

# Our stakeholder engagement activities and outcomes

2018/19 Stakeholder Engagement and Consumer Vulnerability Incentive





# Contents

**Director of Strategy's introduction** Page 01

---

**Summary of our initiatives** Page 02

---



**Meeting our customers' evolving needs** Pages 03-06

---



**Caring about the environment** Pages 07-08

---



**Going above and beyond for our communities** Pages 09-10

---

**Engagement is already shaping  
our plans for 2019/20** Page 10

---

# Director of Strategy's introduction

Stakeholder engagement is key to our business strategy. It informs improvements to our services based on understanding ever-changing customer needs. It helps us to shape new investment propositions based on the changing energy market. It helps us to challenge, to inform and improve our strategy and it helps us to identify best practice that we can adapt and apply to our business. Stakeholder engagement is not just the responsibility of our stakeholder team, it is the responsibility of every one of our employees at UK Power Networks.



This year, we have engaged through over 20 tailored engagement mechanisms reaching over 54,000 stakeholders face-to-face. This engagement has provided valuable insights about how to run our business more effectively. We have structured our engagement under three strategic themes to highlight the areas most important to our stakeholders:

- 1. Meeting our customers' evolving needs**
  - providing the services that customers require in a changing energy landscape
- 2. Caring about the environment** – reducing the impact of our operations on the environment and facilitating our country's low carbon transition

### 3. Going above and beyond for our communities

– ensuring we remain legitimate and responsible in the eyes of our customers

Our progress and outcomes against our strategic focus on vulnerability are covered in Part 3. Addressing your feedback from last year, rather than list every activity that we have delivered, we have instead focused on high-impact examples. These demonstrate not only how engagement has directly led to improvements to our core services, but also how it has helped us to deliver in a way that has had a greater positive social benefit in our communities, whether domestic, business, or those who are hard-to-reach.

I hope that when you read through the examples, particularly the personal stories from our staff and stakeholders, you will see that we are a business that is open to new ideas and always seeking to improve. Stakeholder engagement really has enriched our thinking and improved the services that we deliver for our customers.

**Suleman Alli**  
Director of Strategy

## Our Stakeholder Engagement Strategy

Supporting our vulnerable customers is covered in part 3 which has delivered 100 outcomes.

### Guiding principles of our stakeholder engagement strategy

Our engagement principles are simple and, ultimately, responding and acting on the feedback we receive is key.



### How we engage

Our stakeholder engagement strategy is mature and is signed off by our Executive Management Team annually. Each year we follow this well-rehearsed process to set our engagement for the year:

Over 20 engagement mechanisms

Engaged with over 54,000 stakeholders face-to-face



Independently audited by AccountAbility for the 4th year running

BSI inclusive service provision gold standard achieved for the 4th year running

### Strategic focus areas for 2018/19

#### Customers' evolving needs

**85**  
outcomes for stakeholders delivered



#### Environment

**43**  
outcomes for stakeholders delivered



#### Community

**61**  
outcomes for stakeholders delivered



Supporting our vulnerable customers is covered in Part 3 which has delivered 100 outcomes.



## Summary of our initiatives

This year we have delivered 270 outcomes for stakeholders and engaged with over 54,000 stakeholders face-to-face, across 20 engagement mechanisms. Reflecting the panel's previous feedback, we have not documented long lists of initiatives that are difficult to assess materiality and discern how they originated or were improved as a result of meaningful engagement. Instead we have taken our three strategic focus areas and summarised 18 key initiatives in this report that demonstrate the largest impact to our stakeholders. The intention of our approach is to demonstrate high impact initiatives that are embedded in our business as a result of quality engagement, that showcase real innovation and have delivered measurable benefits to customers, including those hardest to reach in our communities.

Engaged face-to-face with over 54,000 stakeholders

Engaged using over 20 engagement mechanisms

Delivered 270 outcomes for stakeholders

	Initiative name	Page number	Embedded	New this year	Innovative approach	Hard-to-reach
<b>1</b>  <b>Meeting our customers' evolving needs</b>	<b>Using real-time customer feedback to consistently learn and improve service</b> – New technology enables us to be more responsive to customers' needs	3	✓		✓	✓
	<b>Acting on customer feedback in real-time to streamline smart meter installations</b> – Approximately 8,000 appointments avoided, saving customers 12,000 hours of disruption	3		✓	✓	
	<b>Continuing to improve our Electric Vehicles Strategy</b> – Over 7,000 people benefited from our shared best practice	4	✓		✓	
	<b>Our embedded Electric Vehicle Strategy is delivering improvements for customers</b> – 97% EV customer satisfaction despite a 250% increase in enquiries	4	✓			
	<b>A new partnership with hard-to-reach, less mobile drivers</b> – Motability are a new partner ensuring no one is left behind	4		✓		✓
	<b>Creating new and accessible markets for customers</b> – Over 478,000 customers are in line to benefit from flexible markets	5		✓	✓	
	<b>Providing hard-to-reach Energy Groups with a voice</b> – More than £90,000 contributed to community groups	5	✓			✓
	<b>Facilitating quicker and cheaper connections to our network</b> – Offering more choice to all customers	6		✓	✓	
	<b>Making it quick and easy for customers online</b> – 91% customer satisfaction from customers who use our website	6	✓		✓	✓
	<b>A diverse workforce serving diverse customers</b> – Awarded NES accreditation	6	✓			✓
<b>2</b>  <b>Caring about the environment</b>	<b>Living our vision to be the most socially and environmentally responsible DNO</b> – 8 industry leading environmental targets	7		✓	✓	
	<b>Minimise our Impact – Reducing and reusing plastic</b> – Recycled 63,000 resin buckets (with more ideas being developed)	7		✓	✓	
	<b>Lead by example – Improving London's Air Quality</b> – 150 buses in London fully electrified, enabling 18.5 million carbon emission-free passenger journeys	8	✓		✓	
	<b>Support the Low Carbon Transition – Integrating local renewables on to our network</b> – Ranked 1st in the UK and 3rd globally against Smart Grid Index	8		✓	✓	
<b>3</b>  <b>Going above and beyond for our communities</b>	<b>A behavioural-change communication campaign to keep our communities safe</b> – 50% reduction in overall injuries across high risk groups	9		✓	✓	
	<b>Improving the safety of our equipment</b> – 66% reduction of disruptive events, reducing the risk to the public	9		✓	✓	
	<b>Improving reliability of our assets</b> – Engagement leading to new innovations to improve reliability	10	✓		✓	
	<b>Looking beyond sector for organisational resilience</b> – First utility to be assessed by the Cabinet Office for organisational resilience	10	✓		✓	

You can read all 270 outcomes in a document available here <https://www.ukpowernetworks.co.uk/UKPNengagement2019>

# Meeting our customers' evolving needs

The energy sector is undergoing unprecedented change and, as part of that, customers' requirements are inevitably changing too. To ensure we are always at the forefront and keeping pace with their evolving needs we look across the horizon to anticipate the next developments whilst innovating to offer new services and deliver the best service we can.

88% 

overall customer satisfaction

93% 

customer satisfaction for smart meter related work

Lowest complaint rate

84 complaints per 100,000 customers



## Using real-time customer feedback to consistently learn and improve service EMBEDDED: INNOVATION

### Stakeholders said

The current industry-wide customer satisfaction survey provides us with feedback from almost 300 customers each week that is required to achieve the Broad Measure of Customer Satisfaction survey statistical confidence levels. We know there are many more customers who experience our service, therefore we wanted to provide all customers with the opportunity to provide feedback as close to real-time as possible. We looked closely at the likes of 'fin-tech' organisations and new energy retailers who challenge the status quo. We set ourselves the target of acting with greater speed.

### What we did

We invested in innovative technology bringing best practice from other industries and being the first DNO to implement real-time feedback. We now receive over 2,000 comments each week within 48 hours of serving our customers. Feedback from each customer is reviewed by staff every single week, from call advisors, to engineers, to directors. As a result, this information has driven fundamental action, allowing us to drive positive change at speed for both domestic customers

and businesses, improving the level of service we offer and informing our coaching and training.

*"Making the appointment was quick and easy. Much better than some of your competitors/suppliers. Staff were friendly, both on the phone and the engineer. Well done." And "The engineers who turned up were prompt, efficient, polite and were happy to explain why the work was necessary. Couldn't have been better."*

Domestic customers

This year alone, over 100,000 customer comments were read and learned from, resulting in over 150 improvements to our power cut processes as well as strongly positive feedback from customers.

For example, our telephone system options were not clear and customers ended up in loops. So we mapped the routes a customer could go through and clarified the wording, making it simpler to understand. This made it easier for customers to navigate, resulting in satisfaction scores for ease of contact increasing to 92% from 89%.

Positive improvements to our power cut processes also enabled the following example of support to a local micro-business that was affected by a power cut.

They explained the loss of power meant they were unable to serve their communities and as they were a 24/7 shop, vulnerable customers who often relied on their service out of hours were unable to do so. To allow this important community service to be restored as quickly as possible, we arranged for a temporary generator to be installed while we made permanent repairs.

*"The staff were friendly, professional, kept us fully informed and appreciated the difficulties we were having, being a 24 hour business with no power they even arranged a generator all in a timely manner. We were very impressed."*

Micro-business owner

### Outcomes:

- ✓ 88% overall customer satisfaction because service improvements have made us more responsive to customers' needs
- ✓ Lowest complaint rate of all DNOs in GB
- ✓ 157 customer improvements to our power cut processes

*"I think this is a great place to work. It is genuinely down to the people that work here that make the organisation, and of course that includes my team. We look at our customer feedback dashboards every day, praising the great work the team do while also looking at the things we could've done better; constantly improving the services we offer to our customers by actually listening to what they are saying"* Robbie Beck Customer Service team leader



## Acting on customer feedback in real-time to streamline smart meter installations

NEW: INNOVATION

### Stakeholders said

In some instances a DNO visit is required to enable a smart metering installation to proceed. Last year we made 38,895 such visits and consistent feedback from our customers, via surveys and our Roadshow events, has told us we need to limit customer inconvenience and ensure our service is the best it can be.

### What we did

This year we held over 40 meetings with the top ten energy suppliers and we surveyed their satisfaction with our service, with a clear purpose to deliver a joined up service for our customers. The broad measure customer feedback mechanism from Ofgem does not capture engagements with customers receiving smart meter services from us. We went above and beyond our regulatory requirements and introduced technology to become the only DNO to capture these missing interactions and provide every customer with the opportunity to provide feedback. Over 1,500 having done so. We can now keep our finger on the pulse of what customers want. As a result, we now know that 93% of our customers are satisfied with this service, a metric we did not previously have visibility of.

Using customer feedback, we made many improvements. One example is, when customers need a visit by us after an appointment with their energy supplier, they told us they want to book appointments there and then. We agreed, so we trialled with EDF Energy, meter operators having the ability to make appointments on site with us directly. *"Tremendous cross company work took a disjointed customer experience to one that was customer centric."* EDF Energy Smart Metering Manager.

### Sharing our improvements with the industry

We believe that improvements to our service should be accessible to all GB customers. This avoids a 'postcode lottery' and so we share our learnings, not only across our industry, but with other sectors too. For example, we led an initiative with British Gas to support non-technical call agents with simple guidance on how to triage customer calls and reduce unnecessary engineer visits and so improve service to customers. The project learnings were shared to ensure wider industry and customers could benefit from our experience. British Gas said, *"the clear user interface for Distribution Network Operator call*

*agents [has driven] substantial quick, easy and cost-efficient ways to immediately filter out unrequired interventions and positively enhance the customer journey."*

*"Thank you for your work to date and your contribution to several work streams that in my opinion have improved the safety and efficiency of the smart meter implementation programme and the wider energy industry."* Andy Clay, BEIS

### Outcomes:

- ✓ Approximately 8,000 additional appointments avoided, saving customers over 12,000 hours of unnecessary disruption
- ✓ New visibility of customer satisfaction levels, including 93% customer satisfaction for smart meter related work
- ✓ Shared our learnings across industry to ensure improvements benefit customers across the country

The electrification of the transport sector is crucial if the UK is to meet its decarbonisation commitments, and we have a key role in facilitating this journey. This is why, in 2017, UK Power Networks was the first DNO to publish an Electric Vehicle (EV) Strategy and this year we have focused heavily on continuing this engagement. Through interactions with our Critical Friends Panels, Local Government Forums and Roadshows, new stakeholder segments have emerged. For example, as a result of our engagement with fleet businesses, we have further improved the segmentation of this group into those who principally charge their EV at home, at work or en-route. This granularity is important as it enables us to efficiently plan network development as well as providing better connection advice to these customers.

The idea for an innovation project to improve our understanding of the effects an EV fleet has on electricity networks arose from this comprehensive engagement with fleet operators. Led by Hitachi Capital and involving Royal Mail, Uber, Centrica and UK Power Networks, this project will be one of the largest commercial EV fleet trials in the UK, involving over 3,000 vehicles. This demonstrates the importance of good engagement, leading to great ideas and strong collaboration.

To ensure we continue to deliver, we need to keep striving for excellence, getting out there and talking to everyone. That means car manufacturers, motor trade bodies and forecourt owners through to innovative energy suppliers and data aggregators. We've even learnt from the gaming industry to use big data techniques and probabilistic modelling to help predict where EV charging points will be used in the future. We can now pull all of this disparate information into one model to allow us to identify the areas on our network that need investment before problems occur and impact our customers.

*"UK Power Networks has shown it is willing to listen to stakeholders, including those beyond the energy industry. They have recognised the importance of listening and sharing knowledge in order to innovate towards achieving win-win outcomes."* Technology Innovation Manager from the Society of Motor Manufacturers and Traders

*"By listening to energy retailers and taking this customer-centric approach to smart charging, instead of a 'command and control' model, UK Power Networks is demonstrating real innovation and leadership."* Greg Jackson, CEO of Octopus Energy

Whichever form this engagement takes, we have spent time exchanging views and articulating the importance of why we need to act now. Whether car, bus or taxi, EVs are set to touch every one of our 8.3 million homes and businesses and will undoubtedly change the way people interact with vehicles.

This approach ensures customers are comfortable with how we facilitate the transition, so that when the rush to EVs occurs, we are ready. The following examples demonstrate that we take our role in enabling EVs for everyone very seriously.

## Outcomes:

- ✓ Over 7,000 people at 32 external events benefited from our shared best practice
- ✓ 400 customers at 14 forums received EV advice
- ✓ Over 200 customers benefited from our new EV master classes and EV 'ask the expert' enquiry service, providing customers with an easy way to ask questions regarding EVs

## Our embedded strategy is delivering improvements for customers

## EMBEDDED

### Stakeholders said

Industry specialists on our Critical Friends Panels, along with stakeholders from our Local Government Forums and Roadshows, have all told us that when consumers purchase an EV they should be able to take it home and charge it whenever they want. We know, however, that won't always be possible because, in some instances, customers will need an upgrade to their domestic supply.

### What we did

To ensure customers don't have to face possible financial or other stress when they require a domestic supply upgrade after purchasing their EV, we decided to make this process as simple and painless as possible, by offering free fuse upgrades to domestic EV owners. We developed a new process with guaranteed service levels, and trained more than 300 front-line staff. Despite seeing a 250% increase in appointments in the first three months of 2019, we have met our commitments every time, responding within 10 days and delivering customer satisfaction levels of 97%.

*"The job was perfect. It was nice being able to organise everything over Twitter and email. I needed the fuse upgrade for a car charging point. My new car is being delivered Friday which I am extremely happy and excited about."* EV domestic customer

Furthermore, we wanted to open the connections market to more participants, providing greater choice for our customers. To achieve this, we committed to helping our competitors, the Independent Connection Providers (ICPs), get a foothold in this market. They told us that it was a difficult market to enter because of the expense of developing plans to accommodate EV charge points. In response, we developed a self-service tool for ICPs, providing them with our designs and training. This allowed them to focus on installing the chargers and helped them to provide customers with high levels of service regardless of who they chose to carry out their work.

*"The tool is simple to use and removes the cost of the design which would have to be borne by the*

*ICPs and the customer. This is another enterprising development by in my opinion the leading DNO in the UK."* Wyn Gould, HVES

## Outcomes:

- ✓ Over 300 front-line staff trained to assist customers with EV-related queries
- ✓ 100% delivery on our new Service Level Agreement despite a 250% increase in enquires
- ✓ 97% customer satisfaction for fuse-service upgrades due to our proactive service
- ✓ 12 Independent Connections Providers trained to use the new self-service tool saving £500 per charger on design cost, which is 20% of the total cost
- ✓ Our forecast tool has identified up to £18m of expenditure that is no longer required in ED1

## A new partnership with hard-to-reach, less mobile customers

## NEW

### Stakeholders said

In 2016/17, through our engagement channels, we learnt we must consider the impact of new technology on customers, particularly those who are less engaged. In response, our industry-leading Future Smart strategy set out to empower and enable customers and communities to benefit from a decentralised, decarbonised and digitised energy system. Responding to our consultation, stakeholders told us to "consider potential new areas of vulnerability as a result of future energy developments."

### What we did

This year we partnered with the Energy Saving Trust (EST) to undertake research on the implications of the changing energy systems for the nature of 'vulnerability' and to explore the social role of a Distribution System Operator (DSO). The research identified a number of

vulnerability factors such as a lack of consumer capability, understanding and skills which affect consumers' ability to engage with the changing energy market. We aligned this research with our horizon scanning and vulnerability strategy and identified the impact on customers who are transitioning to EVs as a key focus for us. We approached Motability, who offer hassle-free motoring for people with a disability. We wanted to hear directly from a segment of our customer base that can be hard-to-reach.

Naturally these customers have concerns about how this transition will affect them, both from a financial and practical perspective. In response we created a new partnership to provide EV advice that will benefit 600,000 eligible customers, along with additional resilience tips and promotion of the Priority Services Register (PSR).



One of the thousands of electric vehicle charge points we helped to connect

## Outcome:

- ✓ Motability are a new Priority Services Register referral network focused on hard-to-reach customer groups ensuring more customers than ever benefit from a vast range of tailored, targeted and meaningful support



## Stakeholders said

As a leader in the transition to becoming a DSO, we can make use of Distributed Energy Resources (DER) owned by our customers, such as rooftop solar, to run our networks more efficiently without having to build expensive new infrastructure. We pay for these 'Smart Grid' services, offering customers the opportunity to access new sources of revenue. However, in the summer of 2018, stakeholders from community energy hubs and our Critical Friends Panels told us it is often hard to take advantage of these commercial opportunities.

## What we did

We are determined to make sure that our products are available to everyone, so we made a number of changes based on market engagement to ensure our products were simple, transparent and accessible. For example our collaboration with technology start-up Piclo has continued, co-developing their online platform, making it easier for anyone to register and offer their assets to help us run our networks more efficiently. This year we made the commitment to market test all remaining RIIO-ED1 load-related reinforcement, aiming to procure at least 200MW from customers' DER by 2023. We have spent a great deal of effort promoting this commitment and our Smart Grid products, alongside the supporting Piclo platform. As a result Piclo is now used by all DNOs across the country, allowing greater transparency and opportunity for customers to access new sources of revenue.

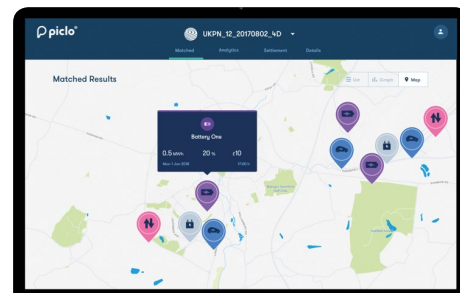
To ensure our Smart Grid products have maximum exposure and match our customers' expectations, we ran engagement through numerous channels such as the GLA's Flex London hackathons, two dedicated workshops with 12 local business groups and invited over 130 industry participants to our dedicated event in 2018. 92% of stakeholders supported our work. Responding to feedback, we lowered the capacity threshold so that small domestic generators could participate, and we extended the length of our contracts to give customers greater confidence in the return on their investment.

The result was an unprecedented 6,000% increase in the number of customers registering their generation assets on Piclo, providing more resource for us to manage our networks more efficiently for all of our customers.

James Johnston, Chief Executive of Piclo said, *"UK Power Networks was the first DNO to recognise the value in working with an independent market platform to lower barriers and increase transparency for customers. UKPN have shown real leadership and as a result we are seeing exciting levels of participation on the platform, including the hard-to-reach, such as community groups."*

*"We've been working closely with UK Power Networks and we're delighted with the progress we've made. Their proactive approach has made it easier for new entrants, such as business and public bodies, to get involved in the emerging market for flexible energy services."* Lead for Smart Energy Systems, Greater London Authority.

**£18,675,000 net value to customers**  
(£2.25 per customer)



Piclo online platform, making it easier to register and offer assets

## Outcomes:

- ✓ Over 478,000 customers served by our flexibility programme and could potentially benefit from a world-class local energy market, allowing them access to new revenue streams
- ✓ The opportunity for over £30m in customer savings to 2023 from our Smart Grid products negating the need for network upgrades

## Providing hard-to-reach Energy Groups with a voice

EMBEDDED

## Stakeholders said

In 2018 we forged a partnership with Community Energy England to bring us closer to community energy organisations and allow us to improve our understanding of the issues affecting them. Through this, we learnt that these groups can play an important role in their local communities, but their projects are having difficulty getting off the ground, limiting their opportunity to help their customers and contribute to our Smart Grid.

## What we did

This year we commissioned two pieces of research, one that captured the views of over 60% of community energy groups in our region to help us thoroughly understand their needs. We teamed up with

Community Energy England and Community Energy South to understand how to provide support to make their projects viable and ensure other stakeholders, particularly Local Authorities, knew how to work in closer partnership with them. This work culminated in a first of its kind regional community energy report and a Local Energy Guide for Local Authorities. We launched our findings in Parliament, taking our community groups' voice right to the heart of government, highlighting the lack of funding and technical support as a serious inhibitor to local schemes. Through financial support, using our Power Partners Fund and providing technical expertise along with promoting the revenue opportunities available by supporting our network management, we have helped five community schemes get off the ground this year.

Rt Hon Amber Rudd MP, Member of Parliament for Hastings and Rye said: *"I strongly support the work of community energy companies on several important fronts. They are playing their part in getting more low carbon energy into the system while helping some of our most vulnerable residents. I'm delighted to see UK Power Networks forging closer links with community energy groups, including the important work they are doing in my own constituency of Hastings and Rye with Energise Sussex Coast."*



We launched the first regional community energy report in Parliament with the Rt Hon Amber Rudd MP and our partners from the community energy groups

## Outcomes:

- ✓ More than £90,000 contributed to community groups, enabling five community groups to alleviate fuel poverty, support people in vulnerable circumstances and make community buildings warmer and cheaper to heat across our regions
- ✓ Gave local community energy groups a voice through our regional state of the sector report
- ✓ Helped Local Authorities understand the important role local community groups can play in supporting the growth of clean energy and increasing awareness of the revenues available



## Stakeholders said

Our Distributed Energy Resources (DER) customers have told us the cost of connecting to our networks can sometimes make their projects unviable, so they would like us to explore opportunities to make it cheaper to connect.

## What we did

We know that we can add more capacity by building more infrastructure, but this is costly, so in 2018 we undertook a number of innovative initiatives to reduce the amount of infrastructure we need to build, saving customers' money and allowing cheaper connections to our networks.

**1. Collaboration:** We collaborated with international partners to look for new technologies that can unlock our existing assets. As a result, we are installing the world's first load balancer at a distribution network level. This advanced technology has previously only been used on transmission networks but is now being deployed in Colchester, enabling an additional 95MW for customer connections and saving our customers £8m.

**2. Multi-targeted approach:** We created a programme of works to combine advanced analytics, monitoring and targeted network upgrades aimed at releasing more capacity at lowest cost. This programme has led to the release of 182MW in our southern network, SPN, and 327MW in our eastern network, EPN for additional connections.

In total, these initiatives have created over 500MW of new capacity (assuming the average cost of new renewable generation capacity is £1m per MW). This in turn could allow £500m of additional investment of renewable generation into our networks.

Furthermore, in 2019, we partnered with leading companies from the UK, US and Australia in scaling up our active network management system. This is an advanced digital platform that allows our network to be run closer to its limits safely, freeing up capacity for our customers and enabling additional connections without costly and time-consuming reinforcement.

We are now the first DNO in the country to begin rolling this out across the entirety of our network.

These initiatives, coupled with our long-term regional development plans, have enabled us to significantly increase network capacity and provide the new lower cost connection offerings that our customers asked us for.

## Outcomes:

- ✓ Over 500MW of additional capacity delivered through innovative and traditional techniques
- ✓ Up to £500m of investment opportunity for local generation through our network capacity
- ✓ Offering more choice and new product offerings to all our customers

## Stakeholders said

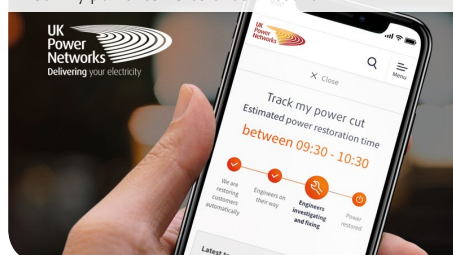
We know from surveying our customers that when they experience a power cut, they want to know what is being done about it and when the issue will be resolved. We have undertaken a great deal of work in this area in the past, such as appropriate call handling training and the ability to sign up for text updates. We believed, however, that more could be done to increase the information available to our customers.

## What we did

We set up a website customer panel and collected over 8,000 customer comments so that we could co-design our new website. We were the first DNO to use a digital customer testing panel where customers challenged and prioritised our digital improvements. We used this feedback along with learning from other successful brands, such as DPD's track my parcel facility and built on our already embedded industry-

first Track my Power Cut. As a result of this stakeholder input, we delivered over 30 website improvements and we will continue to listen and improve our service. We have continued to work with AbilityNet to ensure our website is accessible to customers with specialist communication needs such as visually impaired. This year we have added Makaton as a new online communication channel.

'Track my power cut' area of our website



As a result over 3 million customers are using and benefiting from our new website this year.

*"I was impressed by the speed and accuracy of the information available on your website."*

Wes Streeting MP for Ilford North

## Outcomes:

- ✓ 91% satisfaction score given by our customers who used our website during a power cut, compared to 88% for those who did not
- ✓ 3 million customers used our innovative website providing easy access to information
- ✓ Website shortlisted by the UK National Contact Centre Awards

## Stakeholders said

Having diverse employees is central to our vision. We know that nurturing a diverse and inclusive team is key to creating a positive, productive workplace that meets the needs of the immensely varied communities and customers we serve. Senior Leaders on our CEO Panel reinforced the link between diversity, performance, and our broader social role. They told us to play our part in this by, for example, closing the gender pay gap.

## What we did

In 2018, we set ourselves challenging targets to ensure we achieved the National Equality Standard (NES). This included overhauling our recruitment processes to attract more diverse pools of candidates and introducing 'blind' CV processes to reduce unconscious bias. We also challenged how we worded job descriptions, for example, changes made to an advertised project manager role led to an increase in the proportion of female applicants. Furthermore, we worked to close the gender pay gap by over 1%. We know this is important to stakeholders and we will continue to prioritise in this area.

Targeted programmes, reaching 48,658 people, helped us recruit people from disadvantaged groups, including from schools with a higher than average number of pupils from lower income families.

During a consultation on a new substation in Hastings, local stakeholders made Liam O'Sullivan, our Head of Programme Management and Delivery, aware of the lack of opportunity for young people in the area, and that only 20% go to university. He quickly reacted and became passionate about developing future skills, working with Hastings College to promote apprenticeship opportunities at UK Power Networks.

After all our efforts we were awarded the NES accreditation. This standard is a hallmark of equality and diversity and is proof that our policies and practices have created a culture that supports every employee, without prejudice. This allows us to demonstrate to our stakeholders that the importance we place on diversity and inclusiveness matches their ambition.

NES Chief Executive, Arun Batra, said: *"I've been hugely impressed with the commitment shown by UK Power Networks, which has translated into real progress and I'm therefore delighted that they are the first electricity distributor to be NES certified."*

## Outcomes:

- ✓ Awarded the NES and 16th most inclusive employer in the UK award, highlighting how our diverse and inclusive workplace represents the communities we serve
- ✓ Ofsted rated our apprentice programme as having a considerable beneficial impact on apprentices, enabling them to develop high-level skills that they apply confidently and independently at work
- ✓ With over 20 options to contact us, we offer an inclusive service for customers, catering in particular for those with specialist communication needs

# Caring about the environment

Our environment is the one resource on which all of us depend. With the public's desire to protect the environment growing each day, we understand the need to monitor our impact on the environment and tackle the challenges head-on.

18.9%

CO<sub>2</sub> reduction



18.5 million

passenger journeys are made a year on electric bus routes we connected



100,000

fewer single-use plastic bottles distributed to operational teams



63,000

resin buckets being recycled



## Living our vision to be the most socially and environmentally responsible DNO

NEW: INNOVATION

From searing heatwaves in the northern hemisphere, to ferocious storms and flooding in south east Asia, 2018 was a year of extreme weather. The 24-hour media world we live in means it is impossible to ignore and our changing climate is front and centre of everyone's mind. People now sit up and notice when coral reefs disappear or plastic washes up on our beaches. This is not a future people want. We hear this from our customers as well as from our employees. This change in tone has driven significant changes that ripple through our entire business.

Whilst our stakeholders recognise the great lengths to which we go in order to care for the environment, through our CEO Panel they challenged us to go further and in response we took two significant actions:

1. We added it prominently to our vision: to be the most socially and environmentally responsible DNO; and
2. We launched our Green Action Plan, prescribing ambitious environmental targets for us to deliver

We believe this plan offers best-in-class environmental credentials, going above and beyond not only our ED1 business plan commitments, but also those of our peers and its creation was only achievable through direct stakeholder engagement.

This plan was initially presented in draft to our Critical Friends Panels to invite challenge and to help shape it. They added new ideas and set stringent targets on air quality and biodiversity, helping to make it a better strategy. Furthermore, the plan includes commitments to achieve recognition from stretching external accreditations, such as through the Carbon Trust. We also adopted the UN Global Sustainable Development Goals to demonstrate and reaffirm our commitment to enabling social progress and clean growth whilst caring about the environment.

The examples in this section provide further evidence of how we take what is important to our stakeholders and address it through our strategy.

**£12,201,000 net value to customers**  
(£1.47 per customer)\*



Everything we do is underpinned by our Environmental Strategy, built on three strong pillars:

### 1. Minimise our impact

Ensure our operations cause as little disruption to the environment as possible

### 2. Lead by example

Lead the industry in pursuing best practice to address environmental issues

### 3. Support the low carbon transition

Facilitate a future that is sustainable and low carbon

### Outcome:

- ✓ 8 industry leading environmental targets covering environmental accreditation, carbon emissions, energy reduction, waste, recycling, water, noise, air quality and biodiversity, on which we will report progress to stakeholders each year



## 1. Minimise Our Impact – Reducing and reusing plastic

NEW: INNOVATION

### Stakeholders said

Plastic usage is under close scrutiny everywhere, reflected by stakeholders on our CEO Panel, who suggested we should do more to reduce and reuse plastic in our business. This was also the clear view from our employees, and feedback received directly from customers.

### What we did

We identified and analysed every plastic item purchased by the company, from black bin bags to heavy duty cable ties. Colleagues and stakeholders from our Critical Friends Panels voted for the top three items on which we should focus, and as a result we now have clear action plans aimed at reducing or eliminating the use of each of the following:

### Plastic bottles

Ian Cameron, Head of Innovation, noticed consistent customer concerns around plastic use and its impact on the environment. Ian raised the incompatibility in how, as a business, we distribute thousands of plastic bottles to our staff, yet customers were calling for us to care for the environment. Within two weeks, management teams acted and now provide aluminium or durable, reusable plastic bottles. Already we have issued 100,000 fewer single use plastic water bottles than we did the previous year, equating to 8.3 tonnes of carbon saving.

### Resin buckets

Following a trial initiated in September 2018 by Paul Edkins, our Field Staff Supervisor, we found a better way of recycling the 63,000 resin buckets we use each year, separating them from other recyclable waste and making them into products such as builders' buckets and paint trays.

### Environmentally friendly road surfaces

Operations Manager Mark Baker suggested developing an environmentally-friendly way of repairing roads by using waste plastic instead of fossil-based bitumen. A trial has shown it is more durable than traditional asphalt and, if successfully deployed across just one of our regions, it could divert the equivalent of 324 million plastic bags from landfill.

"I saw what we were doing with re-using plastic bottles and I thought that was a positive initiative. Then the obvious next step seemed to be the Resin Buckets."

Paul Edkins,  
Field Staff Supervisor



\*Using 2019 valuation research figures

### Outcomes:

- ✓ Prevented 63,000 resin buckets going to landfill by recycling into construction materials
- ✓ 12,500 litres of oil and 8.3 tonnes of carbon saved that would have been used in producing plastic bottles for our staff
- ✓ The equivalent of 324 million plastic bags could be diverted from landfill with the set-up of a trial road re-surfacing project

Dan Pemberton, Distribution Supply Technician, using our aluminium water bottles to help reduce the use of plastic bottles



### Stakeholders said

The Mayor of London has given a strong commitment to improve the capital’s air quality. With the nation’s first Ultra-Low Emissions Zone, which came into effect in April 2019, London is leading the way in rolling out EV infrastructure, and is currently home to 11% of the UK’s EVs. Through our long-term and trusted partnerships with the Mayor’s office, Greater London Authority and its partners, we understood the importance of our activities supporting their policies.

### What we did

Working with the GLA and partners, we co-developed a strategic plan to support London’s Local Authorities, its businesses and residents to switch to electric transport.

Nowhere is this collaborative approach better demonstrated than with Transport for London (TfL). TfL has the ambition to have all 9,300 zero-emission buses across 79 depots by 2037, estimating it would need 830MVA, equivalent to 20% of London’s total electricity demand. Working together to understand TfL’s requirements, instead of simply upgrading and building new assets to accommodate the significant demand requirements, we devised a completely different approach. We took a London-wide view of our infrastructure, reducing the original capacity requirement by 67% and avoiding millions of pounds in network investment and costs to our customers.

Beyond this, through our well-developed relationships with our stakeholders, we collectively recognised an opportunity to do more to support bus operators as they tendered for electrified routes. A great example of this was appointing a designated project manager for all garage electrification programmes across London, enabling bus garages to connect faster and more cheaply. The result is more than 150 electric buses now operate across 12 routes from six garages, enabling 18.5 million carbon emission-free passenger journeys in one year.

Through this engagement we introduced the innovative concept of timed-connections. This allows buses to charge in a controlled manner at times when network demand is lower. This new product has delivered over £1.6m in savings, an 80% reduction in the connection costs at the Camberwell and Shepherd’s Bush bus garages alone, making more electric routes viable and accelerating the electrification of London’s transport infrastructure. Our leading approach has been shared with others across industry to enable best practice across the country, helping the nation on its journey to decarbonise transport.

*“UKPN’s expertise was invaluable and it was a very useful and insightful study. The cost outputs have fed into the continued development of our roadmap to deliver a zero emission bus fleet by 2037.”* Head of Bus Business Development, Transport for London

*“Look forward to continuing our successful partnership this year as we expand London’s electric vehicle infrastructure and work together on the framework for a future zero carbon city.”* Shirley Rodrigues – Deputy Mayor, Environment and Energy



One of the 150 buses we have helped electrify

### Outcomes:

- ✓ **67% reduction in power required to electrify 9,300 buses** which is equivalent to 11% of London’s peak demand
- ✓ **150 buses in London fully electrified**, enabling **18.5 million** carbon emission-free passenger journeys in one year
- ✓ **Over £1.6m saved** at two London bus garages that wanted new electrical connections by using our new EV product

## 3. Support the Low Carbon Transition – Integrating local renewables on to our network NEW: INNOVATION

### Stakeholders said

We mentioned earlier that we can use Distributed Energy Resources to help run our network more efficiently. With more than 165,000 generators connected locally to our network, providing over 10GW of electricity, there is a tremendous amount of resource to draw upon. The additional financial support we can provide can make the case for investment and naturally encourages the growth of more renewables on to the system. This is at the very heart of the Smart Grid, but communicating these benefits and opportunities to customers is undoubtedly complex and a challenge that needs to be overcome. This chimes with what our stakeholders are telling us, specifically through our CEO Panel, who asked for a suite of easily identifiable and simple to understand Key Performance Indicators (KPIs) to measure our progress on moving towards a Smart Grid.

### What we did

Our challenge was to find a way to make complex service offerings as simple and transparent as possible, allowing everyone, from domestic customers through to prosumers and big business, the opportunity to participate. To do this, we worked with our stakeholders to help develop a simple but effective campaign – ‘a smart grid for all’.

This initiative used a multi-channel approach to reach more than 31,000 potential customers, segmented as follows:

- 95 industry stakeholders at our flagship event
- 3,873 unique microsite page views
- 68 items of media coverage
- 8,083 views of video posts on LinkedIn
- 19,193 reach of launch blog posts
- 32 consultation responses
- 30 engagement events

This initiative shows the breadth of engagement we have undertaken in what is a fundamental change for the industry, allowing stakeholders a crucial voice during the transition.

Furthermore, during 2018 we presented our draft KPIs at our CEO Panel, before updating and further co-creating these with stakeholders on our Critical Friends Panels. A suite of 15 KPIs covering value to customers, environmental benefits, customer satisfaction and technical performance were co-created. These are now regularly reported to members of our Executive Management Team and will be published annually, providing accountability and transparency of progress to our stakeholders.

These initiatives have undoubtedly contributed to UK Power Networks being ranked first in the UK and third globally for Singapore Power Group’s Smart Grid Index, which identifies a range of best practices and benchmarks utility companies against them.

We were commended for providing best practice in the areas of ‘monitoring and control’ and ‘customer empowerment and satisfaction’, providing our stakeholders with the confidence that we are at the forefront of the transition to a Distribution System Operator.

### Outcomes:

- ✓ **Ranked 1st in the UK and 3rd globally** against the Singapore Power Group’s Smart Grid Index
- ✓ **Our 15 DS0 KPIs provide transparency** and enable our stakeholders to hold us to account
- ✓ **Provided new financial support to renewable generation**, encouraging more installations and benefiting the environment



# Going above and beyond for our communities

Stakeholders want a safe, reliable and responsible service. We deliver this by striving to go way beyond what is dictated by regulation, ultimately aiming to be recognised as a force for good for the diverse communities we serve.

**1<sup>st</sup> DNO**

to be assessed by the Cabinet Office for Organisational Resilience



**50% reduction**

in overall injuries across all targeted high risk groups



**48% reduction**

in the number of power cuts since 2010/11



## A behavioural-change communication campaign to keep our communities safe

NEW: INNOVATION

### Stakeholders said

One thing we can always be sure of is that the safety of the public matters to our stakeholders. It is a message repeated at almost all of our engagement events, including our recent Roadshows. Whilst injuries have declined steadily since 2010, our drive to never stand still led to the creation of a safety behavioural change initiative.

### What we did

To build upon our already embedded safety programme, we developed the award winning 'Be Bright, Be Safe' safety campaign, by looking at our extensive safety incident and injury data involving the electricity network. From this, we identified that haulage contractors, electricians, tree trimmers, construction companies, scaffolders, farmers and local authorities were our most at risk groups. Stakeholders also directed us to build relationships with trusted partners such as trade bodies and industry groups such as the National Farmers Union.

To effectively target these demographics we adopted a multi-channel approach:

**Behavioural science** – using 'nudge theory' and positive reinforcement to indirectly suggest and encourage safe practices. Stakeholders had told us that unsafe behaviour starts even before they begin work, so we developed 15,000 leaflets and stickers to place in vehicles to act as the 'nudge' before they even set off.

**Safety animations** – stakeholders told us that animation was an effective channel to bring safety to life and our clips have been viewed over 2,500 times.

We then created 'The Pledge' where companies promised to share our safety messages with their employees or members.

**Printed and digital materials** – continued to promote our safety messages via leaflets, articles on our website and using extensive social media with a reach of over 299,000.

**Face-to-face events** – targeting 15,000 at risk groups via events and trade shows and presenting to over 30,000 school children at Crucial Crews or Junior Citizen events and delivering safety workshops to agricultural students.

This behavioural change campaign exceeded our RII0 ED1 annual target of 250,000 individuals, reaching over 470,000 people, resulting in a 50% reduction in very serious incidents affecting members of the public. Furthermore, our most at risk groups rated our safety communications at 85%, having scored us at 75% before the campaign.

The 'Be Bright Be Safe' campaign adopted a multi-channel approach



*"A central function of the Gas Safe Register is raising consumer awareness of safety issues. We have been delighted to work with UK Power Networks on a number of campaigns, improving the effectiveness of our campaigns and extended our reach to an even broader set of consumers."* Scott Darrock, Head of Communications Gas Safe Register.

**£15,106,000 net value to customers**  
(£1.82 per customer)



### Outcomes

- ✓ **No injuries to farmers** at any level, year-on-year for the last three years
- ✓ **80% reduction** in injuries to Local Authority Contractors this year
- ✓ **61% decrease** in injuries related to builders this year
- ✓ **64% reduction** in injuries to electricians this year
- ✓ **50% reduction** in overall injuries across all high risk groups targeted through the campaign this year, demonstrating real behavioural change
- ✓ **Won Campaign of the Year** at the Health and Safety Excellence Awards in 2018/19



## Improving the safety of our equipment

NEW: INNOVATION

### Stakeholders said

Link boxes connect parts of the low voltage electricity network together, allowing re-routing of supplies in the event of a power cut. Faults in the equipment are a long-standing feature and to some extent have been tolerated by the industry. Nevertheless, stakeholders told us they are not only alarming to witness but also potentially dangerous to the public. This is why our engineers led a team to challenge the status quo by engaging the market to find an innovative approach to the problem, doing everything they could to minimise the effects.

### What we did

We engaged with multiple industries across many countries to help foster ideas to keep the public safe and reassured. This engagement led to a three-pronged approach to solve the problem. Using a specialist testing facility in Budapest, we developed an innovative composite cover blanket and a new link box design. We set about deploying this comprehensive solution in every one of our 111,000 link boxes. We ranked them by scale of impact should an incident occur and started work immediately on those considered most urgent. To date, we have completed 94% of our link boxes, and as a result the number of disruptive events has reduced by 66%. We shared our work in this area and now all DNOs are following our various mitigation approaches, but we remain unique in that we are the only DNO to adopt a 100% coverage approach.

### Outcomes:

- ✓ **94% of link boxes** improved in terms of safety and 66% reduction of disruptive link box events, reducing the risk to the public
- ✓ **Industry-wide innovative engineering** standards improving safety for all customers in the UK

Our innovative link box blanket designed to improve safety to the public





### Stakeholders said

Electricity is essential to life and our priority will always be to keep the lights on. Our stakeholders give us the clear message that they want a reduction in the number and duration of power cuts. Our strategy is to seek new ideas and insight to deliver year-on-year improvements to continue to provide the best reliability for customers.

### What we did

One of the key reasons why we engage is to identify best practice or new ideas from different businesses and industries that we can adapt and apply for the benefit of our customers.

Nowhere is this more evident than in how we have engaged the market to deliver a step change in reliability performance for our customers – reducing the number of power cuts by 48% and the duration of power cuts by 53% since 2010/11.

We have continued to build on this high level of engagement and collaboration in 2018/19 to develop new solutions with partners ranging from advanced modelling of weather related faults to new automated restoration methods. We have summarised some of the key ones that we are most proud of here.

### Primary (EHV) Outage Restoration Tool (PORT) – NEW

As the industry leader in HV automation systems, we wanted to develop similar automation at the EHV level so, with General Electric, we developed new automation logic to apply to EHV outages. Following a trial in Q1 2018, this is being rolled out across all compatible EPN and SPN primary substations, currently covering 72% of those networks. This year, the new technology has restored 148,000 customers in under three minutes, saving an average of 4.7 minutes of customer interruptions per 100 customers.

### LV RECLOSERS – NEW

Customers told us it is frustrating when they experience multiple unplanned disruptions due to the same reoccurring fault. Through extensive engagement and collaboration with EA Technology, a new product was developed and deployed that can automatically locate and self-heal faults numerous times before requiring engineer intervention. This new device has reduced costs in comparison to the alternative solution by over 50% over a ten-year ownership period. This significant saving has made this technology more affordable and as a result is now delivering benefits to a much greater number of customers, including customers across the industry.

### HV (11kV) Automation – EMBEDDED

We continue to deploy 11kV automation at a level that far exceeds any other DNO and underpins our industry leading ability to rapidly restore power to customers in under three minutes.

*“As an organisation, UKPN are very receptive to new and innovative ways of working that will deliver clear benefits to their customers. EA Technology enjoys working closely with UKPN in their quest to further improve the management of LV cable faults.”*

Chris Lowsley, LV Solutions Director, EA Technology

### Outcomes:

- ✓ **9% reduction in number of unplanned power cuts year-on-year**
- ✓ **12% reduction in the total time customers are without power for an unplanned interruption year-on-year**
- ✓ **84% of customers with a power cut were restored within one hour (excludes under 3 minutes auto-reclose interruptions)**



### Stakeholders said

Following the storms of winter 2013/14, MPs and stakeholders told us that the response across the sector was not as good as it could have been. Providing an essential service quite rightly comes with expectations and responsibility and we knew this couldn't happen again.

### What we did

To address this, in 2014, we set about developing and enhancing our levels of resilience, aligning ourselves to industry best practice and national standards. In 2016 working with the Cabinet Office and their Emergency Planning College (EPC), we became the first utility to be independently reviewed on our functions of Organisational Resilience, based upon the BS 65000:2014. We have continued these reviews annually to embed our strategy and strive to become more resilient each year.

- ✓ Organisational resilience



Specific actions this year included:

- **Expanding** our Business Continuity Plans by 160%
  - **Testing** response capability and shared learning through joint exercises with government, the banking sector and other utilities
  - **Investing** to improve cyber security, with an average of 3,442 system events per second processed by our automated cyber monitoring
  - **Educating** 4,600 staff who undertook cyber training – a 28% increase from the previous year
  - **Strengthening** resilience at a local level through our membership of Resilience First, providing advice and support to the business community
  - **Integrating** risk management and organisational resilience at a strategic level through an Organisational Resilience Leadership Team
- Responding** with our best ever storm response, restoring 99% of all customers within 24 hours during Storm David – allowing customers to return to normality as soon as possible.

These initiatives have undoubtedly contributed to us achieving a 2019 rating of Level 4 (out of 5) for four of the five areas tested, and Level 5 for our leadership and culture.

*“We were impressed by the enthusiasm, knowledge and commitment across each of the work streams contributing to UKPN's drive to embed organisational resilience into its culture.”* Martin Fenlon, Lead Reviewer Cabinet Office, EPC

### Outcomes:

- ✓ **Zero high impact cyber incidents affecting any of our stakeholders**
- ✓ **50% reduction of potential high impact incidents that could have caused business disruption**
- ✓ **We are the first DNO and utility to be formally assessed by the Cabinet Office for Organisational Resilience, scoring 4 out of 5.**
- ✓ **Highest rating of 5 out of 5 for leadership and culture, matching scores required for the nuclear sector**

## Engagement is already shaping our plans for 2019/20

Stakeholder engagement is an ongoing process, which is already shaping our plans for next year



#### Meeting our customers' evolving needs

- Improve our support for the transition to EVs
- Continue roll-out of Active Network Management
- Further close our gender pay gap and improve our diversity



#### Caring about the environment

- Deliver our Green Action Plan
- Publish our performance against our DSO KPIs
- Complete the procurement of flexibility services



#### Going above and beyond for our communities

- Continue to promote Be Bright, Stay Safe safety campaign
- Push to improve network reliability further
- Continue to improve our organisational resilience assessment

Supporting our vulnerable customers is covered in Part 3.

