

Distribution Stakeholder Engagement

Part 2

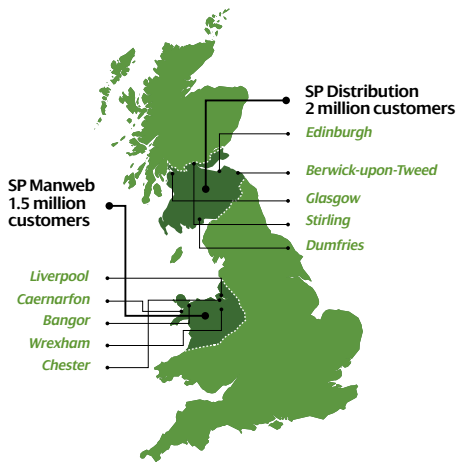


Distribution Stakeholder Engagement

Part 2



Frank Mitchell
CEO



Message from our CEO

SP Energy Networks is a customer service focussed company, trusted by the communities we serve and the stakeholders we depend upon. We believe in listening, learning and acting on the feedback we receive, and we take a proactive approach to all customer management.

We've spent much of this year preparing our business plan for the next decade. We have taken a new approach to engagement, making sure our stakeholders were able to join us on the journey of preparing our plan from the very start. We've been communicating what we do in a way that is understandable to stakeholders, and focussing on what they've told us is important to them (section 1).

I'm also delighted that this year we launched our first ever general awareness campaign, with the aim of increasing awareness of our role as the network operator. Our "Who do I call if there's a power

cut?" leaflet was delivered to over 3 million homes alongside a regional radio advert and press campaign (section 2.1).

Through a very successful collaboration with Dumfries and Galloway College and CIET, one of our contractors, we launched a trainee linesman course, creating local jobs, for local people, with local knowledge. The first group of nine young trainees have joined our contractor, ready to start work on our network (section 5.3).

This discretionary reward submission will demonstrate how we are engaging with stakeholders on our future investment plans and improvements to our customer service, as well as how we are using innovation and collaboration to meet the challenges of the future. We look forward to developing the culture, processes and practices to further meet the needs of our stakeholders in the years ahead.

Frank Mitchell
CEO

Summary

At SP Energy Networks we are responsible for the distribution of electricity via our network of pylons, substations, cables and power lines to 3.5 million homes and businesses across the two licence areas of Central and Southern Scotland and Cheshire, Merseyside, North Shropshire and North Wales.

We work round the clock to make sure our customers have electricity, ensuring that safety of the public and our employees is a priority in our activities.

We seek the views of a broad range of stakeholders in order to improve our performance and their satisfaction. Stakeholder engagement is used to support both operational and strategic improvements in performance, helping us to deliver a better service for the end customers on the electricity network, now and into the future.

This Distribution Stakeholder Discretionary Reward submission explains our actions and the outcomes of our stakeholder engagement activity in the 2012-13 year.

Part 1

Part 1 of our submission covered how we have met the minimum requirements of the Stakeholder Engagement Incentive Scheme.

Part 2

This second part of our submission summarises the results of our stakeholder engagement activity in 2012-13. Throughout, we have identified the challenges we set out to overcome, the response of our Distribution business, and the outcomes and benefits of our engagement for our customers, stakeholders, and ourselves.

Improving our engagement

In the past twelve months we have made significant changes to the way we engage with stakeholders:

- We have mapped our Distribution stakeholders and built an extensive stakeholder database containing 1800 contacts, which has been externally reviewed to ensure we've considered all groups. This has allowed us to target communications and encourage participation in our engagement activities.
- We have introduced a range of new ways of engaging with our stakeholders, including online surveys, audience response voting at our events and direct customer mailings. These innovations have extended the reach of our stakeholder engagement work, allowing a wider

range of stakeholders to influence our plans.

- We are planning to build on the significant step-change in stakeholder engagement activity we've undertaken through the business plan process, as part of an annual, enduring program of engagement. This plan includes:

- *An annual customer/stakeholder event that reviews performance against plan.*
- *Identification of 'hot topics' for tailored workshops, surgeries or forums.*
- *An annual stakeholder communication.*
- *Localised geographic updates centered on our operational zones.*

Internal culture change

We recognise that the culture of our organisation has to change in order to improve our customer and stakeholder engagement in the long-term. A challenge of this has been re-focusing a technical and engineering business to a customer service organisation, which embraces stakeholder engagement and understands its importance.

We have worked hard to embed customer service into our business, changing office environments, providing customer service training, presenting internal updates to all our staff every month via DVDs at Team Briefs and through internal emails. In addition, we have brought new recruits into the business in dedicated customer service roles. The culture is changing and we look forward to more change in years to come.

Section 1: Engaging on our Business Plan

Business Plan / Customers / Connections / Collaboration / Safety and Recruitment

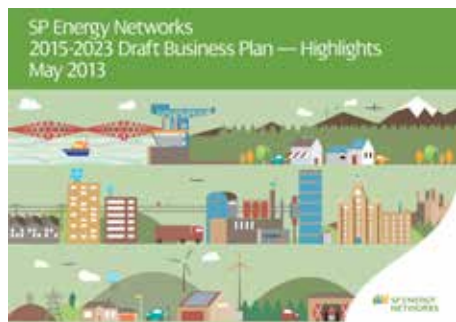
1.1 Preparing for RIIO-ED1

Much of our stakeholder engagement activity this year centred on the preparation of our Business Plan for RIIO-ED1, the Ofgem price control review covering 2015 - 2023. This review will set the outputs each electricity distribution network operator needs to deliver for their customers and the revenues allowed to be collected. It was crucial to provide stakeholders with opportunities to have their say on our plans, so we followed a simple three-phased approach to our engagement:

Phase 1 - We sought stakeholder views on priority areas before preparing the draft plan.

Phase 2 - Concentrating on the priorities identified in Phase 1, we shared our draft plan with the stakeholders and asked for their feedback on the different investment options available.

Phase 3 - We shared the revised plan, showing where feedback had influenced change and providing a further opportunity for engagement.



Giving stakeholders detailed options

Getting the right level of detail

Stakeholders told us that detail was important if they were going to be able to make decisions about future investment in our electricity network.

Impact on all customer bills

We presented a detailed breakdown of the typical bill for domestic and various categories of business customer.

Impact by location

We made sure we showed the bill impact by licence area.

Publishing our changes

Based on stakeholder suggestions, we published all our findings, explained how we were going to use them to make changes to our plans and what impact this would have on the customer's bill.

1.2 New Stakeholder Events

We organised a new format of stakeholder events in a number of locations, so that stakeholders could talk to us face to face and influence our plans at a number of stages.

Senior management and Directors were present to encourage participation and receive feedback first hand. The events were facilitated by an external company and scribes recorded each group's discussions, which were then analysed independently. Following all events, we published the findings onto our web pages.

We introduced an innovative Audience Response System to our events, which allowed delegates to vote on different areas of priority and provided a

source of instant feedback. This system was first used at our contractor/supplier events in order to facilitate two-way engagement in what we have previously found to be a competitive and closed environment. The success of the interactive voting led to its use at our Phase 2 stakeholder events.

Following positive feedback, we plan to use the system again at engagement events in the future, where the scale of the event would make its use appropriate.

Outcomes

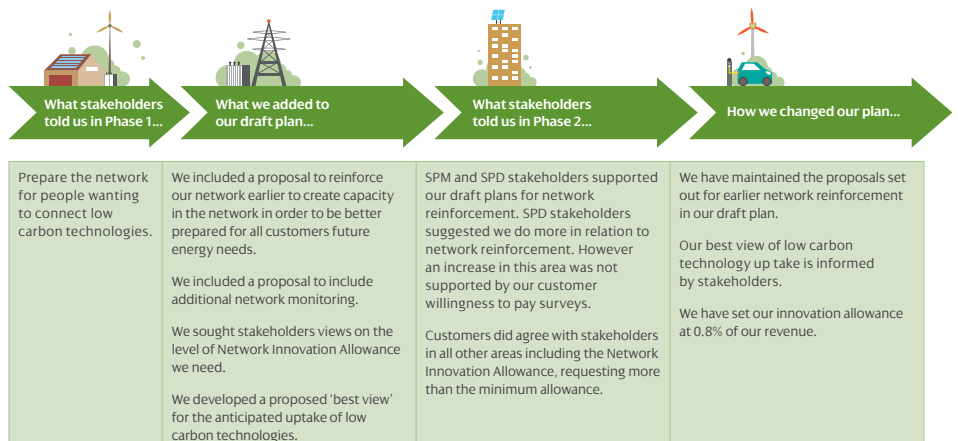
We analysed the feedback from the events and decided how to alter our investment plans as a result. We published our proposed changes on the website and sent a mailing to all stakeholders.

We used a variety of methods in order to tailor our engagement to the targeted stakeholder groups as per the table below:

	PURPOSE	ENGAGEMENT MEDIA	TARGET AUDIENCE
PHASE 1	IDENTIFY PRIORITIES ahead of drafting plan	Facilitated events Telephone interviews Tailored event Focus groups Facilitated event	All stakeholders All stakeholders Contractor/supplier stakeholders Customers Employees
PHASE 2	SHARE DRAFT PLAN providing options around priorities	Facilitated events On-line survey Face-to-face survey On-line survey	All stakeholders All stakeholders Customers Employees
PHASE 3	SHARE REVISED PLAN showing where plan has been changed	On-line consultation Tailored event Web publication On-line consultation	All stakeholders Political stakeholders Customers Employees

Polarised opinion

We found that our broad range of Distribution stakeholders did not always share the same views as our domestic customers. For example, whilst stakeholders suggested going further than our draft plan in early network reinforcement, customers disagreed and suggested a low willingness to pay in this area. In these circumstances we tried to balance the views of all our stakeholders:



Stakeholder feedback from our first set of workshops suggested:

- Stakeholders felt it was important to hold our events in a range of locations.
- Stakeholders felt there were too many speakers at our first events.
- Tailored workshops were the most popular choice for future engagement.
- Visibility of feedback results was important.

In direct response to this feedback, we:

- Held our Phase 2 events in different venues.
- Reduced the number of employees presenting at future events.
- Adopted tailored events for our contractors and suppliers.
- Used audience response system to get instant feedback from the event, published feedback on our website and mailed all attendees directing them to our site.

Because stakeholders also told us there was some confusion about what we did or how to contact us:

- We have implemented a media campaign (section 2.1).
- We have made our contact details simpler and brought them to the front page of our website.
- We added background data to our website to improve our internet search rankings.

Feedback showed that delegates felt positively about the events, rating the usefulness of the day at 3.9 out of 5 and the presentations at 4.1 out of 5 for our most recent event. Overall:

- 97% agreed we were listening to their views.
- 97% agreed the new event format (with audience response) worked well.
- 92% would like to attend future engagement events.

'Useful to be involved in these discussions at an early stage'

Consumer group, September 2012, attendee at Phase 1 stakeholder event in Glasgow

"I certainly got more from the day than I had hoped for and realise we should be doing more with this side of the ScottishPower Business."

Consumer group, February 2013, attendee at Phase 2 stakeholder event.

1.3 Reaching Stakeholders in More Ways

The Challenges

- We wanted all stakeholder groups to be well represented at our stakeholder events but post event analysis showed that, although invited, not all were well represented.
- We know from experience that customers tend to focus on the present rather than the future but we wanted to engage them in our business plan preparation too.
- We wanted to encourage feedback from stakeholders in Wales, who have been less involved with our engagement activities in the past.

Our innovative response

NEW IN-DEPTH INTERVIEWS: We knew which stakeholder groups were not well represented and we wanted to use a method that was more convenient for the stakeholders. To gather their feedback a series of in-depth interviews were scheduled.

NEW CUSTOMER FOCUS GROUPS: Eight customer focus groups were held in October 2012. Attendees included customers who had had a power cut in last 12 months. We engaged customers on similar material to our stakeholder events, but simplified the content to reflect the different audience.

NEW FACE-TO-FACE SURVEYS: We commissioned an external market research partner to carry out a further 1,100 independent face to face consultations with customers on the investment options we presented at our Phase 2 events. We used face to face surveys to address the relatively complex nature of the topic material. The sample set ensured we captured data from a wide enough selection of our customers to be representative.

NEW ONLINE SURVEYS: We developed an online survey (in both English and Welsh) that provided detail about potential investment areas, summarised the costs and gave stakeholders the opportunity to suggest which areas to include in our plans. We sent the survey link to our whole database, posted it on our website and we specifically targeted Welsh stakeholders. Recognising that those who work for the company are also an important group of stakeholders, we developed a version of the survey for employees.

Outcomes

- In total, an additional 32 in-depth interviews were conducted, ensuring we had coverage from all stakeholder sectors in defining the priorities for our business plan.
- Customers struggled to imagine how they might want to use the network or adopt low carbon technologies in the future. They did, however, talk about what information or practical support we could provide during a power cut, the effectiveness of our automated telephone messages and the success of our communication in general.
- Following on from the customer focus groups, our letters have been amended (section 2.4), we have a media campaign and we've delivered door drop leaflets (section 2.1).
- The on-line survey was completed by over 400 employees and over 80 external stakeholders, doubling the number of external stakeholders we were able to reach through face to face events.

Keeping Stakeholders Informed

We recognise the importance of keeping stakeholders informed of how their input affected our decisions. Our website has a dedicated 'Have your say' section for people to provide feedback, and we have an 'Acting on feedback' section that explains how we've acted on feedback.

1.4 Our New Stakeholder DVD

The future network will need to accommodate an increase in small generation sources, with power coming into the network from a variety of supply points. With the network becoming an even busier, more complex place, we'll need to build more control into it. We wanted to explain this important challenge to our stakeholders in a simple and engaging way, so we produced a DVD called The Future Network - Have your Say. This DVD outlines the challenges being faced and explains why changes to the network are necessary. It is available to all stakeholders via our website and via YouTube, where it has had 1500 views to date. We used the DVD at internal and external events and encourage stakeholders to share their views.

'You decide' functionality

Our surveys included innovative functionality that allowed customers and stakeholders to select the level of investment activity they were prepared to support. It also let them change their mind if they didn't like the overall bill impact.

Innovation

Innovation - £0.50 per year for innovation on research and trials to try and create savings in the future

I do think this should be in the plan and I am happy with the amount proposed

+ I do think this should be in the plan and I would be willing to pay more to make more of an impact in this area

- I do think this should be in the plan but think less work should be carried out thus the bill amount would be lower

X I don't think this should be in the plan or added to the base bill

+ How much more?

+10p +20p +30p +40p +50p

- How much less?

-10p -20p -30p -40p -50p



Section 2: Engaging with our customers

Business Plan / Customers / Connections / Collaboration / Safety and Recruitment

2.1 A new Customer Awareness campaign

Throughout our engagement, we've been told that it's difficult for customers to find out who they need to contact and what telephone number they should call to get through to the right place, first time. Two key themes consistently emerge:

- *Customers don't always know who we are and how we're different to the supply companies*
- *Many customers find it difficult to know who to contact if they have an enquiry.*

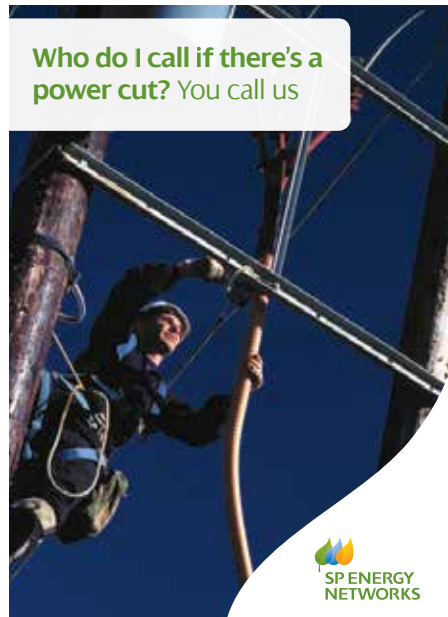
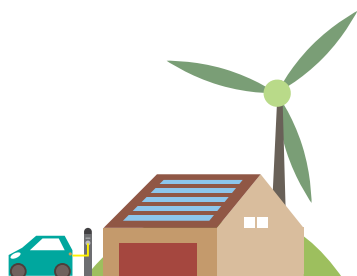
'One of the problems for us is finding a phone number.'

'Most people don't know who their network operator is, should be made clearer'

In response to this feedback, we embarked on a major customer awareness campaign for the first time. The aim of the campaign was to increase awareness of the SP Energy Networks brand and our emergency contact details. We also took the opportunity to deliver key messages about our ongoing investment programmes and to encourage applications from vulnerable customers to join the priority services register.

- *We delivered leaflets to over 3 million domestic households highlighting our emergency contact details. Prior to delivery we produced a draft version for discussion with our on-line community.*
- *We placed 39 full-page press adverts across regional and national newspapers, in areas where we are the network operator.*
- *We placed an advertising campaign on regional radio stations to highlight our role, which was estimated to reach over 4 million people.*

We supplemented our awareness campaign by the placement of media articles highlighting our investment in preparation for winter and giving customers valuable advice. In times of severe



weather conditions SPEN representatives appeared on regional news channels to highlight the scale of the problem and the work being done to restore power. This year we worked with BBC News to highlight the work we do on tree-cutting and the use of helicopters to identify faults on our lines during the evening news.

Outcomes

We felt it was important to understand the impact of our engagement activity to improve our future communications:

- *A poll on our online community showed 59% had seen, heard or read information about who to contact during a power cut recently and 45% remembered receiving our customer leaflet. The community rated the overall effectiveness of the campaign at 7.3 out of 10.*
- *We were delighted to note that our Broad Measure of Customer Satisfaction scores for Ease of Contacting Advisors during Unplanned Outages rose after the campaign. In November our score in this measure was 8.02 in our SPM area and 8.08 in our SPD area. By January our score had risen to 8.62 in SPM and 8.64 in SPD, a new record for us.*
- *Our face to face customer surveys, conducted three months after our campaign, demonstrated that 17% of domestic customers in our SPM area and 18% in our SPD area still remembered seeing, reading or hearing information recently about who to contact during a power cut, without being prompted.*

We plan to run an awareness campaign annually and next time will conduct market research immediately prior to and after the event, to provide an improved measure of success.

2.2 A New Customer Relationship Management System

We want all forms of customer feedback to be analysed in the most useful and accurate way possible. We believe it's important to use the information from Ofgem's Voice of the Customer Research to help us meet our customers' needs.

In terms of our customer communications, we identified an immediate need for tighter control and visibility of all customer interactions and associated work. At the start of 2013 we started the implementation of a Customer Relationship Management (CRM) system, which is due to be completed in 2014.

We expect the introduction of our CRM will greatly improve our interaction with our customers and in particular will:

- *Enhance our methods of communication with our customers*
- *Ensure customer interactions & processes are managed in a consistent manner*
- *Better equip us to have value-add conversations with our customers*
- *Provide our customers with more accessible information about the progress of their job via a Web Portal*



2.3 Developing our Online Community

We recognise that many customers never have any need to contact us and so don't have an opportunity to provide feedback on our service. Feedback from customers is important in helping us better understand how we can meet the needs of the people we serve, and so we wanted a forum through which we could regularly test our customer service initiatives and gain feedback on a variety of topics.

Our Online Community was launched in 2011 and now has 724 members (with over 100,000 email invitations having been sent). It provides us with honest, unfiltered feedback, and includes online focus groups, polls, surveys, and discussions. For this reason, we are keen to extend the community to a wider number of customers. We pro-actively recruit people to the community, and details of how to join are provided on our customer letters and website.

The active members of the community are becoming more familiar with our business and are able to provide feedback in a number of areas. We have an annual programme of topics, surveys and quick polls which have resulted in us delivering a number of changes including the following:

- **Our online community asked us to provide regular text updates and IVR messages during supply interruptions of 48 hours or more. We now provide text and IVR messages during interruptions.**
- **We were asked to check what emergency assistance was needed during a power cut. Our call takers now ask all customers if they have any special requirements.**
- **When supply is interrupted, 75% of customers would prefer overnight work to restore supply. Our field employees are now dispatched to a fault throughout the night.**
- **49% of customers said they would like at least one week's notice of a planned outage. We now give customers two weeks notice of a planned outage.**

We've also used the community to help us determine what to include in the media campaign and asked their views on the campaign following delivery (section 2.1).



2.4 Improved Communication

We want our customers to feel well informed about our activities, and be prepared for any problems that could arise. Our new and improved range of communications is designed to reach all our customers, and make it easier for them to talk to us whenever they need to.

Customer Advice Leaflets

We have produced customer advice leaflets in English and Welsh. These are distributed to customers and provide information about outages, priority services, staying open for business and contacting us.

The leaflets have been reviewed and were very well received by our online community. We are confident that information is now more readily available to a wider range of customers and stakeholders. The leaflets are available on our website and at medical centres, local libraries and other Local Authority premises.

Improved Letters

Focus groups on our online community suggested further changes to our planned outage letters. In response to this feedback, our new letters:

- *Are clearer and easier to understand.*
- *Give reasons for the shut-down, so customers can understand why they are losing power and the justification for this.*
- *Include helpful hints on how to prepare for a planned outage.*
- *Include contact details and invite customers to join our online community.*

Improved Call-handling

Our customers tell us that they want their calls to be answered swiftly and efficiently.

For General Enquiry calls, we have made improvements to our call handling telephony to include better call waiting messaging and internal reporting capability. Callers now receive a message when there are severe weather events to manage their expectations on General Enquiry response times.

For Fault calls, we have provided call handling training to additional employees to expand our pool of call takers during times of high call



volumes. Customers who select the option to speak to an agent are seamlessly redirected to additional staff.

We are consistently answering more than 90% of customer calls in 20 seconds or less.

Bi-lingual communication

We have a large number of customers in Wales who prefer to speak to us in Welsh, and we support and encourage this with Welsh speaking staff. We also have stakeholders for whom English is not their first language, and to ensure that communication is available to all we have added a multi-lingual option to our website, to compliment our multi-lingual call taking option.

Gwasanaethu ein Cwsmeriaid



The information on this leaflet is available in Welsh and English. We are happy to help you in your preferred language. We can also provide information in other languages if you need it. We will do our best to help you in your preferred language. We will do our best to help you in your preferred language. We will do our best to help you in your preferred language.

Postcards

We have reviewed our on-site communications with customers and have introduced a range of postcards for field staff to put through doors. These postcards provide information about:

- *Faults that have been found.*
- *Why we're in the area.*
- *How to contact us.*

If you have a power cut...
we're the people to contact
to get the power back on

Central & Southern Scotland
0845 272 7999
Power loss & emergencies

General Enquiries
0845 273 4444

For more information see our website
www.spenergynetworks.co.uk

2.5 Increasing support for our vulnerable customers

'You need to publicise the priority services register more'

The Challenge

We want to identify customers who may need additional support during a power cut. This includes customers who are dependent on medical equipment, chronically sick, disabled, or elderly. We currently have 270,000 vulnerable customers on our database and we needed to make it easier for them to let us know of their needs, and to help them be prepared for power cuts.

Our Response

- We have surveyed our vulnerable customers through 10 in-depth interviews and 500 telephone interviews.
- We have delivered a leaflet to over 3 million customers with details of how to join our priority services register.
- We publicise our Priority Services Register in GP surgeries, local libraries and our planned interruption letters.
- We have increased the number of people on our Priority Services Register and refined the data to ensure the list includes full addresses.
- We have continued to work with Local Authorities to identify vulnerable customers in their area.
- During the flooding in November of 2012 we attended the St Asaph Floods Rest Centre, to provide support, leaflets and winter packs to vulnerable people in the community.

Outcomes

As a result of our survey, we are now:

- Preparing a welcome pack for new priority services customers that will highlight our contact details.
- Providing more proactive contact in a power cut or emergency situation.
- Distributing winter packs (analogue telephone, blanket, torch and hand warmer), targeting vulnerable customers.

Our on-line community scored us 9.2 out of 10 for ease of joining the PSR.

2.6 A New Response to Customer Care

The Challenge

We realise that our works, while necessary, may cause disruption to local communities. We also recognise that people want to know why we are there and how to contact us should the need arise.

Our Response

- Previously we timetabled planned interruptions to a customer's supply around the work schedules of our service partners. This meant some of our customers were losing their electricity supply early in the morning and late at night, the times they rely upon it the most. Our service partners have now committed to only interrupting a customer's power supply between 9am and 4.30pm, except in exceptional circumstances.
- We have made a significant change in the number of Generators available to provide a backup supply of electricity when we are working on the network, so we can avoid interrupting customers where we can.
- When customers contact us regarding a general enquiry, such as an untidy substation or earthing to their property, we now offer them a survey appointment within 48 hours. We have made great improvements in this area, achieving our target in 85% of cases by March 2013, compared to just 50% at the end of November 2012. We expect to reach 100% compliance this summer. We are responding to customers much quicker than before and providing them with information about what will happen next.
- We have launched a new Customer Care plan, which is in place across our cable laying projects and is now being piloted for overhead lines. This plan ensures we consider ways to keep our communities informed during works, including community meetings, local media, leaflets, posters, individual meetings, letters, publishing information on our website and roadside display boards.



Outcomes

We are working harder for the communities we serve, arranging planned outages at more convenient times and providing a back-up supply more often. Our care plan makes sure communities know why we are in their area and how to contact us if they need to. The new 48 hour target ensures they receive a speedy response if they do.

New Customer Care Recruits

In order to enhance the service we provide to our customers, we have made plans to recruit two new Customer Liaison officers to supplement the two already in place, providing a dedicated officer for each of our four regions.

In addition, the number of Customer Service analysts is increasing from one to four. Our analysts use our Customer Service Action Tracker to collate customer feedback from the Broad Measure of Customer Satisfaction and relate this directly to developing new business solutions, deployed throughout the organisation.



2.7 A New Response to Power Cuts

Keeping Customers Informed

'We needed a better estimation of when power was returning so that we could decide whether or not to take the kids out for food'

We interviewed customers who had lost power within the last 12 months and customers living in known "hot spots". These customers told us they want to be able to make informed decisions based on accurate and up-to-date information during a power cut.

We now proactively keep customers informed throughout the duration of the power cut, providing them with the most up-to-date information throughout the period of disruption:

1. Text messaging

33% of our online community suggested text updates to keep customers informed during a power cut, and over 20% of the 1,100 customers we surveyed for the business plan agreed. Text message updates are now available to all customers experiencing a power cut who leave their mobile phone details. We used our customer leaflets to encourage customers to register their mobile numbers with us to receive text message updates.

2. Social media

We see the value of using social media to keep our customers informed and the CRM system we are introducing (section 2.2) will allow us to engage with customers using social media.

3. Speaking to us in person

We understand that some customers prefer to speak to a person. If we are aware of an interruption to supply we may activate our voice messaging system to provide information, but if the customer wants to stay on the line they will always be given the option to speak to a customer service agent.

Outcomes

When problems do occur, our customers have told us they want us to respond quickly. We have improved our resolution times in the following ways in the last year:

- *Our dispatch times to site have been improved by 44%*
- *Our arrival times on site have been improved by 34%*
- *The number of times we are able to restore power within 3 hours has been improved by 40%*



Overall, our new approach to our response during power cuts has had significant benefits for both our customers and ourselves:

- *We are getting engineers to site quicker.*
- *Information is sent back to the centre quicker via Toughbook technology.*
- *If the power is off for an extended period of time our dedicated Customer Liaison Officers work with local councils to provide additional support.*
- *Wherever possible our site staff knock on doors to ensure customers are okay and updated on the situation.*

2.8 A Collaborative Approach to Emergency Resilience

Large proportions of our networks are in areas classified by the Met Office as particularly at risk of severe weather. There was a 1 in 30 year storm in Scotland in 1998 affecting more than 250,000 customers, and it took over eight days to fully restore power. In Jan 2012 we experienced another 1 in 30 year storm in Scotland, comparable to the 1998 storm. Our performance was dramatically improved, with 135,000 customers' supplies affected and restoration of power to all customers by the fifth night.

Following a number of severe weather events across the last three years, we assessed our emergency performance after each event. We used a 'Lessons Learned' post-storm exercise to identify areas for improvement and invited key stakeholders along to provide their feedback. We have built this feedback into our future plans.

We recognise the importance of working in partnership with communities. We have built on our existing relationships and formed new ones. We are working with:

- *Local Authorities in Scotland, England and Wales*
- *Midlothian Voluntary Association*
- *North Ayrshire Council Social Service Department*
- *Consumer Focus*
- *Trust Housing Association*
- *Citizens Advice Bureau*

During a loss of supply we:

- *Work with Local Authorities to open community centres and manage vulnerable customers.*
- *Set up accounts with local pubs and hotels to provide hot meals.*
- *Arrange accommodation and transport for customers who can't stay at home with no supply.*
- *Work with the relevant Transport and Local Authorities to gain access to towns, villages and properties.*

Throughout the year we have:

- *Worked with Local Authorities and provided leaflets to be displayed for customers in Local Authority offices, Libraries, etc.*
- *Met with Trust Housing Association in Glasgow to distribute leaflets and learn about vulnerable customers.*
- *Membership and quarterly attendance at Sefton Resilience Action Group, which focuses on vulnerable groups in the community.*
- *Given a presentation about our Customer Liaison Officer role to the North Wales Resilience Forum and Merseyside Resilience Forum.*
- *Put useful information on our website.*
- *Undertaken regular training exercises to ensure we are well prepared.*



Section 3: Engaging with our Connections customers

Business Plan / Customers / **Connections** / Collaboration / Safety and Recruitment

3.1 A New Strategy for Connections Customers

'Where can I connect? Why can't you tell me? What are the limitations on the system?'

The Challenge

One group of stakeholders which we have found challenging to engage with has been Connections customers. They have told us there is a lack of information about our role, that the connections process is seen as being complicated and that it's difficult for people to know whom to contact for advice.

Our Response

We have developed a Customer engagement plan for all customer groups and a specific plan for DG customers, as part of which we:

- *Identify appropriate stakeholders and initiate customer contact.*
- *Support our customers throughout the connection process.*
- *Provide customer account managers.*
- *Use direct marketing, workshops, and surgeries to provide a range of engagement.*

Outcomes

1. Improved Information

We have worked hard to make sure information on the connections process is readily available by providing:

- *Improved quote letters which now include greater clarity of works & charges.*
- *'Heat maps' to show where there is connection capacity.*
- *An indicative quote tool on our website.*
- *Access to our detailed network maps.*

2. Seminars and Workshops

- *We held a series of seminars to explain the quotation process. These were well received, and will be run bi-annually. We asked customers to score us on the Ofgem Overall Satisfaction Question before and after the seminar, and our overall score rose at each seminar. For example, at an SPM event in September, our score rose from 6.3 to 8.2.*
- *Our DG Application Process workshop was aimed at giving attendees a much clearer understanding of the connections process.*

3. Customer Surgeries

- *Thirteen customer surgeries were held in Scotland, England and Wales, providing customers with an opportunity to come in and meet the team to ask questions. Further sessions are planned throughout 2013.*

4. Competition in Connections (CiC)

Customers need to know that they have a choice for certain elements of their connections work, and we want to provide the information they need to make informed decisions. We have developed a user-friendly CiC section on our website, we provide a monthly CiC email newsletter and we hold monthly meetings with our main Independent Connections Providers and Independent Network Operators.

5. Working in partnership

We have extensive interaction with numerous energy consultants regarding connections for renewables including Community Energy Scotland, Scottish Renewables and Xero Energy.

3.2 Case Study: Intelligent Land Investments

Intelligent Land Investments (ILI) Ltd is an investment management company that focuses on renewable energy projects including onshore wind farms and hydro projects.

When ILI first approached us with a significant portfolio of work we provided them with a dedicated Customer Account Manager to help guide them through the connections process. We are in regular contact with ILI to ensure we are meeting their needs, and the team from ILI recently attended a workshop to learn more about the processes and design tools we use.

We have assisted ILI with their projects in several ways. One example is that we developed an engineering solution to accommodate two connections from a single new circuit in a remote area. This solution not only made ILI's project financially viable but also made it possible for other generators in the area to connect to the network. ILI is delighted with our innovative approach.

'SP Energy Networks have been very generous with their time and knowledge at all turns and ILI remains very pleased with the ongoing development of this relationship'



3.3 A New Approach to Connections Communication

'I can never get a hold of someone that can answer my questions'

The Challenge

Our connections activity is a complicated area, with a lot of regulatory terminology that can be confusing and frustrating for customers. This was reflected in the monthly Ofgem Broad Measure of Customer Satisfaction scores, with poor scores indicating that our customers were not receiving the level of service they expected and deserved.

Our Response

To continually improve customer service and simplify the connections process we have:

- *Developed a customer engagement plan, tailored for engagement with different customer groups.*
- *Introduced dedicated account managers for high volume customers.*
- *Started implementation of a Customer Relationship Management database.*
- *Improved the amount and clarity of information supplied.*

'Why do I need to fill in such a complicated application form?'

Outcomes

We now provide our customers with:

- *Simplified application forms and process.*
- *Triage sessions where customers can talk to our experts.*
- *Workshops to answer questions and concerns.*
- *A Jargon buster on our website.*
- *Clearer customer letters and quotes.*
- *Quarterly email communication.*

Section 4: Engaging through collaboration

Business Plan / Customers / Connections / **Collaboration** / Safety and Recruitment

4.1 A Collaborative Approach to Innovation

Innovation is essential to progress. As the UK embraces more low carbon technologies, there is a need to bring industry and innovation together. Sharing knowledge and innovation across the industry is an important part of our strategy and will ensure networks can be built and maintained efficiently for the benefit of all customers.

Our portfolio of innovation projects is focussed on reducing our environmental impact, facilitating the low carbon transition and maximising the performance of existing assets. We include in-depth discussion of our innovation strategies in our stakeholder events and stakeholder feedback is used to help us make informed decisions on our future projects.

Our Collaborations

We understand the importance of working with others and we support academic research as part of our commitment to low carbon networks. We work with a range of universities and research groups. We sponsor the ScottishPower Advanced Research Centre (SPARC) and we contribute to the Technology and Innovation Centre with the University of Strathclyde. We have also worked with the University and other partners to help deliver a world class £12.5 million Power Network Demonstration Centre, the first of its kind in Europe.

We also collaborate outside academia and are committed to a number of high-profile projects:

- *Key partners in the Energy Innovation Centre (EIC), which brings energy innovation and industry together in the UK.*
- *Member of Smart Grid GB to provide an industry view on what kind of smart grid Britain will need and how it might be achieved.*



- *Our Flexible Networks Project aims to find practical solutions to the changing network capacity requirements.*

Case Study: Accelerating Renewable Connections (ARC)

The Accelerating Renewable Connections (ARC) project will trial the application of Active Network Management technology and new commercial arrangements in order to accelerate the connection of distributed generation onto our network. A key learning objective will also be the development of models that will facilitate the connection of community owned generation.

ARC will provide generators with greater visibility of the network to enable developers to choose where to connect their projects, based upon maps showing available network capacity. In developing our project, a half-day workshop was held with a selection of existing developers to review current barriers to connection and to understand what stakeholders required in order to improve their experience.

Furthermore, we are committed to continuous engagement as our project progresses. We plan to share what we learn from the project and have created a dedicated 'knowledge share' role to share learning benefits with developers, technology providers and DNOs. Although early in the development of the project, we have received a number of positive messages from the wider distributed generation development community, who see great potential for greater availability of network capacity, as well as improved economics and timescales for connection.

4.2 Working with Local Authorities

Local Authorities have economic development and regeneration plans that may not be aligned to the available network capacity. To address this, we have revised our approach to:

- *Re-focus our Cities Team to concentrate on network development in our major cities of Glasgow, Edinburgh and Liverpool.*
- *Develop a tailored engagement strategy designed to build relationships in the major cities.*
- *Start the process of establishing integrated energy plans for our major cities.*

4.3 Working with Housing Associations

Some common areas of high-rise and tenement flats contain very old cables. It's not clear whether the responsibility for the maintenance and eventual replacement of these cables lies with the building owner or the electricity distributor. Stakeholders recognise our strong track record for safety and expect us to act to reduce any safety risks.

Our Response

We believe that the risk that this poses to the safety of the buildings' occupants is unacceptable and we are proactively replacing these cables where no clear ownership can be established.

Outcomes

This year we invested £15m to address this public safety risk and are the only UK distribution company to seek and obtain approval to continue this work. Much of this housing stock is owned by housing associations and replacement of these cables also increases the capacity of the cables, facilitating improvements in heating systems.

4.4 Increasing Commitment to Combat Metal Theft

Security at our substations is a growing concern. International demand for metals combined with a decreasing economy has led to a marked increase in metal theft across the UK. Break-ins expose staff, contractors and members of the public to significant health and safety risks, and customers are also affected as security of supply is impacted.

Our Response

We have taken numerous security measures including installing intruder alarms, electrifying fences for grid sites, investing in security cameras, developing a more detailed substation security specification and enhancing built-in security measures. We have increased our information sharing initiatives with strategic partners, taken part in days of action across the country, and worked with local communities and media to raise awareness of the issue.



Section 5: Engaging on safety and recruitment

Business Plan / Customers / Connections / Collaboration / Safety and Recruitment

5.1 Enhancing Public Safety

Keeping people safe around our network is crucial. We want young people to understand the important role that electricity plays in everyday life as well as the possible dangers.

5.1.1 PowerWise is an innovative teaching programme for children that fits into the school curriculum and is provided free of charge. We proactively contact schools, and professional teachers present interactive lessons in primary schools across our operating area. Every school is provided with a 'PowerWise Resource Pack' in English or Welsh, from which the school can deliver future lessons about electricity. This year we delivered 258 teaching days and reached 38,743 children. The PowerWise website achieved more than 100,000 hits.

www.powerwise.org.uk

5.1.2 We support two Safety Centres in our operating area, The Risk Factory (Edinburgh) and DangerPoint (North Wales). Both centres organise schools trips where children learn about a range of safety issues and include scenarios about electricity safety, funded by SP Energy Networks. This year we reached 8,435 children through The Risk Factory and 5,842 through DangerPoint.

5.1.3 Local Authorities run Crucial Crew events, at which agencies such as SP Energy Networks are regularly invited to talk to children about safety. This year we attended 6 events, covering 71 days, reaching approximately 9,000 children, communicating the dangers associated with our electricity network.

New Interactive Display

This year we worked with DangerPoint to create a new interactive electricity scenario through our own sponsorship. The new scenario allows visitors a better understanding of the danger of electricity, through display that is both interactive and fun.



5.2 Increasing our recruitment

The Challenge

We believe it's important to invest in training, education and jobs within our network areas. As four out of five energy industry employees are set to retire over the next 15 years, we are committed to major recruitment.

Our Response

We have been working closely with schools, colleges and universities to promote engineering as a desirable career choice, and have developed some pioneering approaches to bringing new people into the power sector:

5.2.1 Our popular Apprenticeship Programmes provide a fantastic way to realise potential. Bringing learning and earning together, our apprentices study towards recognised qualifications, developing new skills and gaining invaluable knowledge and experience. We recently introduced a new Power Engineering Higher Level Apprenticeship, which combines academic and technical training with work-based learning and assessment.

5.2.2 Our Foundation Apprenticeships, in partnership with Cardonald College, are innovative engineering courses aimed at young people, some of whom have struggled in the past to get into education or employment.

5.2.3 We took on 32 Graduates in 2012, in Engineering, Customer Service, Marketing, Finance, Commercial and Quantity Surveying roles. This represents a huge increase on previous years and includes graduates in customer facing disciplines, to reflect our focus on customer service. As well as participating in professional training initiatives and gaining professional qualifications, graduates gain real experience on their placements and benefit from excellent development opportunities.

5.2.4 In order to encourage more young people to study Science, Technology, Engineering and Maths (STEM). We have a number of STEM ambassadors who have assisted in masterclasses at secondary schools, and we participated in the Grangemouth Science Fair, the Engineering Careers Carousel, and the Lanark Jobs Fair.

5.3 Case study: Dumfries and Galloway College



There is a shortage of linesmen in the UK and we need new linesman to be authorised to work on our network. We rely on our contractors to help deliver our investment plans and so it's important to us that they recruit new staff.

To support our contractors' recruitment, we joined forces with Dumfries & Galloway College and our overhead line contractor CIET. Together we have established a new and unique 12 week course that offers participants the opportunity of immediate employment as overhead line trainees on completion of the course. We provided the network and a trainer for practical aspects of the course so that the trainees are already approved to work on our network when they qualify. The course was designed to attract semi-qualified people into the energy industry, specifically targeting those currently out of work.

The first class of nine students started in February 2012 and have gone straight into full time employment with CIET in the Dumfries & Galloway area. We are creating long-term local employment for local people, with local knowledge. Other contractors have expressed interest in the next intake of students and we have active plans to roll-out this model in other areas of our network.

6.0 A Journey of Continual Improvement

There is more to do in the future and we look forward to developing and meeting the needs of our stakeholders and customers in the years ahead.



