



ANNEX 12: CONNECTIONS PROCESS IMPROVEMENT PLAN

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1.INTRODUCTION

The purpose of this Annex is to detail the improvements we have made and will continue to make to our connections processes in order to improve customer satisfaction and to ensure customers have a choice in who they wish to provide their connection. We have developed detailed processes over the years initially to ensure compliance with Guaranteed Standard of Performance requirements and to ensure that we provide a level playing field to Independent Connections Providers and Independent Distribution Network Operators (Third Party Providers) by ensuring consistency in our approaches.

We were the first distribution network operator (in 2011) to have price regulation lifted in three areas of connections where we have been able to demonstrate to Ofgem's satisfaction that there is evidence of competition and buyer power:

- metered demand connections extra high voltage (EHV) work and above;
- metered distributed generation (DG) High Voltage (HV) and EHV work; and
- unmetered connections private finance initiatives (PFI).

During May 2013, price regulation was lifted in another three areas:

- metered demand connections high voltage (HV) work;
- metered demand High Voltage (HV) and EHV work; and
- unmetered connections Local Authority work.

Overall this equates to around 80% of the connections market in the North West where we have demonstrated that there is effective competition. We have submitted applications for the remaining three segments and we believe we have provided sufficient evidence for these to be passed also.

We have welcomed competition to drive up standards and help customers get the best deal, and we will continue to lead the industry in promoting competition in connections.

This Annex provides further detail on how we will deliver the outputs we have committed to in section 4 of our business plan for the RIIO-ED1 period.

2.CONNECTIONS PROCESSES

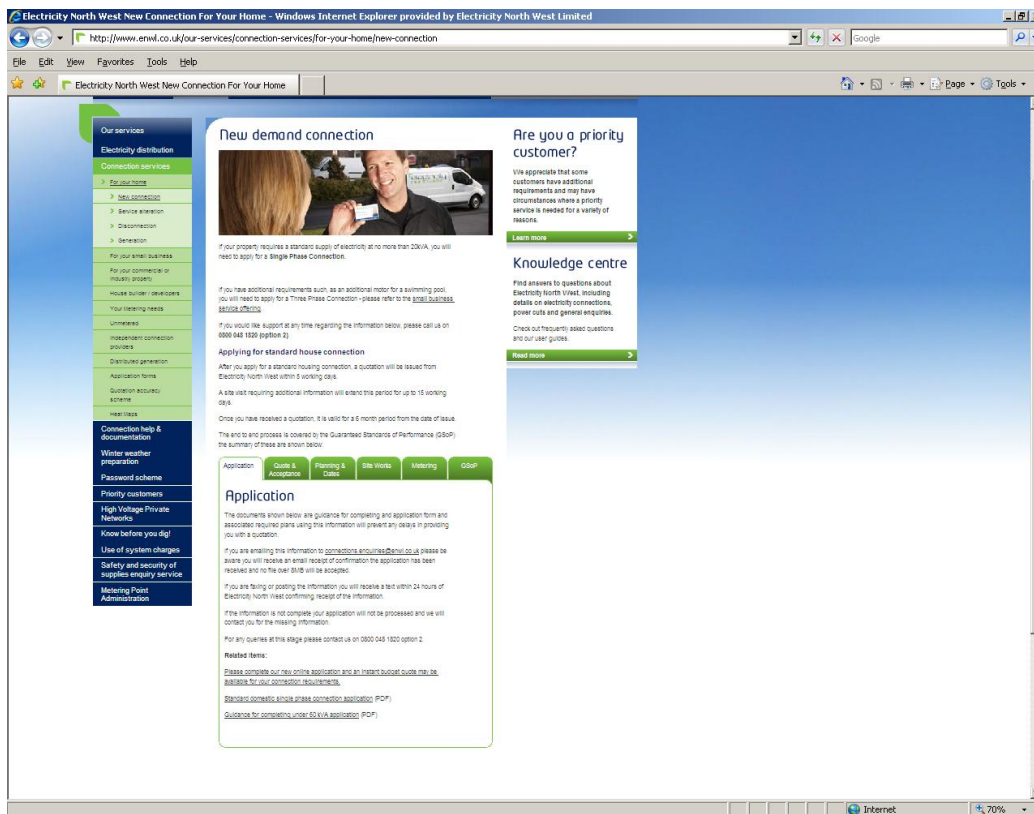
Our connections processes need to meet a number of objectives:

- To give our customers an efficient connections service
- To ensure compliance with the Connections Guaranteed Standards of Performance and obligations on provision of non contestable services, i.e. Standard Licence Condition 15
- To ensure compliance with the standards of performance for the connection of distributed generation
- To ensure Independent Connection Providers are able to compete effectively and are able to provide an alternative service to our customers

Our connections processes are published on our website with specific pages for different types of customers, A link to our connections is given below:-

<http://www.enwl.co.uk/our-services/connection-services>

An example from the website is given below:-



3.CHANGES TO OUR PROCESSES

We have recognised that our focus on compliance and ensuring that the connections market is fully open to competition may have resulted in services not being provided to all customers as quickly as they could have been.

The introduction of the Guaranteed Standards of Performance (GSoP) in 2010 meant we were exposed to a new risk in having to make payments to customers where we did not meet specified levels of service. Comprehensive regulatory guidance was issued to seek consistency across the sector. In response to this we, like many other companies, were focused on compliance, both complying with the rules and seeking to reduce the levels of payments we made. We have sought to take a reasonable approach to the standards and have not used the “small print” to avoid making payments. Where we have not met the standards we have made payments to customers.

In particular, ensuring we have all information available from customers can have an impact on our average time to connect and our average time to issue a quotation. The time taken can be measured from two different points in time, either from when we first receive an application from a customer or when we have all the “minimum information”. “Minimum information” is the information specified in the regulatory guidance that we need to be able to progress an application.

Our performance on both minor and major connection segments since 2011 has been:

Average Time to Quote (days)	2011/12	2012/13
Single connections	7	10
Up to four connections	11	12
Major Connections	32	24

Average Time to Connect (days)	2011/12	2012/13
Single connections	76	78
Up to four connections	81	87
Major Connections (excluding EHV)	188	201

Note that the average time to connect measures the period from acceptance to the connection being made. Even if the customer does not wish to have the connection made at the time they accept, this time is included in the measurement.

As we state in our business plan, we will deliver a level of service which is among the best in our industry. This will be underpinned by our wider strategy for improving customer service and tailored as required to meet the specific needs of these customers.

We will provide a quotation after receipt of the customer’s initial application on average within:

- Single domestic connections – six working days
- Up to four domestic connections – ten working days
- All other connections – 25 working days

We will complete the connection after agreeing terms with the customer on average:

- Single domestic connections – 35 working days
- Up to four domestic connections – 45 working days
- All other connections (excluding EHV)– 50 working days (from when the customer is ready)

Our target is to reduce the average time to issue quotations, in particular for those not classed as major connections. For the average time to connect, we plan to reduce this by more than half in all areas. In order to make these improvements, the overall processes have been reviewed end to end and the following improvement initiatives have been identified.

3.1. Registration Process

We have altered the way we treat customer applications to improve the service to customers. When we receive an application but have not received the “minimum information”, we will seek to progress the application as if it has got all the information and start the process immediately. If information is missing, we will proactively contact the customer and seek to get the quote out as quickly as possible. This will remove some of the delays caused by us asking for and then waiting for this information. We will email the customer on the day of receipt of an application to confirm receipt and provide a reference number. The planner will also call the customer on the day of receipt to discuss the job. The planner will discuss the customer’s requirements, explain the process and the timescales for quoting and when the customer requires the connection and will provide direct contact details.

3.2. Quotation

We already have an online capability that allows a customer to get an estimate for their particular connection. We will plan to enhance this to develop a full on-line quoting tool. Our aspiration is to allow same day quoting for single services work. This can be either by the customer “self serving” via our website or by them applying to us and then us giving them a call to discuss and quote.

For larger, more complex projects we recognise that different approaches are required. We have introduced a series of ‘drop-in’ sessions to allow customers to talk to one of our planners before they have even submitted an application. This gives a customer access to our technical staff even if they have never worked in our area rather than relying on personal contacts to allow a discussion. These drop-in sessions are intended to allow customers to come in with a number of options and have an initial discussion, discuss particular issues they have or whatever their concern is.

When the customer actually submits an application we will meet with them to ensure we understand their requirements and to develop a connection offer that meets their needs. When we have issued the quotation we will also make a courtesy call to confirm that they have received it and clarify any points in the offer that are unclear to them.

For smaller projects (less than £5,000) we are about to introduce on-line and credit card payments. For connection charges in excess of £20,000 we already allow the customer to make an initial payment on acceptance and then agree a payment profile with them. Customer feedback has been positive on this, particularly with Distributed Generation connections which often have a protracted lead time due to the need to get planning permission.

3.3. Website

We see our website as a key communication channel for us and we continually look at how we can improve it. We are currently redesigning the connections web pages based on recent market research which was undertaken to provide feedback from different customer bases around the look and feel of the existing website. This will now result in an improved customer experience, and make our information more accessible.

As part of the website redesign, we are also improving some of our supporting literature including a combined application and quotation pack, which will set the expectations of the customer at the very beginning of the project.

Our mobile app for smart phones and tablets went live at the beginning of 2013. We are also developing versions of our website that are more compatible with handheld devices as many customers now access our website from these devices.



We appreciate that our customers are familiar with all sorts of service companies that allow customers to track the progress of, for example a parcel from order to delivery. We are implementing an online application so that customers can track the progress of their project through the whole life cycle of their connection.

3.4. Third Party Providers

Our processes for Third Party Providers are acknowledged to be some of the best in the country and we received many letters of endorsement from Third Party Providers in support of our Competition Test Notices. Our approach has been to minimise the impact we can have on the processes of any Third Party Provider making a connection in our area.

We continue to engage with Third Party Providers and have run workshop/seminars on a six monthly basis. We have used these to provide feedback on what we have done, what we are working on and to get feedback on proposals. These also give these stakeholders the opportunity to raise issues with us directly. Third Party Providers can also make use of the drop in sessions mentioned above.

3.5. Estates and Wayleaves

Getting the required permissions to install our lines and cables can add delay to a connection project, particular if we need to go onto or across land not owned by the customer. We have developed a booklet that explains why we need to get these consents, how the process works and what can be done to make it flow smoothly. This is available on our website and is issued with all quotations requiring legal consents.

As part of the initial payment on acceptance, a customer can elect to pay any legal charges associated with the connection. This allows us to progress this aspect of the work in advance of any physical works starting.

3.6. Delivery

For the smaller connections, in order to meet the challenging timescales we have set ourselves we have worked with our subcontractors to improve the overall process. We are achieving this by examining in detail the handovers at each stage and passing information more quickly so that it can be put into the contractors' work programme at an earlier stage. We are currently trialling this new process with positive results.

With our contractors, we have developed a 'three day cycle'. This means we excavate the work on the first day, complete the jointing to the network the next and complete the backfilling of the holes and reinstate the surface on the third day. This allows us to reduce the amount of notice we give local authorities for undertaking the work.

We recognise that there can be a considerable delay between a customer accepting a quotation and making payment and works commencing. This can be for a number of reasons such as the customer not being ready for the connection to be made or for the time taken to allow notices to be given to local authorities for road works to enable the work to be undertaken. We plan to have greater contact with customers to help them get their site ready, including providing the necessary materials to them if required. We will also look to change the time when customers need to pay for the works to nearer the time it is expected that we will carry it out.

For larger connections, the feedback from customers is that meeting their programme days is the most critical requirement. Nevertheless, we intend to shorten the period from acceptance to connection significantly. We are developing a process with our procurement



team to improve delivery by compressing timescales on plant delivery which will include an emergency option if customers require their connections urgently.

3.7. Stakeholder Engagement

The new regulatory incentive being introduced for RIIO-ED1 will only have penalties applied to market segments where the DNO has not passed the Competition Tests. We have already passed six of the nine segments and aim to have passed the remaining three segments by 2014.

As we believe that engagement with our customers is fundamental to us providing good customer service, we intend to develop and implement a comprehensive engagement strategy modelled on our approach to stakeholder engagement. This will ensure we understand the needs of our major connections customers across the different market segments and develop policies, processes and products which satisfy them. We will do this for market segments even where we have passed the Competition Tests and there is no regulatory requirement to do so.

We will continue our engagement with Third Party Providers to ensure that we provide non-contestable services that meet their needs across all the market segments.

4. NEW SYSTEMS AND PROCESSES

We have recognised that our supporting IT infrastructure for connections will need enhancing for our services to keep pace with ever changing customer expectations. To address this, we have commenced our Nexus Programme which is a significant business change initiative and a critical element of our plans for the RIIO-ED1 period. The core of the programme is a SAP re-implementation element which is the catalyst for the back office and Connections process change improvements to meet the strategic goal of improving customer service, improving efficiency and reducing the cost of our business support and administrative processes.

This programme will optimise our business administration and Connections functions by identifying lean process improvements based on standard SAP functionality. It will provide an enterprise environment which is based on cleansed maintainable data from which future operational initiatives will be easier to integrate, providing “joined up” and “end to end” solutions. In implementing this approach we will be looking at best practice implementation in other utilities and businesses.