

Part 2

Our stakeholder engagement activity and outcomes



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Measuring value for money
– Measuring the benefits

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To help navigate our submission we have used a number of icons:



Engagement

How we have engaged with our stakeholders



Output

What our stakeholders have told us



Action

The actions we have taken resulting from engagement



Outcome

The results of our actions



Benefit

The impact this has for our customers



Sharing best practice

Where we learnt from and shared best practice with stakeholders



New

New initiatives for 2017/18



Build

Existing initiatives that were built on in 2017/18

Introduction



Good engagement is essential to good performance. Whether it is engagement with external stakeholders or internal colleagues, both are fundamental to the continuous improvement of the service we provide. In the year we achieved our highest ever employee engagement score, we invested more in our stakeholder engagement than ever before and delivered the best ever service to our customers.

In 2017/18 we held 180 engagement events, engaged with 51,828

stakeholders and took 225 actions in response to stakeholder feedback.

We have brought greater definition to the purpose of our engagement, the mechanisms through which we engage and our understanding of the differing ability of stakeholders to engage effectively. As energy decentralises new stakeholders and customers join those with whom we have long-standing relationships and our partners who help us serve our 8.2 million customers. Now more than ever, one size does not fit all stakeholders. We have shaped an engagement programme that secures strategic challenge from CEOs, politicians and academics, opens the door to any stakeholder wishing to engage regardless of their level of knowledge, and builds partnership and collaboration that deliver clear outcomes for our shared customers. We now reach well beyond the energy industry to identify and act on the views of our stakeholders.

Our CEO Panel has challenged our business targets and for the second consecutive year set a new long-term objective. Guided by our Critical Friends Panels we prioritised our engagement on the issues that were changing most rapidly.

Our Roadshows and Forums helped shape the projects and services that delivered:

- Broad Measure score of 8.74 for customer satisfaction.
- 30,365 proactive contacts with vulnerable customers.
- The UK's first flexibility tender that offers a cost-effective alternative to network upgrades.

In addition to continuously improving the service that we deliver today, we engaged extensively through an industry-leading consultation on our Future Smart strategy. Our vision for the future, like our business vision, centres on the consumer. We wanted to engage stakeholders beyond the traditional energy sector in our vision of a creating 'a smart grid for all, and I was delighted that UK Power Networks received the largest number of responses to a Distribution System Operator (DSO) transition consultation of any Distribution Network Operator (DNO) to date.

The unprecedented rate of change in our sector offers huge potential for consumers. A decentralised decarbonised and digitised energy system will be cleaner, greener and cheaper than the traditional means of generating and distributing energy. We want everyone to benefit, and guided by our stakeholders, we have prioritised the provision of information both to our connections customers and to bill payers. From publishing guidance to taxi drivers and fleet operators about electric vehicles and a simple consumer A-Z of future energy, to easy-read formats for customers with learning disabilities, our stakeholder engagement is ensuring that our business is open, accessible and transparent to all our customers.

Basil Scarsella
Chief Executive Officer

Key outputs and outcomes in this submission

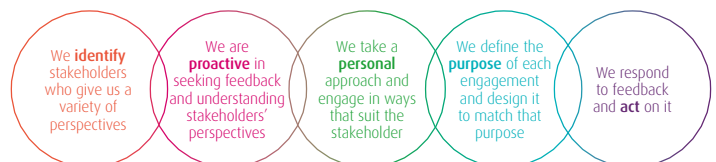


Our stakeholder engagement strategy

Find out more here:
www.ukpowernetworks.co.uk/clip3

Our strategy is to deliver better outcomes for our customers by using stakeholder feedback to inform the projects and services that will deliver our long-term business plan. (See Part 1, page 02 for a detailed explanation of our strategy.)

Guiding principles of our stakeholder engagement strategy



Our stages of engagement



Part 1 describes in detail how we evolved our stakeholder engagement strategy this year to define more clearly the purpose of our engagement mechanisms and take greater account of the different levels of stakeholder awareness and interest in UK Power Networks.

Our stakeholders



01

Engagement and outputs

How we engaged and what we learnt

We have a wide range of engagement activities and events that enable stakeholders to feed back on our policies, procedures and business plan. At the beginning and end of each event we measure stakeholder understanding of UK Power Networks. This year the average increase in understanding was 64%.

180

stakeholder engagement events



340

outputs from our engagement



225

actions taken



212

outcomes for our stakeholders



CEO Panel

21 outputs

Description	The CEO Panel is a senior level advisory panel to UK Power Networks' CEO
Objective	To discuss key strategic issues affecting UK Power Networks' customers and the wider energy sector
Participants	CEOs and directors from consumer and business groups, charities and subject matter specialists
Frequency	The CEO Panel met three times in 2017/18

Future Energy

UK Power Networks should help stakeholders understand future energy



Most corporately responsible DNO

- Define corporate responsibility objectives
- Added new business objective on environment



Critical Friends Panels

137 outputs

Find out more here:
www.ukpowernetworks.co.uk/photo1

The complexity of energy and pace of change can make it difficult for some stakeholders to feed back, challenge and assess how different projects and services will deliver our business plan. We reported last year that stakeholders approved the transition of open-invitation Critical Friends Panels (CFPs) to smaller panels with a set membership of 12 – 15, terms of reference and an agreed programme of work, to ensure that we had effective scrutiny at a time of unprecedented change. The newly constituted CFPs met for the first time in 2017/18.

Description	Round table meeting, three times a year; agenda agreed by CFP members; independently chaired; One CFP per region, attended by directors and senior managers		
Objective	CFPs guide us on the areas that are changing or have changed since we consulted on our RII0-ED1 business plan, and help us prioritise our engagement programme. They define and critique our key strategies including our vulnerability strategy		
Participants	• Consumer groups • Business • Environmental groups • Charities and NGOs • Community energy • Local authorities and parish councils		
Frequency	Meeting 1 <ul style="list-style-type: none"> • Prioritisation of areas for stakeholder engagement • Feedback on our approach to network reliability • Feedback on business targets and social role • Feedback on reporting on RII0-ED1 commitments 	Meeting 2 <ul style="list-style-type: none"> • Feedback on the stakeholder engagement strategy • Feedback on the vulnerability and partnership strategies • Feedback on CFP work programme • Feedback on future energy strategy 	Meeting 3 <ul style="list-style-type: none"> • Prioritisation of our stakeholder engagement for 2018/19 • Review and approve CFP terms of reference • Feedback on our business planning scenarios • Feedback on 2017/18 stakeholder outputs and outcomes
Example outputs	<ul style="list-style-type: none"> • Approved format of annual commitments report/recommended regional summaries to inform wider stakeholders • Endorsed vulnerability and partnership strategies • Shaped and agreed engagement programme • Shaped and endorsed our social role • Identified and prioritised stakeholders to engage in our electric vehicles strategy 		

“When the Critical Friends Panels first started, quite understandably UK Power Networks were not quite sure what outcomes they wanted from the panels or how to optimally manage them. Since then, UK Power Networks have clarified the purpose of the panels and they have become more specialised in terms of the relevance of the different groups that attend. I have done a few of these panels for other organisations and UK Power Networks are the best that I have experienced to date. Simon Gray, East CFP chair”

”

Roadshows

64 outputs

Find out more here:
www.ukpowernetworks.co.uk/clip4

Description	Open to any stakeholder; presentations and round table discussions; voting on projects/objectives		
Objective	To allow stakeholder input into projects and services that support long-term objectives		
Participants	All stakeholders		
Frequency	One per network area, meeting twice a year		
Example outputs	<ul style="list-style-type: none"> • Provide energy efficiency to 100k (2k face-to-face) adults and children • Provide estimated restoration time per region in a major event • Contact PSR customers who have not been contacted for 18 months 	<ul style="list-style-type: none"> • Consider impact of mobile coverage on customer service • New website should be designed with clear customers focus 	

“Excellent event, one of the best I have attended. Roadshow attendee”

“I've been coming to UK Power Networks stakeholder events for several years and always find them useful. Roadshow attendee”

”



CFPs scrutinise our strategy



Roadshows decide projects and services



Forums co-design services

Forums

81 outputs

Find out more here:
www.ukpowernetworks.co.uk/photo2

Local government forum – recognising that energy is increasingly decentralised and delivered at a local level, we established a Local Government Forum and continued our established partner, utility and distributed energy resource forums.

Description	Structured meetings for stakeholders and partners with knowledge and expertise in a specific area
Objective	To inform the design of and/or co-delivering services to UK Power Networks customers
Participants	Charities, special interest groups, other utilities, councillors and emergency services
Frequency	15 forums held in 2017/18



Community energy panel at our local government forum

Partners forum

- Commission research to understand implications of Future Energy on vulnerability



Joint utility forum

- Develop joint utility leaflet on safety and energy efficiency for shared customers



Local government forum

- Develop an FAQ for councillors



Very interesting and well put together. London Councillor



Stimulating and thought-provoking. County Councillor



Focus Groups

37 outputs

We hold focus groups to increase our understanding of specific customer issues. This year we held focus groups on the impact of life changes and rural and coastal isolation. Also, building on our 2017/18 focus group of younger customers living with dementia, we held a focus group of older customers to understand their experience during a power cut.

Description	One-off round table discussions with customers and stakeholders with common interests
Objective	To increase UK Power Networks' understanding of specific customer groups and to seek views as to how UK Power Networks can best meet their needs
Participants	Customers and stakeholder groups with a common interest or relevant expertise in the subject under discussion
Frequency	Ongoing throughout the year; five focus groups held in 2017/18

Rural and coastal focus group

- Review resilience advice provided to customers



Life change focus group

- Create a video with easy-to-understand energy savings advice



Dementia focus group

- Find alternative to automated telephone menus for customers on the PSR



Other mechanisms: bespoke events, research and awareness raising

Example outputs:

We use one-off events to engage on a topic or with a specific group. Examples include community safety events, parliamentary 'lunch and learn' sessions, connections workshops, meetings with the GLA, MPs, councillors and community energy meetings.

Description	One-off events, research or information sharing with specific stakeholders
Objective	To increase mutual awareness, capture specific insight and feedback
Participants	Customers, influencers and decision makers, community groups and customers with a specific interest
Frequency	Ongoing throughout the year; 128 bespoke events in 2017/18

Develop casework guide for MPs' offices



Launch Community Energy web page



Thank you very much for the lunch on Friday; it was extremely informative and definitely worthwhile. It very much struck the balance of being educational and enjoyable. MP's researcher

02

Keeping our commitments

First in our sector, first for our customers

Enhanced stakeholder engagement enabled us to deliver sector-leading performance on reliability, customer service and safety in 2017/18. Recognised as a thought-leader on Future Energy, our customer-focused innovation and connections strategies ensure that we are leading the transition to a decentralised, decarbonised and digitised energy system. In Part 1 (page 04) we described how CFPs prioritised our engagement on key areas of our business plan, while Roadshows directed our focus on five of our long-term business objectives. Section 2 outlines how we engaged on these priorities, the actions we took in response to stakeholder feedback, and the benefits this delivered.

2.1 Future Energy

Prioritised by our CFPs

43,000

EV connections on our network



138 MW

of Flexible Distributed Generation connected on our network



1st DNO

to publish a consumer A – Z of Future Energy



£7.18

value added for customer*



The UK's transition to a low-carbon economy is revolutionising the way we generate, distribute and use electricity, and in 2017 we established the UK's first smart grid team. A world of peer-to-peer energy trading, competition between car manufacturers and energy suppliers, and where technology has the ability to transform our relationship with energy as it transformed our relationship with telecomms, requires our network to be smarter and more flexible. As an enabler of Future Energy we want to ensure that our plans and services are shaped by stakeholders. By working collaboratively, sharing good practice and by keeping our customers – including those who are hard to reach – at the heart of our approach, we aim to deliver a smart grid for all.

2.1 Future Energy continued

Prioritised by our CFPs

A smart grid for all – meeting the changing needs of all our customers

Find out more here:
www.ukpowernetworks.co.uk/clip5

Targets: • Increase stakeholder understanding of future energy • Be a thought leader • Enable feedback from a wide range of stakeholders, including consumers

19,193
views of
launch blog



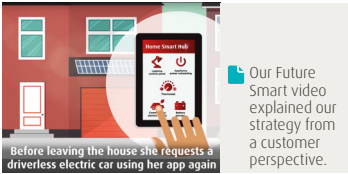
89%
of stakeholders said we increased
their understanding of Future Energy



90%
of stakeholders agreed
with our Future Smart strategy



UK's fastest
rollout of flexible connections
and services



Our ground-breaking engagement on our Future Smart (DSO) strategy put customers at the centre of our vision for the future. We sought to inform all stakeholders and secure consumer as well as technical and industry feedback, using an unrivalled range of engagement mechanisms.

“I think you should congratulate yourselves here! This is the clearest articulation of a DSO in five bullet points that I've seen. Policy maker”

Our Future Smart consultation

- Accelerate rollout of Flexible Distributed Generation (FDG).
- Continue to open up flexibility markets.
- Produce a flexibility needs plan.
- Consider vulnerability and support those who might be left behind.
- Support the growth of local energy.
- Monitor low-voltage network to accommodate distributed energy.

- Ran first DNO flexibility tender; second to open in summer 2018.
- Commission research to understand how vulnerability might change.
- Increased engagement and collaboration with the GLA.

Outcomes

- Accelerated FDG rollout to 2019.
- Published consumer A – Z Future of Energy www.ukpowernetworks.co.uk/future-energy-guide
- Committed £23m to monitor network to support EV uptake.

Creating UK's first market for flexibility services

Target: Save customers money by creating a market for flexible services to provide additional capacity as an alternative to network upgrades

We ran the first business-as-usual flexibility tender to invite expressions of interest from distributed energy operators capable of increasing generation or reducing consumption on request at 10 locations where we identified a need for additional capacity.

- To maximise competition we engaged stakeholders on the design of the flexibility services.

Stakeholders defined four key requirements:

- Payment mechanisms • Minimum response times
- Contract lengths • Procurement process
- Published an expression of interest document for the 10 locations based on the four key requirements.

Outcomes

- Established market for 35.4 MW of flexibility services.
- 22 providers expressed an interest in providing services.

Enabling a decentralised and decarbonised energy system

Target: Enable the decentralisation and decarbonisation of energy

Establishing London as a world-class smart city

- During Community Energy Fortnight 2017 we ran a community energy workshop with London Sustainability Exchange at City Hall.
- Informed stakeholders about how our Future Smart strategy could support community energy in London and the Mayor's Environment Strategy.

Outcome

- Feedback is being used to develop our first Community Energy web page to act as a knowledge centre to support local energy growth.

Integrating combined heat and power

Powerful-CB (NIC funded) aims to make it quicker and cheaper for distributed generation, especially combined heat and power units (CHPs), to connect to the network and contribute to the Mayor of London's target to generate 25% of London's heat and power requirements locally by 2025.

- We engaged with the GLA before commencing the project to ensure it aligned with the Mayor's strategy for community energy.

Benefit

- Enabling the connection of more CHPs will facilitate London in becoming a zero-carbon city by 2050.



We connected the UK's first subsidy-free solar farm

Decentralising generation – Flexible Distributed Generation (FDG)

Last year we transitioned FDG to a business as usual (BAU) service. FDG uses Active Network Management (ANM) to manage the flow of power from wind, solar and other generators in constrained areas, without making costly network reinforcements.

- FDG customers said they wanted real-time information on ANM events so they could respond more promptly.

- Co-designed a new FDG web portal with customers.

Outcomes

- Opened up two new FDG zones in East Anglia and the South East.
- 138 MW of FDG connected to our networks, the largest amount of any DNO.

Benefits

- Since 2015 FDG has saved connections customers over £76m.
- Improved customer experience for FDG customers and faster response times.

Removing barriers to renewable generation

This year our pioneering Regional Development Programme (RDP) with National Grid became BAU. RDP takes a whole-system approach to network capacity in the South East where capacity constraints limit the ability to connect renewable generation.

Outcome

- RDP's single-stage connection offer process has created a level playing field for both transmission and distribution customers, and maximised competition by enabling both to participate in the same flexibility markets.

Benefit

- Lowers costs for connection customers.

2.2 Enabling the transition to cleaner, greener transport

Prioritised by our CFPs

Target: Facilitate electric vehicle (EV) uptake through best-in-class engagement, great customer experience and a future-ready network

Our EV strategy Evolution – engaging with stakeholders to support EV rollout

Find out more here: www.ukpowernetworks.co.uk/photo3

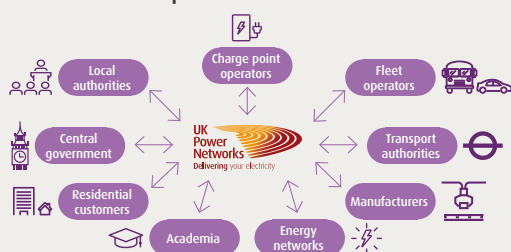


UK Power Networks was the only DNO to give evidence to the Parliamentary Automated and Electric Vehicles Bill Committee. Find out more: www.ukpowernetworks.co.uk/clip6

This year, with EV uptake exceeding our forecast by 25% coupled with our commitment to support the decarbonisation of transport to improve air quality, we introduced a new EV strategy, 'Evolution'.

CFPs helped us prioritise the stakeholder groups we should engage with in our Evolution strategy.

Evolution stakeholder map



Engaged with EV Consult, a Dutch company at the cutting edge of the EV market, and ElaadNL (Dutch grid operator), LEVC (formerly London Taxi Company) and Zapmap, the UK's leading charge point platform.

Met with the chair of Society of Motor Manufacturers and Traders (SMMT) EV committee to discuss the rollout of a major rapid charger network.

Outcomes

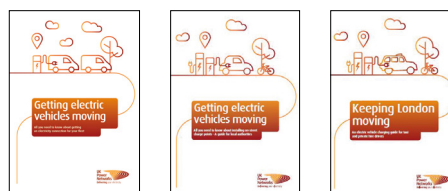
- Greater accuracy in our EV forecasting model.
- Updated our EV Engineering Design Standard, setting the DNO standard for clarity and completeness.
- Agreed NDA on data sharing with SMMT and vehicle manufacturers to improve our ability to plan and prepare our network to facilitate EV uptake.

Supporting the Mayor of London's low-carbon agenda

- Co-founded London Transport and Energy Systems working group to work more closely with the GLA and TfL on transport/energy system strategy.
- Developed a common EV forecasting approach ensuring that our models, targets and policies are more closely aligned with TfL and the GLA.

Informing and facilitating EV take-up

- Last year we published an EV charge point guide for local authorities. After the May 2017 council elections we sent the local authority EV guide to lead councillors across our three networks and have distributed over 1,000 copies to date.
- Produced two new EV guides for taxi and fleet operators.
- We shared our local authority guide with Western Power Distribution who used it as the basis for their own local authority EV guide.



We produced guides to support stakeholders with their EV rollout

Find out more here: www.ukpowernetworks.co.uk/evguides

Benefit

"the guide UKPN has produced for fleet operators...is really excellent...the local DNO has not yet produced such a guide so we will reference your guide."

Energy consultancy

Enabling the electrification of fleet and freight

Based on feedback from our CFPs we identified that fleet operators had plans to roll out EV infrastructure but had a potentially limited understanding of our role in connecting EV charge points. Building on our work in 2016/17 with UPS we increased our engagement with fleet operators.

Worked with TfL's LoCITY to engage freight operators and engaged with over 100 freight/fleet operators at Freight in the City Expo to understand their needs and improve their understanding of charging infrastructure.

Produced an EV guide for fleet operators.

Enabling the electrification of public transport

Find out more here: www.ukpowernetworks.co.uk/photo4

Urban

In 2016/17 we connected the UK's first fully electric bus garage; this year we connected two new bus garages and engaged with TfL and the bus operators to devise a holistic approach for the electrification of the other 66 garages.

Outcome

The bus routes operating out of Waterloo saved 900 tonnes of CO₂ in the first year of operation.

Rural

Engaged with Cambridgeshire County Council on their plans for the electrification of public transport.

Informed the Council's feasibility study for the electrification of transport, including using smart connections to reduce costs.

Rapid charging for London's iconic black cabs

The Mayor of London's plans to introduce electric black cabs require the availability of rapid charge points.

Created a dedicated team to help TfL select and assess appropriate rapid charge point sites.

Outcome

Connected 75 rapid charge points in six months: first electric black cabs now on London's streets.

"I'd like to take this opportunity to express my appreciation and gratitude for the outstanding support offered by UKPN to enable TfL to reach its milestone of 100 rapid charge points in London."

Shirley Rodrigues, London Deputy Mayor for Energy

2.3 Connections

Prioritised by our CFPs

Target: To support the economic growth and well-being of the communities we serve

>1,330 MW
applications to connect storage

4.51 GW
renewable DG connected

14,000
visits to our street lighting fault map

£2.46
net value per customer*

2.3 Connections continued

Prioritised by our CFPs

Making our streets safer – launching the first street lighting fault map

Find out more here: www.ukpowernetworks.co.uk/streetlights

- Stakeholders said it should be easier to find out if faulty street lighting had been reported to us and when it was scheduled to be fixed.
- Working with more than 30 3rd party street lighting engineers we developed an interactive fault map that shows if faulty lights have been reported to us and when the repair is scheduled.

Outcome

- The map has been visited more than 14,000 times since launch.



Benefit

“The website will give me real-time information about where responsibility lies for street furniture repairs, which will save time and effort in contacting either the local council or UK Power Networks.”
Parliamentary assistant to MP

Supporting growth and Community Energy

Our data identified an area in Cambridgeshire with a high number of large connection requests but reinforcement costs meant that few proceeded.

- Held an event with Pixie Energy to understand the challenges faced by developers and brainstormed options to reduce costs.
- Stakeholders helped us identify how we could optimise use of the existing network and share network access across multiple stakeholders.

Outcome

- Presented ideas to Ofgem and it has informed their thinking on access rights and charging.

Last year we helped community energy groups in the East of England develop a Community Hub to share knowledge and ideas.

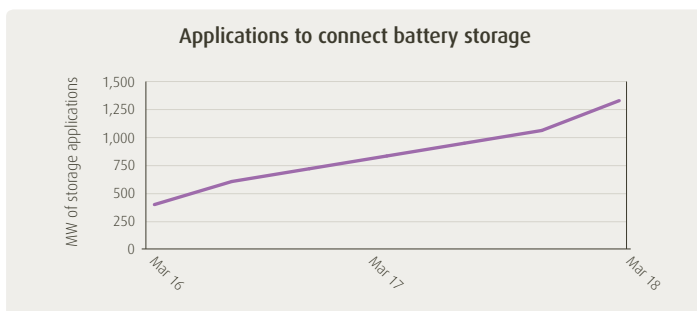
- This year we became a founding partner in Local Energy East, a group of 250 stakeholders including three Local Enterprise Partnerships (LEPs) and 34 councils.

Outcome

- Co-designed web portal to map energy constraints, opportunities, sociodemographic and planning data.

Leading the way on battery storage

Since building Britain's first grid-scale storage facility in 2015, UK Power Networks has been at the cutting edge of enabling energy storage. Since 2015 we have received over 1,300 storage connection applications and this year connected the country's largest, 40 MW, battery storage facility in Kent, which will provide 20% of National Grid's 200 MW Emergency Frequency requirement.



- We engaged with manufacturers and installers to design a new online fast-track application process for connecting small-scale storage.

Outcomes

- 13 applications received via the portal.

Benefit

- Easier for battery operators to connect.

“By working with us, UK Power Networks has made an important move to speed up the process and lower the costs to customers. It's a great example of Distribution Network Operators listening to people and taking positive action on the issues they raise.” Leading European home energy storage provider

2.4 Customer service

Prioritised by our Roadshows

Find out more here www.ukpowernetworks.co.uk/clip7

Target: Provide a personalised, inclusive service

37,900
followers on Twitter8.74
customer satisfaction19,713
interactions on Facebook£5.31
net value per customer*

- We are committed to providing excellent customer service, and this year launched a new internal soap opera 'Electric Avenue' to showcase great customer service.

A customer-focused approach to redeveloping our website

Visit our new website: <https://www.ukpowernetworks.co.uk/power-cut/map>

Target: Website to be rated 9/10 by customers

Building on last year's incremental changes we commenced a two-year project to redevelop our website, informed by extensive customer and stakeholder engagement.

- Instead of building and then testing the website we co-designed it with over 250 customers throughout the design and build.
- Set up Digital Customer Testing Panel (sector first) with non-energy sector members to bring in best practice from other sectors.
- Engaged 2,000 stakeholders face-to-face, and 1,600 online; feedback at Roadshows/Forums.

Customers told us they wanted:

- To access our website on their mobile phone or tablet (over 70% of website users used their mobile or tablet in a power cut).
- To be able to track power cuts in real time.
- Connections customers wanted to be able to download and print application forms and apply online.

Customers identified three key pieces of information they want in a power cut:

- Estimated time of restoration (ETR).

- Location of power cut.
- Whether other customers are affected.

Outcomes

- Customer satisfaction with the website increased from 67% to 98%.
- Website allows customers to apply online and download application forms.
- Website shows the ETR and the area affected.
- First DNO to have a 'track my power cut' functionality similar to 'track my delivery' services from Amazon and DPD.
- Website on track to gain Plain English accreditation.
- Website on track to gain AA rating for accessibility from AbilityNet.

Supporting customers during a major event

CASE STUDY – Storm David

The largest weather event to impact our networks in the last year was Storm David (18 January 2018). Its impact on our network was comparable to that of Storm Doris in February 2017.



- Shared Florida Light & Power's response to Storm Irma at our roadshows and asked how we could improve the information we provide to customers.
- 60% said that until we have individual ETRs we should provide the time when we will have all power restored in an area.
- 84% said a video explaining how we restore power would be helpful.
- Stakeholders said poor mobile coverage meant text updates were not received and word of mouth was therefore important.
- Piloted area wide ETRs in Storm David when no specific ETR was available.
- Contacted community stakeholders (4,500 Councillors, 2,500 parish councils, 169 MPs) with information and advice for them to disseminate locally.

Outcomes

- 137,099 customers received area-wide ETR.
- We produced a new storm restoration video: Find out more here: www.ukpowernetworks.co.uk/clip9
- 196 positive replies from Councillors.
- 86 Councillors promised to share our update with residents.

Benefit

- Customers received information on area-wide ETR rather than no information, reducing their need to call.

“ I am very impressed with the service you have provided and I will inform as many constituents as I can. Councillor ”

Making it easier for customers

Target: Halve the response time for messages on Facebook Messenger and increase the use of this channel

Facebook

To support the rapid increase in customer use of Facebook Messenger we increased the dedicated messenger team and trained 26 additional advisers to provide support during severe weather.

Outcomes

- 8.88 customer satisfaction for social media.
- Average response time halved despite users' interactions increasing by 60%.

Helping customers prepare for planned outages

- Real-time feedback from customers highlighted that planned outages in winter are especially inconvenient.
- Reviewed process to ensure non-emergency work happens in daylight.

Making it easier for customers to claim compensation

- Real-time feedback told us customers wanted to be able to claim guaranteed standard payments online.
- Introduced a new system that proactively sends customers a link to make a claim online.
- Sent 1,100 proactive messages with the link to the online claim process during Storm David.

Outcome

- Speeded up payment processing by four days and reduced the cost to process by approximately £1 per customer contact.

2.5 Vulnerability

Prioritised by our CFPs and roadshows

Our CFPs and Roadshows prioritised vulnerability as a key issue for our 2017/18 engagement. Part 3 of our submission explains our vulnerability strategy and related engagement in detail.

Outcomes

- 1,444,386 customers on our Priority Service Register.
- 738,889 customers provided with energy efficiency and money saving advice.

2.6 Reliability

Prioritised by our CFPs and roadshows

Target: To be the most reliable DNO

Using new technology to improve reliability

Automated Power Restoration System (APRS) redirects the power supply when a problem occurs, restoring power in seconds and delivering a more reliable service. Low-voltage reclosing devices temporarily open a circuit, conduct a safety test and if no fault is detected, close the circuit and restore power without an engineer being called out – reducing costs to customers.

- Added APRS to 1,164 locations and introduced remote control to 712 secondary substations.
- Piloted 40 low-voltage reclosing devices in London.

Outcomes

- Since 2013 CMLs have fallen from 45.7 to 33.6, and CIs from 48 to 38.3.
- In Storm David 107,232 customers had power restored by remote control.



Providing critical and resilient infrastructure

Our network underpins every aspect of life, from water to banking, and transport to communications; we power critical organisations and businesses, from internationally renowned teaching hospitals to the Bank of England and the Stock Exchange. It is therefore vital that we not only invest in the resilience of our network but that we also benchmark that resilience.

- ✓ In 2017/18 we became the first DNO to invite the UK Cabinet Office to assess our organisational resilience.

Outcome

- ✓ The Cabinet Office judged our resilience to be Level 4 (the highest appropriate to our business) across all five categories.

“Due to the nature of the business...there is a clear strength in its ability to plan for and respond to power disruption situations...There is evidence that the robust approach, which was traditionally just focused on storms, now takes a wider view across all UK Power Networks' critical business activities. Cabinet Office”

Reducing cable strikes

- ✓ Last year we introduced e-maps to help customers avoid hitting cables when digging; this year we worked with Thames Water to reduce the number of cable strikes that occurred during their work.

Outcome

- ✓ Cable strikes by Thames Water have reduced by 38%.

2.7 Safety

Prioritised by our roadshows

Target: Maintain our position as the safest DNO

Find out more here:
www.ukpowernetworks.co.uk/lookout

Responding to low or grounded power lines

- ✓ Based a dedicated low conductor team within our control room enabling us to locate the low/grounded cable and cut power to it while the customer is on the phone.

Outcome

- ✓ Low and grounded cables are made safe more quickly.

Helping customers stay safe while digging

Building on last year's work with customers to develop a tender for a new web portal to provide underground cable plans, this year we launched the portal.

Outcome

- ✓ 100% increase in the number of plans being accessed since the portal launched.

Benefit

- ✓ 40% reduction in cable strikes.

2.8 Environment

Prioritised by our CFPs

Target: Minimise the impact our operations have on our local environment

Improving air quality – trialling EVs in our fleet

Replacing older vehicles in our fleet with more fuel-efficient models has reduced our fleet's business carbon footprint by 16%. However, we wanted to go further.

- ✓ Feedback from stakeholders at our roadshows and the Local Government Forum supported UK Power Networks assessing the use of EVs in our fleet.
- ✓ Undertook a feasibility study to understand the cost and environmental benefits of piloting EVs in our fleet.

Outcome

- ✓ We are piloting five EVs in our London fleet.

Benefit

- ✓ The estimated reduction in CO₂ emissions from this pilot is 16,000 kg of CO₂.

CASE STUDY – Reducing noise pollution

Installing the world's first NoiseTrap panels at a substation in West London reduced the noise level from that of a busy restaurant to a typical library. The panels absorb and cancel low-frequency noise, while still allowing natural airflow to cool the electrical equipment inside the building. The panels help us to be a good neighbour and keep disruption to a minimum.

Being a responsible neighbour

- ✓ Inspected 55,000 sites to ensure that they were not having a negative impact on the environment around them.

Outcome

- ✓ 480 tonnes of excess vegetation removed, 200 tonnes of trees cut, 500 signs installed to discourage fly-tipping as well as a number of dummy CCTV cameras.

Benefit

- ✓ Reduced instances of fly-tipping, increased customer safety and improved the environment around our assets.

Action we did not take – substation green walls

In certain areas green living walls can reduce nitrogen oxide levels by 40%. We examined the feasibility of installing green walls on secondary substations. The cost of installing an irrigation system to maintain the wall would increase the annual maintenance cost by £3,000 per substation. We therefore did not proceed with the pilot but are examining how we could work with developers to trial green walls on new substations in areas of poor air quality.

03

Politics and people

Political and Local Government Engagement

Find out more here:
www.ukpowernetworks.co.uk/clip10

Target: Increase understanding among decision makers of the role we play in supporting and enabling communities

Engagement with local government on connections and roadworks, and with national government on public and regulatory policy, has always been a part of our work. However, as energy transforms we are increasing our engagement to help political stakeholders better understand our role.

Local Government

- ✓ As energy becomes decentralised, the role of local government will become increasingly important. We therefore established a Local Government Forum to engage directly with elected Councillors.
- ✓ Councillors said their communities could benefit from smarter, flexible energy systems but their understanding of energy was limited.

- ✓ 89% of attendees said a Councillor FAQ would be useful.

Outcomes

- ✓ Published A – Z of Future Energy.
- ✓ Developed and tested Councillors FAQ.
- ✓ Forum attendees said their understanding of UK Power Networks increased from 6/10 to 8.8/10.

Political and Local Government Engagement continued

Introduced new process to notify Councillors of planned outages affecting their council ward.



Round table discussion with Councillors at our first Local Government Forum

“ I think the (FAQ) briefing is excellent: clear, concise and easy to follow. London Councillor ”

BEIS and Ofgem

We arranged for new Ofgem staff to visit our network training centre as part of their induction programme.

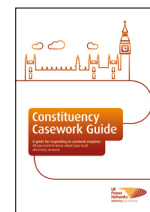
In 2017/18 we responded to 88 policy consultations and gave evidence to the Parliamentary Public Bill Committee examining the Automated and Electric Vehicles Bill.



Members of Parliament

We previously held a parliamentary reception for MPs and stakeholders. However, receptions afford a limited opportunity to brief MPs about the energy transformation and how we are enabling change.

Held ‘lunch and learn’ sessions for MPs’ researchers to explain the transformation in energy and how we support vulnerable customers, and to get feedback on how we can help with constituent enquiries.



“ I think the guide is very helpful and insightful in helping answer some of the queries we get from our constituents. Parliamentary Researcher ”

- 82% said a Future Energy guide would be useful.
- 65% said their MP would promote the PSR on their website.
- 96% thought a casework guide would be useful.

Outcome

- Developed and tested MPs’ casework guide.
- MPs’ researcher understanding of UK Power Networks increased from 5/10 to 8.4/10.

Diversity, engagement and workforce renewal

Targets: • Be an employer of choice • Achieve National Equality Standard

We recognise the important role that employee engagement, diversity and workforce renewal play in the continuous improvement of the service we provide to customers.

We were named most improved in the Top 25 Big Companies to Work For 2018 and are the only utility in the top 25.

Student pride

We attended and sponsored National Student Pride for the first time, promoting graduate careers to 1,700 lesbian, gay, bisexual and transgender (LGBT) students.

Exciting young people about STEM

We have eight trained STEMnet ambassadors, bringing to life the subjects of science, technology, engineering and maths for children and teachers in schools.

Our ambassadors attended and presented at five events in the first four months of the STEMnet initiative.

04

Collaboration, sharing best practice and industry firsts

Sector firsts

We are proud to be the first DNO to...

Produce an EV fleet guide

Establish a Smart Grid team

Publish a street furniture fault map

Create a ‘track my power cut’ web function

Create an MP caseworker guide

Publish a consumer A – Z of Future Energy



Sharing best practice

Our stakeholder engagement, and the actions we take in response to stakeholder feedback, is informed and shaped by best practice from organisations within and outside of our sector. In turn we actively share our processes and procedures with others both in the UK and globally.

We work collaboratively with all of the organisations and utilities with whom we share customers. This year we formalised the work of our Cross Utility Forum into the UK’s first Utility Networks Group with clear terms of reference, and joined other utilities from across our eastern network on the Norfolk Growth Forum. Water companies, energy suppliers and National Grid also sit on our CFPs and CEO Panel and strategic stakeholder panels.

	DNOs	GDNs	National Grid	Water companies	Suppliers	Telecoms companies	Councils
Future Energy							
Connections							
Environment							
Customer service							
Safety							
PSR							
Fuel poverty							
Accessibility							
Dementia Friendly Utilities Guide							

Sharing best practice on customer services

In 2017/18 we hosted several visits to our customer service centre, including Abu Dhabi Distribution Co (ADDC), British Gas, Suffolk Highways, Institute of Customer Service, GTC (IDNO) and Sainsbury’s.

“ I just wanted to drop you a note to thank you for the time this morning. The visit was a really good use of time giving us some real insight. British Gas Anglia ”



Collaborating with National Grid to support decentralisation and decarbonisation

The learnings from our Regional Development Programme with National Grid is informing changes to the existing DNO statement of works process. Applying the same ‘connect and manage’ principles to distribution and transmission connectees will speed up the connection of renewables.



Collaboration in action

CASE STUDY – Making roadworks easier for wheelchair users

For many disabled people and other pedestrians with limited mobility roadworks can make it difficult to get from A to B. We collaborated with a manufacturer and an academic in mobility issues to design a new wheelchair ramp to improve roadwork access for wheelchair users and visually impaired people. Funded by TfL, the prototype ramp has a shallower incline, increased width to accommodate guide dogs and the ability to approach it from the side as well as head on. We are trialling the ramp across 100 locations in London and will share the findings with other stakeholders.



Through the Stakeholder Engagement Best Practice Group the DNOs collaborated on six projects to deliver tangible benefits to customers (see joint DNO report for details). We led a research project to understand how societal changes might change the DNO's PSRs in the next 10 years. The research will enable us to take a more strategic approach to our PSR. There were also a number of immediate outcomes for our customers:

- Methodologically sound estimates on the current expected populations of all of the current PSR needs codes.
- Pensionable age identified as the needs code with the highest future population.

Teaching our students about the importance of safety is a core part of our curriculum and this new campaign will help to reinforce this message in a very real way. College of West Anglia

Outcomes

- Targeted codes with the greatest disparity between the expected population and the number on our register, increasing registrations against these codes between 23% and 1,337% (Part 3, page 07).
- Developed new partnerships and activities to target customers of a pensionable age, resulting in a 15% increase in registrations against this code.
- Look out, look up!**
- UK Power Networks led a joint DNO project to highlight farm safety. A new emotive video, 'Look Out, Look Up', filmed on a farm in our region, highlights the dangers of overhead lines. The campaign builds on the work we did last year to add safety to the syllabus of agricultural colleges in our region.
- 5,993 people engaged with through SHADS agricultural college talks and public safety events.

05

Measuring value for money Measuring the benefits

Delivering measurable benefits to customers

Our Roadshows prioritised our commitment to remain the lowest-cost DNO, and we aim to strike a balance between keeping costs as low as possible and continuing to provide the best possible service to our customers, particularly those in vulnerable circumstances. To measure the value for money and the social value of the programmes and services we delivered in 2017/18 we again worked with Western Power Distribution and specialist research company Accent to conduct a stated preference study to provide Willingness to Pay data to run cost/benefit analysis.

In a quantitative study of over 400 households and businesses we set out to:

- Explore customers' valuation of the qualitative outputs that our projects would deliver.
- Establish customer priorities between a range of service improvements.
- Use what (notional) monetary value our customers place on these improvements to conduct cost/benefit analysis.

One of the learnings from this year's research has been that there is an overall reduction in customers' willingness to pay against the results that we saw last year. We believe this supports our approach to only spend customers' money when it is needed and to repair existing equipment where possible.

Category	Outcome tested	UK Power Networks projects	Total cost	Total cost of outcome	Value to customers (per customer)	Cost/benefit factor (value divided by cost)	Benefit to customer (£ value less cost)	Total savings to customer
Customer Service	Provide customers with access to power cut information/updates quickly and easily	1,340,887 proactive SMS messages	100,568	8p per customer (total 681,951)	2.17	27	2.09	5.31
		Power cut map and 'track my power cut' added to the website	500,000					
		5,079 conversations held over web chat	6,383					
		Two new staff members recruited and trained to respond to Facebook Messenger messages	60,000					
		101,170 updates provided over social media	15,000					
	Provide a range of self-service options for customers to access information during power cuts	Website redevelopment	900,000	8p per customer (total 681,951)	1.53	13	1.41	
Future Energy and innovation	Re-engineer the existing network to become 'smarter' and more flexible	Eight improvements made on the storm telephony platform	63,000	16p per customer (total 1,287,746)	1.08	7	0.92	7.18
		25 fully trained customer service advisers	750,000					
		Additional third-party call handling brought in during system emergencies	537,746					
		Introduced customised power outage alerts to businesses with relevant advice	33,000	0.004 per customer (total 33,000)	0.89	89	0.89	
	Tailor the services received by customers with smart meters	Improvements to active network management to support flexible connections	506,116 (combined cost as the costs of some individual projects are commercially confidential)	6p per customer (total 506,116)	3.55	59	3.49	
		Flexibility tender						
Connections	Increase the capacity of the existing network to enable the predicted uptake of electric vehicles	Future Smart engagement						2.46
		Additional Smart Grid Team FTE						
	Give customers access to network information and advice (e.g. network diagrams, capacity maps and network constraint information) to enable them to assess possible benefits from participating in a smart network	Tailored support provided to customers with smart meters	155,000	2p per customer (total 155,000)	1.72	86	1.70	
		Established six-year £23 million EVolution programme	3,833,333 (PA)	47p per customer (total 3,833,333)	2.46	5	1.99	
	Engage stakeholders such as local authorities and developers to better understand our short-and long-term investment plans to aid their future planning	Distributed generation mapping improvements	70,000	1p per customer (total 92,500)	1.85	185	1.84	
		Improved process for battery storage applications	22,500					2.46
		Launched the Local Government forum	20,000	0.002p per customer (total 20,000)	0.62	310	0.62	

In addition we also conducted our own qualitative research to better understand the customers' reasons for these choices and look more specifically at the initiatives that support these outcomes. The combined results of these can be found throughout as the net value to customers, calculated by subtracting the cost to deliver these outcomes from the value customers were willing to pay.

Calculating the net value per customer

$$\text{Value to customers (WTP)} - \text{Total cost of outcome} = \text{Net value per customer}$$



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