.

This data can be interrogated by outcome, region, manager and date. It includes root cause analysis to get to the core of any performance issues.

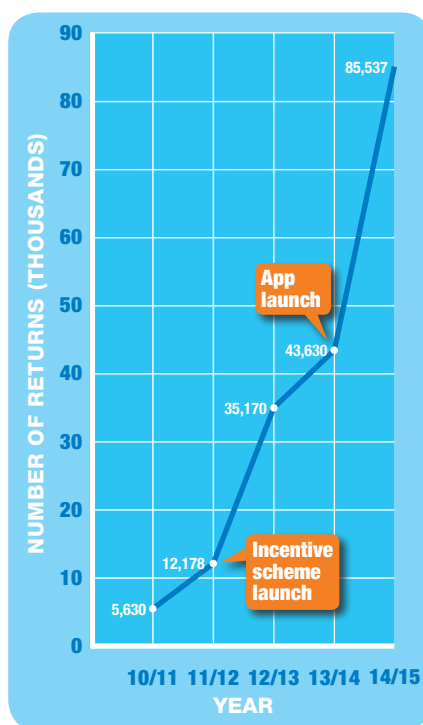
96% of users said “the dashboard content will support improvements in performance” and it is “easy to use” and supports immediate performance improvements with its real time access. The tool has been cited as “Industry Best Practice” by the ISO 55001 auditor and we have shared our approach with other utilities.

## A real focus on our customers

Outside the regulatory reporting process, we have proactively collected customer feedback since 2007 in order to improve our performance. In 2011/12 we implemented an incentive which directly linked employee reward to the volume of feedback they were able to collect. This saw an increase in feedback volumes, however, when the trend started to plateau we consulted our customers and colleagues as to how we could continue the improvements.

In response to their feedback we developed a more accessible feedback mechanism. In 2013/14 we introduced a customer service app for our operatives smartphones, designed to make communication with customers easier.

The number of returns has almost doubled as a result over the last 12 months. These returns cover 50% of our work; on which we are able to receive and respond to customer feedback in real time.



An industry first, our online quotations system was introduced last year with the target of reducing quotation lead times, making our services more accessible online and ultimately improving customer satisfaction. The system has reduced the time taken to provide a quotation for a new connection from 10 days to 20 minutes. We deal with an average of 450 enquiries each month via the system.

The system won the IT Innovation award in the 2014 Utility Industry Awards. We demonstrated it at the Networks Innovation Conference in Aberdeen. We have since had visits from three other utilities interested in understanding how we developed the system and have gladly shared our learning.

As a result of these innovations, we have seen a substantial improvement in our already upper quartile customer satisfaction scores, with an 8% improvement in our connections scores and 4% improvement overall.

## Online presence

Daily monitoring and monthly reporting of all media coverage reveals that we are a consistent top quartile performer for positive media mentions when tracked against all other Gas Distribution Networks.

We have increased our positive media coverage by a further 10% during this

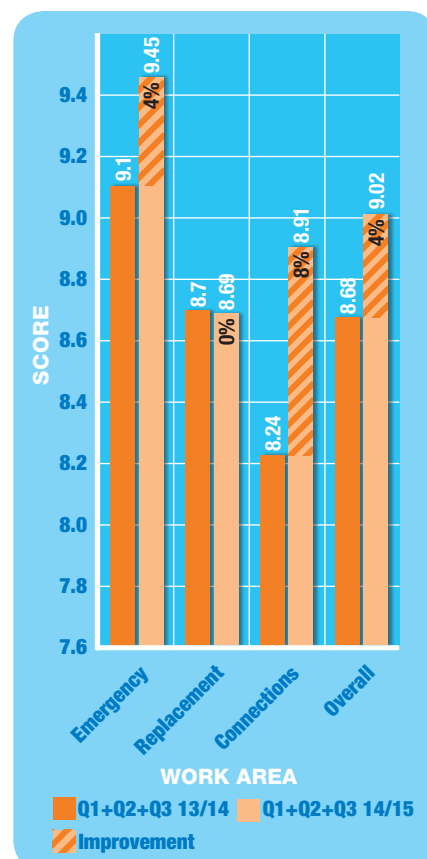
period; much of this is attributable to higher volumes of positive coverage via social media channels. These channels have been further tested and trialled this year, with excellent results achieved in relation to raising awareness of community events and core promotional messages around our key gas safety messages/campaigns.

The themes we track each month, to make sure our business is achieving coverage across a balanced mix of important business deliverables, include:

- Community/stakeholder engagement
- Community investment
- Skills
- Safety

Each month we map the sentiment trend we achieve in the media against each of these key themes to track our progress and key message placement amongst our target audiences.

Over the last year award wins, community events and programmes to reach customers with key gas safety messages, the skills of our workforce, safety record and commitment to innovation – have all contributed positively to our ranking and overall media engagement.



## PART 2.1

# Delivering outcomes

Our engagement strategy as outlined in Part 1 has facilitated the delivery of a number of innovative outcomes for our stakeholders. These have been independently recognised as best practice during this year. We monitor, measure and report progress at least every month through local team meetings and our formal business operating committees – all of which are chaired and led by the WWU CEO and executive team.



This part outlines some key examples of the specific stakeholder groups we engaged with, their priorities and how we have responded. We also summarise the key outcomes we delivered against our core business priorities of:

- Demanding safety always (2.1.1)
- Driving outstanding service (2.1.2)
- Delivering value for money (2.1.3)
- Doing all we can to provide a reliable gas supply and promote sustainability (2.1.4)
- Designing our future (2.1.5)

The following sections focus on each of these in turn. While we are proud of the outcomes delivered this year, we also outline some areas where we can deliver even more into the future. We will achieve this by using our comprehensive and targeted engagement strategy.

### 2.1.1 Demanding safety always

We keep raising the bar on safety, continually looking for innovative ways to improve standards for our customers and colleagues

Stakeholder targets	Groups consulted	Consultation activity	What our stakeholders said	What we have done...
Efficiently deliver mains replacement programme	Highway authorities, consumers, the HSE, Ofgem, local businesses	Social media, customer service smart app, critical friends' panel	Iron mains is not a suitable material for transporting gas, better to replace a whole area.	Changed our annual plan to increase project sizes to only go to an area once, updated communication process and materials.
Ensure we are prepared for a major incident	Emergency services, other networks, vulnerable customer panel, local authorities	WWU led national emergency planning, feedback from critical friends' panel, specific workshops and collaborations with local emergency services	Learn from previous major incidents, share best practise, recognise vulnerable customer needs.	Updated our major incident planning and communications. Worked with Plain English campaign to Crystal Mark key documents now used as best practice across the UK.
Reduce risk to general public from CO	Government All Party CO group, customers, politicians, emergency services, landlords	National action group, local county shows, primary and secondary school visits	Work to increase awareness – particularly within vulnerable groups; influence legislation to have CO alarms in more homes. Distribute CO alarms.	Distributed more than 3,800 alarms, delivered interactive displays at major local events, collaborations with local emergency services. New innovative partnerships with RWCMD and Age Cymru.

#### Key outcomes:

- Outperformed our risk reduction target for the year; replaced more iron mains with plastic than planned (377km compared to a target of 359km)
- Led the industry to increase awareness of the dangers of carbon monoxide, distributing over 3,800 CO alarms during the year; increased awareness by 35% with 88% committing to take further action
- Influenced energy legislation to include proposals for the use of CO alarms in private rented accommodation

Central to our ethos is the provision of a safe and secure gas supply to keep the general public safe.

- In order to meet this objective, the main priorities defined by our stakeholders are to:
  - continue to deliver our mains replacement programme
  - ensure we are prepared for a

major incident, while maintaining the network to prevent them

- reduce risk of accidental CO poisoning – with particular regard to vulnerable customers.





## Effective and efficient delivery of our mains replacement programme

Our largest investment activity impacts over 40,000 customers, communities and highway authorities annually.

- We removed 377km of iron mains against a target of 359km. The new plastic pipe will last for more than 80 years.
- We renewed 24,000 customers' service pipes, again with plastic, to remove future risk.

Our stakeholders consider our mains replacement programme, targeted at removing old metallic mains and reducing the risk of gas explosions, to be a priority. They continue to tell us that it either should remain at its current rate or be accelerated. In response to this feedback, we have designed our programme to give the greatest benefit (highest risk reduction and lowest cost) to customers as early as possible. This, together with focused cost control, helps to make sure that the £70 million spent on these projects annually delivers most value for money.

This approach results in us generally being in locations for longer but not having to return at a later date. Feedback from customers, local residents and commuters, through social media, our real time customer service app and complaints analysis tells us this isn't popular. In response, we try to adopt a technique to replace the gas main that allows us to limit the number and impact of holes we have to dig. We operate at an insertion rate of 95%, the highest of all the GDNs. We also prioritise live insertion in order to limit the number and duration of customer interruptions.

We continue to share our forward planning with councils and highway authorities, sharing expertise to help schedule this essential work more effectively. We shared our five-year plan to help with these discussions as well as carrying out wide-ranging community action to keep disruption to a minimum.

We use our communications plan to make sure we engage extensively with local residents, businesses and community services. This includes posting tailored letters and



Partnering to deliver key safety messages to vulnerable communities

newsletters to affected customers and communities, hosting open days to provide more detailed information and informing local media outlets. This is very much a two way process and on the rare occasion something comes to light which was unplanned, we work alongside local stakeholders to find a solution to the problem. For more information on how this works in practice, please see supplementary evidence<sup>4</sup>.

## Ensure we are prepared for a major incident

Supporting our customers, including the most vulnerable, is never more important than in a crisis. Following the terrible floods in the South West in early 2014, we led industry engagement to share best practice. This ensured that not only us, but the industry and its partners, are better placed to maintain critical infrastructure and supply to support our vulnerable customers in the event of a large scale incident. In November, more than 100 delegates attended our National Emergency Planning event to hear first-hand from a range of organisations involved in different aspects of emergency planning. The session included speakers from the Police Force and Department of Energy and Climate Change (DECC) who shared their experience of how risks are assessed and the various roles of central and local government in response to them. As a result, we reviewed and updated our processes and communications to ensure they are written in Plain English

and are 'crystal clear'. We are delighted that other GDNs have since adopted our communications and approach.

## Reduce risk to the general public, from accidental CO poisoning

In June 2014, we won the Business in the Community Wales Building Stronger Communities Award. This recognised the innovative ways we involve our community to increase awareness of CO poisoning. This was reaccruited in 2015 for its continuing impact. This year:

- Our campaigns have delivered a 36% increase in awareness.
- 85% committed to take a further form of action.
- 3,818 alarms have been provided to vulnerable customers and communities making a total of 14,030 over the first two years of RIIO-GD1 – more than all the other networks combined.

Research shows the effects of CO poisoning can vary between individuals, with the young, elderly and some other vulnerable groups being particularly susceptible. Tailoring our messaging to these segmented audience groups has maximised the reach of our campaign and its effectiveness in inspiring behaviour change. We leverage value from existing partnerships and sponsorship packages to ensure we achieve value from every pound spent. Our partnerships with Dangerpoint and



<sup>4</sup> Supplementary evidence – Aberystwyth case study

Lifeskills centres in Bristol and North Wales now incorporate CO awareness. The 15,000 pupils who attend these centres each year also receive CO safety messages.

### The way we collaborate with the arts is recognised as unique among the gas industry and as best practice within business.

We have worked in partnership with the Royal Welsh College of Music & Drama to develop an outreach programme to raise awareness among teenagers in “hotspot” areas with a high prevalence of CO poisoning. Through this innovative project, theatre design graduates created and toured a giant puppet, designed to represent the warning signs of this deadly gas, engaging with around 1,200 young people.

The puppet has also appeared at national CO conferences in London and the LCNI conference in Aberdeen, at which we were the keynote speaker for “CO – Customer Impacts” on behalf of the GDNs, as an example of best practice. It was a hit with Jonathan Reynolds MP who tweeted the CO message to his 15,000 followers.

Our work on the All Fuels Action Forum as the representative for all GDNs has enabled us to support new legislation and influence national policy formation.



Puppet raising awareness of CO in secondary schools inspires sharing via social media

In 2013, we held a national conference on CO safety in partnership with IGEM. The conference was the first event of its kind opening the door to the formation of new partnerships for all attendees. 97% of the 212 delegates in attendance said the conference met or exceeded expectations and 84% requested the event be annual. In response to this feedback, the other gas networks joined us at the subsequent conference, “Knowledge is Power”, which received similar praise in 2014.

Following the event, we led the work with independent facilitator CauseAction to bring together a smaller working group and agree an outline for a consistent campaign approach. The pre-work for this

session, which highlighted private landlords as a priority target group, fed into our successful collaborative effort in lobbying for alarms to become compulsory in the private rented housing sector announced as an amendment to the Energy Act effective as of October 2015.

### Resourcing our projects – Our staff are proactively delivering for our customers

Internal staff engagement at events has resulted in a ‘pull’ culture where staff outside specific project teams seek to support the business in ensuring social benefits are realised. Page 5 cites how this works in practice.

## 2.1.2 Driving outstanding service

Our ambition is to deliver world class levels of service for our customers while protecting the needs of the most vulnerable

Stakeholder targets	Groups consulted	Consultation activity	What our stakeholders said	What we have done...
Deliver first class customer satisfaction	Customers, developers, Independent Gas Transporters (IGTs) trade unions, EU Skills, our employees	Customer service smart app, telephone survey of customers, national action group, local county shows	Reduce time taken to connect new customers – process is complex and takes too long. Improve the customer communication and service for vulnerable customers.	Removed steps from the process, further developed our award winning online quotes system. Carried out emotional intelligence customer centric training for our field force.
Safeguard the needs of our vulnerable customers	Vulnerable customer panel, emergency services, vulnerable customers, other utilities, Ofgem	Specific workshops with local authorities, engagement with local emergency services, specific sessions with vulnerable customer panels, engagement during major incidents	Could we prioritise the most vulnerable during planned works; could we implement any best practices from other sectors?	We have updated our incident support processes. We have set up a hardship fund. We have implemented “winter warmer packs” as a best practice from another sector.

#### Key outcomes:

- Lead gas distribution network for customer satisfaction having achieved highest ever customer satisfaction\* scores for all three key service categories
- Further reduced our connection lead times for customers by five days (24 days to 19 days)
- Lead network in terms of number and duration of planned interruptions as shown by the latest published figures. Our average planned interruption duration is 1.5 hours less than the closest other network and 2.5 hours less than the industry average
- Delivered 1,000 keep warm packs to vulnerable customers across our network who are off gas for more than four hours

\* Latest available data at time of publication – 2014/15 year to date, quarters 1-3





## Deliver first class customer satisfaction

Our ambition is to not only be the leading company within the gas industry but also to deliver “world class” levels of service as defined by the ICS. As the chart below demonstrates, we perform well not only against the utility benchmark but also against the overall benchmark.

### YTD (Q1 + Q2 + Q3) 2014/15

#### Overall Customer Satisfaction

Wales & West Utilities	9.02
Northern Gas Networks	8.98
SGN	8.75
National Grid	8.27

### We're up there with the best

#### Top-scoring ICS members (out of 100)

Amazon	88.6
John Lewis	88.1
Waitrose	86.9
First Direct	86.6
Pret A Manger	86.4
The Co-operative Bank	86.4
Marks & Spencer (food)	85.8
<b>WWU</b>	<b>85.6</b>

## Connections services

### A competitive service, we undertake over 11,000 new connections a year

Acting on customer feedback collected by the telephone surveys carried out by our market research company, which has engaged over 750 of our connections customers, we have made significant improvements in our service provision with a substantial reduction in the time it takes to issue quotes and complete work.

Customers have told us of the importance they place on the time it takes for us to undertake the work after they have paid (lead times). In response to this and supported by our award-winning online connections system and a renewed focus in the field, we have reduced lead times by a further five days in 14/15.

We also reviewed and consolidated the key issues from previous completed jobs. Lack of appropriate communication

throughout the connections process was an area that a number of stakeholders highlighted. As a result, we made changes in the process to ensure the right amount of information is given at the most relevant time.

In summary, shorter appointment times, fewer delays, less paperwork, more effective communication before and during the work and post completion, together with follow up satisfaction calls, have all contributed to the enhanced customer experience.

As a result of these changes, feedback from customers has significantly improved. This is reflected by an 8% improvement in our scores. We have also achieved the highest quarterly customer satisfaction scores for connections service levels across all GDNs. (9.21 in Q1 14/15)

## Replacement services

### Our largest investment area affecting over 40,000 customers each year

We are the leading network in terms of number and duration of planned interruptions as shown in the latest published figures. Our average planned interruption duration is 1.5 hours less than the next best distribution network and 2.5 hours less than the industry average. That said, we understand the impact and disruption caused when we have to replace gas mains in the street and individual gas services to peoples' homes. It is therefore no surprise that the customers impacted, and highway authorities whose roads we occupy, continually ask us to do all we can to minimise interruption durations and provide effective communication before, during and after our works.

Utilising strategic partnerships with our supply chain, we have invested in new and innovative equipment designed to aid Operatives in completing the programme of work more efficiently. Safer, quicker, easier and more cost effective, a good example is the award winning\* “Pipe cutter”, an innovation with Steve Vick, that substantially reduces the time taken to deliver gas mains into the ground.

\* Best Gas Network Innovation at 2015 National Innovation Awards

## Emergency & Repair services

### We attend some 90,000\* emergency call outs a year, attending over 97% of uncontrolled escapes within 1 hour – a critical 365-day 24/7 service for our customers

We are now delivering sector leading customer service as reflected through the industry-wide customer satisfaction survey. Our service performance has improved by 4% (from 9.10 to 9.45) over the year delivering the highest service levels ever seen through the national customer satisfaction scores.

**Smart apps** – To capture timely and specific customer feedback, our first call operatives now help the customers with whom they interact to complete satisfaction surveys via an app on their smart phones. The app encourages our representatives to have conversations with customers throughout the visit. We received over 85,000 returns and, as an example, updated the app to specifically ask if shoe guards are worn to protect customers' homes.

**Communication improvements** – Stakeholders said our communication could be better. In response, we updated and refreshed our communication process before, during and after emergency visits and this has had a direct effect on service levels.

**Vulnerable customer-centric training** – We invested heavily in their training to improve field operative emotional intelligence and provide a very efficient and caring service.

**Respect for customer homes** – Shoe guards and dust sheets are used to show respect for customers' property and a survey is completed with the customer to ensure they are fully satisfied with the service before our representatives depart.

## Safeguard the needs of our vulnerable customers

Outcomes delivered during the year:

- Created a hardship fund to help vulnerable customers who have financial difficulty with follow on work required after our visit.

\* Some 80% of faults are not on our network but relate to consumer appliances





- Delivered 1000 keep warm packs to be distributed to vulnerable customers across our network who are off gas for more than 4 hours.
- Developed targeted leaflets and information packs for vulnerable customers.
- Received great feedback for the support we provided to over 500 vulnerable households during two major incidents over the course of the year.

## What our stakeholders have told us

Our vulnerable customer panel has specifically asked us to do all we can to prioritise vulnerable customers during our work activities and also see if we could offer “post visit” support.

Local authorities have specifically asked us to work in partnership with the Police, Fire Service and other organisations where possible. This collaboration would extend to joint leafleting and information packs.

During the year we had two incidents where water got into our gas distribution main as a result of external factors. These resulted in communities off gas for a limited period of time. While any incident is unwanted, they provided us with valuable stakeholder feedback.

## Our response

We acted on the feedback and developed a suite of measures that made a real difference this year.

**Prioritisation of vulnerable customers** – during planned connections and replacement work.

We put processes in place to identify and support vulnerable customers in local communities. We are working very closely with these communities and their leaders to tailor works to meet the needs of the vulnerable.

**Leaflets for vulnerable customers** – We produce leaflets that contain gas and CO safety advice, energy saving tips and information on the Priority Services Register. Our information also identifies charities and third party organisations that can help.

**Keep warm packs** – We developed 1,000 keep warm packs – containing a hot water bottle, blanket, socks, thermos cup, soup and a room thermometer. 200 of these were distributed as an additional support measure during the recent water ingress incident in Bryn, and customer feedback received during the incident demonstrated they were well received.

**Hardship Fund** – Assessed on a case-by-case basis and available to vulnerable customers affected by our work, the fund supports internal pipework investigations, replacement appliances and overnight accommodation. We recognise that we are in a unique position as we visit many customers’ homes and while we leave customers in a safer position, because of our actions, a customer may be left in a vulnerable situation. For those who cannot stay with friends, family or a neighbour, or who cannot afford the remedial action to quickly get back on gas, this support is available.

**Updates to major incident plans** – We have dedicated vulnerable customer representatives on site to visit

and reassure priority customers and support the community during large scale interruptions to supply. Once gas is restored, purge and relights are prioritised for these customers.

## Research and collaboration –

We have joined forces with Western Power Distribution and British Gas to undertake further vulnerable research. The research, which will improve the data available to inform decision making prior to our arrival onsite, includes a number of recommendations around training, data capture, partnerships and processes that will help all members of the national Customer and Social Issues Working Group improve their performance.

**Audit** – Our vulnerable customer panel was instrumental in the development and sign off of our vulnerable customer strategy. We regularly report back to them on our progress against the commitments we made. We are on track to achieve BSI 18477 – Inclusive Service Provision by 2016. We are also in the process of carrying out a self-audit to assess our current compliance with this standard.

By listening to our stakeholder feedback and implementing change quickly, the improvements we are introducing are making a real difference to our customers.

“ To have a serious problem solved that I didn’t know I had was one thing but for it to be solved by a company I had no relationship with was another altogether. ... At no cost and no hassle the friendly and empathetic engineer repaired the problem quickly and kept us informed throughout ”

Customer blog, April 2015



Ensuring vulnerable residents are safe, warm and have a hot meal during the incident at Nantyglo





## 2.1.3 Delivering value for money

We will continue to spend money wisely based on what will give the very best value, every time

Stakeholder targets	Groups consulted	Consultation activity	What our stakeholders said	What we have done...
Focus on reducing "whole life" cost to minimise customer bills	Customers, SMEs, large sites, energy shippers, UK Government Energy select committee, Ofgem, the WWU board and rating agencies	Quarterly updates to shippers, appearance at Energy Select Committee, annual stakeholder report, website updates, updates to the board and rating agencies	Affordability is a key issue and demonstration of value for money is a must.	Reduced our charges by 5% – £144 to £137.
Drive value through partnership working and innovation	Universities, the Energy Innovation centre (EIC), our supply chain, SMEs, local enterprise partnerships (LEPs) Welsh Government, UK government business, innovation and skills sector, Innovate UK, energy catalysts, ENA Gas Innovation Group	National Low Carbon Network Innovation event in Aberdeen, specific collaboration sessions with potential innovators, and sessions with LEPs, cities and universities	Awareness of our innovation schemes was low, external awareness of our key challenges was low. Intellectual property (IP) could be a barrier.	Hosted a number of targeted events to improve awareness across our region and nationally. Engagement with EIC and innovators across our region. Delivery of collaborative innovation with other networks.
Work to address theft of gas	Energy suppliers and Ofgem	National action group, dedicated sessions with Ofgem and shippers in our region	Tackling energy theft is a key priority for the sector.	Set up a dedicated team at WWU, trained our staff on the new industry theft of gas code of practice. Targeted desktop and site visit review of suspected occurrences.

### Key outcomes:

- Reduced customer bills by £7 from £144 to £137 during the year
- Prevented a £12m cost increase to our 2.5m customers by engaging effectively with shippers and other networks
- Reduced the number of "shipperless" and "unregistered" sites by 48%
- Delivered innovation with external partners to promote long-term value for money for stakeholders

In order to continually deliver value for money, the main priorities defined by our stakeholders are to:

- focus on the long term "whole life" cost of the network
- drive additional value through collaboration, partnership working and innovation
- work to address the theft of gas.

### Focus on "whole life" cost

**As a result of our effective engagement and focus on value for money, we have delivered a £7 reduction in the average domestic customer bill from April 2015\***

### Controllable costs reduced

We all delivered our key obligations effectively and efficiently. In the process, we spent less than our original plan. Consumers will benefit from this underspend through the sharing mechanisms in place within

the RIIO framework. Working with our stakeholders to deliver a number of key outcomes have contributed to this:

#### Cutting edge asset management techniques

– We engaged with asset management experts from outside our sector to find and implement innovative solutions. During the year we engaged with companies such as SEAMS, Pipeline Integrity Engineers, ICS and DNVGL. These companies brought new thinking into our business and we are able to utilise these skills to benefit our customers.

#### Industry-leading delivery models

– We have a great relationship with our employees, the local trade unions and the Western Gas Alliance, our replacement programme delivery partners. Working together for the benefit of consumers, we continually set stretching targets, and through dedicated staff, continual training and innovation we are able to deliver our key outcomes for less.

### Investments in our network that will reduce future network charges

– During the year we replaced over 377,000 metres of iron main with plastic. The new plastic pipes do not fracture and will reduce future repairs. Working with the HSE, Ofgem and the Government we will continue to deliver investments that provide least cost whole life solutions now and into the future.

### Costs passed onto us by others

– We have prevented a £12m-a-year cost increase to our customers during the year. The National Transmission Operator charges us over £23m each year for the costs associated with operating the National Transmission System. This cost is then passed on to our 2.5m consumers as part of our annual charges under the price control mechanism.

National Transmission proposed a change to their cost allocation model that would have significantly and adversely impacted our customers by £12m per regulatory year.

\* The average customer bill is £800 a year and our part of that is 18% (£137 – reduced from £144)



Our shippers and large sites such as United Milk, Westbury, have told us energy costs are a key issue for consumers and business competitiveness – facts we already recognise. They have also told us that price stability and predictability are also very important.

Acting on this feedback we challenged the proposed change at industry level. This has involved developing an alternative proposal and engaging with all the relevant parties in industry workshops. As a result of our direct action we have avoided the immediate implementation of this change. Industry parties are working on alternative proposals which will result in prices changing less abruptly and more predictably in future.

### Work to address the theft of gas

The theft of energy (gas and electric) is a growing issue for all utilities. Theft has an impact on bills and public

safety – latest estimates suggest this could be as much as £30 per domestic customer bill per year. We don't think it's fair for honest customers to foot this bill which is why we are working hard to help catch people who are effectively stealing from other customers. We are achieving this through engagement with gas suppliers, Ofgem, Xoserve and IGTs. We have already reduced the number of shipperless and unregistered sites by 48% and are working proactively with the industry to address the remaining sites, further reducing the risk of gas theft from the network.

### Drive additional value through collaboration, partnership working and innovation

**Positioning ourselves at the forefront of innovation, we will be the first gas network to host the low carbon innovation conference in 2017**

In order to efficiently meet today's

challenges and get ready for tomorrow's we're focused on innovation, value and partnerships.

Following consultation with stakeholders, our innovation strategy supports our important role in achieving a sustainable energy sector. This year, we invested over £1m in innovation projects aligned to our strategy and, to maximise shared learning across the sector, many of the projects are collaborations with other GDNs.

Examples of our innovation are cited throughout this submission. One specific example delivered this year is our full-scale project to treat sludge from multiple gasholder sites. Sludge is treated and reused as backfill in the holder void rather than transferring to landfill. This new approach delivers a c55% carbon reduction along with a 28% reduction in cost compared to the traditional approach to incinerate and/or landfill. The reuse of material as backfill will also provide a saving from importing an equivalent volume of aggregate.

## 2.1.4 Doing all we can to provide a reliable gas supply and promote sustainability

We remain committed to providing a reliable gas supply for our customers while protecting and helping the environment for today and the future

Stakeholder targets	Groups consulted	Consultation activity	What our stakeholders said	What we have done...
Ensure we meet "peak" future demand	Shippers, power stations, large industrial sites, National Grid – the Transmission operator (NTS)	One-to-one sessions with power stations, large sites, regular meetings with the NTS, national industry workgroups	Our network must be able to cope with peak requirements. Could we provide more flexibility for power stations?	Implemented innovative and bespoke network planning solutions, closer working with large sites. Influenced NTS to amend industry rules to provide greater flexibility.
Support local communities to protect and enhance environment	HSE, DEFRA, local communities	Innovation partnerships with leading experts, engagement with IGEM to share best practice	It is important to remediate our contaminated sites.	Implemented world leading techniques to minimise spoil disposal. Bespoke community solutions.
Work to reduce network emissions and BCF	Local authorities, HSE, Department of Energy and Climate Change	National leakage reduction forum with shippers, sessions with DECC, formal policy discussions with Government	Lowering our carbon emissions is required to support the UK targets.	Replaced more iron pipe with plastic than planned, implemented world leading techniques to minimise spoil disposal.

#### Key outcomes:

- We are providing sector leading flexibility to support small generators connected to our network
- Recognised by Business in the Community for playing our part in creating a more sustainable region for everyone
- We are on target to exceed our commitment to reduce carbon dioxide emissions by 16% over the current price control period





In order to meet this objective, the main priorities defined by our stakeholders are to:

- ensure we can meet “peak” future demand (1 in 20)
- support local communities to protect and enhance the environment
- work to reduce our network emissions and business carbon footprint (BCF)
- cost-effectively address the risk posed by our contaminated land.

## Ensure we can meet “peak” future demand

Over the past few years we have seen significant changes in the requirements of our power generation customers, both new and existing. In particular, legacy contracts which included up to 4 hour notice periods for rate changes were found to be unworkable for customers wanting to operate in the short-term operating reserve market (this is the market where generators can produce energy at short notice).

We’ve undertaken significant engagement with these customers in identifying ways to overcome these issues where possible. Our response includes the implementation of changes to operating configurations on our network and inclusion of new clauses in our network exit agreements to confirm processes which make additional flexibility and shorter notice periods available to customers.

A range of solutions were developed, taking into account local network constraints and the specific requirements of the customers, with additional information being sought externally. These external sources include forums with other gas transporters in the UK and conferences such as “Demand Response and Flexible Operation in UK Power Stations” which was organised by iMechE at the end of 2013 and “Renewable Energy Marketplace” organised by Regen SW this year.

## Supporting local communities to protect and enhance the environment

At a local level we engage proactively with Business in the Community and

are proud to have been one of only two companies shortlisted for Wales’ Large Responsible Business of the Year.

“ I congratulate WWU for playing their part in creating a more sustainable Wales for everyone ”

Rosie Sweetman, Director of Business in the Community Cymru

## Work to reduce our network emissions and BCF

Delivering a low carbon, sustainable gas network is one of our core commitments. We are on target to exceed our commitment to reduce carbon dioxide emissions by 16% over the current price control period. In order to achieve this, we continue to work with stakeholders, industry and partners to seek less carbon intensive innovative alternatives to our works.

## Working in the community to address risk posed by our contaminated land

In last year’s submission we highlighted our concerns around remediation of Briton Ferry Gasworks. A number of houses were built on part of the old gasworks where historical

contamination had been deposited. Due to Welsh Government funding cuts, only very limited remediation work was carried out at the properties in 2011, leaving the community somewhat disappointed.

We didn’t want to let them down. Our involvement extended not only to making sure the work was carried out carefully, but managed people’s expectations every step of the way. “We became a large part of the residents’ lives, I think the personal touch helped; it built trust and understanding,” Oliver Lancaster, WWU Principal Environmental Engineer commented.

We engaged proactively with the community and local school hosting a science, technology, engineering and maths (STEM) workshop. The project team also gave school assembly talks on construction site safety ahead of the long summer holiday and information on WWU’s Smell Gas campaign. They also completed a sponsored “marathon” relay race around the town, involving some of our colleagues, regulators and contractors on site, where we all raised nearly £2.5k towards the school funds.



Cllr Hugh James, Mayor of Neath, Port Talbot

“ It is really satisfying to see the benefits that WWU are bringing to Briton Ferry – not only the work they are carrying out, but also the money they have raised to benefit local children ”

Cllr Hugh James, Mayor of Neath Port Talbot

## FACTFILE

- 7,288 tonnes – soil treated and saved from landfill
- 766 – saved lorry journeys through the town by treating soil on site
- 100% locally sourced – staff and machinery
- 3 IGEM technical site visits
- 1 public open day, nine hand delivered letters
- 4 site safety school visits
- Over 300 customers engaged

## 2.1.5 Designing our future

We will continue to invest in our people and engage with policymakers so that we have the skills, confidence and innovative thinking to build our business long into the future

Stakeholder targets	Groups consulted	Consultation activity	What our stakeholders said	What we have done...
Improve skills capability and culture of our workforce	EU Skills, education sector, schools, universities, our staff, trade unions, Welsh and UK government	Specific engagement with EU Skills, other large organisations, Government	Continual skills evolution is a key priority. Share best practice and invest in developing the next generation.	Focused at a national level with EU Skills on future recruitment challenges. Working locally to promote STEM subjects.
Tackle fuel poverty – make energy more affordable	Communities, Fuel Poor Partners, Ofgem, NEA, vulnerable customer panel, Welsh and UK Government, MPs and Assembly members.	Dedicated sessions with the UK and Welsh Government fuel poverty groups, regular specific community engagement in fuel poor areas	Fuel poverty is a growing issue and a key priority. Heating from gas can significantly help.	National rollout of our gas mapping tool. Worked closely in local communities to promote and deliver the Fuel Poor scheme.
Deliver a smart, low cost, low carbon network to support long-term energy needs	DECC, Ofgem, Welsh Government, parliamentary group for energy studies, Future Cities forums, IGEM, ENA Gas Futures group, Welsh Energy and Environment Sector Panel, landowners	Shaping future policy by direct engagement with a number of stakeholder groups, speaking at a number industry events, regular meetings with representatives of cities and towns	Need to understand the role for gas. There is a lack of bottom up, impact assessments to support decision making. Minimise disruption of smart meter installation.	Bottom up case studies. Engaging in national and local future of energy debates. Best practice guide to installation issues.

### Key outcomes:

- Delivered an off grid mapping tool for Welsh and UK Governments and completed our 10,000th Fuel Poor connection
- Developed a “bottom up” carbon model which determines both the cost and the carbon benefits of different heating systems, now, in 2030 and 2050
- Led the development and publication of the Service Termination Guide, which lists all the issues that suppliers will come across when installing a smart meter and provides next steps and advice for suppliers on how to proceed in order to minimise the disruption to the customer

In order to meet this objective, the main priorities defined by our stakeholders are to:

- improve the skills capability and culture of our workforce to deliver valuable outcomes for stakeholders
- work with our partners to address industry challenges including:
  - fuel poverty;
  - the future of heat including smart metering; and
  - the injection of biomethane and other natural gas replacements into the network.

### Improving the skills of our workforce – now and for the future

Following a refresh of our company priorities and values, we have restructured our skills and development strategy to refresh our approach in line with the above.

We have an aging workforce so taking a strategic approach based on future workload projections is critical. We have worked alongside our sector skills council, Energy & Utility Skills, to develop a sector workforce planning

model and use this to influence our recruitment and resourcing decisions.

To support our longer-term skills challenges, we have engaged with EU Skills to develop the “The Energy & Efficiency Industrial Partnership” (EEIP). The partnership has been developed by employers and is supported by Government through the Employer Ownership of Skills (EOS) Fund.

The EEIP has been created in response to multiple factors:

- A skills shortage in the industries noted by employers
- As a proactive response to youth unemployment challenges
- An expected reduction and change in public funding for skills by 2017 where Government expects tangible contributions
- Switches to employer ownership of skills. Employers and industries scoping the skills they need, not what providers, government or intermediaries say they need.

Participation in this group gives us access to broader thinking on recruitment and industry developments.

### Raising the profile of STEM subjects and supporting women in engineering

We also carry out a variety of activities to promote STEM subjects in association with the education sector supporting careers days at schools across our region. For example, we worked with Rhonda Cynon Taff Careers Service on National Women in Engineering Day. A group of female pupils spent the day with us at our training academy, hearing first-hand experiences from our female engineers.

### Fuel Poverty – working to make energy more affordable

Tackling affordability and vulnerability are central priorities across our business. In supporting the government targets to make energy more affordable, we have adopted an approach that extends beyond just those properties that are close to the existing gas network. Our Warm Home Assistance scheme is based on a voucher system where customers who qualify get financial help to convert to gas to heat their homes. The voucher



subsidised customers' costs up to £2,778 for 2014/2015.

Our approach to mapping off gas grid properties was shared in the Off Gas Grid Industry Working Group. As a result, the Department of Energy and Climate Change (DECC) and the other gas networks have committed to undertake this mapping exercise across Britain. The outputs, which were recently published, will help all interested parties make decisions about the most appropriate heating system for each property. We are helping provide solutions at a UK-wide level, not just locally.

In addition, we delivered our 10,000th fuel poor connection during the year.

## Future of heat

Whatever energy will look like in the future, we have a key role to play and it is certainly a key issue for all of the customers we serve.

In response, we engaged local communities and universities to develop a "bottom up" carbon model which determines both the cost and the carbon benefits of different heating systems, now, in 2030 and 2050. It assesses heat pumps, regional heat networks, gas appliances and various insulation options. The model can be applied to different property types and can provide a street by street analysis to determine the best option for each individual in trying to solve the heating trilemma. The model has already been utilised to assist Bridgend Local Authority in their Government supported heat network pilot.

## Replacing natural gas with biomethane and other renewable gases into our network

WWU is at the forefront in connecting renewable gas sources to the network with the highest number of biomethane connections per km of pipe. We led an innovation project to develop common standards to give clear guidance to all parties on requirements for connection. To promote further engagement across the UK during this year, we made a short documentary to share and publicise opportunities to over 800 delegates at the national Low Carbon Networks Innovation Conference in Aberdeen.

## Smart metering

We have an important role to play in the supplier-led rollout of smart meters. We are mindful of the potential disruption to consumers, and continue to engage with suppliers to find solutions to these issues so that we can facilitate delivery of a safe and efficient rollout in line with Government targets.

We led the development and publication of the Service Termination Guide, which lists all the issues that suppliers will come across when installing a smart meter and provides next steps and advice for suppliers on how to proceed in order to minimise the disruption to the customer. Following this, Energy UK took the opportunity to follow the same format and produce a Consumer Issues Guidance document. This covers all non-GDN issues and advises the smart meter installer who would be responsible for, say, meter box repairs.

We have quarterly bilateral meetings with DECC as well as attending a number of industry workgroups to address smart metering issues. This targeted engagement ensures DECC understands the network issues and that we are ready to support the rollout. DECC is visiting our Training Academy in July to help them to better understand network issues and ensure readiness to support the rollout.



Supporting women in engineering with taster sessions for local schools

## PART 2.2

# Focusing on the future

We must continue to listen to emerging themes and refresh our engagement accordingly. We have some early indications of future issues as outlined below:

**Aging population (more vulnerable customers)** – This will drive the need for continued review of our vulnerable customer deliverables.

**New stakeholder groups** – Local Enterprise Partnerships and regional "hubs" – this is driving a requirement to engage with new partnerships but also on a cross utility basis.

**Community purchasing groups** – This will potentially require more locally focused engagement on issues that were traditionally national.

**"Prosumers"** – and greater interaction with electricity. Consumers are now becoming producers of energy, known as "prosumers". The local generation of energy and potential greater interaction with the electricity grid will drive a new stakeholder group and impacts on our business.



# Outcomes summary

			Improved service	Improved safety	Lower cost	Reduced environmental impact
	Stakeholder targets	Who has benefited?	Stakeholder / WWU benefit delivered 2014/15			
Demanding safety, always	Efficiently deliver mains replacement programme	All customers and stakeholders	95% insertion rate – highest of all the networks – to minimise customer disruption	Replaced 377km at risk mains against a target of 359km		29,000m <sup>3</sup> CO <sub>2</sub> e emissions saved through prioritising live insertion
	Ensure we are prepared for a major incident		Crystal Marked communications developed by WWU being used nationally	Best practice shared at emergency planning conference		
	Reduce risk to the general public from CO		3,080 CO alarms distributed to vulnerable customers	Increased CO awareness by 35% and 88% committed to pass on the safety message		
Driving outstanding service	Deliver first class customer satisfaction	Customers, developers, Independent Gas Transporters (IGTs), trade unions, EU Skills, our employees	Highest customer satisfaction scores ever achieved for all three key service categories	Average planned interruption is 1.5 hours less than the closest other network and 2.5 hours less than industry average		Reduced impact on traffic congestion
	Safeguard the needs of our vulnerable customers		1,000 keep warm packs to vulnerable customers	Updated incident support process  Appointed vulnerable customer manager and support		
Delivering value for money	Focus on reducing “whole life” cost to minimise customer bills	Customers, SMEs, large sites, energy shippers, WWU board			Prevented a £12m cost increase to our 2.5m customers	
	Drive value through partnership working and innovation		13 projects started 21 already live 17 collaborative projects		Reduced customer bills by £7 from £144 to £137	
	Work to address gas theft			Reduced number of shipperless sites by 48%	c£95,000 recovered for the industry	
Doing all we can to promote sustainability	Support local communities to protect and enhance the environment				Innovative solution to treating gasholder sludge delivers 28% reduction in costs	Innovative solution to treating gasholder sludge delivers c55% carbon reduction
	Work to reduce network emissions and BCF					On target to reduce CO <sub>2</sub> emissions by 16% over the current price control period
Designing our future	Improve skills capability and culture of our workforce	All customers and stakeholders	Working with local schools to raise awareness of STEM and encourage next generation of engineers			
	Fuel poverty – making energy more affordable		Over 1,500 fuel poor funded connections – completed our 10,000th fuel poor connection  Delivered an off grid mapping tool for Welsh and UK governments		Over £730k saved on average fuel bills each year	More than 6,000 tonnes of carbon saved each year
	Future of heat and injection of green gas into the network		Most biomethane connections per km of pipe			“Bottom up” carbon model developed to determine cost and carbon benefits of different heating systems, now, in 2030 and 2050

