Scottish and Southern Energy
Power Distribution

Technical Appendix 05.1

Listening to our customers and providing the service that they want

This Technical Appendix is part of the RIIO-ED1 Business Plan of Southern Electric Power Distribution plc (“SEPD”) and Scottish Hydro Electric Power Distribution plc (“SHEPD”), together Scottish and Southern Energy Power Distribution (“SSEPD”).

A map of the full Business Plan can be found at www.yourfutureenergynetwork.co.uk

All costs shown are in 2012/13 prices unless indicated otherwise.

Summary

Our objective is to make sure all of our customers' views are heard and acted on.

Most of the work of SSEPD is done in the community, where our colleagues both live and work. Thus most of day-to-day contact between SSEPD and our customers is done in the community. Our 3,200 field based colleagues speak to our customers every day while doing maintenance, fixing damaged equipment or doing new connections. They are supported by dedicated customer contact centre staff who make sure that we get the right information to our customers when they need it.

We have established a set of principles which we apply to all of our engagements with customers from our remotest worksite to our head office:

- Be consistent.
- Keep regular, clear communication between the customer, the field teams and the customer service centres.
- Give customers a choice in how they want to contact us and us to contact them.
- Make it easy.
- Behave responsibly.
- Adopt best practice in customer service.

Each principle has a programme of monitoring, training and investment to continually listen to customers' views and improve our performance. Our belief is that through the application of these principles we will deliver the service our customers expect and, hence, we will not have any complaints upheld by the Energy Ombudsman during the RIIO-ED1 period.

Five of our 12 Commitments for the RIIO-ED1 period relate to the application of our six principles of responsible customer service:

Commitment 1 Where we need to do some maintenance, we'll give you at least five days' notice of a planned power cut. If we don't we will pay you £20.

Commitment 3 You'll be able to contact us in more and more ways that suit you; by Twitter, Facebook or however you want to talk to us.

Commitment 6 If we do have an unexpected power cut, within ten minutes we will be able to tell you what we are doing about it.

Commitment 7 If you apply for a new electricity connection and a team member has not been in touch within three working days then we will pay you £20.

Commitment 8 We want to make it easy for you to fill out a form by giving you the option of doing it online, by post, by phone or LiveChat.

Each year, we will publish a Looking Back Report of our customer service performance and, in particular, how we our performance against these commitments.

Our customers are also people and groups that we might not be speaking to as part of our day-to-day work such as consumer groups and charities, local and national authorities, regulators, Trades' Union and energy suppliers.

We want to listen to all our customers during the RIIO-ED1 period, and this is reflected in our 12 Commitments:

Commitment 9 We'll keep on asking you how we could do better and publish a report every year on what we're doing about it.

To meet this commitment during the RIIO-ED1 period, we intend to:

- **Meet customers' expectations**
  - We will maintain ongoing dialogues with all customers who request regular updates on what we are doing.
  - We will accurately record and follow up on these customers expectations, receiving no complaints.
- **Seek customers' views**
  - We will publish an Annual Engagement Plan, with the first published in January 2014, setting out our engagement topics and activities for the following 12 months.
  - We will organise at least 15 face-to-face events each year to hear customers' views.

Our annual Looking Back Report will describe our activities over the previous 12 months and how we have responded to customers' views.

Summary of our plans...

Our **objective** is... to make sure all of our customers' views are heard and acted on.

During the RIIO-ED1 period our **targets** are:

Work to our six principles of responsible customer service	No complaints upheld by the Energy Ombudsman.
Meeting customers' expectations	To maintain ongoing dialogues with all customers who request regular updates on what we are doing. To accurately record and follow up on these customers expectations, receiving no complaints.
Seek customers' views	We will publish an Annual Engagement Plan, with the first published in January 2014, setting out our engagement topics and activities for the following 12 months. To organise at least 15 face-to-face events each year to hear customers' views.

Regulatory policy

In March 2013, Ofgem published its strategy decision for the RIIO-ED1 period. The decision includes:

- A requirement to improve the service provided to customers during power cuts, when applying for a connection and any other general enquiry. Complaints must also be dealt with quickly and effectively.
- A financial incentive, the Broader Measure of Customer Satisfaction, which rewards licensees with a strong customer service performance and penalises licensees that perform poorly. This includes consideration of the ongoing work licensees do to engage with customers and wider stakeholders.
- A requirement that, from 1 April 2015, customers on the Priority Services Register should automatically receive Guaranteed Standards payments in the event of a power cut.

In addition to ongoing regulatory reporting requirements, Ofgem intends to extend the reach of its annual customer satisfaction survey that measures electricity distribution licensees' performance.

The proposals described in this paper are aligned with the regulatory policy, without exception.

An explanation of how our proposals meet regulatory policy requirements is provided in the Appendix - Regulatory policy.

Further examples of how we engage with customers can be found throughout our Business Plan; for example, in our papers, "Get connected" and "Managing our environmental impact". Note that this paper does not discuss Guaranteed Standards of Performance, which can be seen in our paper, "A reliable supply of electricity".

Contents

Introduction

We value our heritage built on 70 years of providing an essential service to our local communities and understand our continuing responsibility to people who have come to depend on us.

Throughout this Business Plan we talk about making sure everyone in Scottish and Southern Energy Power Distribution (SSEPD) can perform their job in a responsible way. We outline our approach to social responsibility in our paper, "Be responsible". This is particularly true when it comes to speaking and listening to our customers.

We don't 'sell' and we don't employ sales people. We know that most of our customers do not have any choice about who is distributing electricity to their door. If we perform badly, customers cannot vote with their feet and find an alternative. This places an obligation on us to listen to our customers' needs and provide the right service without being driven by the pressure of a competitive market environment.

Who are our customers?

Everyone who gets the electricity they need from wires and cables that we are responsible for. This includes the 3.7 million households connected the SSEPD network and over 300,000 businesses ranging in size from corner shops and workshops to our biggest energy customer, Fawley oil refinery, near Southampton (**Figure 1**). Another of our biggest customers are the local authorities who have many street lights and lighting for road signs connected to the distribution network.

Our customers also include the people who generate electricity that we then distribute onwards. Historically, this has meant medium-sized power stations that burn oil or gas and, in the north of Scotland, hydro-electricity. Increasingly, there are sources of renewable electricity exporting onto the SSEPD network from domestic solar power up to multiple turbine wind farms. As we describe in "Get connected", we expect to have many more of these customers in years ahead.

People who plan to connect to the SSEPD network are the customer group we have most contact with. This includes individuals and families building or extending their home, or perhaps thinking of connecting a microrenewable device. Also, we work with developers of new houses or commercial property and people working on the development of new generation sites.

Anyone who has an interest in what we are doing now, and plan to do in the future, we also think of as a customer. This is a wide and varied group that changes with time, and includes:

- Governments and statutory bodies, including the planning authorities and emergency services.
- Consumer groups and charities that work on behalf of groups of customers or local interests such as those who are vulnerable to loss of supply or those in fuel poverty; environmental groups; and distributed generation customers.
- Local community and Parish councils.
- Community Energy groups.
- Electricity supply companies.
- Suppliers of equipment and people involved in the development of new technologies.
- Local landowners.

This group can be called ‘stakeholders’, but we include them within our customers.

Figure 1 Customer groups

Anyone who has an interest in what we do, such as...

Household and business customers

Local landowners

Governments and statutory bodies

Community Energy groups

Customers & Stakeholders

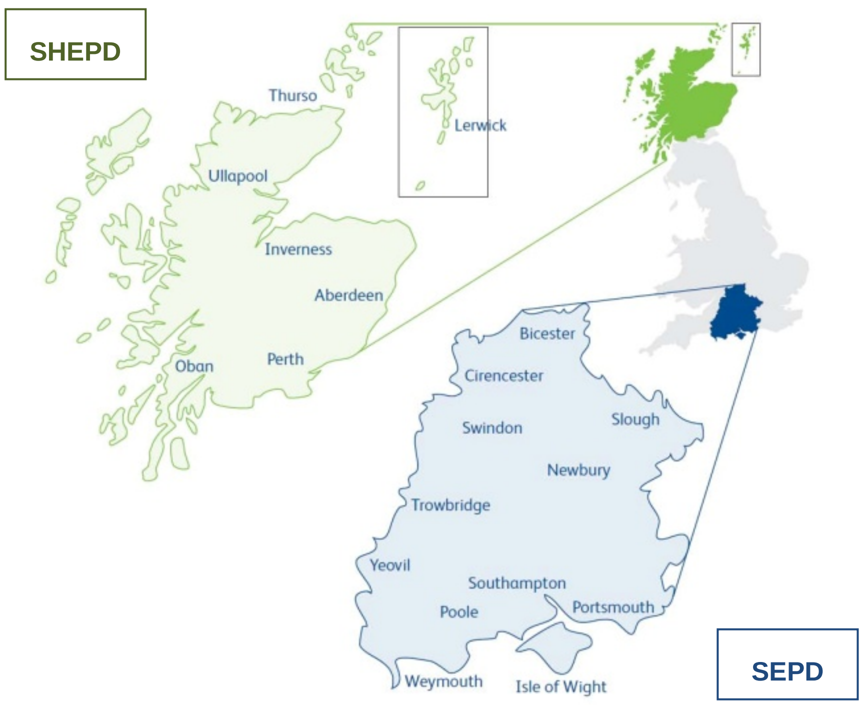
Consumer groups and charities

Electricity supply companies

Local community and Parish councils

Suppliers of equipment and new technologies

And who live, or are interested in, the SHEPD or SEPD area…



What do we mean by customer service?

Our job is to provide a reliable supply of electricity to our customers. This means that everything we do is we do is for the customer and driven by the customer (**Figure 2**).

Our customers see us and speak to us every day when we are out doing work in their communities. We might be working on connecting a new house to the network, doing essential maintenance to our equipment or giving information and advice to school kids, farmers or other people working near our network.

We also get in touch with customers about what we are doing. We will do this before we have to interrupt the power supply, or when a power cut has happened. When there are plans to develop part of the network, for example to build a new line, we will speak to local people and interested groups to seek views on our plans.

Sharing information about what we do is an essential part of our service. Part of this work is to help keep people safe around electricity. We use our website, printed and social media, and face-to-face meetings to share information with customers. Increasingly, where something significant has happened or is planned, we will organise a community event and ask the local people to come and tell us their views.

As a business, doing our job responsibly means thinking about what our customers want from the service we are providing. Importantly, we want to continually get better. We know our customers' views and expectations change and we need to keep listening so that we can change at the same time.

What's in this paper?

This paper is part of SSEPD's Business Plan for the period 1 April 2015 to 31 March 2023 ("the RIIO-ED1 period").

Part 1 sets out the principles of responsible customer service that we apply to all of our business activities. These principles reflect the things that our customers have told us are important to them.

Part 2 explains how we apply these principles in our day-to-day discussions with customers, and some of the changes we are making (or planning to make) in response to customers telling us how we could be better.

Part 3 describes our approach to maintaining a dialogue with the wider group of customers, or stakeholders, that we do not speak to through our day-to-day work. This is sometimes called a stakeholder engagement plan.

Part 4 sets out our approach to assurance and reporting

An explanation of how our proposals meet regulatory policy requirements is provided in the **Appendix** - Regulatory policy.

Figure 2 Customer service

Part 1

Principles of responsible customer service

If we have learned anything over the last seven decades of running electricity networks, it is that our customers' energy needs, and their views on what they want from us, changes over time.

When the networks were first built, customers expected long periods without electricity (**Figure 3**). Where we are today, electricity is an essential part of day-to-day life so power cuts are unwelcome. Customers are also asking for clear, up-to-date information about what we are doing.

The changing needs of our customers have fundamentally changed the way we work. One of our colleagues, Mark Plowman, has experienced this throughout his time at SEPD

> *"When I joined the Southern Electricity Board in 1974 people were prepared for power cuts, in fact expected them, especially through the winter months. Most people had paraffin storm lamps and an open fire to cook on when the weather got bad. Everyone would have candles, and would listen to local radio to find out what was happening during storms. People would leave a light switch on to know when the power came back. Nowadays, nobody wants their power off - everybody has appliances they rely on. It's a completely different way of life with people using mobile phones and computers to talk to each other."*

Mark Plowman, Operational Planning Manager - Control Room

Figure 3 The changing needs of electricity distribution customers

Listening to our customers

In preparing this Business Plan, we have spent 18 months talking to our customers about the service that they want from us both now and in the future. As we describe in **Assessing and responding to customers' views**, this is part of the ongoing discussions that feed in our business decisions.

We asked our customers about their experiences of our service and what they think our service should be like in the future. In general, the feedback from customers who have experience of our customer service is positive. Throughout our Programme of Listening, respondents were generally positive about the level of service they have experienced. Some of the comments received throughout our engagement process include:

> *"Following recent contact due to a weather related power loss your staff were extremely helpful and competent and kept us informed of progress, calling back to advise that to when and how the supply would be reinstated."*
>
> ***Response to Online Survey***

> *"Even when things don't go to plan I find staff helpful and polite, very important when you are frustrated with things."*
>
> ***Response to Online Survey***

> *"Helpful and pleasant to deal with"*
>
> ***Response to Our First Consultation***

As seen in our SMR report on RIIO-ED1 Stakeholder Engagement, 74% customers and stakeholders agreed that SSEPD is competent, with 67% agreeing that SSEPD is trustworthy.

In our Broad Measure scores in 2012/13, we found that 43% customers scored 10/10, 17% have scored us 9/10, and 18% have scored us 8/10. Therefore, nearly 80% of our customers rated our service 8 and above in the 2012/2013 period.

Although only a small number of customers who had experience of our service reported dissatisfaction, a number commented on inconsistency in the responses they received and on the style of our service.

> *"Your guys are like Doctors, when you get to see them they are great. However, you work in 'silo's' rather than one contact for the customer. We have to deal with three separate experts."*
>
> ***Response to Our First Consultation***

"Improve the timeliness of information to partner organisations so that we can consider the impact upon organisational business continuity and community impact/vulnerable people."

Response to Our First Consultation

In the area of connections, customers had particularly strong views about the process, paperwork and payment systems. It was recognised that the rules can be confusing, especially for new customers, but it was felt that we could do more to help[1].

Looking more widely that just those customers who had previous experience of our service, we received strong views from our customers about their expectations of our customer service. On a scale of 1-10 (where 1 was not at all important; and 10 was very important), the mean score given to the importance with which customers viewed good customer service by respondents was 9.28[2].

Throughout our Programme of Listening, we found that customers think customer service is important. In particular, they believe in communication about things that matter, especially if related to power cuts and faults. A general comment about the targeted and justified levels of investment is below:

"Don't agree with a bottomless pit [approach]... people will get the information they need when they need it"

Response at Deliberative Stakeholder event

Further to this, there were also themes of helping vulnerable people. A comment made at the Perth and Newbury events, which was part of our Programme of Listening, sums up the general responses we received:

"Any work that SSEPD could do to improve the lives of customers should be done"

Response at Deliberative Stakeholder event

Different views were expressed on customers' preferred method of communication including a single customer centre operative, a local representative or remotely via a webtool[3]. Providing regular, up-to-date information was frequently cited as important:

[1] For example, responses to Our First Consultation, September 2012.
[2] Street and Telephone Survey, June-July 2012.
[3] Online Survey, December 2012-March 2013.

> *"I rely on my [business] computer … If the power is off; I need to let clients know".*
>
> *"Employers needed to decide whether or not to keep their businesses open and whether or not to send employees home."*
>
> *"Some households "rely on electric heating [exclusively]… may not have a backup [heating] system".*
>
> ***Comments made at Focus Groups with Worst Served Customers***

Again, customers had very different views on how they would prefer to receive this information and the frequency[4].

Looking to the future, customers highlighted the importance of changing technology:

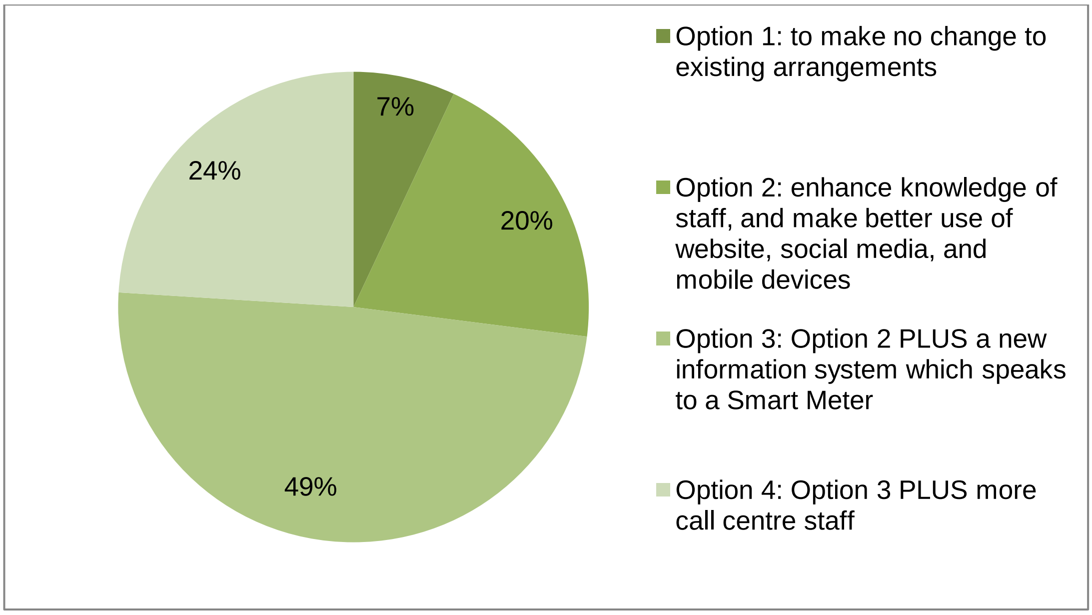
> *"I can see mobile devices like phones and tablets becoming the primary tools for communication as opposed to fixed points phones or PCs."*
>
> *"Teenagers communicate differently and will be your future customers. I can see that you need to embrace different types of media in addition to the traditional methods."*
>
> ***Comments made at Deliberative Stakeholder events***

The majority of the customers we spoke to expect us to improve our customer service in the future (**Figure 4**). 78% of customers agree that we are accurately capturing the service expectations of customers (22% don't) and 88% of respondents agree that our proposals for the RIIO-ED1 period constitute good customer service (12% don't)[5].

A full report on the discussions we had with customers can be found in "What you said".

[4] For example, Online Survey, December 2012-March 2013.
[5] Our Second Consultation, February 2013.

Figure 4 Customers preferred approach to future customer service



Source: Deliberative Stakeholder Events, March 2013

Principles of responsible customer service

Based on what our customers have been telling us (described above), we have identified six principles that we apply to all our activities:

- Be consistent.
- Keep regular, clear communication between the customer, the field teams and the customer service centres.
- Give customers a choice in how they want to contact us and us to contact them.
- Make it easy.
- Behave responsibly.
- Adopt best practice in customer service.

We are committed to listening to our customers and providing the service that they want. We are committed to making it easy for our customers to speak to us. We are committed to responding to the issues raised by customers and making changes to improve our service. Sometimes we might not be able to change. When this is the case, we will explain why.

Part 2

A local service

The safe, reliable running of electricity distribution networks isn't something that can be achieved remotely from an air-conditioned office.

Most of the work of SSEPD is done in the community, where our colleagues both live and work (**Figure 5**). Thus most of day-to-day contact between SSEPD and our customers is done in the community. Our brightly painted green and blue vans are a common sight within the areas we work.

We have 3,200 of our colleagues working across our operational area from the Shetland Islands to the Isle of Wight, based out of 13 local depots and 18 satellite sites. Our people are talking to customers every day as we ensure electricity is distributed safely and reliably.

Figure 5 Everyday our people go out to inspect assets, cut trees, trim vegetation, and repair faults among other things

SSEPD provides a local service that is first-and-foremost about our people being out there day and night in your communities.

To support our field operatives, SSEPD has two customer contact centres – in Perth, in our north of Scotland operating area, and in Portsmouth, in our south of England operating areas. We have over 120 local people working in our contact centres. The two centres are open 24 hours a day, 365 days a year typically receiving 1,600 calls each day although handling up to 4,500 calls a day during severe weather events. There is always a friendly, competent person ready to talk to our customers on the telephone to give up-to-date information regardless of their enquiry.

The majority of the calls we receive are to do with power cuts, letting us know that the power is off and looking for information about when it will be restored (**Figure 6,** Figure 7). Our colleagues also help customers with applications for new connections to the network and general queries about our planned work, reporting potential hazards (fallen lines etc.), and for general work such as tree cutting. A dedicated customer relations team investigate and respond to any complaints we receive.

Figure 6 Number of customer contacts

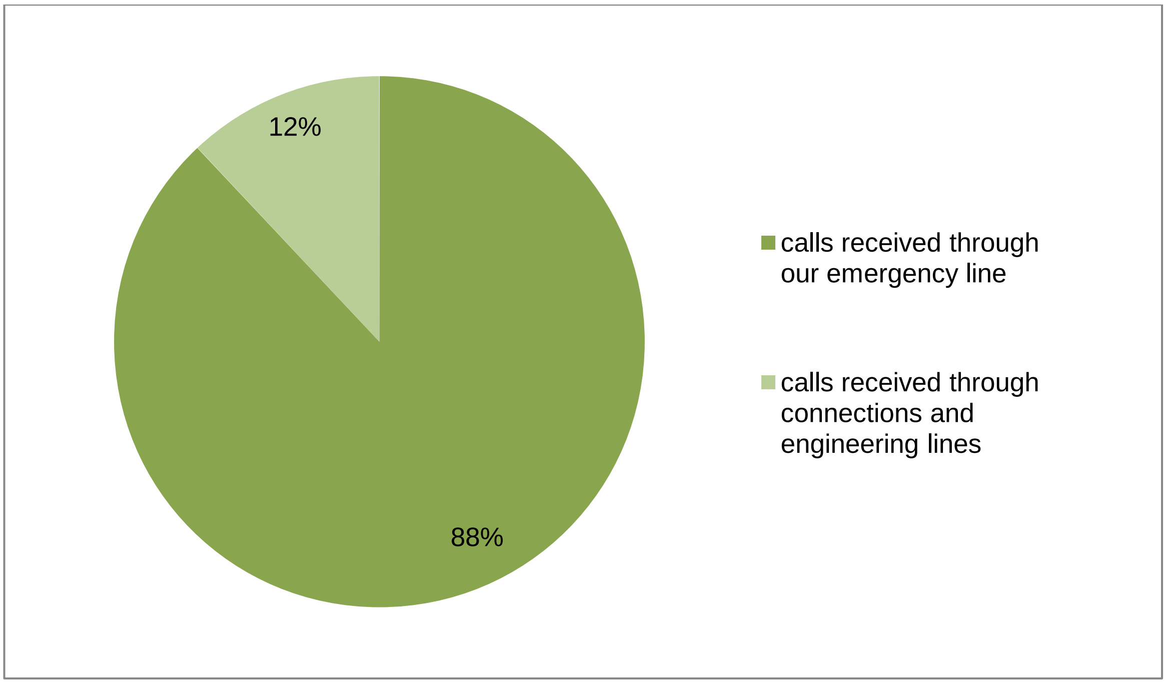
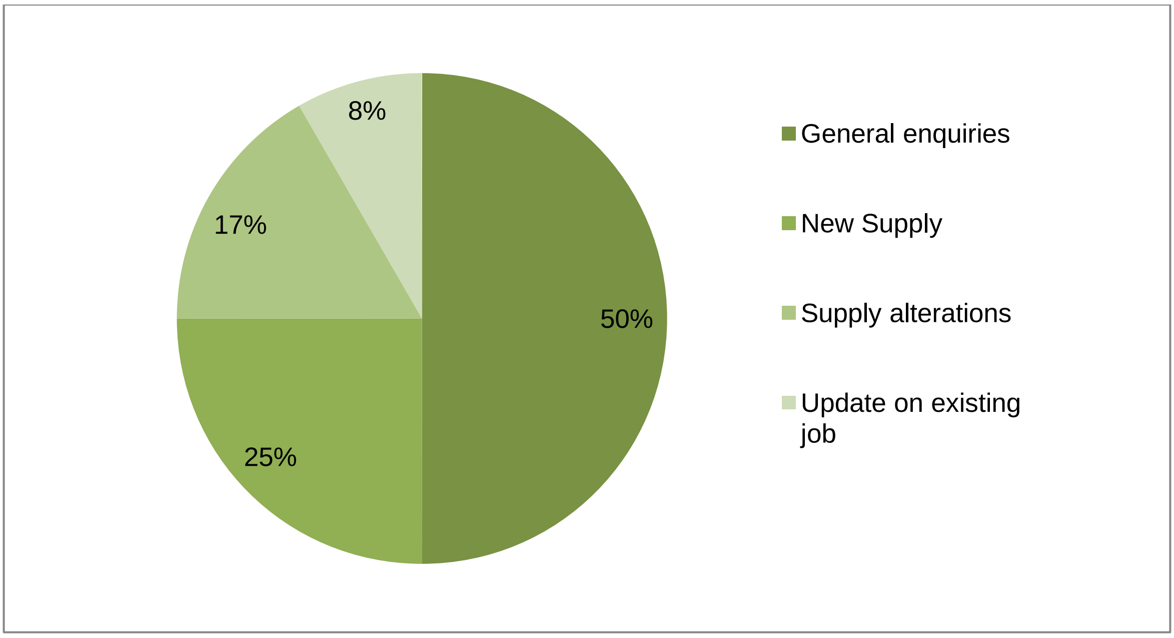


Figure 7 Calls received through connections and engineering lines

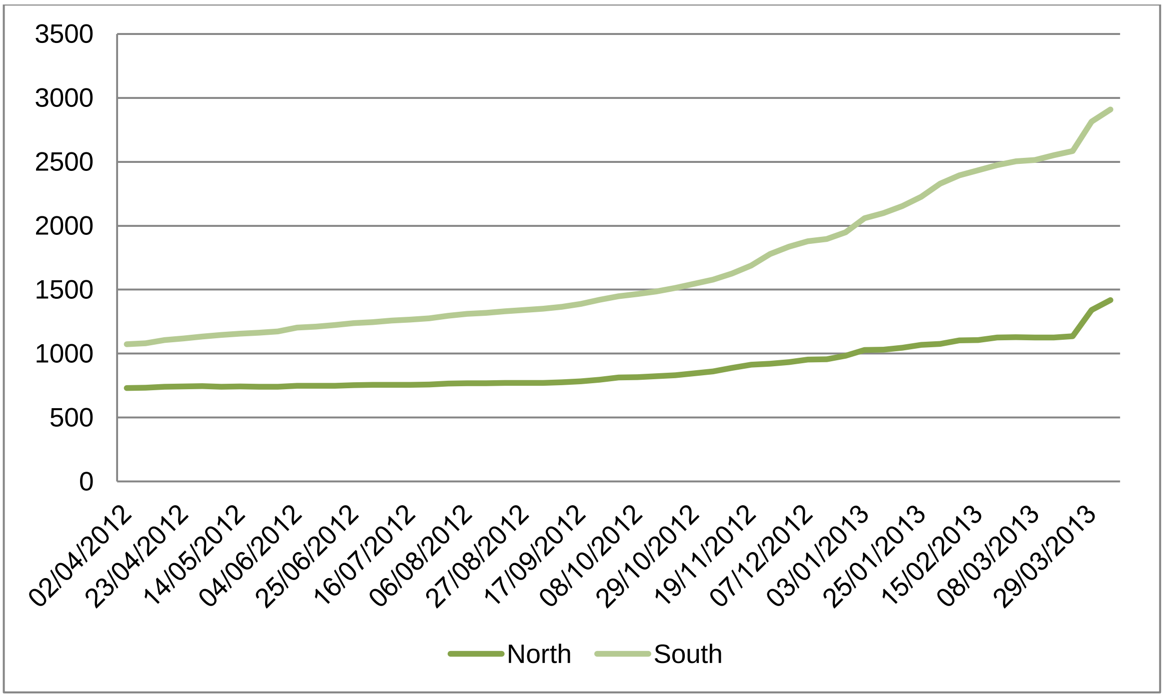


Maintaining a close working relationship between our office based and field staff is essential to understanding and meeting our customers' needs. Our customer service teams are located next to our network control rooms so that we can keep our information relating to any faults up to date. We have a team of 'dispatchers' who are constantly liaising with our field operators to ensure that all interruptions are resourced and that customer information relating to them is refreshed and up-to-date. Regular 'job shadowing' between contact centre and depot colleagues enables shared understanding of the different day-to-day challenges, thus giving realistic responses to customers' enquiries.

Increasingly, we also contact, or are contacted by, our customers through the internet. We are constantly looking to improve our website, widening the range of information and services that we provide. Our facebook and twitter feeds are growing in popularity (**Figure 7**), particularly as a means to update progress with repairing power cuts. Power cuts can be monitored through our Power Track mobile application. These web tools are part of our customer contact centre activities.

In this section we explain how we apply the six principles of responsible customer service to our day-to-day working with our customers.

Figure 7 Number of 'tweets' each month



Be consistent

Our customers tell us that our service can be very good, but they also tell us that it can sometimes be inconsistent and confusing.

> *"We have received two advance notices for the power cut however, the power did not go off... They should have given us the right information."*

Customer feedback, May 2013

This is a clear message for our future plans – make sure that our service is consistently of the high standard that many of our operatives currently achieve.

In planning to do this, we have defined three simple things that our customers expect:

- Polite, professional response.
- Consistent, accurate information.
- Promises to be met.

We have begun to act on these expectations straight away.

Our over-arching approach to achieving these expectations is to share learning and best practise across all our colleagues who are in contact with customers. Thus we have a performance management team who are tasking with working across our business activities to achieve consistency. The team is currently working on:

Polite, professional response

- An extensive customer service training exercise for all customer-facing staff, including:
  - Always leaving our contact details with the customer.
  - Checking the customer is satisfied with our work before we leave site (in social hours only).
  - Asking customers to give feedback about our service so that we can record real time customer comments.

Consistent, accurate information

- To make alterations to our back-office systems to:
  - Improve the detail and local information given in our pre-planned interruptions letters.
  - Give customers personalised area-specific messages by phone and text.
  - Implement a new telephony system allowing customers to register for information by their preferred method.

Promises to be met

- To roll-out a revision to our processes that mean all customers will be contacted within two hours of their initial enquiry.

This work combines staff training, implementing new technologies, and reviewing – and, where appropriate, updating – our processes and procedures. By doing this through a stand-alone performance management team we can make sure that a consistent approach is adopted.

The performance management team is also responsible for assessing the feedback that we get from customers. This feedback comes from both our own contacts with customers (including the events and surveys described above) and the monthly the customer surveys carried out by an independent research agency on behalf of Ofgem. The team scrutinise every survey result and review the results with our depot managers and contact team managers directly involved on a monthly basis. From this, the training and development programme can be revised in response to issues raised by customers. Equally, it gives us an opportunity to recognise good performance and practice.

We have established an iterative process of listening to customers' feedback and then training and changing our processes, then listening to customer' feedback and so on. It is our intention to continue with this approach throughout the RIIO-ED1 period.

Keep regular, clear communication between the customer, the field teams and the customer service centres

Customer want the best information that we have, readily available when we are able to give it to them.

> *"[SSEPD could] Improve the timelines of information to partner organisations so that we can consider the impact upon organisational business continuity and community impact/vulnerable people"*
>
> ***Response to Our First Consultation***

This is particularly important in relation to power cuts. If the power has to go off for planned maintenance, then customers want to know in advance and have the information they need about the timing and duration of the power cut. Likewise, if the power is cut unexpectedly then customers want to know what we are doing about it and when the supply will be restored. Meeting customers' expectations means having excellent communication between all of our teams.

To achieve this we have established the principle of keeping regular, clear communication between the customer, the field teams and the customer service centres.

Our approach to this principle builds upon the iterative process described under **Be consistent**. Our performance management team play a key role in making sure our processes facilitate timely, clear communication between different teams in different locations. Again, training and adoption of new technology will allow us to continue to improve during the RIIO-ED1 period.

Two techniques are central to our efforts:

Learning teams

All of our employees have regular training and improvement initiatives such as taking part in learning teams; this is where groups of staff will listen to calls from customers and assess the call content in order to share best practice and learn from each other. Learning teams mix our field operatives and customer contact centre staff so that they can discuss and develop strategies to ensure that we continuously improve the service we provide. These mixed learning team allow our contact centre staff to understand the types of issues we are dealing with in the field, and allow our field staff to understand what and why our contact centres need to ensure our customers are kept fully informed at all times. We have a dedicated team of call assessors that lead the learning teams; their role is to ensure we are consistently delivering the best possible service and constantly look for ways of improving the customer experience.

Working together

To improve the flow of information during interruptions to our customers we are embarking on a programme whereby all our operational staff on standby are visiting our Control Rooms and Call Centres to build relationships and also understand how their actions can impact on our delivery of exceptional customer service. Similarly our contact centre staff are spending time with supply restoration teams to understand how we respond to an unexpected power cut. During prolonged faults or extreme conditions we utilise our welfare vans and despatch our Community Liaison Manager to site.

Clear communication is underpinned by strong teamwork with shared values and culture. Our employees meet regularly to discuss performance and implement strategies to improve our service. To implement our principle of regular, clear communication we will continue to invest in our systems, training and staff, ensuring our customers expectations are monitored and met. We will monitor this through our surveys and stakeholder engagement programme. Our approach ensures that our customers have a direct input to how we evolve our customer service improvements.

To measure our performance we have set two absolute targets for the RIIO-ED1 period:

Commitment 1 Where we need to do some maintenance, we'll give you at least five days' notice of a planned power cut. If we don't we will pay you £20.

This extra ex-gratia payment is over-and-above any applicable Guaranteed Standard payment, but like the Guaranteed Standard must be applied for.

Commitment 6 If we do have an unexpected power cut, within ten minutes we will be able to tell you what we are doing about it.

Information will be published to our Power Track mobile application, on the relevant regional social media channel and to our website within ten minutes of us knowing about the fault. Customers will also be able to obtain this information by contacting us by phone. This excludes exceptional events when the volume of faults might be such that it will take longer to publish the information.

We will publish our performance against these targets in our annual Looking Back Report.

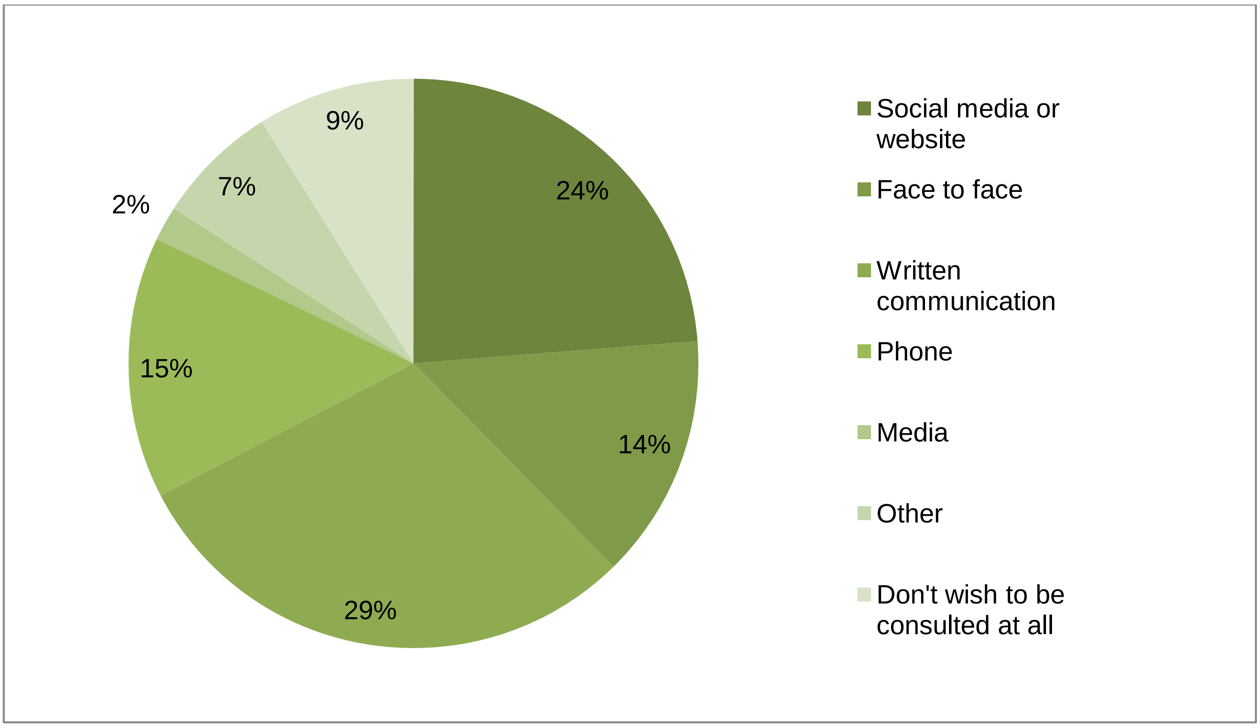
Give customers a choice in how they want to contact us and us to contact them

Our customers expect to be able to get in touch with us, or get information from us, in the way that best suits them (**Figure 8**). The best way will change depending on what the topic is; for example, written consultation might be best for our future plans, but text message for updates about a power cut.

In implementing the principle of giving customers choice in means of contact, we have started to define what choice means for our customers:

- Be broad and inclusive: recognise the diversity in our customer base.
- Not make judgements about what customers might want: each customer is unique.
- Iterative: the world changes and customers' views change; we have to keep up with changing technology.
- Make real people available: many people don't like modern technology and would rather speak to a local person.
- Offer a range of options that are easy to find and use.

Figure 8 Preferred method of contact



Source: Responses to Our Street and Telephone Survey, Our Focus Groups and Interviews, Our Online Survey.

Widening the choice in the way we contact, or can be contacted by, our customers can be achieved by maintaining an awareness of the new ways that are available to do this. In particular we must be aware of, and respond to, feedback from customers. For example, before the RIIO-ED1 period starts, we will have made changes that:

- Allow our customers to register their preferred method of communication and will offer personalised information by recorded message or text.
- Open up our depots and have colleagues readily available and trained to deal with customers' enquiries.
- Develop and enhance our website, including introducing a LiveChat function.
- Introduce a translation service on our website to widen the accessibility of our information.

We are making the following commitment for the RIIO-ED1 period:

Commitment 3 You'll be able to contact us in more and more ways that suit you; by Twitter, Facebook or however you want to talk to us.

We will publish our performance against this commitment in our annual Looking Back Report.

Ultimately, however, applying our principle means building a bespoke service where we understand what individual customers' preferences are and, hence, we are able to give them the service that they expect. Taking the next step of being able to provide such a bespoke service will require significant investment in our approach to customer service; changing our business practices, underlying processes and the way that we engage with customers. It also means collecting and storing information about our customers' preferences, and we need to do this in a way that our customers understand and are comfortable with.

It is our intention during the RIIO-ED1 period to work towards bespoke customer service. We intend to this slowly and in consultation and collaboration with customers and representative groups. We will also work with energy supply companies as we fully support achieving simple, consistent customer service across the electricity industry.

Make it easy

No matter who our customers talk to in our organisation and regardless of their type of enquiry, we want our customers to receive the level of service they want. We should be easy to do business with, providing consistent and correct information together with a seamless service.

When we talk to customers, our aim is to use clear and simple language: we will not use engineering terminology and jargon, we will access translators for customers who do not speak English as their first language; and any written communication from us will be clear, free from jargon and from a named person with contact details so that our customers know who to call if they need any more help.

When we are involved in delivering connections, our role is to provide connections on time and for reasonable cost. The first step is to understand your requirements. We will ensure that we can dispatch staff to local sites for quotations and use technology to provide immediate information and pricing. Application forms for new connections or engineering work will be available online, where the forms can be filled-in. We will also use an online portal for progress reporting. You can read more about our plans in "Get connected."

In the event of a complaint, we will provide a one stop shop, ensuring our customers have one point of contact to discuss their concerns with. Our target is to resolve 70% of complaints within one day of receipt.

To monitor our progress, we have made two commitments:

Commitment 7 If you apply for a new electricity connection and a team member has not been in touch within three working days then we will pay you £20.

> *This extra ex-gratia payment is over-and-above any applicable Guaranteed Standard payment, but like the Guaranteed Standard must be applied for. If you apply for or enquire about a connection, one of our team will contact you within three working days to discuss your requirements. As long as we know, we will contact you via your preferred method of communication – email, phone or other media.*

Commitment 8 We want to make it easy for you to fill out a form by giving you the option of doing it online, by post, by phone or LiveChat.

> *Online 'LiveChat' and phone options will be available from 9am to 5pm Mon-Fri, excluding Bank Holidays. We may also ask you to post us a form where we need a signature for legal reasons.*

We will publish our performance against these commitments in our annual Looking Back Report.

Be responsible

In "Be responsible we explain our approach to corporate responsibility. One of the elements of our approach is our 'Community' priority which encourages employees to be good citizens in the communities in which they live and work. Our actions under this priority have three themes: Community energy needs; Strengthening communities; and Helping people.

Our Helping People theme reflects our customers' views that we should help the people who live in our communities that might be more reliant on a constant supply of electricity than others or might struggle with the cost of heating and lighting their homes.

We are extremely aware of the potential impact on, for example, the very young, elderly or unwell of losing their supply of electricity. In "Be responsible we explain our plan to develop sustainable communications underpinned by a multi-agency response to identify and assist potentially vulnerable customers. Achieving this is one of our 12 Commitments for the RIIO-ED1 period:

Commitment 11 Every year we will publish our Resilience Plan so you know what we will do in the event of a power cut.

A component of our approach is the Priority Services Register.

To benefit from extra help in the event of loss of power, customers can join our priority service register if they, or any member of their household, is:

- Over 60
- Disabled
- Chronically sick
- Partially sighted or blind
- Deaf or has hearing problems
- Reliant on medical equipment that uses electricity

In the event of a prolonged power cut or extreme weather event, our teams will proactively call PSR customers and work with our field teams to ensure they have appropriate support. This could mean asking our engineers to knock on a customers' door to check their welfare or strategically placing a respite van to provide food, hot drinks, blankets and mobile/computer charging facilities. In severe situations we work with third party agencies to ensure respite and supplies are available and prioritise generation.

- Vulnerability packs containing fresh water, food, blankets and a torch will be stored at each depot ensuring supplies can reach our registered customers quickly in the event of a power cut.
- Welfare and community vans will be despatched to areas affected by a prolonged cut with priority given to our registered customers for respite and generation.
- All of our staff are trained to spot vulnerability regardless of where there are based or their job role. We will continue to evolve training and engage with third parties to enhance the programme our staff undertake.

We receive information to update our system in the form of 'data flows' from supply companies and from some local authorities. We also have a bespoke telephone number that we advertise on our website and in literature/communications for customers to use to register as a priority service customer. Working with third parties such as local authorities, other utilities and emergency services as partners, we will be able to data share and promote the register, how to join it, and the benefits of doing so. We also work with third parties to ensure our data is correct and up to date; charities, local authorities and other utility companies will be targeted to ensure that data and best practice is shared.

We are committed to having a specialist team to upkeep our priority service register; calling those registered to check our information is correct and working with third parties to data share. This team will also liaise with charities and organisations such as Action for Hearing to ensure our service evolves and enhances according to the differing needs of our priority customers.

The Priority Services Register will remain an important tool in our drive to be able to help all customers who are vulnerable during a power cut. However it does have limitations and, hence, it is only part of the approach. More information on this can be seen in “Be responsible

Adopt best practice in customer service

To evolve our service offering, training and methods of communication we need to stay abreast of what is considered best practice in customer service. We can not afford to be complacent or to stand still and must ensure that we continue to deliver the service our customers expect.

Best practice is a constantly evolving feast, mirroring what our customers want and keeping our service offering fresh and current. What is considered great service today will become average service in time, as technology and customer expectations change. We have to ensure we are constantly monitoring what our customers want, learning and adapting quickly and efficiently.

Our quality assurance team monitor service delivery in other business sectors. During the RIIO-ED1 period, our assurance team will monitor the service offerings of other customer facing organisations in different business sectors, adopting strategies that will “wow” our customers. Through membership of external customer focused organisations such as the Customer Service Network and Institute of Customer Service, we will benchmark our service across all industry sectors and apply for accreditation through an annual audit.

When things go wrong

We work hard to make sure that things don't go wrong, and power is safely delivered to our customers when they want it. However, sometimes things do go wrong. When they do, customers are protected by Guaranteed Standards, which are payments to customers in certain situations. We also have a robust complaints process, which is there for customers who wish to make a formal complaint about something we are involved in.

Guaranteed Standards (GS)

Our historic payments under Guaranteed Standards[6] can be seen below. There aren't many times when we need to pay customers for making a mistake in the details of a notification of an interruption in supply (first row, ESG4), or failing to keep an appointment (second row, ESG8).

SHEPD

	08/09	09/10	10/11	11/12	12/13
ESG4 (Reg.12) - PA Outages	0	0	0	0	0
ESG8 (Reg. 17) - Appointments	0	0	0	0	0

SEPD

	08/09	09/10	10/11	11/12	12/13
ESG4 (Reg.12) - PA Outages	0	3	98	130	163
ESG8 (Reg. 17) - Appointments	0	0	0	4	3

The most common reason why we sometimes make a mistake in the details of a notification is human error. Our engineers may not notify the right customers about the right time of an interruption, or may not notify the customer at all. If we don't notify customers correctly, we pay them in line with the GS payment.

We have set ourselves the target of zero failures of Regulations 12 and 17 throughout the RIIO-ED1 period.

[6] The Electricity (Standards of Performance) Regulations 2005: www.legislation.gov.uk/uksi/2005/1019/contents/made

Complaints

Our customers can complain to us about any aspect of our service that is unsatisfactory. We are committed to offering our customers the very best in customer service, so we are keen to understand the situation if something doesn't go right.

We have a robust four step process to enable us to try to help resolve a complaint. The first step is to aim to resolve the complaint within 10 working days. This involves the complaint handling team speaking to the customer directly to fully resolve the issue. If this doesn't happen, we escalate the complaint.

Step 2 is to aim to resolve the problem within the next 10 working days after escalation. A senior manager will become involved at this stage. They will do everything possible to address the concern and reach a positive conclusion.

If the issue is still unresolved, it will be escalated further to Step 3 where the Head of Business will aim to resolve the issue within a further 10 working days.

Step 4 is an Independent Review which will be dealt with by an alternative Head of Business. We will aim to resolve the complaint within the next 10 working days.

Should a customer remain unhappy after receiving the response from the alternative Head of Business, we can 'deadlock' the complaint. This means we will send the customer a letter which states we have been unable to resolve the complaint to the customer's satisfaction. Once the customer receives this letter, they can contact the Ombudsman Services: Energy.

Customers can contact the Ombudsman Services: Energy without a deadlock letter if we fail to respond to the complaint within the timescales stated in our complaints process (10 working days).

The Ombudsman will carry out an independent investigation on the customer's behalf where any decision the Ombudsman makes will be binding on us, but not on the customer.

During 2012/13, we registered 6,233 customer complaints in our SEPD area and 1,216 complaints in our SHEPD area. In both areas, the vast majority of complaints related our not meeting customers' expectations over our service. An example of us not meeting customers' expectations would be if we couldn't provide a connection on the day which best suited a customer.

Most complaints are resolved amicably through follow-up correspondence. A very small number are referred to the Energy Ombudsman for settlement. Of a total 27 referrals across our areas in the past five years, two were upheld.

While there will always be misunderstandings and thus always be complaints, we will act fairly and follow due process in respect of all issues raised. Our target is to have no complaints upheld by the Energy Ombudsman during the RIIO-ED1 period.

Conclusion: our outputs and expenditure on customer service

What we are going to do

Our overall objective is to make sure all of our customers' views are heard and acted on.

We have established a set of principles which we apply to all of our activities from our remotest worksite to our head office:

- Be consistent.
- Keep regular, clear communication between the customer, the field teams and the customer service centres.
- Give customers a choice in how they want to contact us and us to contact them.
- Make it easy.
- Behave responsibly.
- Adopt best practice in customer service.

Each principle has a programme of monitoring, training and investment to continually listen to customers' views and improve our performance. Our belief is that through the application of these principles we will deliver the service our customers expect and, hence, we will not have any complaints upheld by the Energy Ombudsman during the RIIO-ED1 period.

Five of our 12 Commitments for the RIIO-ED1 period derive from the application of our six principles of responsible customer service:

Commitment 1 Where we need to do some maintenance, we'll give you at least five days' notice of a planned power cut. If we don't we will pay you £20.

Commitment 3 You'll be able to contact us in more and more ways that suit you; by Twitter, Facebook or however you want to talk to us.

Commitment 6 If we do have an unexpected power cut, within ten minutes we will be able to tell you what we are doing about it.

Commitment 7 If you apply for a new electricity connection and a team member has not been in touch within three working days then we will pay you £20.

Commitment 8 We want to make it easy for you to fill out a form by giving you the option of doing it online, by post, by phone or LiveChat.

Each year, we will publish a Looking Back Report of our activities over the previous 12 months and how we are performing against these commitments.

How much this is going to cost

There are four parts to the cost of these activities:

- Our customer contact centre team, currently 157 people but expanding to 167 during the RIIO-ED1 period.
- Our call assessors and training team, and performance management team. Doing things more efficiently, so producing more, but only expanding by six people.
- Development and maintenance of telephony and IT systems, including ensuring appropriate data security and confidentiality.
- External experts to provide advice on industry best practice and assurance.

We forecast that the total cost will be around £7 million per annum, excluding IT costs.

Part 3

Capturing everyone's view

Our overall objective is to make sure that all of our customers' views are heard and acted on.

It is impossible to do our job without speaking to the people to whom we provide a service.

Every day we are speaking to people about new connections to our electricity network, about our plans to replace or repair cables in their area, and about how to be safe around overhead lines and substations. This is our day-to-day work. We listen to what our customers are telling us about what they want and their views on how we are doing.

In **Part 2** of this paper we set out our approach and our plans to using customer feedback to improve our day-to-day operations. While this is important, it is equally important that we listen to views' of customers that we might not be speaking to as part of our daily work. Also we need to hear the views' of people who aren't customers, but are interested in what we are doing and our plans for the future. This group of people includes charities, governments and local authorities, other regulators, suppliers of equipment and trades unions.

In this section we explain our approach to listening to that wider group of customers with whom we don't have day-to-day engagement. The views' expressed are essential to both improving our service and when we are planning for the future. From this, we have set our 12 Commitments:

Commitment 9 We'll keep on asking you how we could do better and publish a report every year on what we're doing about it.

By placing the needs of our all our customers at the centre of our activities, we can ensure that our distribution network meets our customers' needs now and in the future. We can't do this without knowing what our customers want.

How do we go about capturing everyone's view

An important part of our work in developing this Business Plan for the RIIO-ED1 period was asking our customers how they would like us to listen to them in the future.

Responses on this topic were highly varied on both preferred ways of engaging and frequency of engagement. For example,

- We asked stakeholders, during our street and telephone survey in June and July 2012, how frequently they would like to be consulted by us. The majority (62%) indicated that they would only like to be consulted once a year, but a sizable number (23%) indicated only when we were developing new plans.
- In the same survey, 29% preferred written consultation, 24% via the web, 15% by phone and 14% face-to-face.
- Feedback from focus groups and interviews conducted in November and December 2012 with connection customers, worst served customers and representatives of customer groups, the innovation community and the environmental community revealed that 58% would prefer face-to-face consultation, 26% preferred written consultation, 11% would like to be consulted via the media and 5% chose "another method".
- In an online survey (December 2012 – March 2013) of domestic, commercial and industrial end-users, connection customers and staff revealed that 34% would prefer to be consulted via web or social media, 18% face-to-face, 30% written consultation, 10% by phone and 8% chose "another method".

We are already trying to take customers' views into account as we plan our engagement – with some success. After Our First Consultation, 96% of stakeholders consulted said that SSEPD's approach to consultation was either very useful or useful. Feedback from our final events of the year revealed that 100% of stakeholders rated our effectiveness in engaging as effective or very effective.

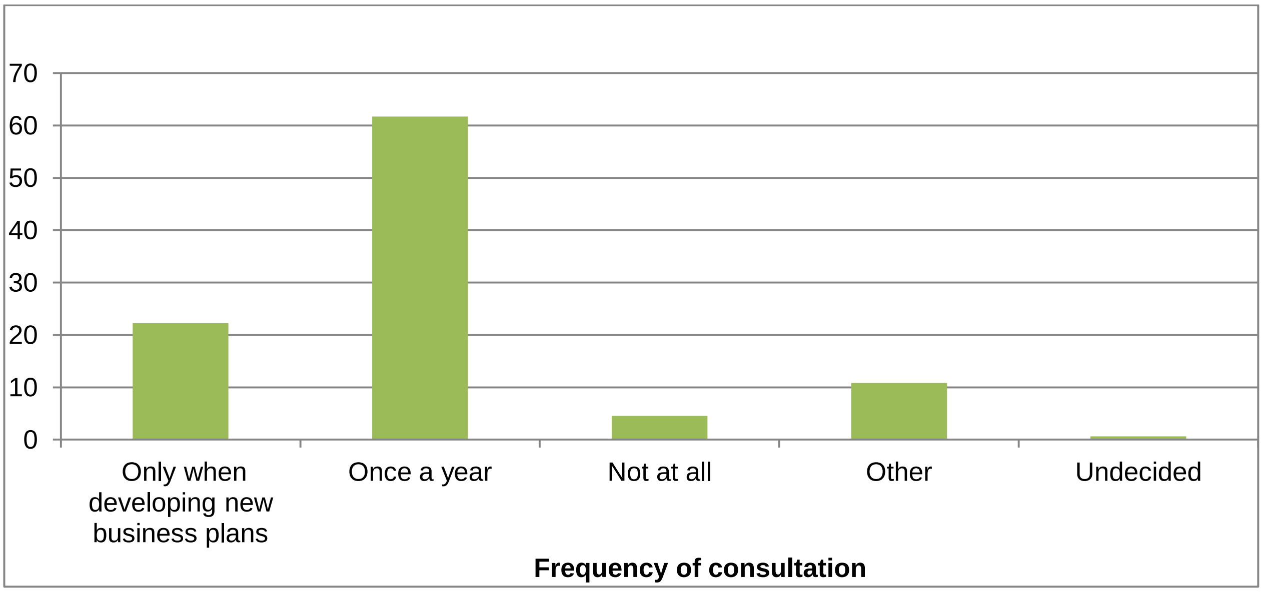
The range of topics that customers expressed an interest in was also wide ranging and varied. From getting a greater understanding of what we do and raising awareness of our role in maintaining a reliable supply of electricity[7] to publishing and regularly updating detailed network information[8] to explaining how our service was value for money to our customers[9].

We are conscious of customers' concerns about the potential for stakeholder fatigue. As can be seen in **Figure 9**, 5% of respondents didn't think we should consult our customers and stakeholders at all; with a further 62% thinking it should be limited to once a year. This shows that there is not necessarily a huge

[7] Street and Telephone Survey (June-July 2012) and focus groups participants (November - December 2012).
[8] Connections customers and innovation group, Focus Groups (November –December 2013).
[9] Deliberative Stakeholder Events (SHEPD, 26 March 2013 and SEPD 28 March 2013).

appetite for consultation amongst our stakeholders. Therefore we are committed to being clear about the reasoning behind why we are consulting; only consult on the issues which can be truly influenced by stakeholder views; and notify respondents how their views have been used in the decision-making process to ensure that they feel listened to. We also continually evaluate our engagement with our stakeholders so that we can apply lessons learned and continually improve. In this way we will maximise the benefit derived from every engagement activity.

Figure 9 How often do you think we should consult with customers and other interested parties?



Source: Responses to Our Street and Telephone Survey, Our Focus Groups and Interviews, Our Online Survey.

Our approach

Our central conclusion from the responses we have had from our customers is that our ongoing engagement programme must be responsive to customers' needs. For example,

- Some customers would like to have regular face-to-face discussions with us about the things of ongoing interest to them: including governments, local and statutory authorities, energy supply companies, supply chain companies, local community and parish councils, and distributed generation connection customers.
- Some customers would like to have occasional face-to-face meetings when there is an issue of particular concern to them: usually to focus on a very specific issue to one customer group or geographic area, thus involving communities, environmental and consumer groups, and business groups.

- Many customers prefer that we communicate through indirect technology such as our webpage and social media. For example, household and business customers who have a power cut and want to know about when the supply will be restored; or want to know more about the work we are doing in the area to improve supply reliability.
- Other customers don't want to speak to us, but would like information to be available about what we are doing so that they can look at it if they need to. For instance, domestic minor connection customers who are unlikely to be making applications for connections on a regular basis.

We also recognise that it is important to our customers that they know we have listened and that we have taken their views into account.

There is a balance to be struck between giving our customers the opportunities that they want to engage with us and making sure that we have the opportunities we need to understand what our customers want us to do. Thus our approach incorporates two strands:

Meeting customers' expectations Where customers have told us that they want to engage with us in a particular way about particular issues then we will do that. This might be local authorities or local customers wanting regular updates on our investment programme, or energy supply companies wanting to engage in our annual process of setting charges. It also means making sure that customers have access to the information they want about our activities and performance.

Seeking customers' views These are events that we organise and invite customers to attend. We might organise these events to get views on our expenditure plans or get feedback on how we performed during an exceptional weather event. We can use different ways of collecting this information such as community events, online surveys and written consultation.

In both of these strands we aim to conduct our engagement exercises so that, as far as possible, customers experience them as constructive and empowering interactions - they feel valued. Recognising the pressures of modern life, we also want to be efficient and not waste our customer's time.

Our rules of engagement (**Figure 10**) set out the tests we apply before, during and after each significant engagement exercise with our customers. These are intended to make sure that we are undertaking effective and meaningful engagement that meets both our and our customers' requirements.

We have brought this approach together into a Stakeholder Engagement Strategy, which is published on our website. This Strategy will be reviewed regularly in light of customer feedback, and updated in January of each year.

Figure 10 Rules of engagement

Before	
Honest intention	We are willing to listen to the views advanced by all customers, and are prepared to be influenced by these views when making decisions.
Visible commitment	We will demonstrate a clear commitment to involving all customers consistently and equitably.
Clarity of purpose	We will have genuine reasons for seeking feedback and will communicate this clearly.
Clarity of process	We will explain the purpose and boundaries of our discussions with customers and explain how the outcomes will be used.
Proportionality	We check that the inputs to engagement exercises (financial, staff, customers' time etc.) are commensurate with the potential impacts of the engagement.
Efficiency	We seek to reduce duplication of effort and the burden on customers by seeking to join-up engagement exercises within our organisation and across partner organisations wherever possible.
Policy compliance	We ensure that the overall design and conduct of the consultation is compliant with SSEPD's policies.
During	
Timing	We will only conduct engagement exercises when there are still elements than can truly be influenced by the exercise. The elements which can and cannot be influenced are clearly identified at the outset so that expectations can be managed appropriately.
Time span	We will provide our customers with adequate time to engage.
Robustness	We use consultation methods that are appropriate to the needs of customers and which yield information which is valid and reliable. This often means using more than one approach to engagement.
Enabling	We will support our customers with sufficient and accessible information and, wherever possible, we provide access to tools, skills and further information to enable them to give informed feedback to the best of their abilities.
Accessibility and inclusion	We ensure that suitable support is available to assist those who may be at risk of disadvantage in giving their views.
Incentives	When customers attend our engagement events, we provide a financial incentive only for participants representing formal charitable organisations.
After	
Integrity	We report the findings from the engagement exercise in a manner that honours the points made by our customers.
Due regard	Whilst other factors may need to be considered, we will use the findings from engagement exercises in the manner explained to / agreed with customers at the outset.
Feedback	We will promptly notify customers about the outcomes of our engagement exercise. This will show how their contributions were used in the decision-making process. If key suggestions they made have not been taken on board, we explain why.
Continuous improvement	We carry out a review afterwards to find out what lessons can be learned from each of our engagement processes. We document and apply the lessons learned as we go forward.

Applying the rules of engagement

We engage with a wide range of people in lots of different circumstances. Even though each time we communicate with people it is different, we still apply the same principles. Broadly, our rules for engagement are centred on listening and responding, and can be seen in Figure 10. We use these rules across everything we do, from an event organised months in advance, to an online survey used for engagement on a specific topic.

The rules of engagement can be seen in action when we met with our customers and emergency responders in Kintyre, Arran and Islay following a severe weather event in March 2013, which left 20,000 customers without power. Our intention was to commit to listening to the views expressed by the 96 customers and emergency responders who attended the events over the four days. We wanted to hear from lots of different customers with the view to clearly understanding what lots of different people thought of the situation they experienced in March 2013. We wanted to learn from the event, to find out how we could improve our performance for future communities who experience prolonged power outages. This was a beneficial experience for us as we could learn from the situation and customers could truly influence the way we do things in the future. By providing four days of events, we were able to include lots of different customers by giving them four chances to meet with us, as well as providing alternative methods of contact.

After the event took place, we reported our findings from the engagement and documented how these influenced our business decisions. Continuous improvement is key, so we carried out a review after the four day engagement so we could learn from the process and apply learning as we carry out more events.

Our evaluated findings showed 94% of those completing feedback forms rated our performance during the prolonged power outage as excellent or good (6% said poor or very poor). We asked customers what one thing we did well, with responses including:

> *"Being frank, believable, trustworthy and professional at local post-op meetings."*

> *"Number of field staff brought in - the work undertaken in dreadful conditions EXCELLENT."*

In terms of what we could do better, the responses received largely centred on a requirement for more information, which at the time was difficult to communicate due to conditions with respondents suggesting increased reliance on notices and points of contact within the community.

We have taken on board the comments describing what we can do to improve. We already work closely with local authorities, particularly through local Strategic Co-ordinating Groups to develop strategies to manage the effects of severe weather on communities which allows us to share information around which areas have had power restored and where the community hub will be situated for people to access mobile catering units. We aim to improve these services should there be another event where these things could be best utilised.

We have also been piloting our programme of Community Council (in Scotland) and Parish Council (in England) engagement, where local communities help us to compile local emergency plans which identify places in the local community to go for regular information or hot food and drinks. These plans also show where winter packs are available, which contain simple devices such as wind-up radios or torches that will work during power cuts or self-heating food packs and foil blankets. This approach has been welcomed by communities:

> *"SSEPD have carried out a considerable amount of work in community resilience planning, and the 'drop in days' for community reps to meet with all the agencies and partners who support them in times of crisis has been very helpful"*
>
> ***Dot Ferguson, Senior Ward Manager, Highland Council***

As part of our continuous improvement, following feedback from Arran, Kintyre and Islay, we are now rolling this programme out across our areas to ensure that members of local communities know where to go to access information in the event of a prolonged power cut. This satisfies our rules of engagement whereby we promise to act with integrity and due regard to stakeholders' views and show how they have helped us to improve our service to customers.

Meeting customers' expectations

The first strand of our approach to engagement is making sure that those customers who want specific things from us get them. This encompasses a range of activities from regular meetings to making information available via our website.

This is a responsive process. That means if a customer asks us to do something then we put in place a process to do it. Likewise, if a customer asks us to stop then we do so.

For example, in early 2012, the Kingsworthy area experienced several lengthy interruptions, which triggered a significant level of complaints and locally elected representatives organised a public meeting. From discussion at the meeting we understood that customers felt that they were not receiving enough detailed and structured information on what was causing the problem and how we were improving the network's reliability. From this, we agreed a specific engagement plan with the community including an exhibition, newsletter and a dedicated project website, www.sse.com/theworthies.

> *"SSE have honoured their promise made to our MP and the Worthys to improve our electricity supply …"*
>
> ***Jane Rutter, Kingsworthy Councillor***

Similarly, following information discussions with a number of developers who have multiple renewable generation schemes within our distribution area, it became clear that both parties could benefit from a regular portfolio review meeting. These meetings give the developers access to our commercial contracts and technical staff to discuss future pipeline projects in advance of submitting a formal application. We are currently holding portfolio review meetings with a number of developers and the feedback to date has been very positive.

> *"I hope you found the meeting as useful and enjoyable as I did!"*
>
> ***Dr Graham Pannell, RES***

We are in the early stages of developing such bespoke relationships with customers. During the RIIO-ED1 period we expect to widen our contacts and improve our approach as our processes mature.

To undertake this part of our customer engagement effectively we have identified three parts (**Figure 11**).

1. Knowing who wants to speak to us and why.

When a customer tells us that they want a regular dialogue or communication from us then we must register that interest and then do what that customer expects.

Our stakeholder engagement team maintain a centralised contact and record management system to enable us to actively manage engagement across the business. This is managed in accordance with ISO 9001:2008 which assures our engagement process, the quality of our engagement and senior management involvement and our Data Protection Standard which ensures that we protect our stakeholders' personal data and meet our legal obligations under European Data Protection legislation. It is the responsibility of the stakeholder engagement team to make sure that customers' requests are collected and accurately registered.

2. Meeting customers' expressed expectations.

It is not enough to follow up on a customer's request only the first time they ask, when they have asked for regular updates.

Our stakeholder engagement team take a record of what follow up actions the customer expects, and makes sure they are done. The team also collate views on how we have performed, and what we might do better in the future, and share this learning across our business.

Over the last year we have taken numerous, small steps to respond to the requests and requirements of our stakeholders and customers and to make our business fit for their needs, such as:

- When we asked about the connections process in our customer surveys, customers said: *"Make it easier to find out how to get it done"* and *"The whole process is very complicated"*. In response, we created New Connections advice booklets, available on-line and in hard copy, so that our customers have specific information they require in a clear and simple format which explains how to progress connections with minimal delay.

- In response to specific requests from customers for up-to-date information around whether or not we know about the powercut in their area, we became the first DNO to offer an 'app' to provide customers with relevant and timely information during a supply interruption without needing to make a call to our Emergency Service Centre, saving them both time and money when using a mobile phone. We can also the comments made in response to inform future updates.
- An SSEPD Team Manager in West London encountered a distressed customer during a power cut. The customer had no alternative facility to light their home during the outage. The employee had the idea that we could for us to allow operational staff to quickly provide vulnerable customers with a safe, free and convenient means of emergency lighting in the form of a glowstick. Glowsticks are now a stock item and are distributed to all SSEPD emergency crews for issue to vulnerable customers and families alike, allowing them to move safely around their homes. A simple solution identified by customer feedback.
- When the ferry was unable to run and the Papa Westray community were running low on perishable goods, we took some provisions with us on our chartered plane which was carrying materials to repair the network.
- As a result of discussions held during our Oxford Depot Doors Open Day in February 2013, the Operations and Performance Managers for Oxford Depot agreed with local authority Highway Officers to change their current processes surrounding road opening notices and to trial a different approach.

3. Ensuring there is a range of ways to contact us and information is freely available.

The group of customers who want to engage with us will constantly change. This will mean that customers we speak to already might change their requirements or not have any need to carry on speaking to us; other customer might want to start speaking to us.

This change might be driven by changes to things we do or the way we are doing things, or changes to the things that customers want to do. It might also be driven by changes in how customers want to contact us or a social change in expectations about what information we should make available and in what form. For example, historically customers would inform about a power cut and expect no further updates. In recent years, customers have expected that we will provide regular updates about when the power will be restored. This led to the development of our Power Track app.

We continue to expand the ways of contacting us, and remain alert for changes in customers' expectations. By having a central team monitoring all of our customers' views we expect to be able to pick up changes in what customers expect from us and act on them quickly and effectively.

Figure 11 Effectively meeting our customers' expectations

Knowing who wants to speak to us and why

Meeting customers' expressed expectations

Ensuring there is a range of ways to contact us and information is freely available

How we do this:

We have a contact and record management system to manage communication between our different business units and anyone who is interested in what we do.

We record all customers' expectations and ensure we try to meet them.

We collate views on how we have performed, and what we could have done better. Then, we share this across our business.

We continue to expand the ways of contacting us and ensure the central stakeholder engagement team monitor all customer views and provide information in a way customers want it, when they want it.

Seeking customers' views

The second strand of our approach to engagement is actively seeking customers' views to feed into our operations and planning activities.

This is an active process. This means that we do things to make customers aware of things that are of interest or relevant to them, and invite customers to give use their views. It is particularly important to us to use this approach to find out the views of customer groups who might not otherwise engage with us including those groups who can be excluded because of location, age, access to technology, etc.

The types of things that we seek views on are:

- How to improve our customer service in when you are experiencing a prolonged power cut due to severe weather.
- What would make it easier for you to make an application for a connection to our network.
- What is the best way to keep you informed about the work we are doing in your area to improve network reliability.

- How to work with communities to identify and prioritise overhead lines within designated areas to be put underground to improve visual amenity.
- How to raise awareness and understanding of how to stay safe around our networks.

The things we will seek views on will change each year, both in response to our work programmes and also feedback from customers. We intend to publish an Annual Engagement Plan, with the first published in January 2014, setting out our engagement topics for the following 12 months. This Plan will also set out a schedule of events where customers can share their views on these issues.

The ways we currently do this are illustrated in **Figure 12**.

We recognise that the ways to get in touch with our customers continually develops, particularly with the extension of new technologies. Thus there is an ongoing development and evolution of our approach. For example, we are currently developing:

- Live webchats which enable our customers to talk to the people they need to raise concerns or ask challenging questions.
- Chat rooms and webinars to enable us to work in collaborative partnership with other organisations in a password protected environment which enable dialogue around projects.
- The creation of a 'News and Views' section on our website to allow us to tell our customers what we are doing in their community and allow real time feedback from them to help us provide a better service and understand what and where we can improve.

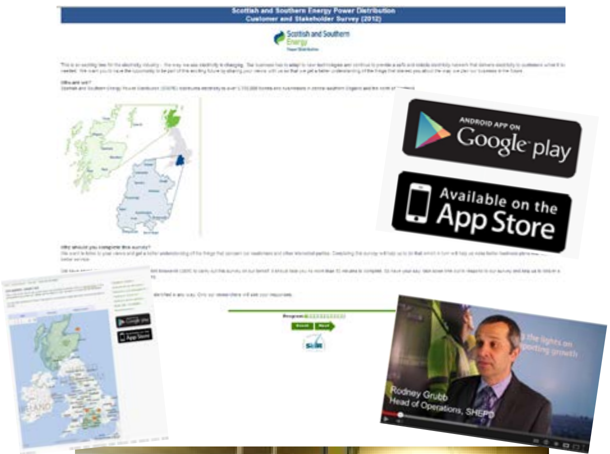
While indirect communication is an important way of speaking to our customers, for complex issues our customers have said that they prefer to do this face-to-face at seminars, events, fora and meetings. This might be through attending workshops or events arranged by others, or through organising our own customer groups or roadshows.

We currently attend a large number of events organised by others (for example, meetings of local and community councils, and events organised by representative groups), and organise around a dozen events of our own each year. During the RIIO-ED1 period we propose to organise at least 15 face-to-face events each year to hear the views of customers.

Figure 12 Methods of engagement

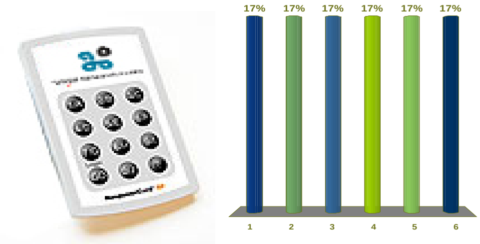
Traditional print media.

Customer facing channels on twitter and Facebook (with separate SEPD and SHEPD accounts to keep information relevant to customers in those areas) which offer 24 hour live feeds allowing us to keep information up-to-date.



Web-based articles, blogs, on-line videos and surveys.

Interviewer administered surveys in person, online or by telephone.



Audio recorded focus groups with electronic audience response system.

Local meetings, information events, 'doors open' days, fora and workshops.

Panels and 'customer voice' groups.

Written consultations and newsletters.

Assessing and responding to customers' views

Comprehensive business processes are essential to enabling the two strands of activities described above to function effectively. In particular, our efforts will be ineffectual if customers cannot see how we have changed in response to their feedback.

Our primary process is a common 'Feedback and Procedure Change' mechanism (**Figure 13**). This allows us to comprehensively capture, track and follow-up on the individual issues our customers raise with us, irrespective of the mode or timing of their engagement. This process, which is currently being trialled, is managed by our stakeholder engagement team. Further developments to this, to be implemented before 2015, include allowing use and recording from mobile devices.

The Feedback and Procedure Change mechanism sets out how we maintain a record of every meaningful encounter with a customer then 'tracks and traces' progress on responding to their feedback. Through the mechanism we can document the specific ways in which we have changed or not changed our business as a result of our customers' views and suggestions and put on record the views of our stakeholders on the action we have (or have not) taken.

For example, during 2012 we engaged independent consultants to carry out in-depth interviews with all of our Independent Connection Providers (ICPs) and Independent Distribution Network Operators (IDNOs). We did this to find out how we can help our customers benefit from an open, competitive market in aspects of connections which are contestable. The results of this survey (available on our web site) prompted a number of changes to our processes. A key outcome was a complete redesign of our quotation letter to make it clear that customers have the option for us to carry out all, or just part, of their works. This highlights to customers that they have choices in who delivers the work required for their connection and supports an open competitive market.

> *"SSEPD is showcasing best practice amongst the DNOs in terms of easing access to competitive quotes by issuing two in every case, an 'all works quotation' together with a 'non-contestable works only' quotation. This means that developers are given a real choice to accept a non-contestable only quotation and then appoint the alternative provider themselves, without having to reapply for an offer."*
>
> ***RWE npower***

An independent audit and assurance of our engagement activities will report on how well we have listened to our customers and responded to their views. Recommendations from this report will contribute to ongoing improvements to the Feedback and procedure Change mechanism. This report will be published with our annual 'looking back' activities report.

Figure 13 Feedback and Procedure Change mechanism

Stakeholders engage with us either via our Stakeholder Relationship Managers or via events and consultations runs by our Stakeholder Engagement Team in collaboration with our Distribution colleagues

↓

We use the information from these interactions, to assess how we could change our business to better meet stakeholder needs

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We take the proposals to the relevant business contacts for development and discussion. All feedback is thoroughly considered and fully assessed and an outcome ('feasible' or 'not feasible') will be determined

↓

We then re-engage with the stakeholder. We either propose what we can do to better meet their needs, or explain why we can't comply with their request(s)/ suggestion(s)

↓

All developed proposals are submitted to our Board, and on approval, are implemented

↓

Compliance with our "Stakeholder Engagement Key Performance Indicator" is confirmed

↓

We audit the process as part of the internal audit regime related to ISO 9001:2008 compliance

↓

This information will be made publicly available and be independently assured to ensure that we are changing the way that we operate as a business for the benefit of our stakeholders

Conclusion: our outputs and expenditure on customer engagement

What we are going to do

Our overall objective is to make sure all of our customers' views are heard and acted on.

Commitment 9 We'll keep on asking you how we could do better and publish a report every year on what we're doing about it.

To achieve this during the RIIO-ED1 period, we intend to:

- Meet customers' expectations
  - We will maintain ongoing dialogues with all customers who request regular updates on what we are doing.
  - We will accurately record and follow up on these customers' expectations, receiving no complaints.
- Seek customers' views
  - We will publish an Annual Engagement Plan, with the first published in January 2014, setting out our engagement topics and activities for the following 12 months.
  - We will organise at least 15 face-to-face events each year to hear customers' views.

Each year, we will publish a Looking Back Report of our activities over the previous 12 months and how we have responded to customers' views.

How much this is going to cost

There are three parts to the cost of these activities:

- Our stakeholder engagement team, currently seven people but expanding to 12 including website and social media management.
- Development and maintenance of IT systems, including ensuring appropriate data security and confidentiality.
- External experts to provide support (for example, hosting customer fora) and assurance.

We forecast that the total cost will be around £1 million per annum, excluding IT costs. This is consistent with current levels of expenditure. Current expenditure includes "start up" type costs as we put in place robust processes and establish relationships; hence, we expect to do more during the RIIO-ED1 period for the same amount of spend.

Part 4

Assurance and reporting

We aim to deliver a consistently high level of customer service. This includes our target of zero Guaranteed Standard failures and no complaints upheld by the Energy Ombudsman. This means we will regularly review our processes for delivering zero failures, and will monitor our progress.

In order to allow us to track customer feedback on a monthly basis, we will commission an independent research agency to undertake additional surveys with our customers. This means we will be able to regularly contact a range of customers to find out how they rate our service. The research company will collect information quantitatively, through a score, as well as verbatim comments. This will also allow us to ask ad hoc questions. This research will inform our plans and help us to improve customer service.

We will be able to compare the results of our survey work with Ofgem's Broad Measure survey. This will be reported against other DNOs too, so our customers can clearly see how we compare to others in the industry.

Not only will we research into what our own customers think about our service, we will also carry out regular benchmarking across other industries. This means we won't just consider electricity distribution customer service in isolation: we will research into other industries too. We will join the Customer Service Network and/or the Institute of Customer Service to audit and benchmark us. Learning from this by analysing gaps, and deploying new strategies will increase our provision of excellent customer service. By working together with experts in the field, we will be able to network and fully understand what other organisations that are considered frontiers in customer service are doing, and how we can add to our service offering.

In order to get the biggest benefits from these things, we will introduce a new telephony system. This new system will increase our answering response times, give personalised area specific messages, and will allow customers to register for their preferred method of update such as phone call, text, and social media. This system will be in real time, so customers will be able to rate our call at the end of it by grading it, and leaving comments on a recording system which we will pick up straight away. We can then immediately provide feedback to the call handler, and follow up comments with the customer.

Throughout the RIIO-ED1 period we will proactively engage with our stakeholders. Our stakeholders include anyone who has an interest in what we do or how we do it. A person experiencing good customer service doesn't necessarily need to be one of our customers. Our stakeholders can also experience our high levels of customer service. In order to make sure we are providing what people want, when they want it, we will proactively engage with a wide range of different people. We will report on what was said, how we have listened, and what we have done in response. We will report on this through our Looking Back report which will be published every year.

To supplement this, we will carry out independent assurance of our stakeholder engagement activities. Our assurance process will involve an external organisation carrying out a rigorous review of our stakeholder engagement data and claims as well as examine management arrangements, processes and data-collection systems. The findings will be incorporated into the Looking Back report.

Where appropriate, we engage stakeholders in the assurance process, for example by interviewing opinion formers or convening a stakeholder advisory panel. This means that, as well as providing an opinion on the quality and accuracy of your performance information, our stakeholders can assess against the three core principles of stakeholder accountability: inclusivity, materiality and responsiveness. Our engagement process, the quality of our engagement and senior management involvement and our Data Protection Standard which ensures that we protect our stakeholders' personal data and meet our legal obligations under European Data Protection legislation are assured under ISO 9001:2008.

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Appendix

Regulatory policy

Process: Has the DNO followed a robust process?

All customer service and stakeholder engagement content is discussed in this section of our Business Plan. The contents page shows exactly what is included, and throughout the paper there are links to other sections of our Business Plan.

We have proactively engaged with a wide range of stakeholders which can be seen throughout this section of our Business Plan, and in particular, within certain sections describing how we listen and capture views, in particular on p. 13. Stakeholder views have clearly shaped our plans, as seen in **Figure 4**, **Figure 6**, **Figure 8** and **Figure 9**, through evidence gathered via a wide range of methods of contact.

All costs are fully justified within the text, but also stated on p. 48: how much this is going to cost. This section clearly shows how our plans for customer service and stakeholder engagement are long term strategies rather than short term deliverables. We have considered the things we need to do in the short run in order to achieve our overall strategy for long term customer service and engagement.

Outputs: Does the plan deliver the required outputs?

This section of our Business Plan covers the key outputs of customer service. However, it also provides an overall strategy which encompasses everything we do. That is, no matter what channel of communication is used, we will consistently deliver high levels of customer service. Customer service and stakeholder engagement is more than an output in itself, as it is embedded in everything we do. We have explained this within the text, while also providing information on how we will deliver consistently high levels of customer service.

The resource implications can be seen on p. 32 how much this is going to cost. We have detailed our current performance, what our stakeholders think of what we do, what we propose to do, and what stakeholders think of our plans. We have explained the quality of our performance based on what we do now, as well as the quality of what we plan to do. An example of where this can be seen is in the Guaranteed Standard section on p. 29.

Resources (efficient expenditure): Are the costs of delivering the outputs efficient?

Our cost projections have been informed by our current experience, and what we plan to do in the future. These are efficient, and will remain so over the RIIO-ED1 period, as we propose to benchmark ourselves on performance through various methods. This can be seen on p. 49: assurance and reporting.

We will also use benchmarking against other DNOs and other industries to ensure we will always be able to monitor how we compare with others, and if our processes reflect best practice.

Suggestions of alternative ways of doing things are very welcomed throughout our stakeholder engagement and customer service. We have considered different ways of doing things, and evaluated feedback, as described throughout this section of our Business Plan.

Resources (efficient financing): Are the proposed financing arrangements efficient?

Our Business Plan conforms to financial policies as set out in Ofgem's Strategy decision. Our costs are also consistent and we have fully explained our cost projections. Our costs are efficient, and will remain so over the RIIO-ED1 period, as we propose to benchmark ourselves on performance through various methods.

Furthermore, we have set out our plans in "Efficiently financing our plans".

Uncertainty & Risk: How well does the plan deal with uncertainty and risk?

As stakeholder engagement and customer service are areas which are very subjective, there are many risks including doing something which stakeholders might not specific be supportive of. We have mitigated these types of risk as demonstrated throughout this section of our Business Plan. In particular, we have processes such as that as detailed on p.35, which explain how we engage and communicate many times, to ensure stakeholders have been given the opportunity to influence our plans.