

July 2017

Critical Friends Panel

Graham Edwards,
Chief Executive



Business performance update – outputs 2016/17

Demanding
SAFETY
ALWAYS 

Doing all we can to
**PROVIDE
A RELIABLE
GAS SUPPLY**
& PROMOTE SUSTAINABILITY 

Driving 
**OUTSTANDING
SERVICE**

Doing all we can to
**PROVIDE
A RELIABLE
GAS SUPPLY**
& PROMOTE SUSTAINABILITY 

Driving 
**OUTSTANDING
SERVICE**

Safety

- Met both our key emergency standards
- Well ahead on 8 year iron mains risk removal targets

Reliability

- Met our “1 in 20” capacity obligation
- Maintained operation performance
- Currently reviewing supply interruptions targets with Ofgem as part of the MPR parallel work

Customer Service

- Improved overall broad measure score from 9.05 to 9.13 – further improvement required on our Planned scores
- Complaints handling performance results in no penalty
- Met all connections guaranteed standards of performance

Environmental

- Reduced leakage by more than annual target

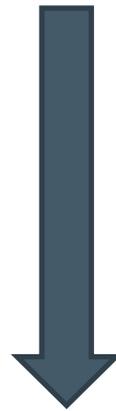
Social obligations

- Delivered on our fuel poor commitments for the year
- Continue to be at the forefront of promoting awareness of carbon monoxide

Our portion of the customer bill



The start of current PCR
2013



2017

We're doing what we can to keep customer bills as low as possible
– just like we said we would

Purpose of today

To provide you with an update on what we've done as a result of stakeholder feedback

To scrutinise our forward plans in light of what stakeholder told us in May, and to get your feedback



EQ Communications

- Who we are
- Housekeeping
- Agenda



Agenda

Registration and lunch	13.30 – 14.30
Business performance update: Graham Edwards	14.30 -14.40
Workshop 1: Mark Oliver <ul style="list-style-type: none">• Customers in vulnerable situations• Supporting the fuel poor• Carbon monoxide poisoning prevention and awareness	14.40 – 15.00
Roundtable discussion	15.00 – 15.15
Workshop 2: Steve Edwards <ul style="list-style-type: none">• Future of energy• Connections• Customer service• Innovation• Protecting the environment	15.15 – 15.40
Roundtable discussion	15.40 – 15.55
Coffee break	15.55 – 16.10
Workshop 3: Reece Emmit <ul style="list-style-type: none">• Major incident planning• Smart metering• Theft of gas	16.10 – 16.30
Roundtable discussion	16.30 – 16.45
Overall business priorities	16.45 – 17.00
Close	17.00



Locational workshops

In May we held Locational stakeholder workshops in Llandudno and Exeter

- Designed to gather feedback on our business plan delivery to date and on our proposed activities for 2017/18
- Attended by 50 stakeholders
- Four discussion sessions relating to our business priorities:
 - Social obligations
 - Major incident planning
 - Designing our future
 - Priorities for next year
- Over the next few slides, we'll summarise stakeholders recommendations and ask for your feedback on them

Priorities

2016/17

1. CO awareness and prevention
2. Lower carbon future
3. Theft of gas
4. Supporting the fuel poor
5. Meeting future demand
6. Major incident planning
7. Customers in vulnerable situations
8. Innovation
9. Protecting the environment
10. Smart metering

2017/18

1. CO awareness and prevention =
2. Customers in vulnerable situations **+5**
3. Lower carbon future **-1**
4. Supporting the fuel poor =
5. Meeting future demand =
6. Innovation **+2**
7. Customer service **NEW**
8. Connections **NEW**
9. Theft of gas **-6**
10. Major incident planning **-4**
11. Protecting the environment **-2**
12. Smart metering **-2**

Part One: social obligations

Sarah Hopkins,
People & Engagement Director



Customers in vulnerable situations



Customers in vulnerable situations – what our stakeholders told us

Work with charities/housing organisations to raise awareness of the support we can offer

Develop targeted communications plans for charities and organisations in our network

Develop a small number of close relationships with organisations who are working in areas with high levels of vulnerability

Work with other utilities and organisations to share data

Organise/sponsor another multi-utility conference

Simplify the definitions/labels used to identify vulnerability

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Customers in vulnerable situations – what we did

- ✓ Gained British Standard for Inclusive Service Provision (BS18477) – First GDN to achieve this
- ✓ With the support of Warm Wales, we initiated the first multi-utility (gas, water, electricity) conference, called ‘Stronger Together’ – attended by people from **106 organisations**
- ✓ Integrated Priority Service Register (PSR) sign ups, Locking cooker valve installation, Warm Home Assistance scheme promotion and CO awareness into all key partnerships – such as Fire & Rescue Services
- ✓ Rolled out PSR App and training to 1,250 colleagues across our network – more than 2,100 referrals during 2016/17 and on-course to receive more than 4,000 in 2017/18
- ✓ Data-sharing agreements for PSR in place with SSE, WPD and Dwr Cymru
- ✓ Referred **33** customers to trusted organisations for financial and wellbeing support
- ✓ Refreshed and updated our Warm Packs, purchased Oil-filled radiators and microwaves to complement fan heaters and hotplates
- ✓ Moved 123 gas meters free of charge

Customers in vulnerable situations – what we have planned

Cross Utility Work:

- More cross-utility conferences
- Expand partnership network and support for our customers
- Share PSR referrals with the water sector – to be rolled out to the other water retailers

Internal Communication:

- Provide vulnerable customer training to all new customer-facing colleagues
- Further training for customer-facing colleagues – focus on specific vulnerabilities e.g. Dementia awareness e-learning package
- 3-7 July - awareness week planned to remind colleagues and encourage use of support measures available to vulnerable customers
- Re-audit against BS18477 in Nov 17

Customers in vulnerable situations – what we have planned

External Communication:

- Doctor surgery pilot – stand at doctors surgeries to meet and speak to patients about the PSR and capture referrals (alongside CO and Warm Home Assistance)
- Replacement letter pilot – enclose PSR leaflet/referral form with replacement notification letters to raise awareness and capture referrals – freepost address for returns
- Revamp the 'Safe and Warm' section of our website – to include online PSR sign up form

Research:

- Vulnerable customer research – views on incident support: keep warm packs, alternative heating and cooking, hot food, rest centre and washing facilities (through LRF), door knocking, customer support vehicle
- Vulnerable customer mapping – identify vulnerability hotspots to tailor support and communications e.g. if we are sending notification letters to an area with a high number of Polish speakers, we could include a translation

Social obligations – what our stakeholders told us

Customers in vulnerable situations

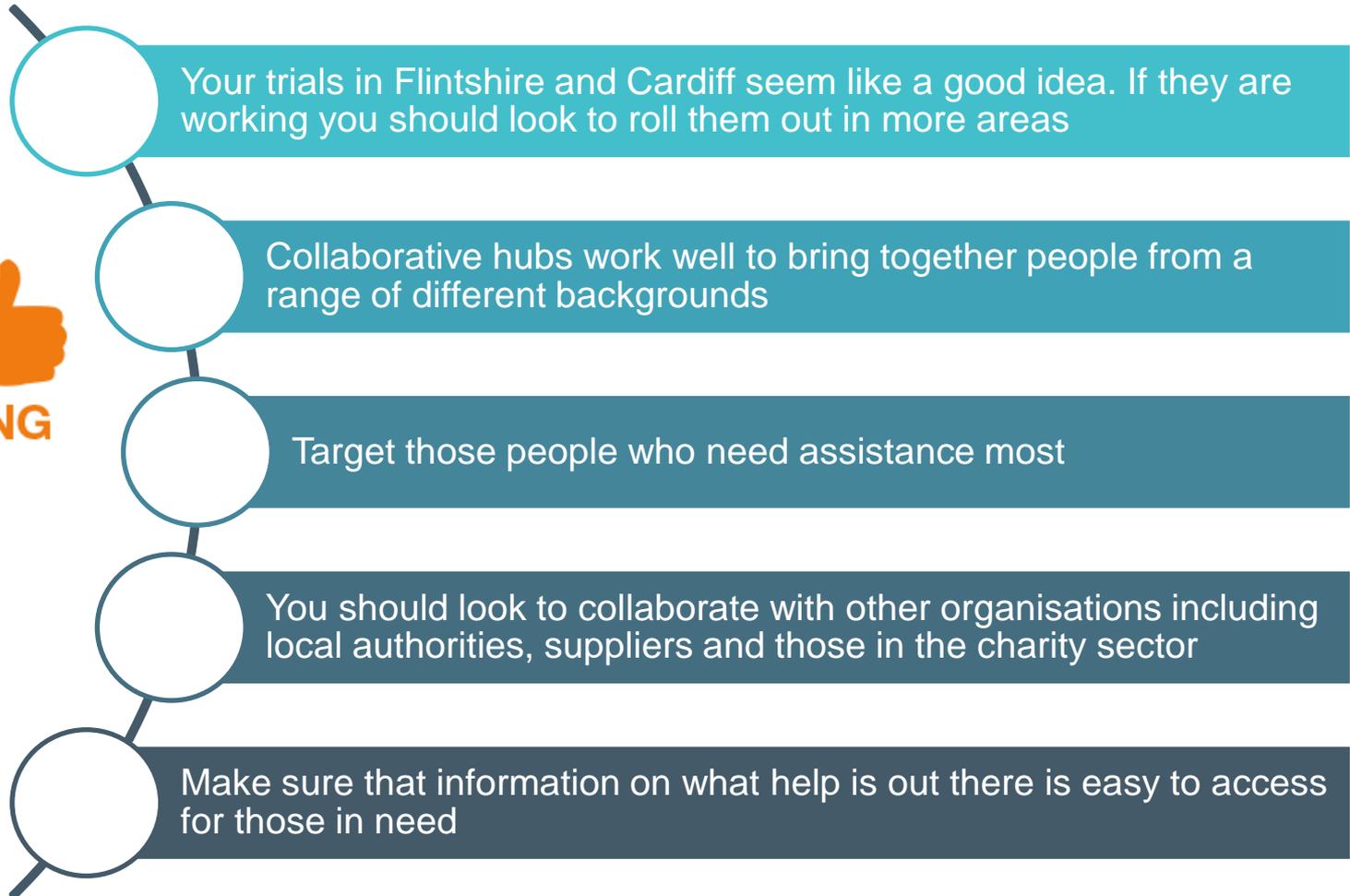
- Expand the scope of collaborative partnerships on customers in vulnerable situations, especially local councils, housing associations, rural parish councils, churches, hospitals and so on
- Look at partnering with the Post Office, whose regular visitors include the elderly and people on low incomes
- Consider how to support carers, who are often vulnerable themselves
- Review language and imagery on Safe & Warm webpage, to make sure it's appropriate and easy to understand – use more images and icons, and less text
- Make sure partners link to the Safe & Warm webpage on their own website
- Create audio and films to make information even more accessible and introduce a live chat feature
- Take a 'softer' approach, offering help and advice regarding other types of support and include case studies

Supporting the fuel poor



Supporting the fuel poor – what our stakeholders told us

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Supporting the fuel poor – what we did

- Made a £45,000 investment to trial Fuel Poor Hubs in Cardiff and Flintshire, which led to 226 customers in the most vulnerable situations receiving energy and financial advice
- Rebranded and simplified our Warm Home Assistance (WHA) literature
- Attended 17 events to raise awareness of our WHA scheme
- Made adjustment to quotation system – now automatically recognises a postcode that might qualify for a free connection and produces a zero-cost quote
- Regular scheme promotions in National Energy Action and Landlords publications



Supporting the fuel poor – what we have planned

Initiative	Investment	Period	Customers helped
Roll out of FRESH data mapping tools to local authorities to identify vulnerable households aiding targeting of funding	£90k	2 years	6 councils 600 homes receiving energy efficiency measures
Expand fuel poor hubs following Cardiff and Flintshire trials (south west England and Wales)	£390k	18 months	6 councils 9,000 homes given energy advice 600 gas installs
Joint GDN trials of energy saving devices	£15k	12 months	TBC

Social obligations – what our stakeholders told us

Supporting the fuel poor

- Use local newspapers to promote fuel poverty support measures
- Look at schools to educate children on fuel poverty to take the message home to parents
- Collaborate more with energy providers, local authorities, housing associations and other gas networks
- Continue with Fuel Poor hubs and increase provision for rural communities
- Lobby energy providers and government for a means-tested approach to tariffs and support, such as winter fuel payments
- Focus on financial education of customers
- Continue and widen the use of FRESH mapping
- Consider whether we can do anything around insulation measures

Carbon monoxide poisoning prevention & awareness



Carbon monoxide – what our stakeholders told us



- 1. The government should make it compulsory for gas networks / housing associations to fit CO alarms
- 2. CO alarms should be rolled out – and promoted – as much as possible
- 3. Do more to spread awareness of this topic amongst school children (in a way that is engaging)
- 4. Do more to engage with politicians
- 5. Work in partnership with other organisations

Carbon monoxide – what we did

- ✓ Revised CO strategy targeting those most at risk
- ✓ Continue to provide CO alarms – 5,496 last year
- ✓ More promotion of CO school safety competition – had to most entries of all gas networks and a national winner
- ✓ New online focus – the COdebreakers – shared with other organisations, including gas networks
- ✓ CO adverts in charitable and educational publications, seen by more than 20,000 people
- ✓ More Fire & Rescue Services partnerships, from 2 to 6, expanded to promote other services for customers in vulnerable situations
- ✓ New 'Partners Pack' making sure all partners can provide accurate, consistent information
- ✓ Royal Welsh and Bath & West Shows – scaled down attendance and targeting other low-cost venues e.g. shopping centres
- ✓ Attend the All-Party Parliamentary Carbon Monoxide Group (APPCOG)

Carbon monoxide – what we have planned

- Increase the number of targeted, smaller scale events we promote CO at
- Identify and create more partnerships with organisations who can help us to promote CO awareness to house builders, other utilities, educational bodies, estate agents and landlords
- Update politicians about CO incidents, specific to their constituency, on an annual basis
- Incorporate ‘Safety Seymour’ – an educational programme aimed at primary school children – created by Cadent (formerly National Grid)
- Start the CO schools safety competition earlier and identify organisations who can help us to push it further
- Targeted social media promotions of the COdebreakers to increase interest levels
- Trial smart CO alarms

Social obligations – what our stakeholders told us

Carbon monoxide

- Make sure the elderly, those without access to the internet and those who live in hard-to-reach areas are still educated on CO
- Consider providing partners with information/links to CO-related safety information for them to use on their websites
- Raise awareness of CO safety outside our area of responsibility e.g. suppliers of gas canisters
- Increase the number of CO detectors installed, by working closer with new and existing partners
- Provide CO information in digital and written format for new and existing partners to share
- Consider a strategy to increase the likelihood of customers installing CO alarms
- Work with manufacturers to establish whether CO alarms could be fitted on/included with all new equipment e.g. boilers
- Work with heart/blood charities or other health charities to raise awareness of low-level CO poisoning
- Install CO alarms in conjunction with the smart meter roll out
- Lobby government to widen building regulations to include installation of CO alarms and smoke alarms

Questions

Do you agree with the direction we are going with partnerships to help customers in the most vulnerable situations?

Do you agree with the types of project we're investing in, in order to help us tackle fuel poverty?

Do you think our CO strategy is clearly focussed on getting the best results?

Is it our role to raise awareness of CO about causes not related specifically to gas?

Part Two

Steve Edwards,
Director of Regulation & Commercial

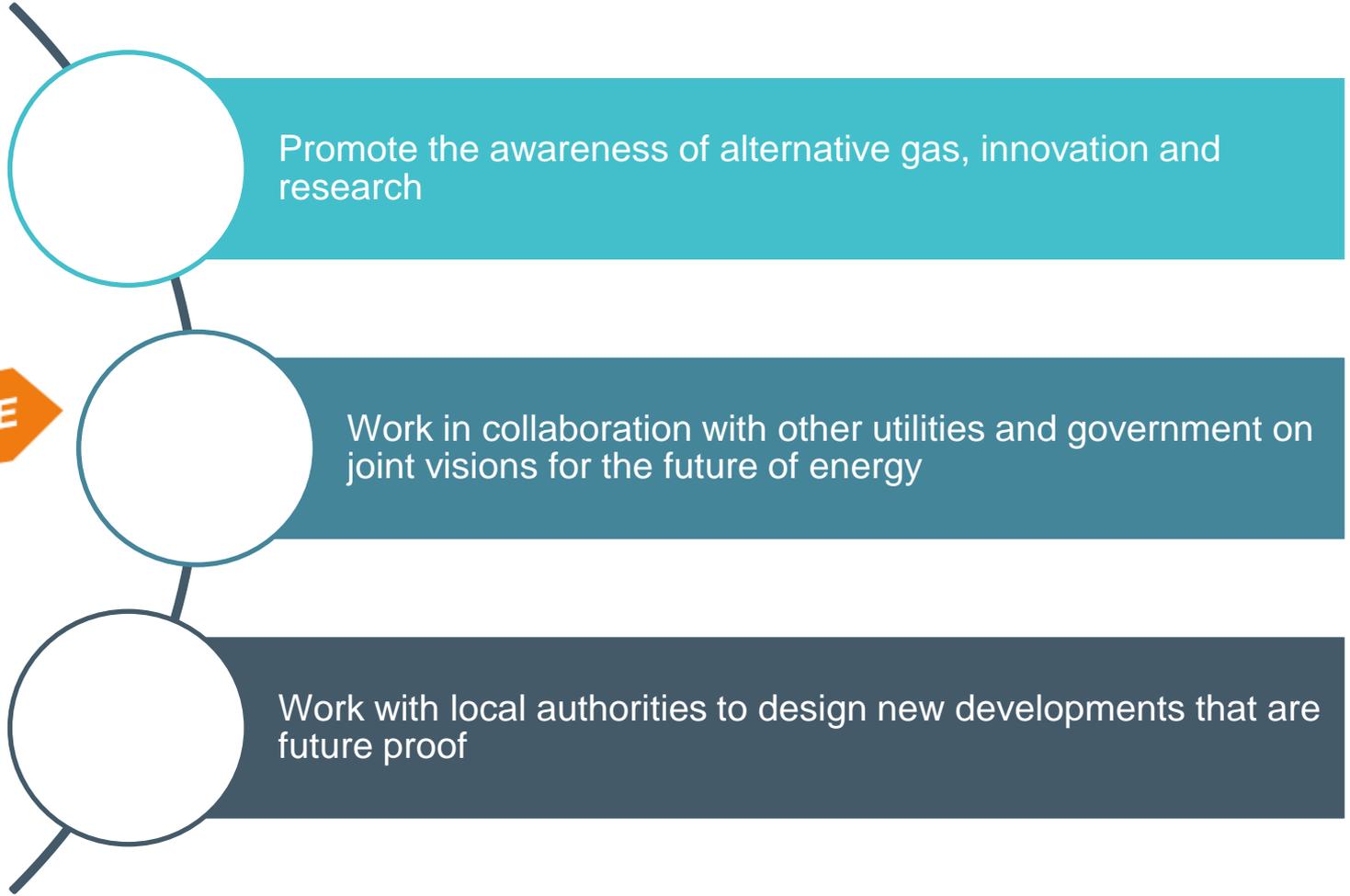


Future of energy



Future of energy – what our stakeholders told us

Designing



Future of energy – what we did

- ✓ Ran an industry-first 'Alternative Gas Workshop', attended by 64 organisations, including National Farmers Union, developers and landowners
- ✓ Hosted 'Future of Energy' events for the Department of Business, Energy & Industrial Strategy (BEIS) and Ofgem
- ✓ Developed a unique Energy Simulator which enables accurate modelling of energy supply & demands
- ✓ Created a new green gas connections booklet to help make the application process easier, and produced a paper describing the road to green energy
- ✓ Involved in the Flexis project (looking at the development of smart energy distribution systems) and working with WPD on the Freedom project (addressing marked barrier to adoption of new low carbon hybrid heating)

Future of energy – what we have planned

- Innovation projects
 - More efficient biomethane production e.g.
 - Hydrogen projects
 - Continuing with the FREEDOM project
- Stakeholder engagement
 - Events and conferences
- Supporting research groups
 - Bridgend
 - Flexis
 - Cardiff University



Future of energy – what our stakeholders told us

- Increase awareness and infrastructure to support incentives to use alternative gas
- Consider establishing villages as energy hubs to encourage renewable energy usage
- Approach local authorities, water companies, brewers and public services, such as NHS Trusts and schools, to look at developing more biomethane projects
- Reach out to politicians to get them to push the green gas agenda
- Continue to develop the business case for green gas technology (rather than funding further academic research)
- Do more to promote our work on biomethane – case studies, workshops, roadshows and so on
- Develop individual strategies for each energy source
- Work with local councils to develop digesters for food and garden waste
- Carry out specific engagement with farmers and local authorities to identify and create solid business cases for investing in alternative gas
- Appoint a member of staff whose responsibility it is to meet potential new green gas customers and ‘sell’ the benefits

Connections



Connections – new category

- We have an obligation, under the Gas Act and our Operating Licence, to provide connections services including to quote unless unreasonable to do so
- Services include:
 - New services to existing, new build domestic and commercial
 - Service alterations
 - Mains diversions
 - Isolations of pipes and assets
- Gas Connections are competitive with over 100 registered Utility Infrastructure Providers (UIPs (lay pipes which are adopted by Gas Transporters)) and six Independent Gas Transporters (IGTs) that own and operate their own networks fed by our network
- We support competition through consistent treatment of third-parties through capacity checks, design approvals and adoption of pipes

The Gas (standards of Performance) Regulations 2005

Task	Maximum days under GSoP	Penalty for exceeding maximum	Performance
Provide desktop quote domestic	6 days	£ 10 day	99.1%
Provide quote following survey or for small commercial	11 days	£10 day	98.9%
Provide quote for large commercial	21 days	£20 day	98%
Respond to land enquiry	5 days	£40 day	98%
Provide planned date for works following payment	20 days	£20-£40 day	99.9%
Complete works on agreed dates	Meet gas on date	£20-£150 day	96.5%

Our proposed changes

- **Propose to Ofgem that:**

- they reduce the ‘Maximum days under GSoP’ allowance and increase the compensation payment if we don’t meet that target
- we increase the compensation payment we provide, if the customer affected by not meeting our target is identified as vulnerable
- we include housing developments of more than five properties under GSoP allowance – these are currently exempt

However, we would like to increase the ‘Maximum days under GSoP’ allowance for more complex land enquiries and larger commercial jobs where the load impacts higher pressure network capacity and external costs are required from framework partners

Connections – what our stakeholders told us

- Make the changes that we proposed to the connections process
- Increase the financial penalty to make sure deadlines are met
- Consider the role we have to play in supporting fuel poor or customers in vulnerable situations in off-grid locations

Customer service



Customer service – new category

Overall customer satisfaction score of 9.13 in 2016/17

First gas network to meet the BSI 18477 standard for inclusive service position for vulnerable customers

Won 8 awards for customer service in 9 years

Over 80% of complaints resolved within 1 working day after receipt



47% reduction in complaint volumes over last 2 years

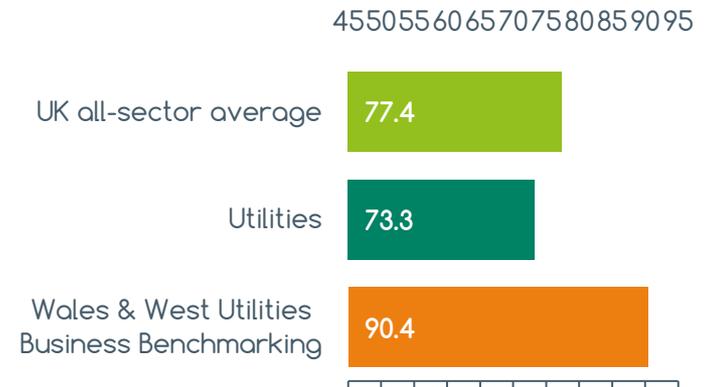
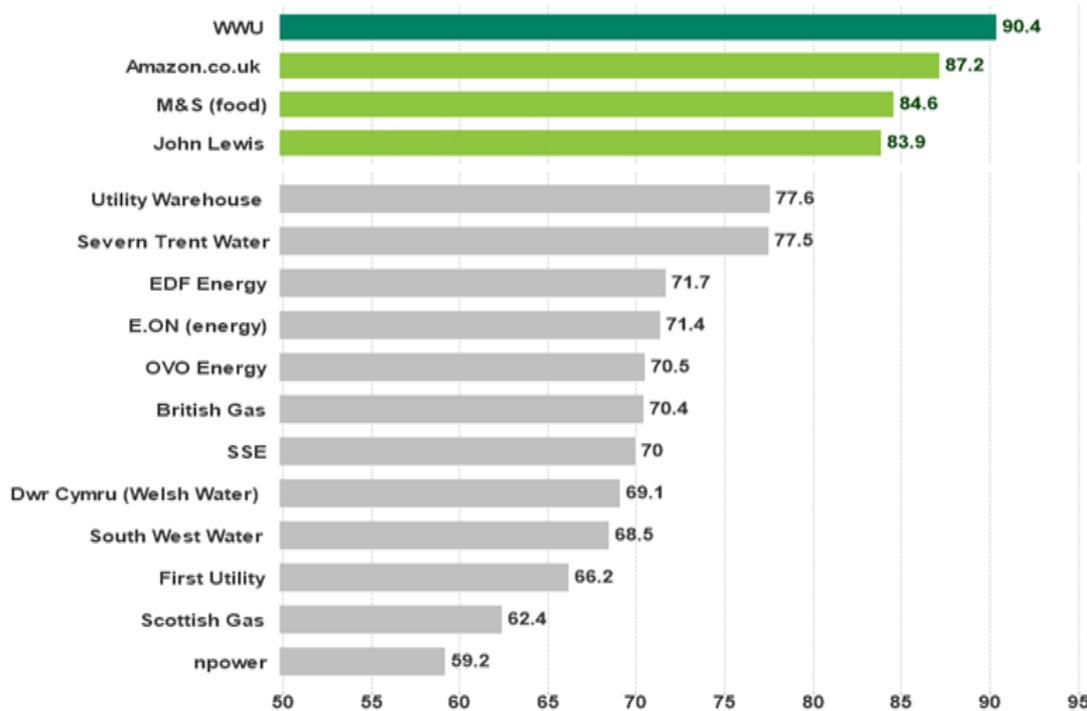
No Ombudsman complaints ruled against us for 6 years

Achieved “Distinction” status from ICS ServiceMark accreditation

Improved ICS customer focused culture score

Customer satisfaction – how we compare

UK Customer Satisfaction Index (UKCSI)



Customer satisfaction – our challenges

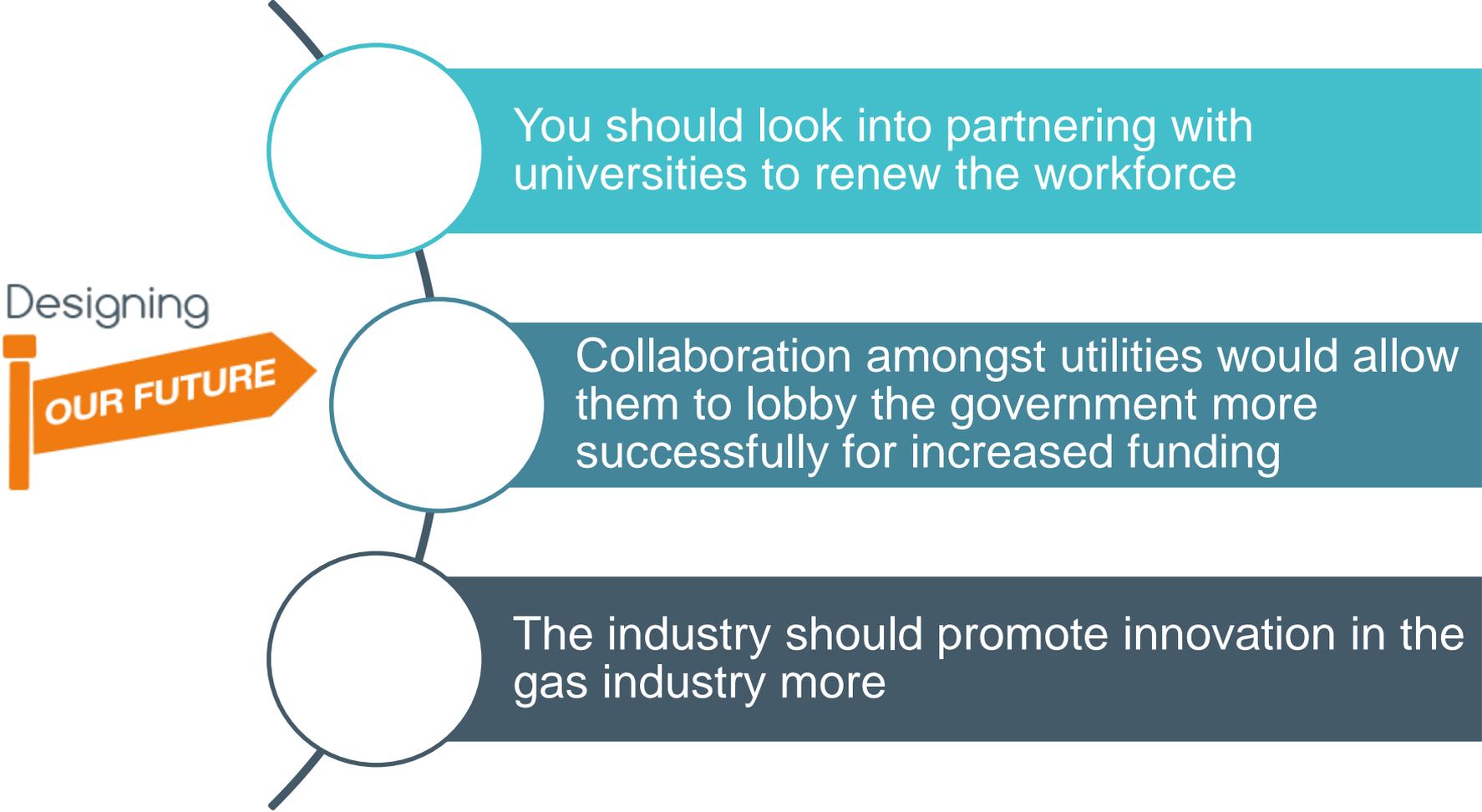


Challenge	Our response
Not having customer contact data (telephone numbers/email addresses)	Leading on an initiative of data sharing between suppliers and gas networks to improve communication with customers.
Adapting the latest technology and new ways of engaging with customers and delivering a consistent level of service	Drive to restore gas supplies by 18:00 using advances in technology to reduce interruption times
Increasing customer expectations brought about by improved offerings e.g. Argos/Amazon same day delivery	Introducing faster compensation payment methods to put things right quickly on occasions when things go wrong

Customer service – what our stakeholders told us

- As long as we continue to hit our targets, not to prioritise this area
- Look at international standards of customer service and work towards achieving these

Innovation – what our stakeholder told us



You should look into partnering with universities to renew the workforce

Designing
OUR FUTURE

Collaboration amongst utilities would allow them to lobby the government more successfully for increased funding

The industry should promote innovation in the gas industry more

Innovation – what we did

- We invest innovative solutions that are
 - cost-effective and reduce the time on the job
 - easier and safer to use to ensure fewer injuries

Designing



Two examples of our innovation include



- Ductile Iron Window cutters

- These allow us to safely and efficiently cut ‘Ductile Iron’
- reducing cutting time by two-thirds
- Saving around 30 minutes per job



- Hornet Rock Drills

- A rock drill on a frame that limits the vibration
- Compact, lightweight and easy to move
- Prevents uncontrollable jarring and potential back trauma, often seen with a hand-held pneumatic drill.

Innovation – what we did

Designing

OUR FUTURE

- **Partnership with Energy & Utility Skills – for the first ever joint Workforce Renewal and Skills Strategy for the sector**

- The Strategy takes the first steps towards making sure the UK's energy and utilities sector retains a safe, skilled, resilient and sustainable workforce



- Continued presence at the Low Carbon Network Innovation event – which provides us with an opportunity to explore the key learnings from electricity and gas network innovation project



Innovation – what our stakeholders told us

- It is important we continue to innovate
- It is an overarching priority that informs many of the others: e.g smart metering
- The use of new equipment will help to save time and therefore cut costs in the future
- While we should strive to be innovative it's important that work isn't duplicated in this area so we should be more open about sharing our research with other GDNs

Protecting the environment – what our stakeholders told us

Doing all we can to
**PROVIDE
A RELIABLE
GAS SUPPLY**
& PROMOTE SUSTAINABILITY

You should always look to minimise your company's impact on the environment

Engagement with environmental groups is good but it should not just be for its own sake

You should talk to a range of people, not just those people who agree with you

Protecting the environment – what we did

Mains replacement programme ahead of schedule – replacing around 400km mains on average a year – to reduce leakage emissions

Finished our gasholder removal and remediation programme – five years early

Continue to refurbish our estate and fleet

Engaged with those outside the gas industry – including a presentation to the South West renewables conference

Doing all we can to
**PROVIDE
A RELIABLE
GAS SUPPLY**
& PROMOTE SUSTAINABILITY



We are ahead of our carbon footprint reduction targets, both relating to transport and fugitive emissions

Protecting the environment – what our stakeholders told us

- This is broadly viewed as a low priority but it should be the case that minimising our impact on the environment is a given
- Review suppliers' and contractors' contribution to protecting the environment

Questions

Do you agree with the revised lower rating of 'protecting the environment'?

Should we reduce our connections lead-in times and increase customer compensation?

Do you support aspiration to achieve an international customer service standard?

Do you support plans to raise awareness of alternative gas and investment in localised engagement programmes?

Are you happy with our focus on innovation? Are there any areas in particular we should focus on?

Part three

Reece Emmitt,
Media & External Communications Officer



Major incident planning



Major incident planning – what our stakeholders told us

Doing all we can to
**PROVIDE
A RELIABLE
GAS SUPPLY**
& PROMOTE SUSTAINABILITY



Driving
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- 1 Planning for major incidents is vitally important and should be 'business as usual'
- 2 We should have more knowledge of where customers in vulnerable situations are, to prioritise them in an emergency
- 3 Planning should consider a range of organisations including other utilities and emergency services
- 4 We should share best practice with other organisations
- 5 Exercises are essential to plan for emergencies

Major incident planning – what we did

Set up a Major Incident team

Reviewed communications – including new self-isolation/restoration leaflet

Reviewed Operational Strategy

Held a major incident exercise based in Cardiff

Major incident planning – what we have planned

Partnership approach to vulnerable customers

Continue to refine processes and develop communication

Continue to share best practice and build on experience

Major incident planning – what our stakeholders told us

- Develop emergency plans with local resilience team and other local partners to improve major incident planning, response and communication practices
- Educate customers and the business community on how to find or access their gas meter and/or meter key and self-isolate/restore, with careful consideration for those who might not be confident to do so
- Create stronger links with Social Services to make sure the PSR data is as current as possible
- Consider different strategies for supporting customers in vulnerable situations at different times of the year (e.g. when it's cold) and make sure the strategy includes mediums beyond local and social media
- Include contracting companies in communications plan, so they are prepared to provide labour and equipment as required
- Look at rolling WhatsApp group out to local authority and emergency services contacts
- Focus on hacking as a major incident simulation topic and hold it over a weekend
- Trial self isolation/restoration packs with tenants, perhaps partnering with a social landlord – once the suggested amendments have been incorporated (separate document)
- Develop films to show how to self isolate/restore, and translate them into Welsh

Smart metering – what our stakeholders told us

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You should raise awareness of smart meters– as most people have little knowledge of this

There needs to be careful planning ahead of the smart meter roll-out. This involves a range of companies, particularly suppliers

Many people find this technology confusing. More needs to be done to explain the benefits to your customers

Smart metering – what we did

Colleague smart metering awareness campaign and smart metering training – 108 operatives



Won a contract to install 6,000 smart meters in Plymouth which includes providing energy advice to customers, as standard

Part two awareness campaign – website information for customers (under construction)

Engaged with suppliers and the electricity operators to ensure the safe roll out of smart meters

Smart metering – what our stakeholders told us

- Consider the impact that smart meters have on our fuel poor customers, and work on a pilot to monitor the impact they could have on affordability for these customers
- Once we have more knowledge of our network we can use this information to help customers in vulnerable situations

Theft of gas – what our stakeholders told us

We had no idea this was a problem

You should look to raise awareness of this issue

This issue has huge safety implications

You should work in partnership with other organisations including the police

Delivering
VALUE
FOR MONEY



Theft of gas – what we did

Collected more than **£630,000** (inc. VAT) – almost double the previous regulatory year

Regularly promote links on social media, directing them to website to report suspected theft of gas

Delivering
VALUE
FOR MONEY



Theft of gas – what our stakeholders told us

- Dealing with this issue is a low priority. However given the safety implications this should remain a focus for us
- More knowledge of our network through the smart meter roll-out will help to reduce incidences of gas theft

Questions

Do you agree with the revised lower rating of 'theft of gas'?

Do you think our 'major incident' strategy is robust? Is there anything we should add?

Do you support us raising awareness of alternative gas - and investing in localised engagement programmes?

Are you happy with our approach to smart metering communications?

Priorities

2016/17

1. CO awareness and prevention
2. Lower carbon future
3. Theft of gas
4. Supporting the fuel poor
5. Meeting future demand
6. Major incident planning
7. Customers in vulnerable situations
8. Innovation
9. Protecting the environment
10. Smart metering

2017/18

1. CO awareness and prevention =
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3. Lower carbon future **-1**
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6. Innovation **+2**
7. Customer service **NEW**
8. Connections **NEW**
9. Theft of gas **-6**
10. Major incident planning **-4**
11. Protecting the environment **-2**
12. Smart metering **-2**

Do you agree with the prioritisation order that stakeholders in May gave us?

Thank you

Any questions?