



Western Power Distribution Stakeholder Engagement Workshops January 2015

*Actions to be taken in response to the
key findings reports*

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1 Context – workshops overview

Dates & locations

- 1.1 WPD hosted six stakeholder workshops as follows:
- Plymouth (St Mellion International Resort), Tuesday 20th January 2015
 - Bristol (Bristol Zoo), Wednesday 21st January 2015
 - Newport (Celtic Manor Resort), Thursday 22nd January 2015
 - Birmingham (Aston Villa Football Club), Tuesday 27th January 2015
 - Milton Keynes (Hilton DoubleTree, MK Dons FC), Wednesday 28th January 2015
 - Cheltenham (Cheltenham Racecourse), Thursday 29th January 2015

Attendees

- 1.2 232 stakeholders attended, representing a broad cross-section of customer groups:

Domestic customer or consumer interest body	10%	Energy / utility company	20%
Business customer (or representative)	8%	Regulator / government	1%
Local authority officer	13%	Environmental representative	7%
Elected representative	8%	Housing / development	2%
Developer / connections representative	16%	Other	13%
Academic / education institute	3%		

Format of the workshops

- 1.3 Each event included four sessions:
- **Workshop One: WPD’s Business Plan – Reporting our performance**
 - **Workshop Two: Long-term strategic priorities** (impacting the future of electricity networks)
 - **Workshop Three: Beginning to address these long-term priorities**
 - **Workshop Four – Choice of specific surgeries:**
 1. Connections and Distributed Generation
 2. Social obligations (including vulnerability and fuel poverty)
 3. Environmental reporting
 4. Network losses strategy
- 1.4 Each session began with a presentation from a WPD senior manager. Stakeholders then participated in facilitated, qualitative round-table discussions followed by quantitative electronic voting.

Key objectives

- 1.5 The workshops were designed to achieve 4 key objectives:
- Identify how stakeholders would like WPD to report on annual performance against the RIIO-ED1 Business Plan commitments
 - Identify how stakeholders would like WPD to report on the impact of annual expenditure on customer bills
 - Identify the strategic priorities that will impact WPD in the long-term and rank these in order of importance
 - Seek views on the steps WPD can take today to address some of these areas and help to refine WPD’s action plans
 - Seek feedback on WPD’s connections work plan, social obligations programme, network losses strategy and proposed environmental reporting.

2 Summary of actions

In total there are 18 suggested actions that WPD will take as a result of the feedback received at the recent stakeholder engagement workshops:

Reporting on WPD's RIIO-ED1 performance

- 2.1 WPD's Business Plan performance reporting will be annual and published in the September following the end of the regulatory year on 31st March.
- 2.2 Reports will be multi-layered – with a short summary report (detailing WPD's performance in the 76 output areas) made widely available, with a more detailed report sitting behind this and available online for customers that want greater detail (including a detailed breakdown of the bill impact in each of the 4 licence areas).
 - 2.2.1. The summary report will cover all six output areas, in a single document but with separate chapters. For the more detailed report, there will be a separate report per output area, with information split by WPD licence area wherever possible for customers seeking more localised information.
- 2.3 The summary report will include a one-page traffic-light summary table and a high-level indication of the annual bill impact.
- 2.4 The summary report will be available in hard copy and promoted to interested stakeholders via e-bulletins.
- 2.5 The high-level headlines (such as the one-page traffic light summary table) will be promoted to customers via WPD's annual customer awareness newsletter ('Power For Life').

WPD's long-term strategic priorities

- 2.6 WPD will separate 'affordability' and 'vulnerability' as separate strategic priorities (acknowledging that the methods to address these may, at times, be linked).
- 2.7 WPD will add 'environment and sustainability' as an additional long-term strategic priority. The full list of priorities (in order of importance to stakeholders) is:
 - Keeping the lights
 - Network intelligence (including smart networks)
 - Workforce renewal, skills and training
 - Government legislation/policy
 - Vulnerability
 - Customer information and data
 - Affordability
 - Customer awareness
 - Environment and sustainability
- 2.8 WPD will actively follow the development of European and Government legislation and lobby for changes or clarity where appropriate.
- 2.9 WPD will extend the availability of network mapping, asset and constraint data on our website. We will define the specific actions in our Connections improvement Plan which we will publish on our website at the end of April 2015.

Customer awareness

- 2.10 The content of WPD's school's education programme will be expanded to include broader information about WPD, including promoting the single emergency number, what to do in a power cut and supporting vulnerable customers. This will include circulating fridge magnets displaying the single number.
- 2.11 Combining the views of stakeholders at our workshops with market research conducted with domestic customers, we will make a number of refinements to our future customer awareness campaign, including expanding the use of social media, and increasing the focus on direct mailings and the other aspects given greatest importance by stakeholders.
- 2.12 WPD will launch a smartphone application in 2015 for customers to contact us (including reporting power cuts) and introduce Facebook as an additional social media contact method.

Affordability and vulnerability

- 2.13 WPD will expand the existing number of call handlers (currently 20) proactively contacting vulnerable customers on the Priority Service Register to update their details and offer resilience advice.
- 2.14 WPD will expand the number of initiatives in place with key partners such as the British Red Cross and RVS to proactively improve the resilience of vulnerable customers to power cuts.
- 2.15 WPD will work with relevant partner organisations to identify potential areas where the need for network reinforcement coincides with high fuel poverty levels, and look to implement a pilot project to lower electricity demand.
- 2.16 WPD will not establish a hardship fund for qualifying domestic customers.
- 2.17 WPD will organise a number of bespoke workshops specifically for small businesses to identify the key factors impacting the resilience/vulnerability of small businesses and the actions WPD can take with particular reference to low awareness of WPD, resilience to supply failures, short interruptions and streetworks.

3 Reporting on WPD's RIIO-ED1 performance

Questions asked:

- Which Business Plan areas interest you the most (for reporting)?
(Safety, Reliability, Environment, Connections, Customer satisfaction, Social obligations)
- How would you like to be kept informed of the progress of the Business Plan?
(Level of detail, format, frequency, method of delivery)
- How would you like to be kept informed of the impact of the delivery of the Business Plan on customer bills?

- 3.1. The area of the Business Plan with greatest general appeal to all customers was 'Reliability' and any reporting should give this greatest prominence. However, all six delivery areas of the Plan are of interest to different stakeholders, dependent on their core interest area.
- 3.2. Stakeholders favour a multi-layered style of reporting – with a one-page high-level traffic light summary for all stakeholders, supported by a short (10-20pg) summary document detailing performance against targets for the major 76 commitments.
- 3.3. For stakeholders requiring further information, this should be made available online via a more substantial text-only report (similar in format to the existing statutory accounts submissions), with clear links within the summary document for how to access this.
- 3.4. Where possible, at this detailed level, customers would like to see information regionalised with separate reporting per WPD licence area.
- 3.5. The summaries should be available in hard-copy format and the more detailed versions online only.
- 3.6. The short traffic light summaries should be promoted to stakeholders, perhaps via WPD's annual 'Power For Life' newsletter and a bespoke email bulletin to registered stakeholders, with details about how/where to access the more detailed reports online.
- 3.7. Stakeholders are happy for reporting to be annual (circa September following the end of the regulatory year on 31st March).
- 3.8. There was limited interest in the distribution portion of the electricity bill, beyond the headline average domestic figure, per year, per licence area.
- 3.9. Similar to the preference for overall reporting of delivery performance, customers would like a further breakdown of the bill to be available online, within the larger reports for stakeholders to access if interested. This breakdown should include: Investment on the network; Outperformance rewards; Costs we recover for others; Pensions; Tax. Where it is possible to do so, this data should be disaggregated further – for example, 'investment in the network' could give separate values for 'investing in the existing networks'; 'load related reinforcement'; 'corporate activities'; 'apprenticeship schemes and training'.

4 WPD's long-term strategic priorities

Questions asked:

- Do you agree with the priorities identified?
- Is there anything missing?
- Which are most important to you and why?

- 4.1. Stakeholders were asked to review the seven existing strategic priorities identified by WPD. There was considerable endorsement for the priorities; for example, whilst 'customer awareness' was given the lowest importance rating overall, 82% still agreed that it was a priority.
- 4.2. As well as qualitative discussions, stakeholders were asked to rank the strategic priorities in order of importance. Voting followed a 1-5 scale where: 5 = highest priority; 4 = high; 3 = medium; 2 = low priority; 1 = not a priority at all.

Rank	Category	Overall prioritisation	Plymouth	Bristol	Newport	B'ham	Milton Keynes	Chelt'm
1	Keeping the lights on	4.50	4.38	4.25	4.69	4.58	4.63	4.43
2	Network intelligence (inc. smart networks)	4.04	3.91	4.0	4.13	3.98	4.39	3.89
3	Workforce renewal, skills and training	3.51	3.53	3.47	3.71	3.46	3.65	3.27
4	Government legislation/policy	3.43	3.75	3.44	3.85	3.31	3.16	3.15
5	Affordability and Vulnerability	3.41	3.38	3.76	3.15	3.59	3.13	3.22
6	Customer information and data	3.27	3.25	3.28	3.31	2.92	3.83	3.29
7	Customer awareness	2.67	2.81	2.40	2.73	2.45	3.0	2.92

- 4.3. Aside from 'keeping the lights on' which was a top priority for all stakeholder demographics, it was clear that each of the priorities was ranked as a 'high' priority by one or more of the stakeholder groups represented. This adds further weight to the endorsement of these seven areas as the key long-term issues that WPD should consider:

Category	Overall	Greatest support	Least support
Network intelligence (inc. smart networks)	4.04	4.54 – Connections and Academics	3.36 – Domestic customers and Elected representatives (e.g. parish councils)
Workforce renewal, skills and training	3.51	4.20 – Regulatory/government and Academics	3.05 – Domestic customers and Consumer interest bodies
Government legislation/policy	3.43	3.73 – Connections and Regulatory/government	3.03 – Businesses and Elected representatives
Affordability and Vulnerability	3.41	3.52 – Energy companies and Elected representatives	2.84 – Environmental representatives and Businesses
Customer information and data	3.27	3.63 – Local authorities	2.81 - Businesses
Customer awareness	2.67	3.29 - Elected representatives (e.g. parish councils) and Regulatory/government	2.30 – Domestic customers or consumer interest bodies

- 4.4. A number of additional priorities were occasionally mentioned including 'cyber security' and 'contributing to regional and national economic development'. A number of other topics such as 'connections' and 'low carbon technologies' were raised consistently, but stakeholders acknowledged that these were included as subsets within several, if not all, of the seven key priorities listed above.
- 4.5. The most prevalent additional priority was 'environmental impact and sustainability'.
- 4.6. Stakeholders suggested splitting 'affordability and vulnerability' as separate strategic priorities. Whilst there was acknowledgement that the way WPD may set about addressing these issues may be linked, there was greater prominence placed on 'vulnerability' (to supply failures) than 'affordability'.
- 4.7. On the topic of 'vulnerability', several stakeholders stated that WPD should include the resilience (and potential vulnerability) of small businesses as a key factor to consider within this priority area.
- 4.8. On the topic of 'Government legislation and policy' the point was made by several stakeholders that WPD do not have a choice over whether to comply with policy. However, when the question was re-scoped to ask stakeholders whether WPD should be 'passive' and simply abide by legislation when it comes into effect, or 'actively involved' in shaping the creation and implementation of policy, the vast majority believed WPD should be as active as possible.

5 Beginning to address these long-term priorities

- 5.1. It was explained to stakeholders that WPD will focus on each of the priority areas in detail over the next 2-3 years of stakeholder workshops, with the objective of better understanding the actions WPD can take to address these areas.
- 5.2. At present, immediate action is not possible in all areas, and there are certain priorities (e.g. 'Network intelligence' including the smart meter roll-out) that are dependent on several external factors, meaning that WPD should only currently adopt a "watching brief" and consider the potential impacts at this stage.
- 5.3. However, there are at least two long-term strategic priority areas where the opportunity for actions is currently clearer and WPD already have some action plans in place:
 - Customer awareness
 - Social obligations (affordability and vulnerability)

Questions asked:

- Are there actions missing that we ought to be taking?
- Which are the most valuable to you and why?
- How important are the actions relative to one another?

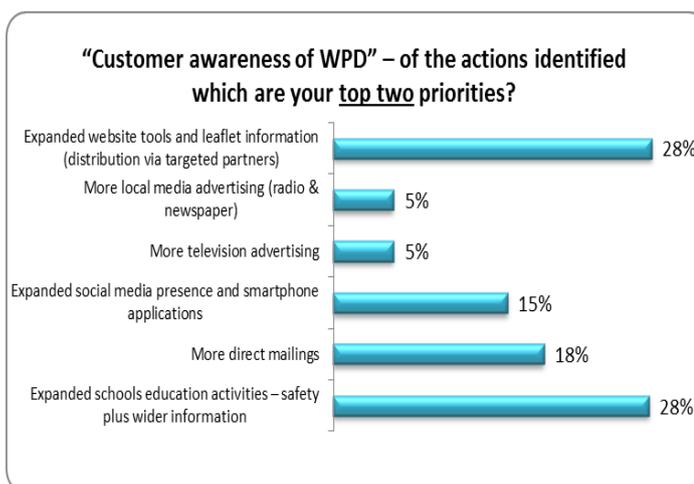
Customer awareness

- 5.4. Stakeholders were provided with an overview of the key actions WPD have taken in the last 12 months to improve customer awareness:

- Expanded website tools and leaflet information (distribution via targeted partners)
- More local media advertising (radio & newspaper)
- More television advertising
- Expanded social media presence and smartphone applications
- More direct mailings (A. to every customer; B. targeted groups only; C. free items – e.g. fridge magnets)
- Expanded schools education activities – safety plus wider information

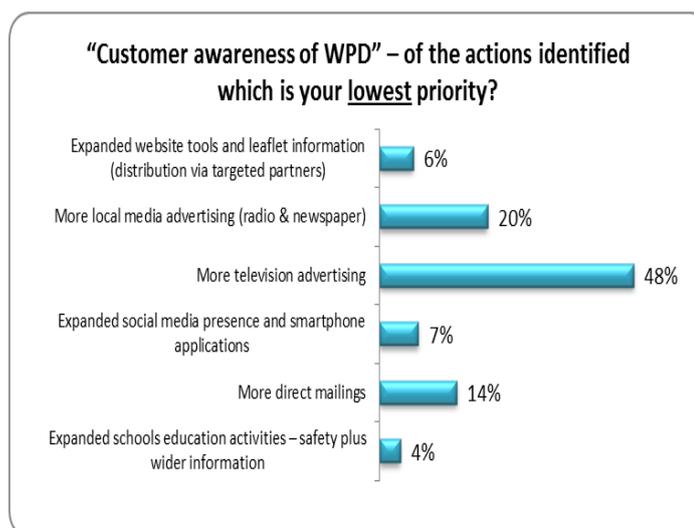
- 5.5. There was support for continuing with the majority of the actions in WPD's existing customer awareness programme. In particular, the top two priorities where customers would like to see increased activities were:

- Expanding the amount of information online and via leaflets
- Broadening the messaging and purpose of WPD's schools education programme, to include broader information about WPD and key topics (e.g. vulnerable customers).



- 5.6. Stakeholders also continue to place value on direct mailings (targeted to specific groups where possible) and expanding WPD's use of social media.
- 5.7. Using school's education to raise awareness (with broader information than just safety) gained the most votes when stakeholders were asked to build their own programme of actions. There were also suggestions that WPD should extend the education programme beyond schools; most notably WPD should:
- Actively support STEM (Science, technology, Engineering and Mathematics) education, with the added benefit of better educating potential employees for the future.
 - Extend our education programme to include various community groups/events.

5.8. There was very little support for continuing with local radio, newspaper and television advertising. It was felt that the costs and resources to deliver these activities should be redistributed to the other areas of WPD's programme that were given greater value by stakeholders.



5.9. Television advertising was deemed an expensive and less effective method when placed in context to the other activities.

5.10. 48% rated television advertising as their lowest priority action.

5.11. It remains very clear that customers do not generally distinguish between suppliers and distributors. Some stakeholders stated that the strap line under WPD's logo (“Serving Midlands, South West and Wales”) does not adequately tell customers what we do.

5.12. Others made the point that sub-contractors working for WPD often have vehicle signage that simply states “Working with WPD”, but there is no further information about who WPD is. This would be helped by the issuing of “information boards” about WPD where we or our contractors are working.

5.13. Some stakeholders stated that WPD should not only focus on increasing blanket awareness of WPD amongst all customers, but also on providing targeted information to those that have the most pressing need to know about WPD and our services in more detail – most notably vulnerable customers.

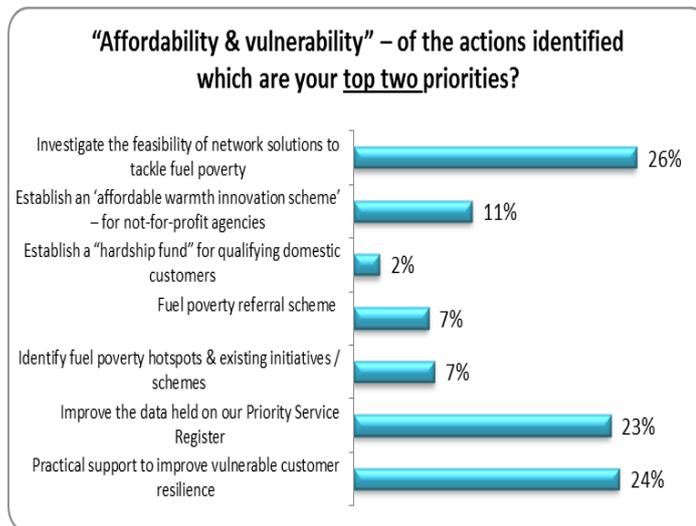
Affordability and Vulnerability

5.14. Stakeholders were provided with an overview of the key actions WPD currently take (and are considering taking) as part of our ‘social obligations’ programme to address consumer affordability and vulnerability:

- Provide practical support to improve vulnerable customer resilience
- Improve the data held on our Priority Service Register
- Identify fuel poverty hotspots & existing initiatives / schemes
- Fuel poverty referral scheme
- Establish a “hardship fund” for qualifying domestic customers
- Establish an ‘affordable warmth innovation scheme’ – for not-for-profit agencies
- Investigate the feasibility of network solutions to tackle fuel poverty

5.15. There was support for continuing with the majority of the actions in WPD's existing social obligations programme. The top priorities were:

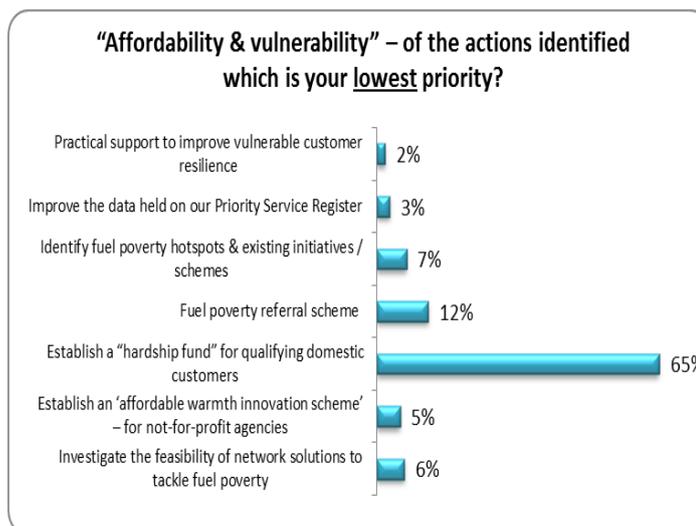
- Investigate the feasibility of network solutions to tackle fuel poverty
- Provide practical support to improve the resilience of vulnerable customers to power cuts
- Improve the data held on WPD's Priority Service Register



5.16. Stakeholders felt that there was an opportunity for WPD to apply our engineering expertise to help to address fuel poverty, and at the same time defer the need for network reinforcement, by helping fuel poor households to lower their actual demand (through energy efficiency measures). Stakeholders would like WPD to investigate the possibility of a trial project in this area to demonstrate its feasibility as a more widely rolled-out solution.

5.17. The other actions ranked by stakeholders as their top priorities reflected the earlier feedback that stakeholders rated 'vulnerability' (to power cuts) as a higher priority than 'affordability' and therefore actions in this area gained greater support overall.

5.18. However, whilst actions to address affordability, such as 'fuel poverty referral schemes', gained lower support and were not deemed WPD's 'top' priority, they did nonetheless receive support as a valuable part of WPD's wider social obligations programme. Several stakeholders voted these as important actions during the qualitative discussions and an exercise for stakeholders to build their own programme.



5.19. There was only one area that stakeholders deemed to be the stand-out lowest priority, with 65% stating that WPD should not introduce a hardship fund for fuel poor domestic customers.

5.20. Stakeholders broadly made the point that it is better for WPD to invest in projects that help to tackle the root causes of fuel poverty, rather than offering financial assistance that may just defer the problem to a later date.