

AGENDA - WPD Customer Panel Meeting

10.00 am arrival, 10.15am start. Wednesday 29 June 2016
Stoke Depot, 234 Victoria Road, Fenton, Stoke-on-Trent, ST4 2JA

10.15	Welcome & introductions	All
10.15 – 11.15	Business Plan update <ul style="list-style-type: none"> - Performance against key outputs Focus on one long-term strategic priority <ul style="list-style-type: none"> - Customer awareness (including new national 105 number) 	Robert Symons (Chief Executive)
11.15 – 11.20	SECV Incentive update <ul style="list-style-type: none"> - Very brief overview of our submission & next steps 	Alex Wilkes
11.20 – 11.50	Review of our Priority Service Register cleanse policy <ul style="list-style-type: none"> - Proposals to introduce rules to remove historic records 	Alex Wilkes
11.50 – 12.30	Overview of WPD's future forecasting project <ul style="list-style-type: none"> - Building strategic grid investment options for further growth of distributed generation 	Alison Sleightholm
12.30 – 13.00	Your Customer Panel <ul style="list-style-type: none"> - Review proposed topics for Customer Panel research - Creating a member's terms of reference for 2016/17 (outline members' objectives for the Panel, key achievements and strategic challenges for the year ahead) 	Nicki Johnson
13.00 – 14.00	Lunch	
14.00 – 14.45	Split session. Choice of the following: A: Connections & business customers <ul style="list-style-type: none"> - Incentive on Connections Engagement B: Social Obligations <ul style="list-style-type: none"> - PSR referral networks update - WPD 'Affordable Warmth Local Action Fund' 	Alison Sleightholm Nicki Johnson

Future meeting dates:

Wednesday 21st September 2016 - Gloucester

Wednesday 14th December 2016 - Pegasus

*2017 proposed: Thursday 23 March, Tuesday 20 June,
Thursday 21 September, Tuesday 12 December*



Serving the Midlands, South West and Wales

WPD Customer Panel

Stoke Depot

Wednesday 29th June 2016

Today

- 10.15 Business Plan update - Performance against key outputs
Customer awareness (inc. new 105 number)
Robert Symons (Chief Executive)
- 11.15 SECV Incentive update
Review of our PSR cleanse policy
Alex Wilkes (Stakeholder Engagement Manager)
- 11.50 WPD's future forecasting project
Alison Sleightholm (Regulatory & Government Affairs Manager)
- 12.30 Your Customer Panel
Nicki Johnson (Stakeholder Engagement Officer)
- 13.00 Lunch
- 14.00 Split session:
 - A: Connections & business customers
 - B: Social obligations



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Chief Executive's Update

Wednesday 29th June 2016

Robert Symons

Chief Executive



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Business Plan update

- Performance against key outputs

Robert Symons

Chief Executive

Business Plan performance update

- The first year or RIIO-ED1 is complete 1st April 2015 – 31st March 2016
- We have committed to deliver 76 outputs
- It is the first year of an eight year plan (to 2023) therefore some targets will see a ramp-up to achieve them in the coming years
- We are required to report to Ofgem our performance ('RRP' due end July) and to wider stakeholders (September)
- Some data is presented differently for each audience
- We are now finalising our reporting. The following data gives an indication of our performance so far

Safety

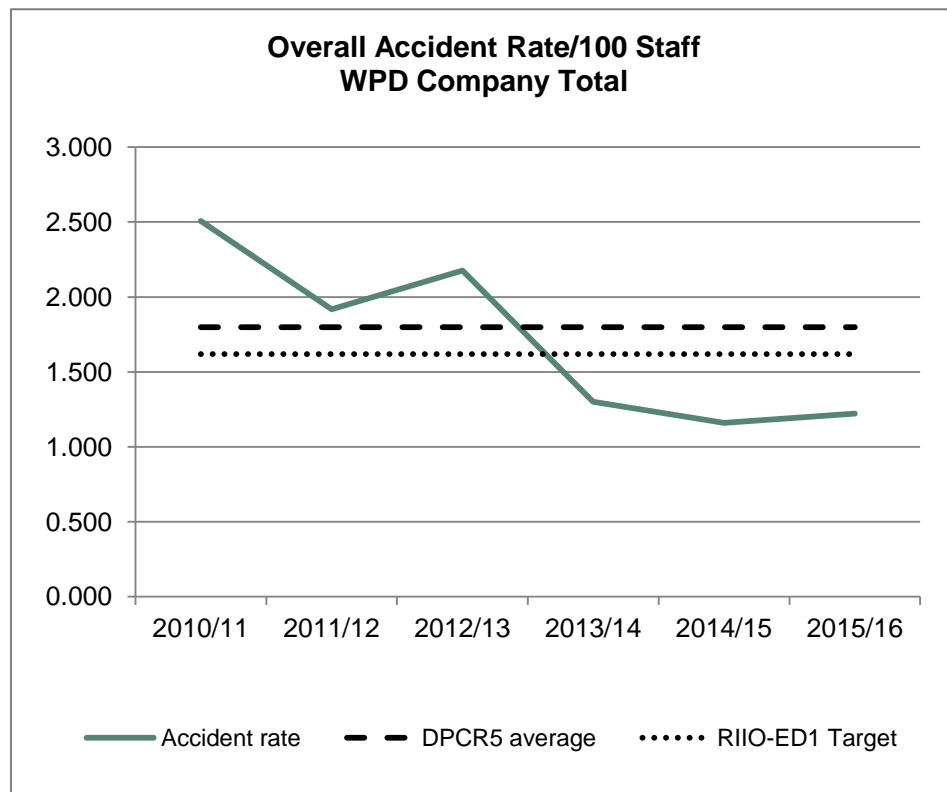
Total outputs:

10

For example:

- Reduce the frequency of staff accidents by 10%
- Our safety team will educate 400,000 school children about electrical safety

2015/16 performance:



- 80 total accidents (131 in 2012/13)
- Behavioural safety training to all staff (and now extending to contractors)

Staff sessions	4249
Business manager sessions	1282
Total sessions	5531

- Inspections & Maintenance schemes on track with target
- 1,051 safety education events reaching 74,266 school children (50,000 target)

Reliability

Total outputs: 8	For example: <ul style="list-style-type: none"> Reduce the duration of power cuts by 20% & frequency by 13% Implement flood defences at 75 major substations
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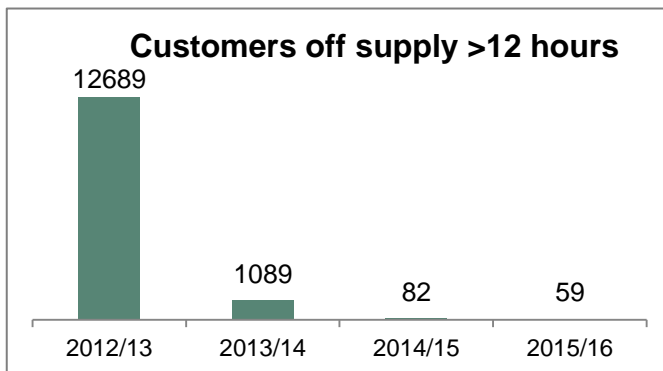
2015/16 performance:

- Power cut frequency & duration

	WPD South West		WPD South Wales		WPD East Midlands		WPD West Midlands	
	CI	CML	CI	CML	CI	CML	CI	CML
Ofgem IIS Target	59.2	43.9	55.1	35.4	53.2	40.2	89.1	55.7
Potential IIS Outturn*	51.36	37.54	47.36	26.34	42.65	21.56	65.42	32.20
Out Performance	13.2%	14.6%	14.0%	25.6%	19.8%	46.4%	26.6%	42.2%

*Subject to Ofgem audit. Excludes exceptional events

- Customers off supply >12 hours



- HV faults restored within 1 hour: **89.2%** (target = 85%)
- Storm resilience trees trimming: **767km** (target = 703km)
- Flood defences at primary substations: **4** (target 8)
 - All sites for fluvial (river) flooding complete as data exists. Still conducting site surveys to form data for pluvial (rain/surface water). Ramp up in delivery in coming years.

Environment

Total outputs:

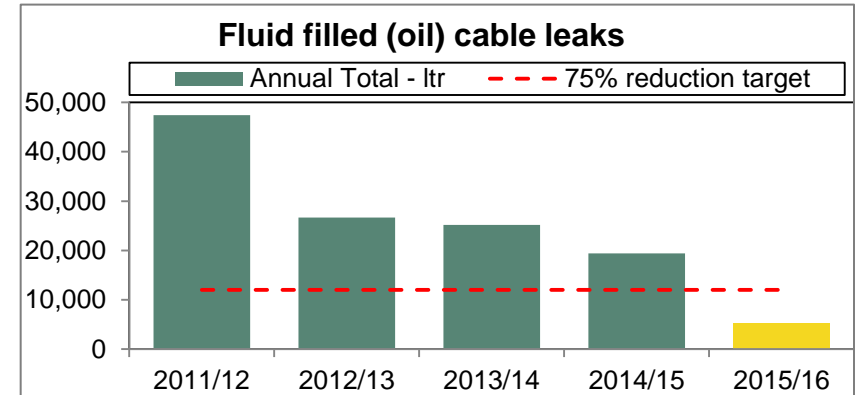
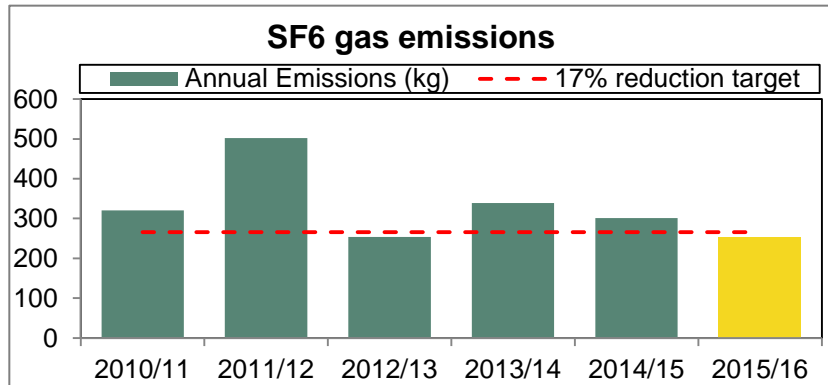
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For example:

- Reduce the carbon footprint of the business by 5%
- Reduce by 75% the volume of oil lost through leaks from oil-filled cables

2015/16 performance:

▪ Equipment leakage:



▪ Carbon footprint reduction

	All WPD 2014/15	All WPD 2015/16	
Overall annual BCF (tCO _{2e})	101,978.08	98,810.84	3% reduction

- Building energy use reduced across all four areas
- Didn't quite reach 5% target due to SF6 leakage in West Midlands and limited change in operational transport emissions (due to increased work volumes)

Connections

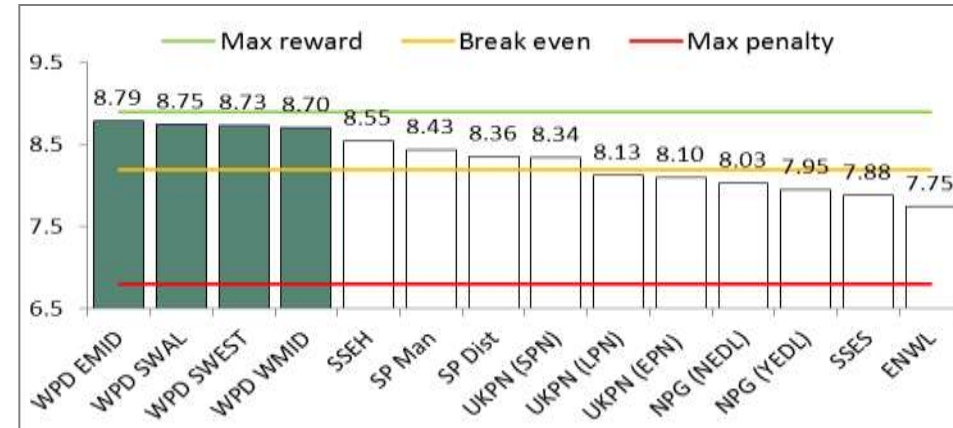
Total outputs: 10	For example: <ul style="list-style-type: none"> Reduce the time to provide new connections by 20% WPD to rank as top performing DNO group in customer satisfaction surveys Improve communication with customers, including internet-based quotations and job tracking
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2015/16 performance:

- Average & maximum time to connect:

	LVSSA (single premises)		LVSSB (1-4 premises)	
	Av. days	Max days	Av. days	Max days
East Midlands	31.39	208	41.39	207
West Midlands	34.13	178	43.55	174
South Wales	31.12	176	33.58	172
South West	30.44	216	36.59	205
Ofgem target	42.08		52.7	

- Connections customer satisfaction:



- Implemented web-based application and job tracking functionality for large/high volume customers. Percentage of applications requested online have increased as a result:

Connections enquiries	2014/15	2015/16
Total enquiries raised on website	2,501	3,397
% of total	3.1%	4.4%

Customer satisfaction

Total outputs:

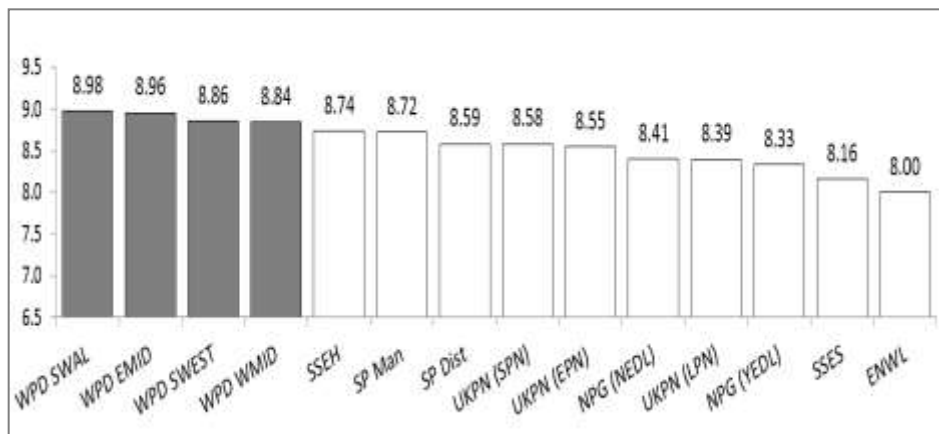
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For example:

- Maintain top ranking for customer satisfaction and complaints in our industry
- Improve communication by providing more proactive calls, text messages and social media updates

2015/16 performance:

- Overall satisfaction
(interruptions, connections & general enquiries)



- Telephony

Service	Target	Performance	Total calls
Inbound	Answer 80% calls in 20 secs	99.33%	897,937
	Abandoned rate of <4%	0.14%	
	Answer within 2 secs	1.54 secs	
Total call backs		Total to vulnerable customers	
Proactive	364,590	123,866	
Proactive text messages		705,687	

- Complaints resolved within one day: **81.7%** (target = 70%)
- Provide a restoration time for every outage by 2023: **98%** (target 100%)

Social obligations

Total outputs: 17	For example: <ul style="list-style-type: none"> Contact vulnerable customers to update their records every two years Address fuel poverty by creating referral schemes with partners and helping customers to access support
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2015/16 performance:

- WPD ranked 1st in Ofgem's trial assessment of 'consumer vulnerability'

Criterion	ENWL	SSEPD	SPEN	NPG	UKPN	WPD
1. Strategic understanding and commitment to tackle social issues	6.3	7.3	7.5	8.5	8.5	8.8
2. Engagement to improve data and information held and its use	5.7	7.0	7.0	7.3	7.7	8.7
3. Approach to management and use of PSR and associated services	7.0	7.3	7.0	7.0	7.7	9.9
4. Overall partnership strategy and utilisation	5.0	6.3	7.3	8.0	8.0	9.0
5. Embedding strategy in systems, process and customer interactions	7.5	7.5	8.0	8.5	8.5	8.5
Rank	6th	4th	3rd	5th	2nd	1st
Total (out of 10)	6.3	7.1	7.4	7.9	8.1	8.8

- 543,401 Priority Service Register customers contacted to update their records (ultimate target to contact all customers every 2 years, therefore c.650,000 a year)
- Five schemes supported 6,359 fuel poor customers - delivered £1.4million annual savings
- 123,866 PSR customers proactively supported during power cuts
- Achieved BSI Standard for 'Inclusive Service Provision' for 3rd consecutive year



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Customer Awareness

Robert Symons

Chief Executive

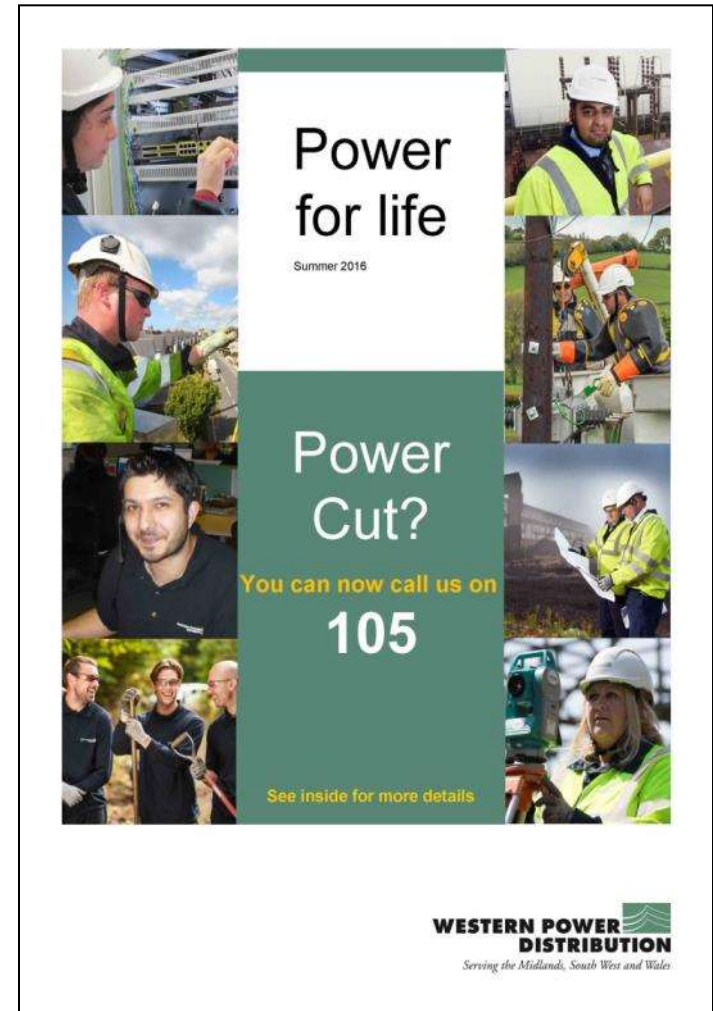
Context

- WPD's long-term strategic priorities are:
 - Keeping the lights on
 - Smart networks
 - Environment & sustainability
 - Workforce renewal, skills & training
 - Vulnerability
 - Government legislation/policy
 - Affordability
 - Customer information and data
 - Customer awareness

- **Today:**
 - *Spotlight on:* **Customer awareness**

Power for Life

- WPD's seventh annual customer awareness campaign launched in May, as part of the company's Power for Life initiative
- The campaign featured radio and social media advertising, a four-page leaflet delivered to 7.8 million homes and businesses, and face-to-face opinion research
- While building on the dialogue which is now well established with our customers, this year's campaign is also designed to promote and support the industry's new single emergency contact number, 105



What is 105?

- 105 is a new three-digit telephone number that people can call to report, or get information about, power cuts
- Customers can also call 105 with welfare concerns related to a power cut, or if they are worried about the safety of overhead lines, underground electricity cables or substations
- 105 is free of charge and will put customers through to their local electricity network operator
- It will be available to people in England, Scotland and Wales



The 105 launch

- The launch date is **Tuesday, 6 September 2016**
- The 105 number and www.powercut105.com will be live from this date
- A national consumer awareness campaign has been planned to promote the number to the public
- WPD is ready to promote the number using our usual communications channels
- Discussions continue between the 105 service provider Vodafone and other mobile operators to ensure as many customers as possible are able to use the number
- Suppliers are involved and the new number will be on customer's bills

The 105 brand



105 national consumer awareness

- National and local communications are being prepared by the 105 Consumer Awareness sub-group which includes all DNO representatives
- The awareness campaign includes radio and bus advertising as well as a PR launch event in London on 6 September
- Media releases will be issued on the day of the launch and supported by DNO social media coverage
- WPD will be working with stakeholders at national and local levels to raise awareness of 105 through their networks

WPD is ready

- A stakeholder slide pack is being prepared and will be shared with key WPD stakeholders at the earliest opportunity
- WPD have worked with DECC on a specific communications plan
- 105 will feature prominently on our website and social media channels, Twitter and Facebook, from the day of the 105 launch
- We are introducing 105 into our annual customer awareness campaign 'Power for Life', which is to be distributed to 7.8 million customers from September 26
- We will re-run our 'Power for Life' television and radio advertising to feature 105
- We will add 105 to all our fleet vehicles from October
- Customer leaflets will be updated where appropriate to include our 0800 number and 105 in line with the latest print runs

Any questions?

- Either on what you have heard today
- Or, for example:
 - Energy & Climate Change Committee
 - Role of Energy Networks Association
 - Smart networks
 - Smart meters
 - Anything else?



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SECV Incentive update

Alex Wilkes

Stakeholder Engagement Manager

Stakeholder Engagement and Consumer Vulnerability (SECV) Incentive – 2016

- Three ten page documents made up the submission
 - **Part 1 - Demonstrates minimum requirements are met**
 - **Part 2 - Stakeholder engagement outcomes**
 - **Part 3 - Consumer Vulnerability outcomes**
- Submitted for **Friday 29 April**
- Ofgem have confirmed we **met the Minimum Requirements**
- The Consumer Vulnerability section was thoroughly **audited by Ofgem-appointed consultants** on 14 June
- Submissions will be reviewed by the Panel against set assessment criteria
- DNOs invited to 20 minute Q&A session with the Panel on **21 July 2016**





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Review of our PSR cleanse policy

Alex Wilkes

Stakeholder Engagement Manager

Context

- Every DNO and Supplier is required to maintain a Priority Service Register (PSR)
- Core purpose for WPD is to ensure we know about anyone that might be especially vulnerable during a power cut
- 21 industry agreed criteria – focussing on “permanent” vulnerabilities
- Customers can register with WPD direct
 - We put great deal of effort into website, building referral partnerships, outreach events etc
- But the vast majority still join direct from their Supplier
- The PSR (and good data) enables WPD to offer a range of support services
 - *Business as usual:* e.g. Dedicated PSR contact number, password schemes, info in a range of formats etc
 - *Planned power cuts:* e.g. Bespoke phone call/notification to customers
 - *Unplanned power cuts:* e.g. contact medically dependent within 3 hours, welfare support, provision of generators etc

WPD's PSR

- **WPD currently have 1.33 million customers registered**
 - We apply internal prioritisations to manage/target services during incidents
- Data quality is an issue
 - E.g. conflicting Supplier dataflows and poor manual entry (DNO exercise revealed >60% of records incorrectly allocated in some categories)
- Number of industry changes coming
 - E.g. 2-way data flows, new common needs codes, moving towards a “one-stop shop” for Suppliers/DNOs/Water/Gas (*more details in afternoon session*)
- WPD decided to take direct action ourselves to drive improvement:
 - **Business Plan commitment to contact every PSR customer once every 2 years**
 - **Created dedicated data cleanse teams**
 - **Proactively contacted 543,401 customers last year (>750,000 in 2 years since project began)**
 - **367,000 records successfully updated**



The issue

- **WPD currently have 1.33 million customers registered**
- A huge data cleanse effort is resulting in 40% being contacted a year (28% updated)
- Only 48,729 of successful contacts opted to be removed
- c.30% do not respond to our attempts to contact them, meaning the register continues to grow year-on-year
- Ofgem changes mean the total number will potentially increase more sharply:
 - E.g. Register temporary vulnerabilities (e.g. hospital discharges)
 - E.g. “Households with children under the age of 5”
- Historically we have left customers on the register even if we do not successfully contact them (adopting a “just in case” mentality)
- Older/unchanged records are not necessarily bad – the average customer has a power cut every 2 years so may not need to have contact with us

Our proposal

- **To automatically remove customers we have not heard from an extended period and who do not respond to our attempt to contact them to update their details**
- This will reduce the overall registered number:
 - Ahead of potential increases due to broadened Ofgem definitions and extended WPD partnerships with outreach partners
 - To aid the targeting of services to the most vulnerable customers during incidents
- If we cannot contact them to update their records, will we be able to contact them during an incident?
- An idea of the numbers:
 - Records >2 years old: 494,945
 - Records >4 years old: 272,179
 - Records >6 years old: 159,791
 - Records >8 years old: 73,494

What should this process look like?

Panel discussion

1. Do you agree with the proposal to automatically remove “non-contactable” records to return the PSR to a more manageable number?
2. What “age” should we adopt as the cut-off for records (e.g. 2, 4, 6 or 8 years?)
3. What should the process look like? (e.g. final letter to all customers requesting they update their details, before their removal)
4. How long should the customer reasonably be given to respond before they are removed?
5. Is there anything else we should consider?



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Overview of WPD's future forecasting project

Alison Sleightholm

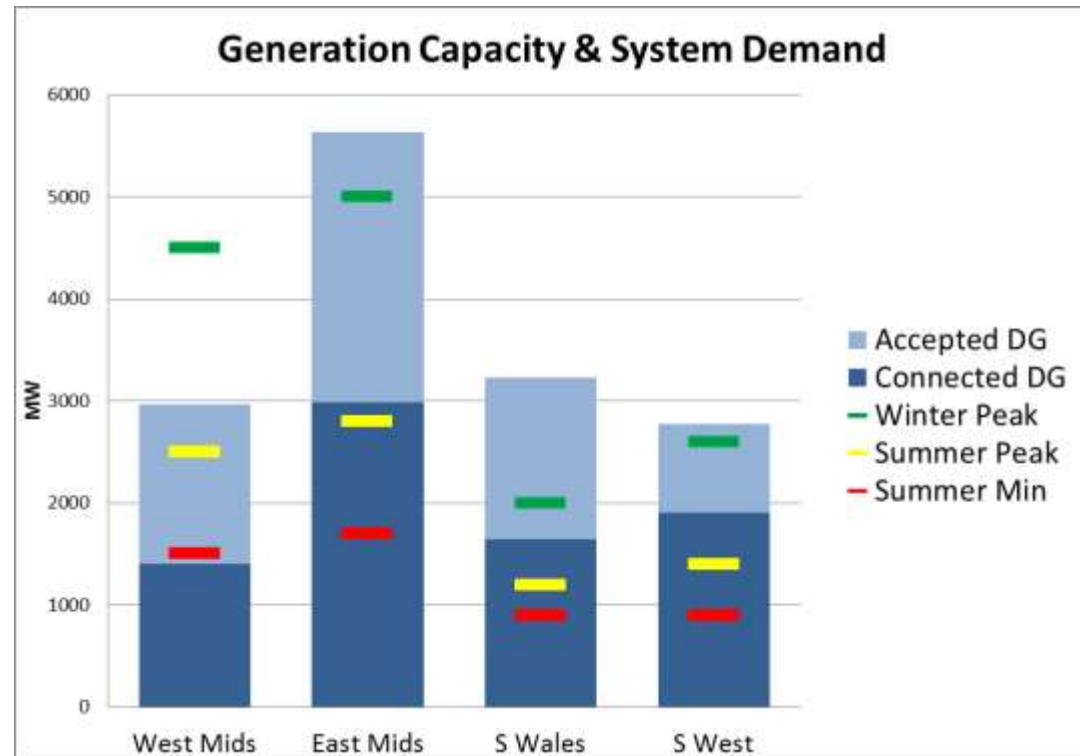
Regulatory and Government Affairs Manager

Background

- Significant and rapid growth in distributed generation leading to long delays and high costs for further connections
- Uncertainty in future path of both the growth in DG and demand usage
- Ofgem consultation on 'quicker and more efficient connections' raises questions on the role of strategic reinforcement funded by the wider customer base
- Significant uncertainty in the UK growth of renewable generation
- Need to understand whether there are 'no/low regret' investment options

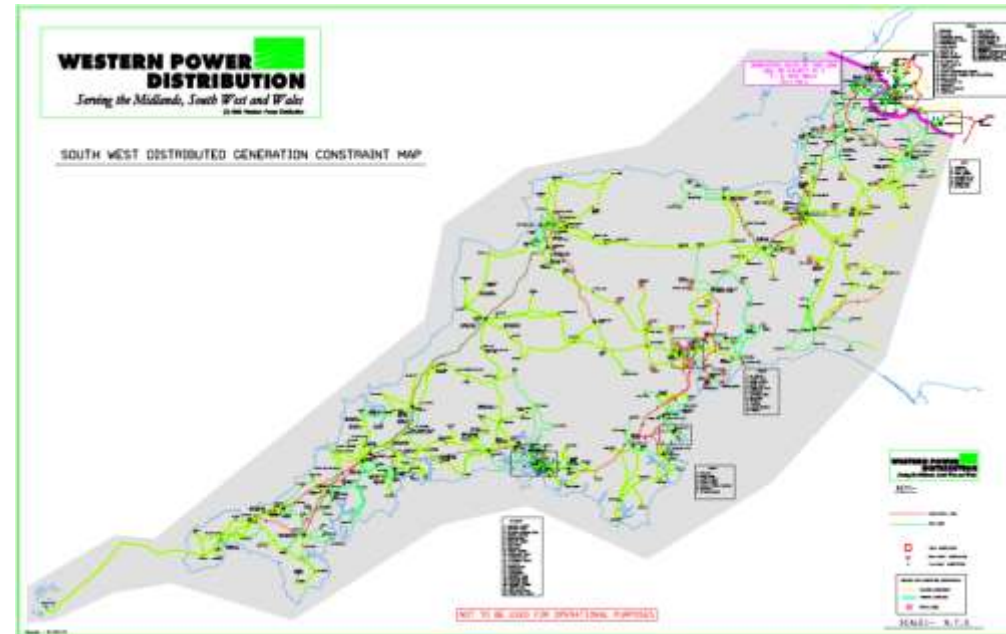
Generation - Current position

- WPD has connected or offered to connect 18GW of generation
- This has been achieved on a network designed
 - to supply a peak winter load of 14.1GW
 - for a summer minimum demand of 5GW
- In simple terms there is an export potential greater than the peak winter load (occurring during the summer months of low demand)



Impact on the network

- Network constraints
- Long connection times/high costs
- Capacity queues
- Risk of under/over network capacity
- Decreasing predictability of demand profiles
- New issues affecting network planning and operation
- Consequential impact on the National Grid



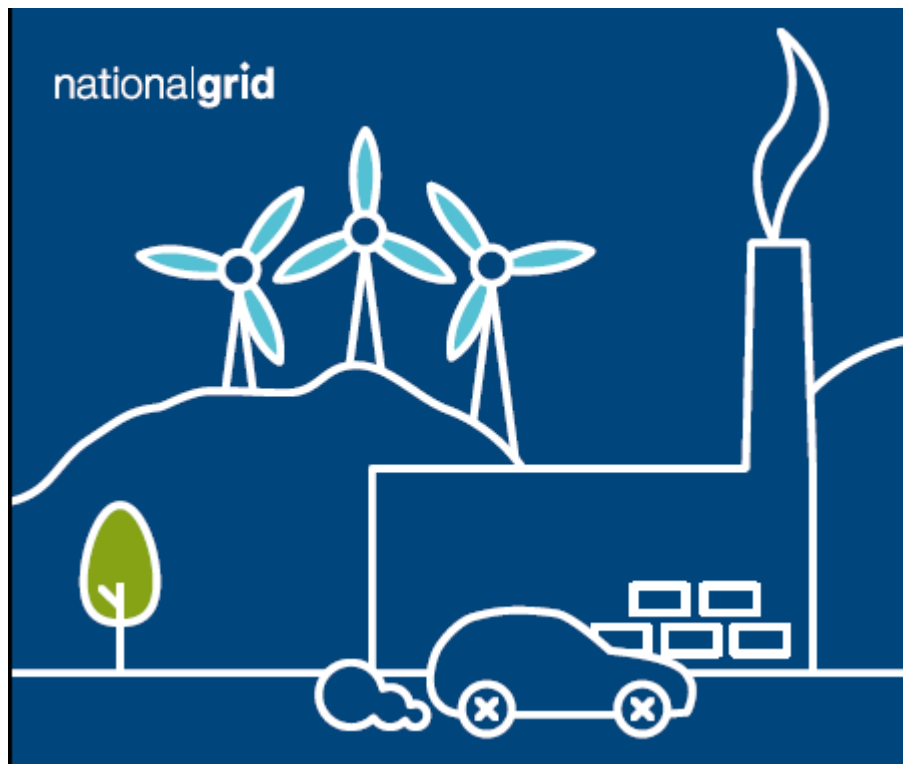
Aim of study

- Assessing the potential growth in DG by type, general location and year against potential demand changes
- Identifying thermal, voltage and fault level constraints that result
- Assessing options for reinforcement
- Providing recommendations for 'low regret' investment and identifying the cost and timescale of these
- Use this to understand the economic potential for demand side response and/or generation constraint to avoid reinforcement
- Whilst not part of this project the scenarios will also be used to develop a Distribution Operability Framework to help identify issues in addition to capacity that will need to be addressed e.g. harmonics, system protection performance etc
- South West underway with South Wales launched this month

Approach

- Background Energy Scenarios (decision to use the 4 developed by National Grid to assess GB)
- Resulting Generation and Demand Scenarios for network in question
- Identification of potential solutions (included those on National Grid)
- Estimation of capacity provided by those solutions
- Cost/timescales of those solutions
- Potential for demand or generation response given the cost of network solutions

National Grid – Future Energy Scenarios



- Annual Publication
- FES 2015
- Considers GB Wide Future Energy Landscape
- Four future scenarios
- From now to 2050
- Electricity Demand & Generation
- Gas Demand and Supply

National Grid – Future Energy Scenarios



Consumer Power

Economic – moderate economic growth

Political – government policies focus on indigenous security of supply and carbon reduction

Technological – high innovation focused on market and consumer needs. High levels of local generation and a mixture of generation types at national level

Social – consumerism and quality of life drives behaviour and desire for 'going green', not a conscious decision

Environmental – Long-term UK carbon and renewable ambition becomes more relaxed

Gone Green

Economic – moderate economic growth

Political – European harmonisation and long-term environmental energy policy certainty

Technological – renewable and low carbon generation is high. Increased focus on green innovation

Social – society actively engaged in 'going green'

Environmental – new policy intervention ensuring all carbon and renewable targets are achieved

No Progression

Economic – slower economic growth

Political – inconsistent political statements and a lack of focus on environmental energy policies

Technological – little innovation occurs in the energy sector with gas as the preferred choice for generation over low carbon

Social – society is cost conscious and focused on the here and now

Environmental – reduced low carbon policy support and limited new interventions

Slow Progression

Economic – slower economic growth

Political – European harmonisation, focus on low cost environmental energy policies

Technological – medium levels of innovation lead to a focus on a mixture of renewable and low carbon technologies

Social – society is engaged in 'going green' but choices are limited by cost

Environmental – new policy interventions are constrained by affordability

nationalgrid

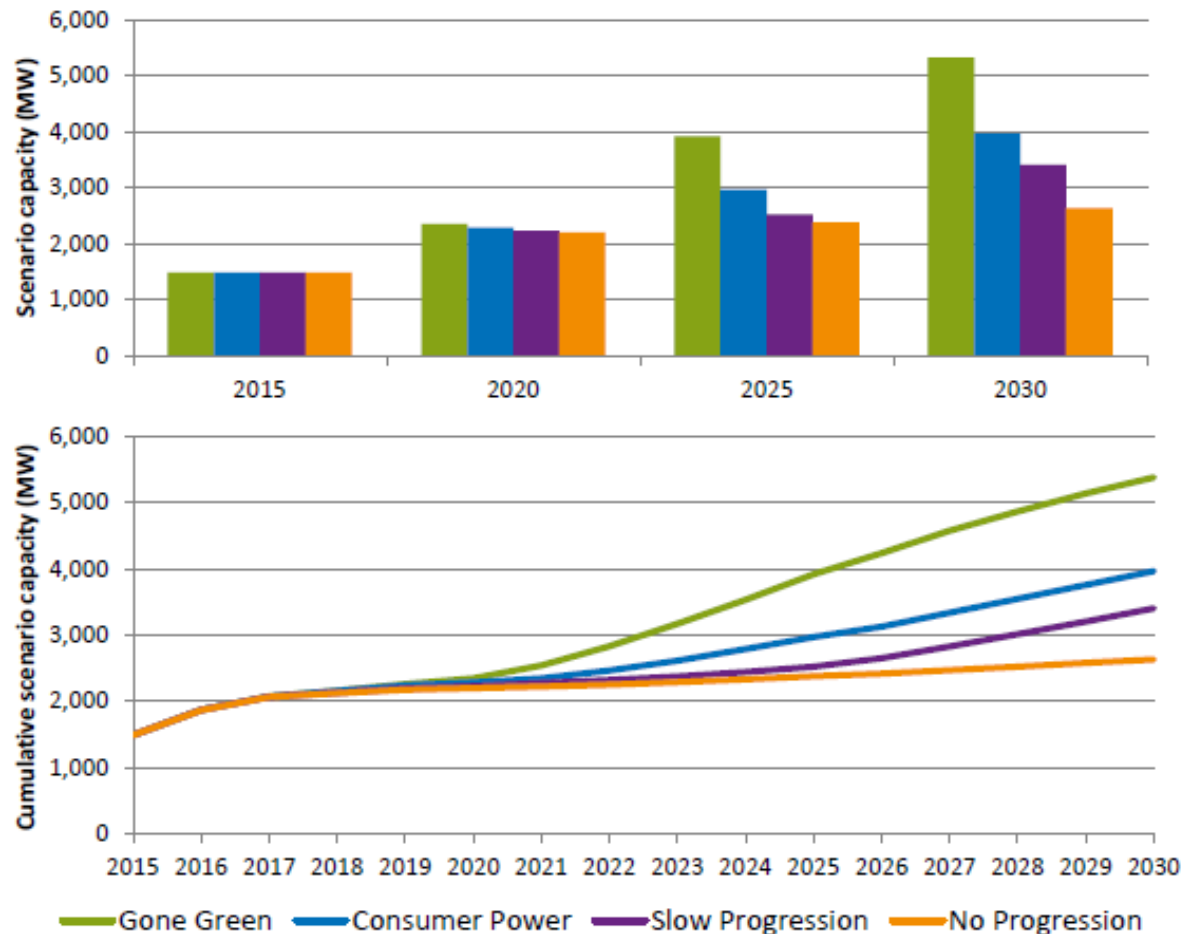
FES 2015



Example - S West DG growth summary

Total distributed generation capacity growth 2015 to 2030

WPD south west licence area



- Potential growth in DG capacity to between 2.6 – 5.3 GW by 2030
- Slowdown in buildout from 2016/17 due to current policy
- Big question is how quickly growth recovers from 2017 onwards
- Longer term growth requiring key areas of change.

Timetable (South Wales)

- Stakeholder workshop to get stakeholder input to approach and scenarios to be considered – June 2016
- Complete development of detailed demand and generation scenarios – July 2016
- Undertake network studies and identify solutions with costs - August - October 2016
- Sensitivity work – i.e. how much ‘headroom’ do the potential solutions give – October/November 2016
- Assess potential for demand response/generation constraint – November 2016
- Complete report – December 2016
- Dissemination event – January 2017



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Your Customer Panel

Nicki Johnson

Your Customer Panel

- Review of proposed research topics
- Creation of a member's Terms of Reference



Proposed topics for research - Academic

Academic

- **Purpose:** To ascertain the size of the vulnerable population in the operating areas for WPD as a total, based on the current definitions
- **Target:** To provide a baseline to determine if WPD is over cautious or indeed oversubscribed for the PSR. Address the question "have we reached all customers who might be vulnerable in a power cut"
- **Future influence/benefits:** Confidence that customers who are vulnerable in a power cut receive tailored assistance. Also ensuring the budget for the marketing and management of the PSR better supports our customers
- Any thoughts?

Proposed topics for research - Customer

Customer

- **Purpose** To ascertain where (vulnerable) customers go to get support, and where utilities feature in those discussions/actions?
- **Target:** A robust sample of the general population. Existing data can be mined to provide an insight into the trigger points of when and where WPD (and the utility sector as a whole) could engage in advance of a situation occurring.
- **Future influence/benefits:** This could also be positioning for the future DSO model.
- Any thoughts?
- Is some of this covered by the horizon scan?

Proposed topics for research – Future Customer

Future customer

- **Purpose:** Gain an understanding of the expectations of the customers of the future, and the not too distant future
- **Target:** Those who are leaving school and entering tertiary education or work
- **Future influence/benefits:** Steering the way we deliver customer-facing service in coming years. Influencing our business - from IT strategy and engagement - down to signage on vans and at streetwork sites
- Any thoughts?

Proposed topics for research – What's next?

- Any thoughts?
- Is any similar research already 'out there'?
- What do you need from WPD?
 - Budget
 - Help drafting questionnaires?
 - Help writing a brief?
 - Approaches to agencies?
- Which should we do? All or just one or two?
- Which should we do first?

Member's Terms of Reference - background

- In May 2016 Ofwat published its “Water 2020” decision document, setting out a series of “major reforms”
- This included Ofwat's Customer Engagement policy and expectations. It may potentially impact Ofgem's thinking going forward
- Every water company must now have an independent Consumer Challenge Group (CCG), to provide independent challenge and assurance
- CCG's submit independent reports to Ofwat and the chair should not represent any particular organisation or customer group
- Ofwat host regular workshops with the chairs of the various company CCG's
- This indicates greater engagement/involvement on a specific company basis than we see from Ofgem

Member's Terms of Reference – our proposal

- Our Panel rejected the offer of an independent chair for valid reasons
(Continued accountability of WPD's CEO. Immediacy of action resulting from current format, etc)
- But it is vital that the Panel retains its 'independence' – ensure agendas, topics and meeting formats continue to be driven by members. Ensure members can provide challenge to WPD
- We propose to: **Request a Customer Panel 'leader' who will conduct a review from members' perspective to develop a member's 'terms of reference'. This will capture:**
 - ☐ Reasons for attending
 - ☐ Key Panel achievements in the last 12 months
 - ☐ Key priorities for the Panel to address in the next 12 months
 - ☐ Review Panel membership and existing terms of reference
 - ☐ Make agenda topic requests and propose changes to meeting formats
(e.g. what do you want to hear Robert's views on?)
 - ☐ Develop a "to do" list
- This will create an objective report from your perspective. WPD can then be held to account for whether we deliver against it and will report on progress

Do you agree with this approach?

Any volunteers?

How and when? (e.g. a view to creating a draft for members to review in September?)

LUNCH



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Social Obligations Session

**Customer Panel Meeting
29 June 2016
Stoke**



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Ofgem's PSR review – the statutory consultation

PSR Review - background

- In 2013 the Consumer Vulnerability Strategy committed to review PSR arrangements
- Ofgem review took place in 2014
- Consultation December 2015 included draft licence conditions and proposals
- Statutory consultation published 13 June 2016
- Deadline for response is 15 July 2016
- Licence modifications to be published



The image shows the cover of a statutory consultation document from Ofgem. At the top is the Ofgem logo with the tagline 'Making a positive difference for energy consumers'. Below this is the title 'Priority Services Register Review: Statutory Consultation'. A blue header bar contains the text 'Statutory Consultation'. Below this is a table with consultation details. The table has two columns: 'Publication date', 'Response deadline', 'Contact', 'Team', 'Tel', and 'Email'. The 'Publication date' is 13th June 2016, 'Response deadline' is 15th July 2016, 'Contact' is Jonathan Blagrove, 'Team' is Consumer Vulnerability Strategy, 'Tel' is 020 7901 7368, and 'Email' is vulnerability@ofgem.gov.uk. Below the table is an 'Overview' section with three paragraphs of text. The first paragraph explains the current PSR licence provisions. The second paragraph states the purpose of the review. The third paragraph describes the consultation process and the expected timeline for publishing licence modifications. At the bottom, the Ofgem address is listed: 'Ofgem 9 Hillbank, London SW1P 3GE www.ofgem.gov.uk'.

Publication date:	13 th June 2016	Contact:	Jonathan Blagrove
Response deadline:	15 th July 2016	Team:	Consumer Vulnerability Strategy
		Tel:	020 7901 7368
		Email:	vulnerability@ofgem.gov.uk

Overview:

The current Priority Services Register (PSR) licence provisions put obligations on energy companies to provide certain non-financial services free of charge. These services relate to safety, access and communication and must be offered to specified groups of domestic customers.

In our Consumer Vulnerability Strategy, we committed to review the PSR arrangements. We want to ensure that they are fit for purpose and fully meet the needs of customers in vulnerable situations.

Following a review in 2014, we issued a consultation in December 2015. This included a draft impact assessment and draft licence conditions for suppliers and network operators.

We have considered responses to the consultation. We now seek your views on a set of revised proposals and draft licence conditions set out in this statutory consultation. Subject to reviewing responses to this consultation, we expect to publish licence modification decisions in summer 2016 and propose that licence changes would take effect no later than 56 days after publishing the modification decisions.

Ofgem 9 Hillbank, London SW1P 3GE www.ofgem.gov.uk

PSR Review – a summary of key changes

- Companies encouraged to use 'priority services' **single brand**
- Companies to take into account **transient vulnerability**
- Families with **children aged five and under** to be added to core eligible groups (pensionable age, disabled, chronically sick)
- Companies to develop ways to share data using new agreed vulnerability categories **from June 2017**
- Ofgem have defined 'minimum details' suppliers will record
- Companies to innovatively promote PSR services
- Licence drafting no longer expressly requires 'informed consent' but instead refers to broader DP and privacy law

PSR Review – final draft of new ‘needs codes’

Medically Dependant Equipment	Chronic/serious illness	Age related	Pensionable Age
	Heart, lung & Ventilator		Families with young children 5 or under
	Dialysis, feeding pump and automated medication	Comms	Blind
	Oxygen Concentrator		Partially sighted
	Nebuliser and Apnoea monitor		Hearing/speech difficulties (inc. Deaf)
	MDE Electric Showering		Unable to communicate in English
	Careline/telecare system	Industry SBP	Dementia(s)
	Medicine refrigeration		Developmental condition
	Stair lift, Hoist, Electric bed		Mental Health
			Female presence preferred
Safety	Oxygen Use	Temporary	Temporary - Life changes
	Poor sense of smell		Temporary - Post hospital recovery
Poor Mobility	Physical impairment		Temporary - Young adult householder
	Unable to answer door		
	Restricted hand movement		

PSR Review – next steps

- Deadline for response is 15 July 2016
- WPD is currently
 - Working with the industry on a draft PIA (Privacy Impact Assessment)
 - Drafting the change proposal to go to MRA Issues group on 13 July 2016
- Licence modifications to be published later this summer
- Industry changes to take place from June 2017



The image shows a screenshot of a statutory consultation document from Ofgem. The header features the Ofgem logo with the tagline 'Making a positive difference for energy consumers'. The title is 'Priority Services Register Review: Statutory Consultation'. Below this is a section titled 'Statutory Consultation' which contains a table with key dates and contact information. The table lists the publication date as 13th June 2016, the response deadline as 15th July 2016, the contact person as Jonathan Blagrove, the team as Consumer Vulnerability Strategy, the telephone number as 020 7901 7368, and the email as vulnerability@ofgem.gov.uk. Below the table is an 'Overview' section with three paragraphs of text. The first paragraph explains the current PSR licence provisions. The second paragraph states Ofgem's commitment to review the PSR arrangements. The third paragraph describes the consultation process and the expected publication of licence modifications in summer 2016. The footer of the document provides the Ofgem address: 9 Hillbank, London SW1P 3GE and the website www.ofgem.gov.uk.

Statutory Consultation	
Publication date:	13 th June 2016
Response deadline:	15 th July 2016
Contact:	Jonathan Blagrove
Team:	Consumer Vulnerability Strategy
Tel:	020 7901 7368
Email:	vulnerability@ofgem.gov.uk

Overview:

The current Priority Services Register (PSR) licence provisions put obligations on energy companies to provide certain non-financial services free of charge. These services relate to safety, access and communication and must be offered to specified groups of domestic customers.

In our Consumer Vulnerability Strategy, we committed to review the PSR arrangements. We want to ensure that they are fit for purpose and fully meet the needs of customers in vulnerable situations.

Following a review in 2014, we issued a consultation in December 2015. This included a draft impact assessment and draft licence conditions for suppliers and network operators.

We have considered responses to the consultation. We now seek your views on a set of revised proposals and draft licence conditions set out in this statutory consultation. Subject to reviewing responses to this consultation, we expect to publish licence modification decisions in summer 2016 and propose that licence changes would take effect no later than 56 days after publishing the modification decisions.

Ofgem 9 Hillbank, London SW1P 3GE www.ofgem.gov.uk



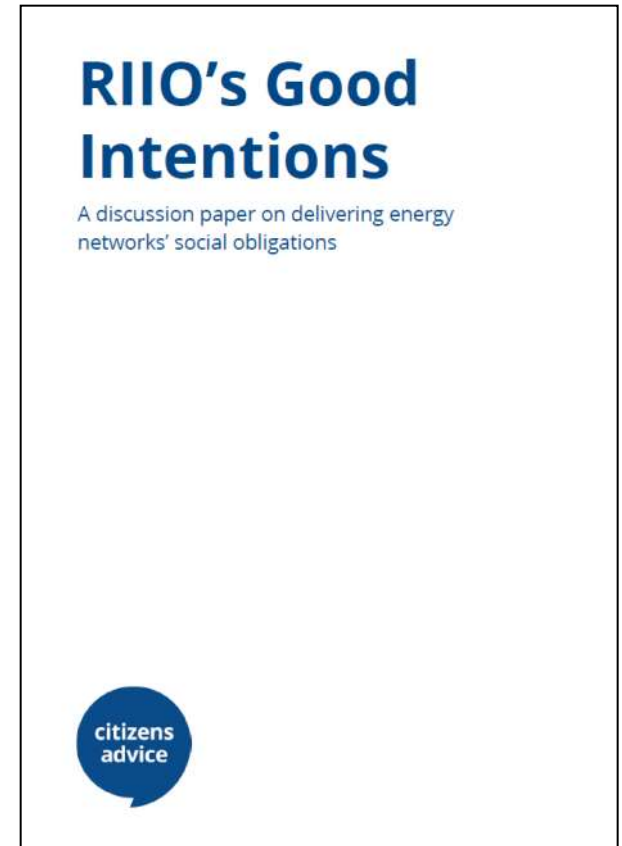
Serving the Midlands, South West and Wales

Citizens Advice discussion paper

- Your views

Context

- 'Social Obligations' was a new output area set by Ofgem for RIIO-ED1
- WPD developed 16 social obligations commitments, with the help of extensive stakeholder engagement
- Our programme is significantly underway (PSR cleanse, fuel poor referrals etc) and delivering great outputs
- Ofgem decided to measure performance by expanding the stakeholder incentive scheme to become the 'Stakeholder Engagement & Consumer Vulnerability' Incentive
- Dry-run assessment completed November 2015 – WPD ranked 1st place
- Citizens Advice are the UK statutory consumer body
- They have written a review of the industry's progress so far (DNOs, transmission, gas, with some read across to Water). **They have created 10 recommendations**



Citizens Advice's Recommendations

- CA have made 10 recommendations - We would like to review them with you, for you views on:
 - Are they valid?
 - What is the impact for WPD?
 - Should we do things differently as a result?

“This report aims to contribute to the conversation with other stakeholders who have an interest in ensuring that network social obligations are accurately identified, met and built on. To this end, we make ten recommendations.”

1. *Networks should only undertake any initiative under social obligations where they are the best placed party to do so, alone or in partnership*
 - *“Always with the litmus test that they do not stray into services that another party would be better placed to provide”*
2. *After the first year of ED1's Stakeholder Engagement and Vulnerability incentive in 2016, the weighting of the consumer vulnerability element should be increased to 50%*
 - *The value of the incentive is currently broadly split: ‘stakeholder engagement’: 75%; ‘consumer vulnerability’: 25%*
3. *Dissemination of what works will be key. A good start would be to add social obligations to the Smarter Networks Portal website and to the agenda at the Low Carbon Networks & Innovation conference, starting from 2016*

Citizens Advice's Recommendations

4. *Social obligations should not make it too easy for networks to earn rewards. The assessment benchmark for the SECV incentive should not be set too low. The average score should not be significantly above the midpoint of the scoring mechanism.*
 - *During Ofgem's dry-run "the average score for DNOs was 7.6 This was based on first attempt, preliminary submissions, so we hope that standards will be more demanding in the first real assessment"*
 - *WPD scored 8.8 out of 10.*
5. *The Consumer Vulnerability Criteria in the SECV incentive should be flexible enough to recognise and reward new areas if and when networks can make the case that they are best placed to address this vulnerability.*
6. *Networks need to identify and communicate the costs and benefits of social obligations clearly. Costs should include social obligations spending from their overall allowed revenue plus extra incentive reward. Wherever possible, benefits should be quantified. The value of non-quantifiable benefits should be clearly stated and justified.*
 - *They place importance on the role of willingness to pay research*
7. *Incentives driving the Fuel Poor Network Extension Scheme in GD1 should be better integrated with social obligations as a whole, specifically to encourage more GDNs to investigate whole-house solutions at the same time as making fuel poor connections.*

Citizens Advice's Recommendations

8. *The Stakeholder Engagement incentive in GD1 should be updated to match the Stakeholder Engagement and Consumer Vulnerability incentive in ED1.*
9. *There may increasingly be opportunities for networks to improve network efficiency by engaging more directly with consumers. Careful thought needs to be given to whether the right drivers are in place to lead to the most efficient outcomes, particularly in scenarios where value may be split between consumers and networks (as in the hypothetical case of using targeted energy efficiency as an alternative to network reinforcement).*
10. *Social obligations should extend to networks' long-term strategic decisions. If networks become more proactive rather than reactive in their planning, then distributional impacts should be one of the key considerations taken into account. Networks should be able to evidence consideration of their long-term impact over and above current structures of stakeholder engagement.*



Serving the Midlands, South West and Wales

WPD Affordable Warmth Local Action Fund

WPD Affordable Warmth Action Fund

- Working in Partnership with CSE
- Competition launched 27th June 2016
- £60,000 Grant Scheme available
- Two funding streams:
 - Below £10,000
 - £10,000- £20,000
- Projects to cover Winter 2016/2017



WPD Affordable Warmth Action Fund

- Launch through social media and target Horizon Scan agencies
- WPD and CSE to publicise
- Agency to complete application form
- CSE to assess against set criteria, e.g.
 - How funding will improve their work
 - What is innovative about their project?
 - What benefits and outcomes will they deliver?



Objectives of the grant

- Help PSR eligible households to lower and manage their bills
- Provide advice and support to enable vulnerable households to carry out home improvements to make their home more energy efficient
- Work with healthcare providers to raise awareness of the links between cold, damp homes and poor physical and mental health
- Identify and register PSR eligible households
- Proactively offer support to households already registered, in particular those higher risk PSR customers who may be particularly vulnerable to power cuts

WPD Affordable Warmth Action Fund

The deadline for all applications is 29 July 2016. Visit www.cse.org.uk/wpd-action-fund to find out more and apply.

- Can you help?
- Tell your friends/colleagues
- Share the link with agencies you think could apply





Serving the Midlands, South West and Wales

Connections Update

Alison Sleightholm

29th June 2016

Ofgem Incentive of Connections Engagement (ICE)

Introduced by Ofgem under RIIO–ED1 with the aim to:

Replicate the effects of competition

Incentivise DNOs to improve the overall customer experience

Enable customers to influence a DNO's high level strategy and work plan of activities

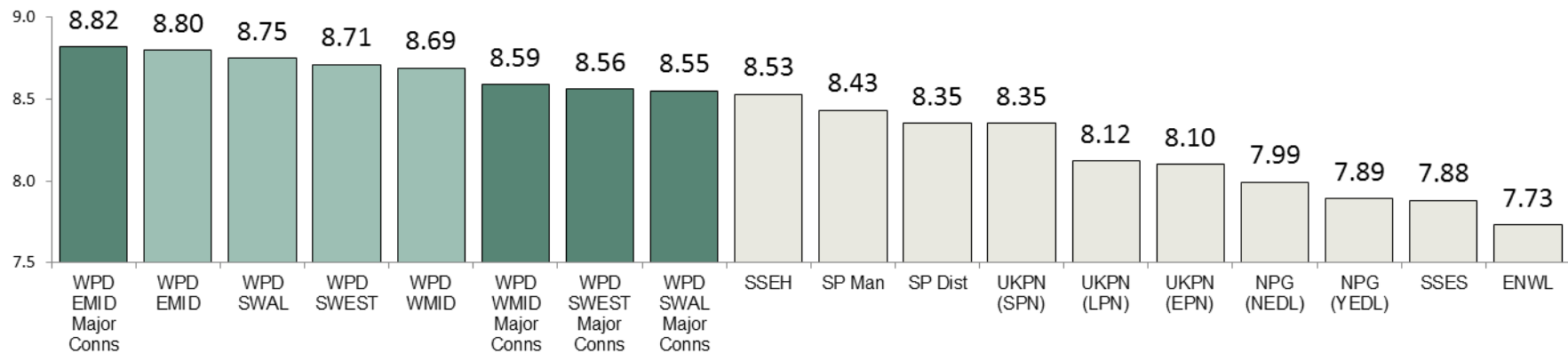
- ICE requires DNOs to :
 - Engage with customers
 - Responded to the needs of their customers
 - Develop a plan to improve performance
 - Report performance against plan
- Ofgem are currently assessing 2015/16 performance

ICE 2015/16 – how did we do?

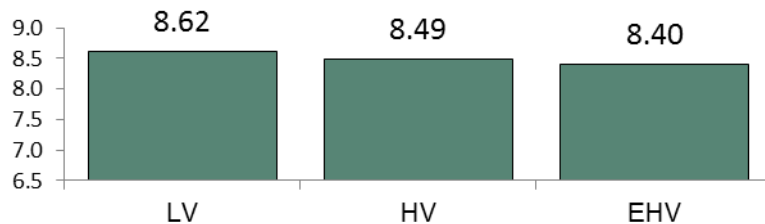
- 39 key deliverables including;
 - Competition in Connections Code of Practice – implemented the Ofgem requirements ahead of the deadline
 - Community energy workshops attended by 275 stakeholders
 - Legals and consents – Improved the process and published information on our website
 - More frequent updates of website capacity register
 - Alternative connections offered at 138 locations for 750MW connections
 - Active network management rolled out across four BSPs
- Ongoing work in relation to statement of works, NGET interface and ensuring a consistent approach across WPD teams

2015/16 – major customer feedback

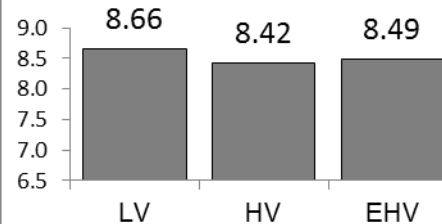
Major customer connections satisfaction vs Ofgem broad measure survey 2015/16



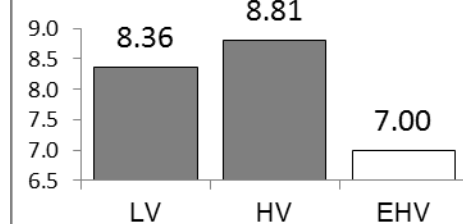
WPD DG Connections Overall Satisfaction



WPD DG Connections Quotations



WPD DG Connections Completed

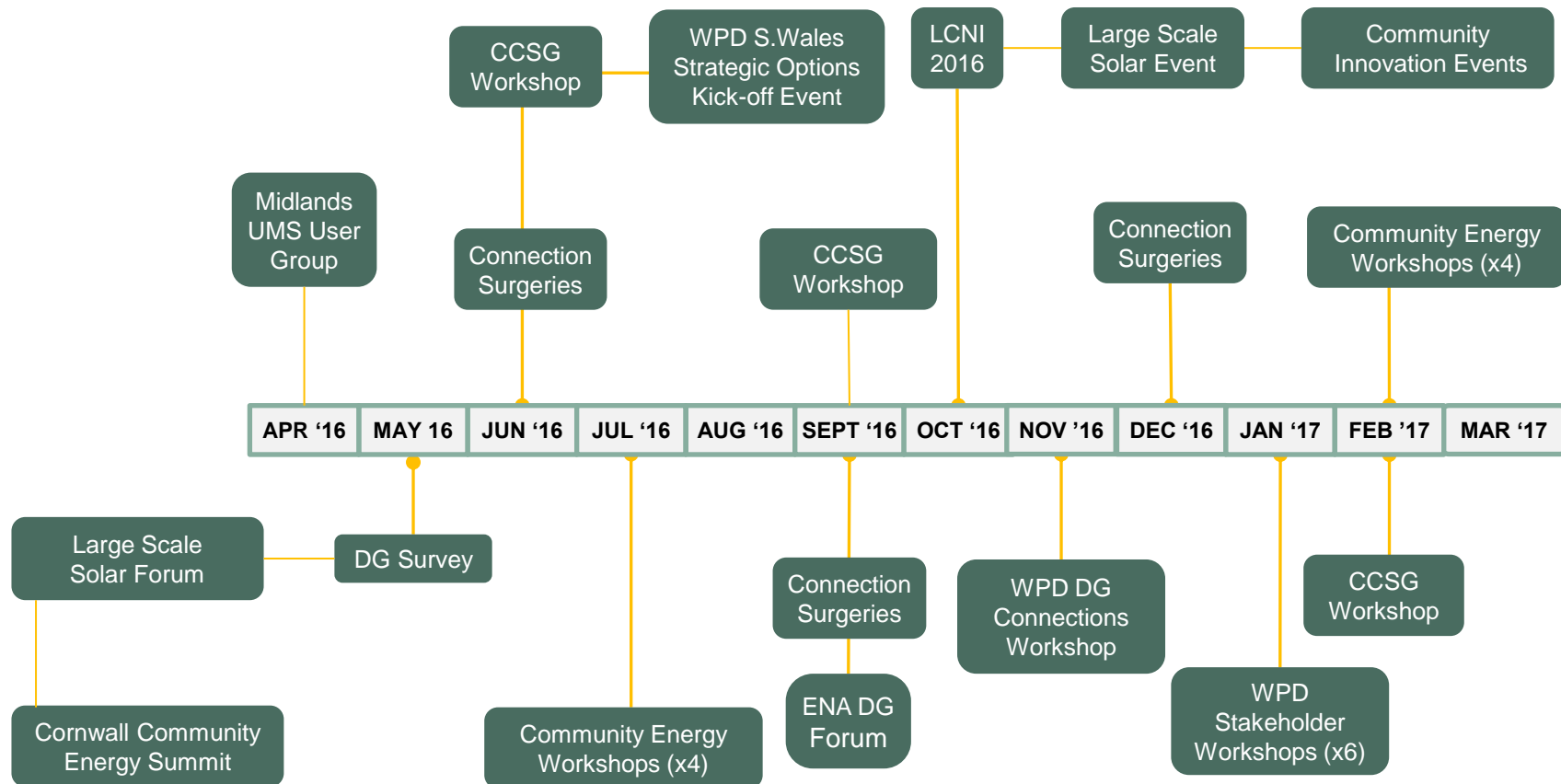


ICE 2016/17


- Based on the feedback received we have produced a 2016/17 plan including with 60 improvement actions aimed at all connection customer types
- Includes;
 - Statement of Works improvements
 - Information on DG outages and constraints
 - Community energy
 - Introduction of senior manager single point of contact for large connection customers
 - Legals and consents – introducing internal standards
- The plan is not set in stone and we continue to seek your feedback

Engagement plan 2016/17

Included in the plan are plenty of opportunities to engage with us throughout the year:



QUESTIONS ?

WPD CUSTOMER PANEL		 WESTERN POWER DISTRIBUTION <i>Serving the Midlands, South West and Wales</i>
Last revised : 04.07.16	Meeting Minutes	Notes by: Nicki Johnson

Date	Wednesday 29 June 2016	
Time	10.00-15.00	
Venue	WPD Stoke Office	
Attendees	Panel SG - Sean Gauton, University of Nottingham JG - Jo Giles, National Grid SH - Stephen Hagerich, British Red Cross PM - Pauline Mahon, Vulnerable Community GM - Gabby Mallett, National Energy Foundation DM - Duncan McCombie, Energy Saving Trust BR - Ben Rhodes, Devon & Cornwall Business Council MR - Michael Rowe, IET ASp - Alex Spreadbury B&Q CT - Cathy Tibbles, Castle Bromwich BC DW - Debbie Wright, British Gas	WPD RS - Robert Symons, Chief Executive AS – Alison Sleightholm, Regulatory & Government Affairs Manager AW – Alex Wilkes, Stakeholder Engagement Manager NJ – Nicki Johnson, Stakeholder Engagement Officer KM – Karen McCalman, Social Obligations Officer
Apologies	<i>Craig Anderson (Warm Wales), Brian Davies (Neighbourhood Watch), Dr Ben Bedwell (University of Nottingham), Ian Byrne (National Energy Foundation), High Conway (MEUC), Allen Creedy, (Federation of Small Businesses), Charlie Cox (University Hospital of N. Staffs), Julie Smith (Action on Hearing Loss), Paul Johnston (Forestry Commission), Ian King (Warwickshire Police), Glyn Lambley (Interserve, University Hospital of Leics), Caroline Leighton (Citizen's Advice), Helen Lines (RVS), Ron Loveland (Welsh Assembly), Lydia Pymm (Severn Trent Water), Bob Weaver (PowerCon UK), Simon Wright (formerly EST)</i>	

1. Alex Wilkes (AW) – Welcome

2. Robert Symons (RS) – Business Plan update & key strategic priorities

- 2.1 RS gave the group an update on WPD's performance against key business plan outputs (see slides) and an update on one of WPD's key strategic priorities, 'Customer awareness'.

2.1.1 DM asked if WPD could share best practice internally to close the difference between 'time to connect' performance across the four licence areas. RS confirmed competition within departments is healthy and that, along with internal incentives, will drive improvements.

2.1.2 GM asked about the timescales and wondered what would be the shortest possible time. RS explained customers can self-quote but that also sometimes circumstances such as us requiring landowner permissions can delay the process.

2.1.3 PM asked about the safety information we disseminate to schools and whether this could be linked to Social Obligations. AS agreed we could investigate including PSR awareness in such communications.

ACTION:
AW to discuss school visits with WPD Comms Team

2.2 MR talked about his recent experience in some local venues where people had given him positive feedback about WPD.

2.3 BR mentioned he sits on the WWU customer panel and they are doing some work for vulnerable businesses. BR asked what WPD do in this arena.

2.3.1 RS talked about the work we do with consultants for business customers with fluctuating voltages and AW explained that we have undertaken some engagement at workshops with small and medium enterprises. This work led us to understand less than a third of such businesses have business continuity plans so we created a booklet for small and medium enterprises to act as a guide to help them to prepare for a power cut.

ACTION:
NJ to send a copy of the SME leaflet to BR (done 04.07.16)

2.4 SG asked RS how he felt from a WPD/ENA perspective whether we need a Distribution System Operator (DSO). RS explained that it is clear from the Energy Climate Change Committee that from a grid point of view we will go down the system operator route and WPD are already thinking ahead for this and working with National Grid.

2.4.1 DM suggested that WPD need more information from data and asked if WPD has enough financial resource to do the required IT analysis. RS explained he honestly wasn't sure and that some predictions have not come true so there is some room for spending money we have not used for reinforcement. RS explained it is unlikely that Ofgem will provide more money at the mid-term review but reinforcement is fluid so we could invest ahead if required. The key for WPD is to be flexible and to forecast, as thoroughly as possible, various scenarios. For example, electric vehicles are likely to increase if other factors happen (e.g. government subsidies). So we need to be ready and understand the impact for WPDs network as well as engage via the ENA about policies relating to this.

2.5.1 CT asked if WPD had been pleased from the follow up to the Westminster event held last year. AS talked about the event - it was well attended and we had positive feedback and an increase in PSR joining activity afterwards.

2.5 The group discussed the recent events following the referendum and RS explained how they have and will affect WPD earnings and investment plans.

3. Alex Wilkes (AW) – SECV Incentive update

3.1 AW gave the group an update on WPD's SECV submission.

4. Alex Wilkes (AW) – Review of WPD's Data Cleanse activity

- 4.1 AW shared with the group some proposals to remove data on the PSR that has not been amended or updated for 2, 4, 6 or 8 years.

4.1.1 The Panel talked about some of the examples of data being shared when people move house or when their circumstances change and the best ways to contact people (e.g. don't write to 'the occupier').

4.1.2 GM asked if our decision to contact and remove customers would be dependent on their reason for being on the register. AW agreed it could be and it seemed sensible to look at the category first then attempt two calls before a letter saying the customer would be removed from the register if we had not heard from them after a certain time period.

DECISION:

- Customers will be split in terms of criticality.
- We will contact those with records that have not had an update for two years
- We will give customers 28 days to respond before removing them from the PSR
- Where possible we will email the customer's Supplier

ACTION

- AW to take the project forward with the Data Cleanse Team

5. Alison Sleightholm (AS) – Overview of WPD's future forecasting project

- 5.1 MR shared with the group his experience at a recent lecture given by Bristol Retired Engineers Club and the Panel discussed the major challenges brought about by Hinkley.

- 5.2 AS talked about thermal problems, voltage problems and fault level constraints and how we can manage them. Things WPD does affect National Grid and things are becoming more complex.

- 5.3 AS told the group about a licence by licence project WPD has which is starting in the South West (the most congested) and which is using NG energy scenarios (see slide s 34-36).

5.3.1 DM asked about Demand Side Response, saying some companies can already move quickly and this should be included in our scenarios.

5.3.2 AS agreed and said we have more generation than demand and this provides challenges in areas such as having information available in real time, IT capability, contractual platforms and visibility in those areas.

5.3.4 AS talked about electric vehicles and early converts getting free power for a time but at some point (and we don't know when) people will realise they can charge for this.

5.3.5 GM told the group that the National Energy Foundation has published blogs on 'vehicle to grid' and lots of people are showing an interest in electric vehicles.

5.3.6 DM mentioned that government policy must be factored in and AS agreed and said we must also educate the masses – businesses are getting used to their contracts causing timed behaviour but it is harder to explain and encourage sign up to domestic customers.

ACTION:

All - Let NJ/KM know if you want any specific engagement sessions (including future issues)

6. Nicki Johnson (NJ) – Your Customer Panel

- 6.1 NJ reviewed three suggested topics for customer research and the group agreed to take this away to consider which should be done, in which order and if any other should be considered.

6.1.1 BR had some ideas about overlaying data sets such as weather data for example to see if this could manage/predict demand.

ACTIONS:

All - Let NJ know your top two research topics in order of preference

BR to email NJ with more detail on research suggestions

NJ to email results of this feedback before the panel so a session can be spent thinking about the process and required results

6.1.2 AW talked to the group about customer panels in the water industry. The Panel previously agreed that an independent chair was not required and they didn't want the format to change – attendance of, and access to, the CEO is vital.

6.1.3 The panel agreed it would be beneficial for a panel member building some 'Terms of Reference' – a short paper setting out the Panel's 'to do' list and setting agenda items. DM volunteered to draft the paper and to make short calls to panel members to obtain their views. SG volunteered to assist with the calls.

ACTIONS:

DM and SG to conduct brief telephone interviews to obtain views of all panel members

NJ to send DM a list of contact details

DM to draft a Terms of Reference paper to bring to the next meeting (22 Sep)

7. Nicki Johnson/Karen McCalman – Panel Session A – Social Obligations

- NJ updated the group on Ofgem's PSR Review: Statutory Consultation.
- KM informed the group about WPD's new Affordable Warmth Local action fund and invited members to share the link and spread the word about the competition.
- NJ updated the group on the recent Citizen's Advice paper and obtained the panel's views on the ten recommendations made by the CA.

Alison Sleightholm – Panel Session B – Connections

- The group reviewed WPD's ICE connections improvement plan for 2016/17 including engagement with connections customers planned for the year.

- The group discussed WPD's strategic investment project in the South West and one member followed this up with a request for WPD to attend the Devon and Cornwall infrastructure council in October 2016.
- A number of members expressed an interest in having a nominated Senior Manager point of contact and this was actioned post meeting.

Meeting dates for 2016

Thursday 22 September 2016 – Gloucester – *note change of date*
Wednesday 14 December 2016 - Pegasus

Meeting dates for 2017

Thursday 23 March 2017 - Worcester
Tuesday 20 June 2017 - Nottingham
Thursday 21 September 2017 - Derby
Tuesday 12 December 2017 - Nottingham