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Intelligent
Communications

WALES & WEST UTILITIES STAKEHOLDER WORKSHOPS 2019

LLANDUDNO, WADEBRIDGE AND NEWPORT

MAY 2019



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INTRODUCTION

On May 9th, 16th and 17th, Wales & West Utilities (WWU) hosted a series of regional workshops to seek feedback from stakeholders on its current and future business activities. The workshops took place in Llandudno, Wadebridge and Newport, respectively.

The workshops covered the following themes: Stakeholder Priorities; Value for Money; Mains Replacement and the Theft of Gas; Future Energy Solutions; and Social Obligations.

Each event consisted of short presentations given by senior personnel at WWU, followed by round-table discussions. Stakeholders were also asked to complete a number of feedback forms in order to give quantitative feedback. After lunch, three topic-specific surgeries were hosted on: Sustainability; Street works; and Social Obligations.

EQ Communications (EQ), a specialist stakeholder engagement consultancy, was instructed to independently facilitate the workshops and take notes of the comments given.

Every effort has been made to faithfully record the feedback given. In order to encourage candour and open debate, comments have not been ascribed to individuals. Instead, notes have been assigned to the type of organisation that each stakeholder represents.

EXECUTIVE SUMMARY OF STAKEHOLDER FEEDBACK

WORKSHOP ONE: STAKEHOLDER PRIORITIES

- 'CO Awareness and Prevention' and 'Customers in Vulnerable Situations' are still considered the two most important of WWU's listed priorities. When stakeholders were asked to vote on their most important priorities, these scored 8.95 / 10 and 8.84 / 10, respectively.
- The priority that rose the most in order, year on year, was 'Protecting the Environment'. It was ranked eighth in 2017/18 but is now considered the fourth most important priority, scoring 8.65 / 10.
- 'Major Incident Planning' and 'Theft of Gas' were seen by stakeholders as the least important of the listed priorities, scoring 7.41 / 10 and 6.08 / 10, respectively.

WORKSHOP TWO: VALUE FOR MONEY

- Stakeholders are very much of the view that WWU delivers good value for money for the services it provides. When asked to vote on this (out of 10), the average score across all of the workshops was 8.6 and the most prevalent answer given was 10 / 10.
- Many stakeholders were not fully aware of all of the services that the company delivers or of how much of the bill is given to distribution. At the end of the workshop, when customers were asked to revisit the value for money exercise, there was endorsement that 32p per customer per annum represents very good value for money.

WORKSHOP THREE: MAINS REPLACEMENT AND THEFT OF GAS

- The overwhelming majority of stakeholders (92%) were of the view that the budget given for mains replacement should increase in the next price control period (RIIO-GD2). In fact, two thirds (67%) would like to see this increase by 20%.
- Most stakeholders (81%) were of the view that WWU should send advance warning to customers ahead of mains replacement work, prior to the issuing of a GSOP13 letter, with 52% agreeing and 29% strongly agreeing with this proposal.
- Sixty percent of stakeholders are of the view that notice should be given to domestic customers one month in advance of any work. It was, however, felt that businesses should be given more notice. Forty-three percent were of the view that two months' notice should be given to businesses and 25% thought that that this six months' notice should be given.
- There was considerable support for the idea of a specific Outcome Delivery Incentive (ODI) being included in RIIO-GD2 to encourage WWU to do more to detect cases of

gas theft. Forty-nine percent of stakeholders 'strongly agree' with this proposal and 43% 'agree' with this.

WORKSHOP FOUR: FUTURE ENERGY SOLUTIONS

- The majority of stakeholders (79%) are of the view that WWU should do more to encourage more green gas to enter the network. Thirty-five percent 'strongly agree' and 44% 'agree' with this concept.
- A smaller proportion are in agreement with the idea of WWU increasing spending to support the greening of the electricity network. Twenty-one percent 'strongly agree' with this and 32% 'agree'.
- In both cases, stakeholders tended to feel that these initiatives should be funded by a combination of developers, gas consumers and the government: Seventy-three percent were of this view in the case of encouraging green gas onto the network and 62% in the case of greening the electricity network.

WORKSHOP FIVE: SOCIAL OBLIGATIONS

- Assuming the budget for social obligations initiatives in RIIO-GD2 is £750k, most stakeholders 'agree' (58%) or 'strongly agree' (19%) that this should be split, with £250k going towards CO Awareness and Prevention and £500k being put towards Supporting Customers in Vulnerable Situations.
- The vast majority of stakeholders (86%) are of the view that WWU should go even further and should ask for £1.25m to support work in this area. Projects to support customers in fuel poverty to become more energy efficient are the most widely supported initiatives in this area, followed by community fund projects.
- Forty-six percent of stakeholders 'strongly agree' and 40% 'agree' with the idea of creating a fund of £50k to be made available to communities in need of extra support, and 64% would like to see any community fund being greater than £50k. Fifty-eight percent of stakeholders are of the view that the responsibility for managing this fund should be given to partners, rather than WWU.

WORKSHOP SIX: PRIORITISATION AND VALUE FOR MONEY

- When asked to revisit both the prioritisation and value for money exercises at the end of the workshop, stakeholders were broadly in agreement with the overall ranking of the priorities, with 'CO Awareness and Prevention' and 'Customers in Vulnerable Situations' being ranked most highly.

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- It was nevertheless the case that many felt that environmental priorities such as ‘Lower Carbon Future’, ‘Protecting the Environment’ and ‘Innovation’ should be deemed of greater importance.
 - Having learnt more about the company and the services it provides, the majority of customers were of the view that 32p per day, per customer represents excellent value for money.

AFTERNOON SURGERY ONE: SUSTAINABILITY

- There was broad support for the six sustainability goals that WWU has identified. Stakeholders are particularly supportive of those that can deliver tangible environmental benefits.
- It was also felt that the company should focus on initiatives aimed at improving staff well-being, stimulating employment opportunities for those living in rural areas and promoting workplace equality.

AFTERNOON SURGERY TWO: STREET WORKS

- There was a good deal of praise for how WWU currently engages with stakeholders, including local authorities, ahead of street works.
- It was, however, felt that more could always be done in this area and there were calls for more notice to be given to councils and businesses ahead of any works.

AFTERNOON SURGERY THREE: SOCIAL OBLIGATIONS

- WWU’s work on social obligations received a good deal of support from stakeholders. Initiatives such as the issuing of locking cooker valves for customers with dementia were singled out and it was felt that this should be more widely promoted.
- Stakeholders are very supportive of eligible customers being given ‘crisis packs’ including a warm blanket. There were calls for these to be more widely distributed to customers on the Priority Services Register (PSR).
- Stakeholders were keen to see more of the budget being devoted to any initiatives that bring benefits to customers in vulnerable situations.

EVENT FEEDBACK

After the workshops, stakeholders were asked to complete a short feedback form. Some of the key findings are shown below:

- Sixty-two percent of stakeholders described the workshop as ‘very interesting’, with 36% opting for ‘interesting’.

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- When asked if they had enough opportunity to make their points and ask questions, 58% 'agreed' and 40% 'strongly agreed'. One person, however, answered 'neutral' to this question.
 - Ninety-two percent of stakeholders 'agreed' (54%) or 'strongly agreed' (38%) that the right topics were covered on the day.
 - Stakeholders described the way the workshop was chaired by facilitators as 'good' (21%) or 'very good' (79%).
 - All respondents at all three workshops indicated that they would like to receive the post-event report as well as invitations to similar events in the future.



WORKSHOP ONE: STAKEHOLDER PRIORITIES

The first workshop began with a short introductory presentation on the role of WWU, the RIIO price control framework and the outcomes of the engagement and research that the company had undertaken in preparation for the upcoming price control: RIIO-GD2. This presentation was given by Sarah Hopkins, Director of Human Resources, in Llandudno, Sarah Williams, Head of Regulation – RIIO, in Wadebridge, and by Andrew Hopkins, Director of Asset Management and HSE, in Newport. Stakeholders were then asked give details of their role and their reason for attending the workshop before giving their views on WWU's listed stakeholder priorities.

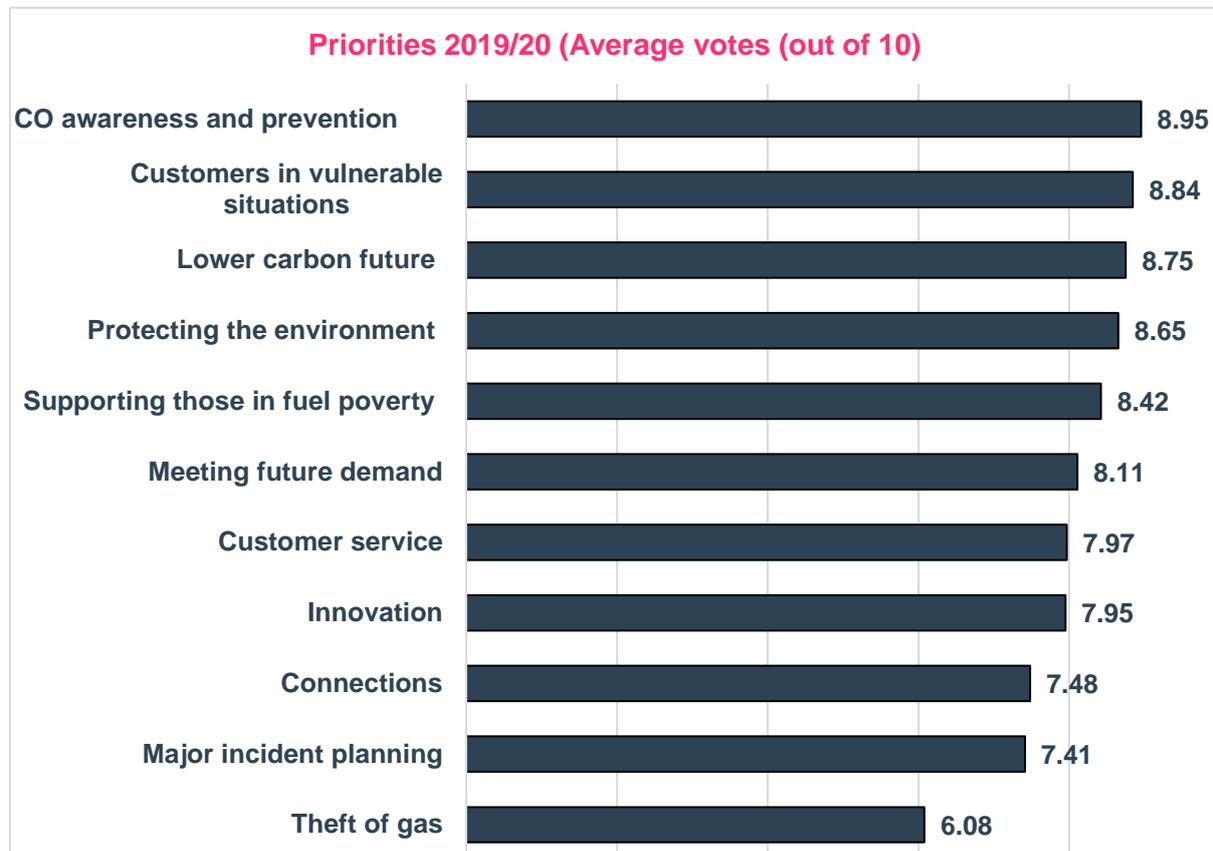
Stakeholders who attended the workshops came from a range of backgrounds. Many had previous experience of working closely with WWU, including on initiatives to support customers in vulnerable situations. This included representatives of charities, housing associations and local councils. In addition, there was a good turnout of more technical stakeholders, including those with an interest in WWU's work in innovation and those who had attended to learn more about connecting alternative sources of gas to the network. A number of stakeholders, including many of those from local councils, also attended to hear about planned work in their area and to identify ways of mitigating the impacts of mains replacement.

As was the case when stakeholders were asked to give their views in 2018/9, 'CO Awareness and Prevention' and 'Customers in Vulnerable Situations' were deemed the two most important priorities of those listed. Stakeholders cited the fact that the effect of a lack of awareness of the dangers of CO could be fatal. It was commented that more ought to be done in this area, including by spreading awareness in schools.

'Lower Carbon Future' was seen as the third most important of the twelve, rising from fourth in 2018/19. A number of stakeholders were shocked to see that this had moved down in the ranking of priorities last year and many, particularly those in Wadebridge, felt that it should be the highest priority of all. It was noted that WWU's work to innovate was linked to this priority, as much of the company's innovation was aimed at supporting the low carbon agenda.

Interestingly, 'Protecting the Environment' was seen as the fourth most important priority despite only ranking eighth in 2018/19. This may be because environmental issues have risen in prominence over the past few months thanks to the actions of protestors earlier in the year and that there has been a renewed national focus on environmental issues from political parties.

'Major Incident Planning' and 'Theft of Gas' were seen as the least pressing of the listed priorities, although it still be noted that stakeholders rated them 7.41 and 6.08 out of ten, respectively, indicating that they are still important, albeit not comparatively.



1) What is your role and why have you attended today?

- “I’m hoping to learn. My role is an outreach worker with Citizens Advice. I maximise people’s income and save money on their energy bills.” Consumer group representative, Llandudno
- “I’m a commercial manager at another gas network. We work collaboratively with Wales & West Utilities on things like carbon monoxide. We’re developing stakeholder-driven plans too for RII0-2. We want to share best practice.” Energy / utilities representative, Llandudno
- “I’m the Chair of a community council. We have many elderly and vulnerable people in our area. [I’m] interested in that side, and seeing how we, and you, can assist.” Community council representative, Llandudno
- “I deal with all the utilities coordination work between WWU and the council. I’m here to learn about future plans for gas projects.” Local authority representative, Llandudno

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- “I represent one of the largest social housing wards in Llangollen. One of the major issues for them is the cost of energy, so anything that I can learn about saving money on fuel will be of great help to them.” Local authority representative, Llandudno
 - “I work for a charity which collaborates with utilities companies in order to help customers in vulnerable circumstances. I’m quite new to this, so for me, today is really about gaining an understanding of WWU’s work.” Charity representative, Newport
 - “We manufacture a tool for distribution networks. Our interest in today’s event is innovation and new connections.” Infrastructure / engineering representative, Newport
 - “We’re energy consultants. We’re interested in WWU’s work on decarbonisation and want to hear about pathways to adding methane and hydrogen to the network.” Business representative, Newport
 - “We manage 8,500 properties in South Wales and are building 15,000 homes in the next few years. WWU’s low-carbon initiatives is my interest here today.” Housing representative, Newport
 - “We’re a national fuel poverty charity, so we want to make sure that the most fuel-poor houses are engaged and supported, in light of changes to the network and decarbonisation strategies in the future.” Charity representative, Newport
 - “I’m an engineer, our business is around risk management and technical assurance. I’m here as we’re part of the supply chain, I want to put safety and competence on the agenda. Cost savings have an impact.” Business representative, Newport
 - “We provide traffic management services for Wales & West. Street works is therefore high on our agenda.” Infrastructure / engineering representative, Newport
 - “I work on infrastructure planning for the local government, so I want to make sure that gas networks can support new projects in the years to come and how the network can adapt to become greener.” Local authority representative, Wadebridge
 - “I’m here to see what WWU is doing differently and see what the updates are towards housing projects that could help Cornwall.” Housing representative, Wadebridge
 - “I represent a community organisation that aims to increase the use of renewable electricity. My main interest is looking to the future with the decarbonisation of heat, and how the continuing need for gas can be squared with the need to reduce CO2 and methane emissions.” Environmental group representative, Wadebridge

2) What do you think our stakeholder priorities should be for 2019/20?

- “Far too many people are dying from CO poisoning at the moment. We give out the alarms, but it’s also about education and targeting schools.” Energy / utilities representative, Llandudno

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- “I think that ‘Meeting Future Demand’ and ‘Innovation’ should be further down and ‘Protecting the Environment’, ‘Major Incident Planning’ and ‘Theft of Gas’ should go up.” Local authority representative, Llandudno
 - “I think that ‘Protecting the Environment’ sits way too low. You need to think about the way that you evolve and how you are affecting the planet.” Local authority representative, Llandudno
 - “Innovation has to be key in the new price period. There are good innovative ideas, but I think it’s got to be further up the ladder. Meeting the low carbon agenda will also go further up the list. I think there should be more planning for that now, rather than just waiting.” Infrastructure / engineering representative, Llandudno
 - “I think that ‘Protecting the Environment’, generally speaking, has got to be a bigger priority.” Business representative, Newport
 - “Without the innovation, you’re not going to have an impact on all the others. You need it there to help the others.” Charity representative, Newport
 - “I don’t believe GDNs have a responsibility regarding smart metering.” Energy / utilities representative, Newport
 - “Vulnerable customers and fuel poverty are really important.” Energy / utilities representative, Newport
 - “I noticed that the ‘Lower Carbon Future’ objective went down by one point last year and I’d be interested to understand what’s driving that. It seems to be going in the opposite direction to public policy. The implication [of that] is that society, or the segment of society represented by the customers in your geographical area, is quite happy to keep burning fossil fuels.” Business representative, Newport
 - “‘Lower Carbon Future’ dropping down the list is shocking and frustrating, because it will be so important in future in Wales.” Housing representative, Newport
 - “I think vulnerable customers should remain a high priority. Even though they’re privately owned, these companies are public utilities for the benefit of society, so there was always going to be a social aspect. ‘Vulnerable’ needs to be defined in the Business Plan. It touches upon people with disabilities as well as fuel-poor customers.” Business representative, Newport
 - “Speaking as a consumer, I’m not bothered about gas theft. Most people don’t even know who WWU are, so the 32p won’t be an issue in this context. It’s more of an internal issue for WWU, rather than the external perception. Most consumers think that they will be getting gas from the gas board, so won’t put two and two together.” Environmental group representative, Wadebridge

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- “I’d like to see ‘Lower Carbon Future’ and ‘Protecting the Environment’ higher up, especially with the climate emergency being declared. Lots of people are feeling the same, so it will likely move up your list.” Environmental group representative, Wadebridge
 - “‘Customer service’ and ‘Connections’ are very much the bread and butter operations to you, but [you] don’t need to work to make them any better.” Environmental group representative, Wadebridge
 - “The biggest problem facing all of us is the low carbon future. The Committee on Climate Change has said we should go to net zero by 2050, but it didn’t give us the answers on how to do it. That’s going to be the major challenge facing the gas and electricity industry.” Local authority representative, Wadebridge
 - “Fuel poverty is important, but it’s not the job of Wales & West Utilities to sort it out. The emphasis on reducing fuel bills is misguided. Energy should be more expensive, but if people can’t afford it, we should give them the money. Decarbonising will be more expensive than what people are used to – cheap energy has caused the problem. The government’s got to sort out the poverty issue.” Local authority representative, Wadebridge
 - “Low carbon is the most pressing [issue]. There does seem to be an overlap between some of them. For example, ‘Lower Carbon Future and ‘Innovation’ – it’s hard to disentangle those, because you can’t do any of them without the other. They’re interdependent. It’s hard to argue against priorities that seem to be helping people, such as CO awareness. I’d agree that from my perspective, ‘Lower Carbon Future’ is extremely significant. The sooner you’re doing things about that, across the whole gas industry and not just distribution, the better.” Environmental group representative, Wadebridge

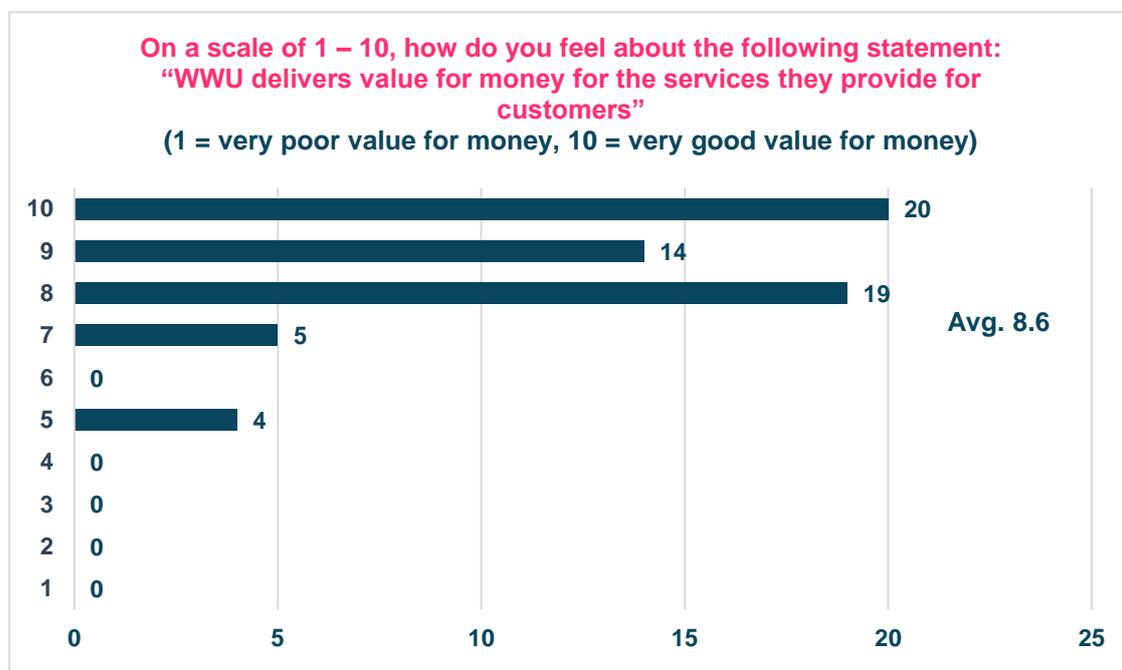


WORKSHOP TWO: VALUE FOR MONEY

The second workshop session of the day was introduced by Sarah Williams in Llandudno and Cornwall and Sarah Hopkins in Newport. The presentation explained how the average customer's gas bill is made up, with 19% (or around £121 per annum) going towards gas distribution. She then gave a breakdown of these costs, which amount to a total expenditure of £201m per annum, before asking stakeholders whether they considered this to be good value for money.

Stakeholders were very much of the view that WWU delivers good value for money for the services it provides. When asked to vote on this, the average score from stakeholders (out of 10) was 8.6, and the most prevalent answer given was actually 10 / 10.

It was widely felt that 32p per customer per day was not a lot for most customers to pay for services which include responding to emergencies and it was commented that the proportion of the bill (20% of customers' total gas bill) was relatively small, especially considering that, for many people, gas is a necessity and that it is significantly cheaper as an energy source than electricity. Notwithstanding this, some – particularly those who attended the event in Wadebridge – felt that the company's profits may be too high and there were even calls for nationalisation of the gas network in order to help provide a government-led solution to the problem of climate change.



1) Do you agree that WWU deliver value for money for the services they provide for customers?

- “We can always do better, so I’d say 9.” Energy / utilities representative
- “It’s difficult to evaluate because of the suppliers’ cost. Maybe the government could get the suppliers to put down on their bill so that you can compare gas costs when you change suppliers.” Local authority representative, Llandudno
- “It’s 20%, which is a low amount compared to the supplier’s cut.” Housing representative, Llandudno
- “It’s not a case about whether it’s good value for money: it’s a necessity. We need that gas. The main priority is to ensure that the gas comes as safely and efficiently as possible, so on that basis, I would say that it is.” Housing representative, Llandudno
- “You are an emergency service which performs fantastically well. I would say that 32p is good value for money on the basis that you act as an emergency service and deliver the gas.” Charity representative, Llandudno
- “I think it’s fair. At the end of the day, you’re a company and you’ve got to give a service, and no one can expect that to be done for free. You’re constantly maintaining and improving, and security and safety are a part of that, and you’re giving back by looking after vulnerable customers, so I’d say it’s fair.” Charity representative, Newport
- “Someone in fuel poverty would see the 32p a day as a lot of money.” Business representative, Newport
- “We’re coming at it from a fuel poverty perspective. So, in terms of value, the value for many people is staying alive, and how can you put a price on that? We’re aware that old people in poverty are making choices between food and heating.” Charity representative, Newport
- “The other question is the alternative to gas – it’s four times the cost to have electricity. So how do we get to this future in the right way? People can’t afford it.” Business representative, Newport
- “I think that it’s all relevant to the profit margin for the shareholders. If the shareholders get a good profit, they’ll be happy. Personally, I think that money can be better spent on lobbying suppliers to get their prices down.” Environmental group representative, Wadebridge
- “Times have changed. If profit margins can be reduced, that would mean that your prices could come down.” Local authority representative, Wadebridge
- “I’d happily see the profits from the suppliers being reinvested.” Local authority representative, Wadebridge

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- “The fact that I don’t notice you is positive.” Environmental group representative, Wadebridge
 - “There’s a good case for nationalising the industry, not because Wales & West Utilities have done anything wrong, but I don’t think you can solve climate change in a free market. Generation is the biggest problem for a low carbon future, so that’s where the emphasis should be. The concept of energy generation has to have top-down control, but distribution is a relatively small part of it.” Local authority representative, Wadebridge



WORKSHOP THREE: MAINS REPLACEMENT AND THEFT OF GAS

The next presentation on Mains Replacement and the Theft of Gas was given by Sarah Williams at all three workshops. The presentation included three options for WWU's mains replacement programme in RIIO-GD2, which stakeholders were asked to consider. This was followed by an explanation of how the company communicates with customers ahead of mains replacement works and its proposals to give three months' advance warning ahead of works instead of the current five days' notice. The final part of the presentation related to the theft of gas and WWU's approach to tackling this. In the discussions that followed, stakeholders were asked to give their views on whether there should be a bespoke incentive (known as an ODI) in RIIO-GD2 to allow WWU to do more proactive work to identify cases of gas theft.

When asked what level of investment they would like to see in mains replacement in GD2, the most prevalent answer by a large margin was for a 20% increase, with two thirds voting for this option. Only 5% were of the view that the level should remain as it is in the current price control period.

A number of stakeholders made the point that this investment should be increased quickly in order to future-proof the network and because this work would both reduce emissions and improve safety. It was also commented that early investment would reduce costs in the future. Although some felt that any increase in spending, no matter how small, would disproportionately impact those people living in fuel poverty, it was widely felt that the costs per customer for the benefits of this investment were negligible.

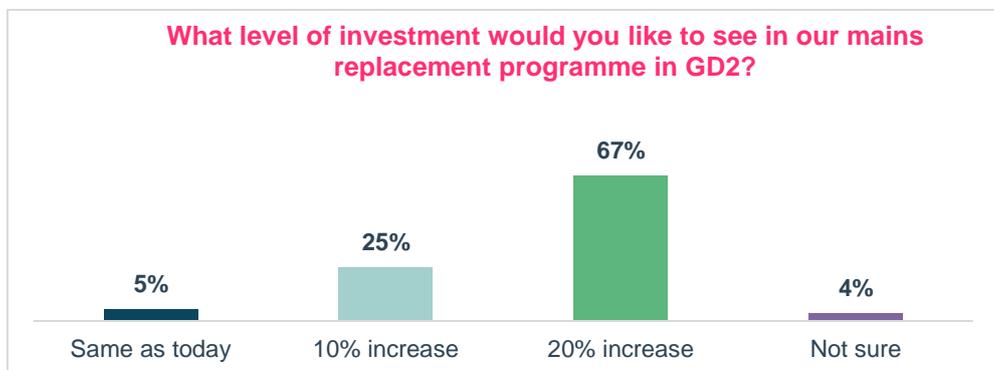
There was broad agreement that WWU should send an advance notice ahead of the issuing of a GSOP13 letter. Whilst it was acknowledged that too much warning can lead to feelings of anxiety for some customers, particularly those in vulnerable situations, it was commented by others, including those representing businesses, that more notice is helpful in that it enables businesses to plan for any disruption. When asked how much notice should be given to customers ahead of any works, the most prevalent answer given was one month, with 60% of stakeholders voting for this option, although it was commented that the level of notice should take into consideration the time of year and issues relating to customers' vulnerability. When asked how much notice should be given to businesses, the most prevalent answer was two months, although a quarter of stakeholders were of the view that six months' notice should be given.

There was a good deal of positive feedback for the clarity of the newly designed advance warning letter and the envelope, although some felt that the message that customers' supply is going to be interrupted should be even more explicit as, even with the improved design,

some customers would still inevitably throw the letter away. Stakeholders suggested supplementing the letter with notices placed in appropriate locations and using existing networks such as parish and community councils, as well as social media, to inform customers. It was also commented that there is no substitute for face-to-face engagement, so a programme of door-knocking to inform customers was seen as appropriate in some instances.

There was a good deal of support for WWU's proposals to include an ODI on detecting gas theft on the network. When asked to vote on this, 49% 'strongly agreed' and 43% 'agreed' with this. Stakeholders were of the view that it is unfair that customers are paying for those who steal gas. It was also commented that this theft has a safety implication which could put other customers at risk. It was also noted the amount of money that could be recouped was substantial and that this could even form part of a discrete fund to help those in vulnerable situations (such as the proposed Community Fund) rather than simply being used to reduce prices for all customers. It was, however, felt by some that the gas supplier should take more of an active role in this area and that advances in technology such as smart meters should be put to better use to detect cases of gas theft.

1) What do you think of our mains replacement programme? What level of investment would you like to see in GD2?

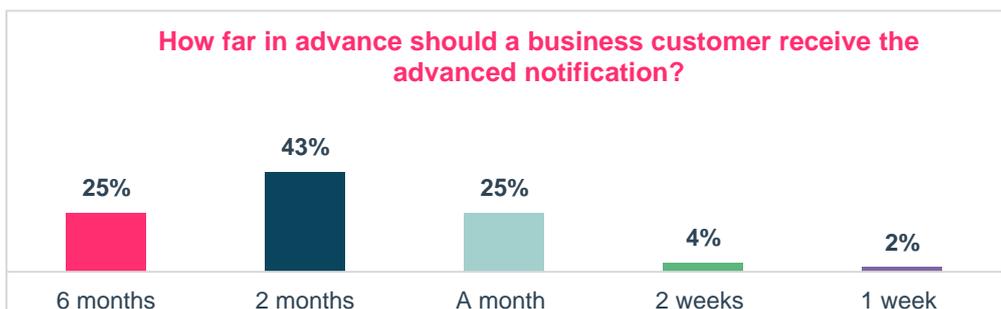
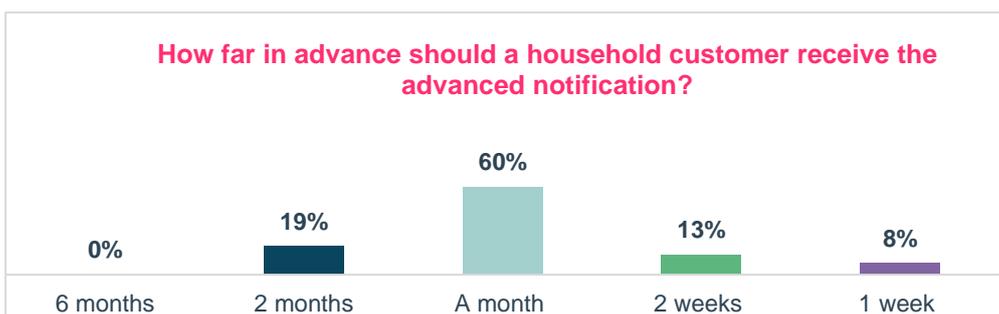
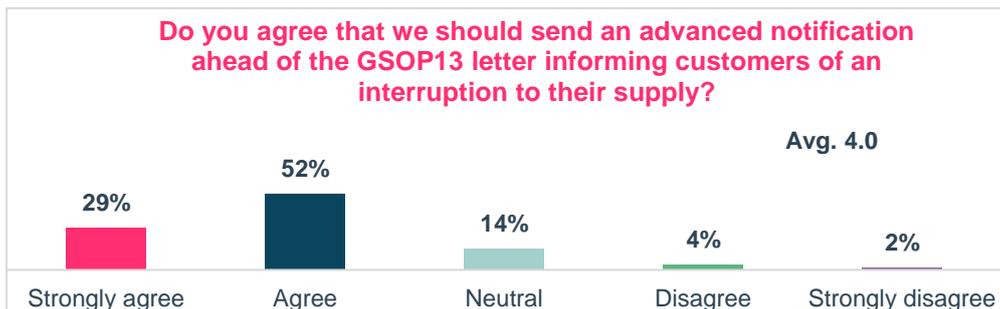


- “Do it now because costs will only increase; that is common sense and doesn’t waste my money.” Charity representative, Llandudno
- “I think that you have taken a lot of money, but you should be obliged to put that back into connections. I’m disappointed that the regulations have stopped you from doing that.” Local authority representative, Llandudno
- “If we increase the cost of the plan, it will just make things happen more quickly. Is the price increase worth it just to show that you’re doing things more quickly?” Consumer group representative, Llandudno

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- “We’re paying over £3.8 million for reinforcement to prevent something that hasn’t happened for 15 years. Is that worth it?” Consumer group representative, Llandudno
 - “Spending this money is important because it’s future-proofing the network and reducing the environmental impact of potential gas leaks.” Business representative, Llandudno
 - “It’s linked to your values about safety and it’s consistent with my prioritisation of protecting the environment and getting to zero carbon. For the environmental and safety impacts, my opinion is to go for option 3.” Business representative, Newport
 - “If that cost saves just one life from an explosion, it’s worth it. Not to mention the impact it would have on the atmosphere.” Charity representative, Newport
 - “It’s a risk and reputation issue as well as an environmental issue.” Business representative, Newport
 - “From a fuel poverty standpoint, our customers aren’t turning on their gas as they can’t afford it and I can’t support price increases.” Infrastructure / engineering representative
 - “Reducing emissions should be a priority for the future.” Local authority representative, Newport
 - “I would go for the third option. I understand that fuel poverty is a big problem, but surely 16 pence per annum per customer is not going to make much of a difference, even to those in fuel poverty. The positive impact on carbon emissions and safety would be more than worth it.” Charity representative, Newport
 - “I would go with option 2 because it’s available. We need an increase, but you need to think about the vulnerable customers that I look after too.” Charity representative, Newport
 - “I’m in favour of an increase because once the development occurs, the savings can take place down the line.” Infrastructure / engineering representative, Newport
 - “I would go for 20% because it means that you can plan better for customers. It means things go more smoothly for them.” Housing representative, Newport
 - “I think it’s a societal risk issue. For the people involved who lose their house and their families, it’s devastating. The agenda’s changed from an HSE-led replacement programme to how quickly we want to get down to net carbon emissions. So, society has changed, now it’s environmental as well as safety-driven. I think society has enlightened people and with ethical consumerism, younger people in particular are crying out for it.” Business representative, Newport
 - “The rate of leaks is likely to increase, so these figures aren’t quite right.” Charity representative, Newport

- “It wouldn’t bother me if I was paying more, as long as the justification is there. If you did this, I would be able to understand the benefit. You’d be setting out your stall clearly.” Environmental group representative, Wadebridge
- “The sums don’t seem very much on this. I’m not sure I understand the amounts coming through. I would tend to go for high investment, because of the environmental impact of reducing leakage.” Environmental group representative, Wadebridge
- “Looking at the figures, 10% increase has more benefits than the 20% increase pro rata. So, from a costing point of view, that makes more financial sense.” Infrastructure / engineering representative, Wadebridge
- “The environmental and safety benefits are key.” Business representative, Wadebridge
- “I’d go for the maximum you could do. From the relatively modest cost increase, I’d say maximise it as soon as you can. You need the plastic for hydrogen and biomethane.” Local authority representative, Wadebridge

2) How can we improve our communication with customers / stakeholders ahead of pipe replacement work?

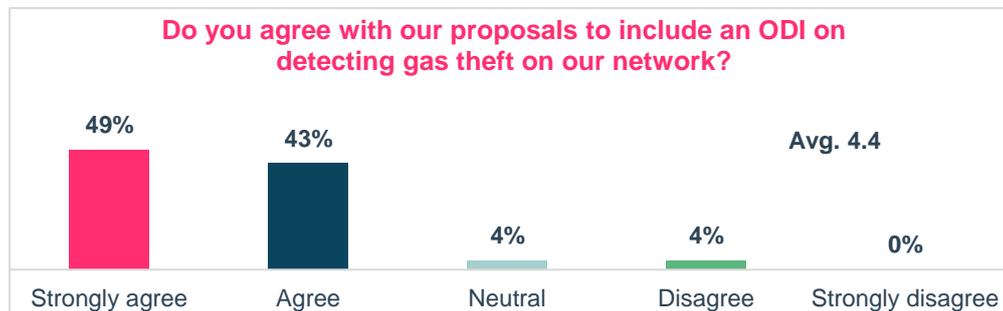


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- “For the work environment, the earlier we know, the better. Just from an engineering perspective.” Infrastructure / engineering representative, Llandudno
 - “I’m wondering, would it work if you sent posters to local shops? Maybe to the community centres and libraries? That would enhance communication.” Local authority representative, Llandudno
 - “The yellow signs saying, ‘works will happen here in the future’, that is as clear as possible.” Local authority representative, Llandudno
 - “I think that the response to a notice about switching off a gas supply would depend on the time of year. It’s a big deal in the winter, but not so much in the summer.” Business representative, Llandudno
 - “The only problem that we have is that people ring us with anxieties about road closure notices. For example, they are worried that they won’t be able to get to their hospital appointment, as they won’t be able to get their car off the road. Your communications strategy needs to be clearer.” Local authority representative, Llandudno
 - “Do you go to community councils rather than just borough councils? You can tap into local concerns much better there.” Local authority representative
 - “How active are you on social media about pipe-replacement projects? Could you have set up a Facebook page which would send out information about local developments?” Charity representative, Llandudno
 - “The new letters alerting communities about street works are a lot better.” Charity representative, Llandudno
 - “Because of new technology, we have become very faceless. People much prefer that human contact. If you go door-to-door, you can talk with the consumers and adapt conversation to the individual.” Charity representative, Newport
 - “I think the envelope needs to be more direct.” Business representative, Newport
 - “Do you post notices around the neighbourhood? It’s quite effective. You could place them in places like the walk to school.” Business representative, Newport
 - “You could communicate with local authorities as they are helpful at getting messages out. They try to cover all the channels of communication, like social media, letters, email et cetera.” Local authority representative, Newport
 - “The letter could be small and just go straight to the point. Say ‘if you need more information then please contact this number’.” Local authority representative, Newport
 - “It’s difficult to strike the right balance for everyone, but three months is maybe not enough.” Charity representative, Newport
 - “Utility companies should send letters out when streets are actually being dug up as that’s the point when customers are concerned. Signage two weeks before, for

example, is useful. Local ward councillors will know about works before signs go out. It has to be three months for major highways works.” Local authority representative, Newport

- “From a vulnerable customers perspective, three months for a dialysis patient to know they’ll be disrupted is important.” Environmental group representative, Newport
- “Essentially all you’re doing is raising awareness. Don’t try to complicate it unnecessarily.” Charity representative, Newport
- “A lot of people would just throw it in the bin, so three months in advance might not help, as people would forget.” Housing representative, Newport
- “These letters cover your back a bit. People will always get annoyed by these kinds of works, but at least you can say that you have warned people.” Charity representative
- “Not everyone who should be on the PSR will be on the PSR, so this could create additional complexities. The PSR inclusion would be good.” Charity representative, Newport
- “Emailing and texting this information would be a good cost-effective method of communicating this information.” Charity representative, Newport
- “Could you maybe consider a postcard with just the relevant information rather than sending all that paper?” Housing representative, Newport
- “There’s a step missing in this letter. They’re explaining what they’re doing and why. The missing bit is what it means for you and whether they need to turn the gas off. I’d leave the first paragraph, but the explanation of what that means for the customer in practical terms should be front and centre.” Charity representative, Newport
- “Businesses are different. I think it’s important to have a contact number so that people can contact and ask about them.” Parish council representative, Newport
- “I’d want to see the PSR mentioned to say if you think an interruption would affect you, you should get in touch.” Environmental group representative, Newport
- “It will depend on the scale of the work in the road. If it affects vehicle parking in the road, five days’ notice isn’t enough for that.” Local authority representative, Wadebridge
- “The more notice you give them, the more likely they are to forget about it. Three months is too much. And there’s a chance your plan will change. Five days for major works is too short. You have to strike that balance.” Local authority representative, Wadebridge
- “It’s important for businesses to know exactly when it will happen, so you need a bit more contact with those customers. Seasonal business is also an issue in Cornwall.” Business representative, Wadebridge

3) Do you agree with our proposals to include an ODI on detecting gas theft on our network?



- “Why not? It’s a business; if you get a reward for it, you’re more likely to do it better.” Local authority representative, Llandudno
- “In terms of social return on investment, could you upskill communities so that there’s more of a return on this? It’s about a chain of proof that there is some good for communities supporting you and going forward to do a better job.” Charity representative, Llandudno
- “In theory, the suppliers should be paying this incentive, as it’s future-proofing the network for them. There’s nothing wrong with asking them to contribute towards the system and therefore their future business.” Housing representative, Llandudno
- “It’s not so much about the cost; if someone has illegally tapped into a meter in a block of flats or terraced house, it’s very dangerous, and the whole block or row of terraces is at risk.” Charity representative, Newport
- “Do Wales & West Utilities do a lot of work with councils and community groups, or healthcare workers? People who are going into homes know what signs to look for.” Charity representative, Newport
- “I’m with you that’s it a good thing to do, but it might be a regulatory thing that you should be doing anyway.” Energy / utilities representative, Newport
- “Perhaps there is a role for some clever technology to help.” Business representative, Newport
- “There’s a chance for you to show leadership in this area. It’s something every network has to do.” Business representative, Newport
- “I think a bespoke output in RIIO-2 makes sense. It’s important to understand the difference between loss of gas and actual theft. Any loss should be redirected to the proper source.” Energy / utilities representative, Newport
- “Tenants move into rented accommodation and can sometimes look to manipulate their meters. This is also a safety issue because of fires. Education and awareness are

key from a landlord's perspective. Landlords could even be incentivised in this regard as if there is any wrongdoing, it's the tenant that gets fined." Housing representative, Newport

- "What is the cost of this? Theft surely affects an individual household or bill payer and the supplier is the one benefiting from it by making a return on what is selling. In a regulatory context, I would have thought that the supplier had the obligation here. The problem is that the supplier doesn't own the infrastructure that goes into houses. The liability lies with the supplier, but the only one who can act is the distributor. How do you solve that?" Business representative, Newport
- "As a customer, why am I paying for gas theft? I'm torn here as both a stakeholder and a customer. As a customer, I might get money back, but it's eating into your profits." Energy / utilities representative, Newport
- "It would be great to put the money recovered back in a pot for vulnerable people." Charity representative, Newport
- "Winding back the clocks, smart meters were invented in 1970s, partly to stop people tampering. It went back to old meters that couldn't detect that. Smart metering is a solution, but it's not sold as a benefit." Business representative, Newport
- "It feels like it's important to be incentivised – what you're recovering is a drop in the ocean." Environmental group representative, Newport
- "That's a nice chunk of money that could be used for funding small projects in the area. It would do your name some good and it would help the local community." Environmental group representative, Wadebridge
- "I think that it's fine to keep some of the money, because it requires resources to recover these costs." Environmental group representative, Wadebridge
- "Could you not show that you're doing it as a performance commitment in your business plan rather than incentivising people to do it? I wouldn't necessarily actually want it, but I'm just putting the idea out there." Environmental group representative
- "I'm neutral about the idea. I want to understand better who these customers stealing the gas are. Are they domestic or business customers? This would obviously have an effect on how great the costs are." Local authority representative, Wadebridge
- "The shareholders would be pleased about you keeping some of the pot, but the customers less so." Housing representative, Wadebridge

WORKSHOP FOUR: FUTURE ENERGY SOLUTIONS

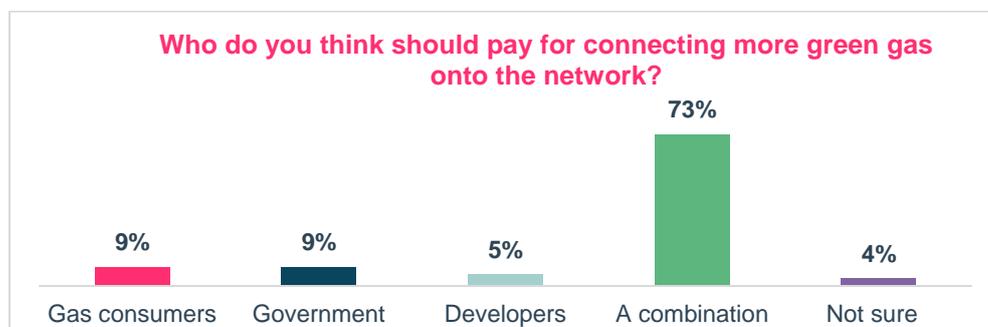
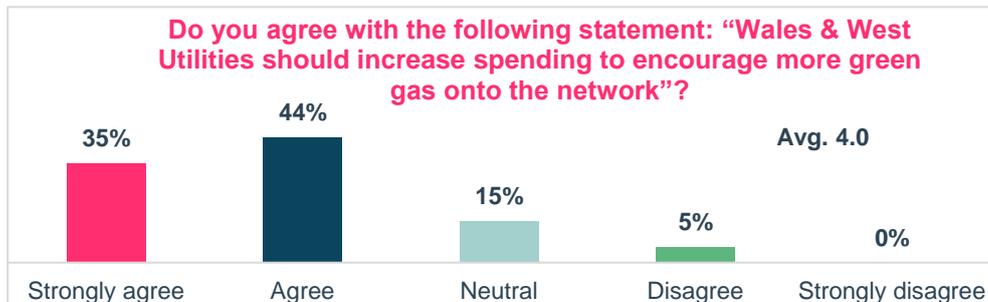
The fourth workshop session of the day was introduced by Sarah Williams in Llandudno and Wadebridge Sarah Hopkins in Newport. It was explained that, currently, 85% of homes use gas for heating and that green gas, such as biomethane, will continue to remain part of the energy mix, helping the UK meet its commitment to reduce emissions by 80% by 2050. She also explained that the role of gas could become more prominent in the future as there is likely to be increased demand from gas-fired power stations to support intermittent renewable electricity. Stakeholders were then asked to consider whether they supported WWU spending more, both to encourage more green gas to enter the network to provide energy for customers and to support the greening of the electricity network. In both cases, stakeholders were also asked for their views on who should pay for this: gas customers; developers; or central government through taxation.

There was a good deal of support for WWU to do more to encourage green gas to enter the network. When asked to vote on this, over three quarters of stakeholders agreed, with 35% saying they 'strongly agree' and 44% stating that they 'agree' with this proposition. The majority of stakeholders were of the view that this was the right thing to do in order to help the UK meet its target for reducing emissions. It was also noted that a further benefit is that it can provide a source of income for farmers and landowners who provide the raw materials needed to make biomethane. There wasn't consensus, however, on who should pay for this. The majority of stakeholders were of the view that this should be funded by a combination of government, gas consumers and developers. The point was made that government subsidies should be part of the solution in order to encourage the production of more green gas, as it would help to meet emissions reduction targets, but it was added that developers would inevitably benefit from this, so they should, of course, shoulder some of the burden in terms of upfront costs.

There was not quite as much support for the idea of WWU spending more to support the greening of the electricity network. Whilst over half of stakeholders supported this idea, with 21% saying they 'strongly agree' and 32% saying they 'agree', over a quarter (27%) felt neutral about this. Stakeholders were broadly of the view that the greening of the electricity network should be funded by a combination of government, developers and gas consumers. However, the point was made that electricity suppliers should be the ones paying for this due to the intermittent nature of renewables. It was also commented that a holistic approach was needed in order to reduce emissions and that this would require greater coordination between the gas and electricity sectors and more leadership from the government. Notwithstanding this, some

feel that this may disproportionately impact gas customers as they are, in essence, subsidising electricity customers.

1) Do you think we should spend more in order to encourage more green gas to enter our network and who do you think should pay for this: government, developers or gas consumers?



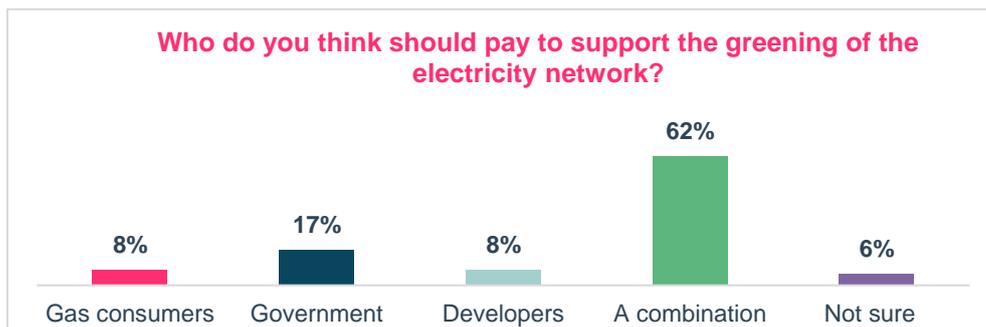
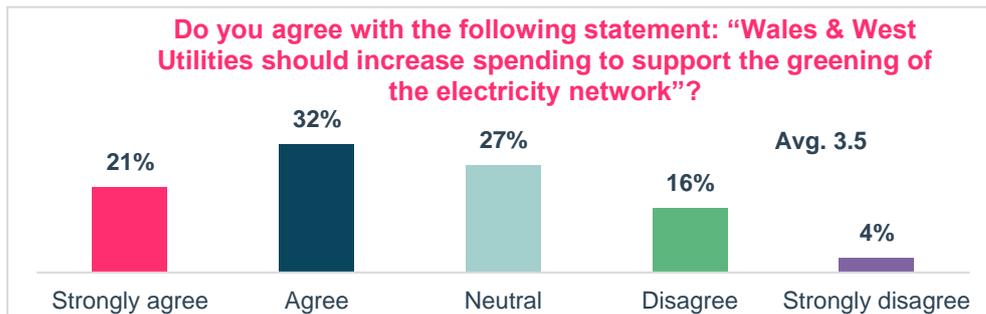
- “Of course, I think you should do more to encourage green gas, but I think the developers should be contributing. After all, they’re the ones who are getting paid. If someone comes and invests and puts the plants in, let them get some of the money back.” Infrastructure / engineering representative, Llandudno
- “I think the networks pay too much. The money should come from the people building the plant.” Infrastructure / engineering representative, Llandudno
- “I support the idea, but the government should be paying for getting green gas into the network.” Business representative, Llandudno
- “There should be a mix of the government (through incentives) and the company which is profiting from the plant when it comes to paying for the green gas. One percent over a lifespan of the plant will cover the costs, so they just need to take the hit up front.” Housing representative, Llandudno
- “There’s also a role for the supplier, who is selling the green gas to the end user too. It’s making money on it too so should put up some of the costs.” Consumer group representative, Llandudno

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- “The plant developers should be paying because the government is already giving them incentives to build them in the first place.” Consumer group representative
 - “The government has to be proactive in throwing money at it because they have CO2 targets to hit, but they also need to think about the economy, thanks to the jobs created through these plants.” Housing representative, Llandudno
 - “The challenge is that the Committee on Climate Change upped the ante two months ago; the only way to raise the money is through RAV (Regulatory Asset Value), as developers will play the game. It’s down to either WWU or Ofgem to put that money on the bill.” Housing representative, Newport
 - “People will generally accept what’s on the bill. There needs to be an understanding of the direction of travel so people grasp what they’re paying for. We have a strange situation in the UK as politicians are saying DNOs are making too much profit even though 4% is low from an investment standpoint.” Housing representative, Newport
 - “I think this is clearly a public policy issue. The government have this ambition to reduce CO2 emissions, but they can’t hold individual distributors responsible for that. Clearly, if there’s an asset deployed by you, then logically that asset should be paid for by you, but then how do you divide up funding for that investment? That’s why it feels like it needs to go back to the government. Then Ofgem could be put on the right track and people would be able to get a fair return for their investment. Any connection investment needs to be justifiable.” Business representative, Newport
 - “I don’t have gas, but I would say that I support it for the green aspect, but also because it could help a local community, with pig farmers and tomato growers.” Housing representative, Newport
 - “It’s an issue of the economy. You have to invest in the infrastructure to ensure that it can get off the ground. The cost must not fall on the vulnerable, however.” Business representative, Newport
 - “I would go for a tax rather than putting it on the bills because it would be charged proportionally. The poor use gas less, so why should they pay the same as those who use a lot? If there were some mechanism whereby vulnerable people could be supported or receive upgrades in their homes, I would support putting the 83p on the bill.” Charity representative, Newport
 - “If the gas developer is providing the supply, they shouldn’t be doing it for free. There should be some kind of tax on them.” Infrastructure / engineering representative
 - “However, you are risking putting up a barrier to people trying to create this green gas if you go for taxes. You need to be careful about where you set the costs.” Housing representative, Newport

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- “In other countries, a lot of green gas is used for fuel. If there’s not capacity, could it be used for transport biofuel?” Environmental group representative, Newport
 - “If you’ve got a farm that wants to connect and the cost of connecting limits their ability to do that, you have to look at everyone sharing the cost. We all share the benefit of that.” Environmental group representative, Newport
 - “The question is how we should pay. Either of these three routes lead back to the public. The question is how you make sure that that burden is spread fairly across society.” Business representative, Newport
 - “The feed-in tariff was generous at the start, but the government failed to respond and reduce the tariff quickly enough, so any subsidy needs to be fair. We need to learn from the mistakes of solar.” Environmental group representative, Newport
 - “It comes down to a sustainability argument. Do we want to support the gas network to support connections? I don’t see the point of just off gassing it into the clouds: it’s a waste and takes us further from a low-carbon future, so I’d like an incentive. If the gas networks aren’t incentivised to do it, it probably won’t happen.” Business representative, Newport
 - “By putting the burden onto Wales & West Utilities, their customers are paying.” Business representative, Newport
 - “The government has targets, so it should be their responsibility to fund this. We pay them money to realign this focus.” Environmental group representative, Wadebridge
 - “I think that it should fall on the taxpayer and the government, rather than just gas users. It would benefit everyone to have a less polluted environment and cleaner air.” Environmental group representative, Wadebridge
 - “I’d like to advocate a tax on housing developers to help fund all this new infrastructure required. They’re making an extortionate amount of money from it. You need to look in this direction.” Local authority representative, Wadebridge
 - “The gas customers are using the gas, so it makes sense for them to pay when they’re benefitting from the cleaner air. The demand is there for it. The government should pay a small amount for it though.” Environmental group representative, Wadebridge
 - “I feel like green gas should be subsidised, as it doesn’t feel fair not to do so.” Environmental group representative, Wadebridge
 - “It’s an issue to do with the fragmentation of the gas industry, as it is with the electricity industry. I’m a promoter of renewable energy, but we have an intermittency issue, and it’s worse in winter because of the solar panels. So, gas is necessary in balancing generation for electricity, and things need to be done to facilitate that. If that means more biomethane producers at the remote ends of the network, similar to solar and

wind farms, that needs to be done. It should come through to the customer. If you're doing it for that, what you ought to be throwing into the mix is carbon capture and storage." Environmental group representative, Wadebridge

2) Do you think we should spend more to support the greening of the electricity network and who do you think should pay for this investment: government, developers or gas consumers?



- "The consumer's not going to get away with no cost, because they get some benefit." Charity representative, Llandudno
- "It depends how you pitch it. If you say it costs you 83p but will save you x, it's better. You have to show that paying the extra will benefit them." Local authority representative, Llandudno
- "The electricity companies should be paying for it because it's based on an interruption to their service." Business representative, Llandudno
- "It's difficult. Depending on the incentives to get the gas on, if it's still the level when we first got involved, I would say the developer. They were making a lot of money." Infrastructure / engineering representative, Llandudno
- "I would fully support this process, but the gas customers should not be paying for it as electricity companies will benefit." Local authority representative, Llandudno

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- “The developers and companies should be paying for it.” Business representative, Llandudno
 - “A mix. But what about investors and shareholders: how do they factor into your business model?” Business representative, Newport
 - “The government needs to push this agenda and take some responsibility for the long-term future.” Charity representative, Newport
 - “You could get companies making economically very sensible decisions for themselves that are not good for the country if there’s no centralised control.” Energy / utilities representative, Newport
 - “The UK has got to meet those targets, and therein lies the clue. You need communication and lobbying.” Business representative, Newport
 - “I sense with all of this it’s going to need some intervention by governments, in terms of facilitating behavioural change amongst citizens and businesses. We need new ways of doing business. It’s serious.” Business representative, Newport
 - “You need to communicate that this is about supporting existing and future generations.” Business representative, Newport
 - “There are many wealthy gas and electricity consumers that would be prepared to pay extra for green energy.” Charity representative, Newport
 - “Most consumers are struggling financially, but larger organisations like Marks & Spencer pride themselves on being ethical, so you should get responsible corporations involved.” Energy / utilities representative, Newport
 - “We as consumers should be accountable for future generations.” Charity representative, Newport
 - “We all know that fossil fuels are finite and we’re currently relying on imports. Security of supply is therefore a big issue that we need to prioritise, and I don’t think people really understand that. We’re going to have to go that way and it might be better to pay a small amount on every bill [for a green, future-proof network], rather than a big lump sum in the future.” Charity representative, Newport
 - “Governments change all the time and their priorities also change when it comes to greening energy. These constant changes are putting a lot of businesses under strain. There needs to be a lot of support for greening our country. It can’t just be down to networks to foot the bill.” Housing representative, Newport
 - “There is a large appetite for supporting environmental-protection measures, so people will be happy to pay a little more for green gas.” Charity representative

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- “Those connections are in response to the capacity market, which is another government policy. They’re building all of that to get a supply contract, so they should pay for it.” Environmental group representative, Newport
 - “It seems bizarre to me that the gas networks will have to pay.” Environmental group representative, Newport
 - “It would be nice to see some joined up thinking between the industries. The cost isn’t an issue to me. It just feels like you could actually move forward a lot better if you put your heads together.” Environmental group representative, Wadebridge
 - “I would allocate taxpayer funds in order to do this. Everyone will pay it if it goes on the bills, including poor people. If the government funds it, it would shield vulnerable customers from the impact.” Housing representative, Wadebridge
 - “I’d like to advocate a tax on housing developers to help fund all this new infrastructure required. They’re making an extortionate amount of money from it. You need to look in this direction.” Local authority representative, Wadebridge
 - “The gas consumer should pay for it. £1 isn’t a lot. You should be doing 10 times of what you’re proposing. The consumer is the one who is burning the gas and using it irresponsibly; we all have to pay more for energy.” Local authority representative
 - “That’s why you need centralised control. You don’t want to tell people the consumer will pay if you connect anywhere, but neither do you want to charge someone £1 million if there’s a local problem. You have to have some kind of control. You put your power generation in the most appropriate place.” Local authority representative, Wadebridge
 - “You’re entitled to have an opinion as you understand the system. You don’t have the answers, but anyone who puts forward positive proposals for decarbonising has to be seriously looked at. If we don’t nationalise, the more people who come up with good ideas for the public good, the better it is. We can’t all wait for the ideal solution. You haven’t got the nirvana of 100% decarbonisation, but you’re taking positive steps.” Local authority representative, Wadebridge

WORKSHOP FIVE: SOCIAL OBLIGATIONS

The next session of the day was introduced by Sarah Williams. Sarah talked stakeholders through WWU's current support measures and services, including initiatives to sign eligible customers up to the Priority Services Register (PSR) and to promote awareness of the dangers of carbon monoxide (CO). After presenting the outcomes that had been achieved in RIIO-GD1, she explained the findings of a piece of research that had been undertaken to show what customers were willing to pay for these services, before talking stakeholders through WWU's proposed strategy for RIIO-GD2. Stakeholders were talked through WWU's proposals for a £50k Community Fund in GD2 and the work undertaken to date to calculate a social return on investment (SROI) quantifying the non-financial value of the company's activities and investments. Stakeholders were then presented with two options for investment in GD2: one which equates to an additional £3.75m of expenditure and one which equates to £6.25m.

There was broad endorsement of WWU's overarching Consumer Vulnerability Strategy. Stakeholders praised the company's work in this area, and it was widely seen as the right thing to do. It was suggested that WWU should look to work more closely with trusted partners to deliver its social obligations initiatives and there were also calls for more collaboration between utilities on the Priority Services Register (PSR) to avoid duplicating work. It was thought that more research ought to be conducted to ensure that initiatives are better targeted so that they can positively impact those who need the most support. It was also commented that they should do more to measure the success of certain activities, for example, by having measurable key performance indicators (KPIs).

Should funding in GD2 be £750k, stakeholders broadly thought that the proposed split between funding initiatives to help customers in vulnerable situations (£500k) and spreading awareness about the dangers of CO (£250k) seemed appropriate. However, a number of stakeholders asked for more information on the rationale behind this split.

Stakeholders were very much in favour of WWU going further in GD2, that is, asking for an additional £1.25m of funding for social obligations initiatives. When asked to vote on this, 40% 'strongly agreed' and 46% 'agreed'. Most stakeholders were of the view that the impact on customers' bills (30p per annum for Option 1 vs 50p per annum for Option 2) would be negligible. However, the point was made by some that the onus should not necessarily fall on gas customers to help those in vulnerable situations and that the government should play a greater role in this.

The most widely supported activities that stakeholders would like to see additional spending on were those that promoted energy efficiency to customers living in fuel poverty, followed by

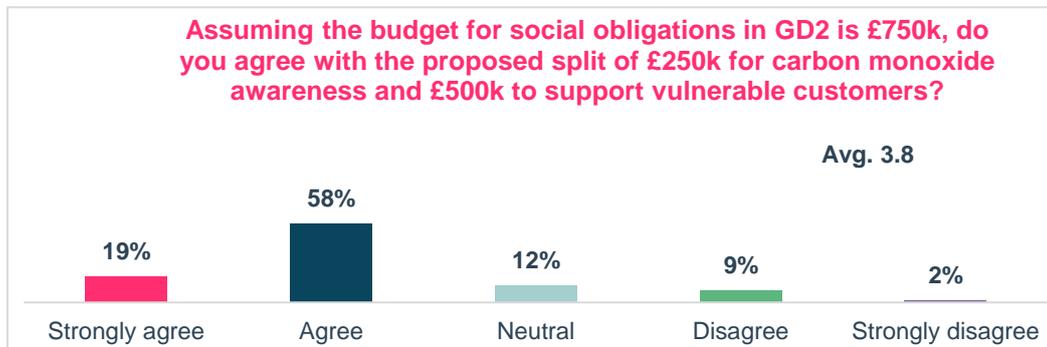
the establishment of a Community Fund. When asked to vote, 86% of stakeholders supported the creation of a Community Fund in GD2, with 40% saying they 'strongly agreed' and 46% stating that they 'agreed' with this initiative. It was, however, commented that £50k is not a significant amount of money for a fund of this nature and many stakeholders were of the view that they would like to see even more money go into this initiative. It was also felt that any monies would go further and bring more benefits to those in need if the fund was managed by a third party such as a charity or agency. When asked to vote on who should manage the fund, the majority (58%) stated that this should be done by a partner organisation.

1) What do you think of our new Consumer Vulnerability Strategy?

- “I think my feeling is that I prefer it targeted, because then you can monitor it. In some areas, you might not have deprivation and you might be wasting your money.” Charity representative, Llandudno
- “I’d want to see KPIs and what your outcomes/outputs are like. I want to see who your partners are and that you’re researching those areas.” Charity representative, Llandudno
- “I would say five KPIs. If you want to go for NHS admissions, for example, which is something even the third sector struggles with, you’ll have to build some sort of follow-up contact into that to prove that it has paid off in the long term.” Charity representative, Llandudno
- “Do you work with the housing associations? They have tenant profiles, they could give you numbers. They are more likely to be in need of help. You’re probably duplicating what the housing associations are doing.” Consumer group representative, Llandudno
- “I think to do nothing would be morally wrong.” Charity representative, Llandudno
- “In Conwy, we work with the Welsh Government and Warm Wales help out too, but budgets are strained. We talk to each other quite often.” Local authority representative, Llandudno
- “I think there’s a danger of passing the buck, saying it’s not our responsibility. And if everyone does that, no one will.” Community council representative, Llandudno
- “How will WWU decide which 50 schools it targets? Surely you should do all of them or none at all? It wouldn’t be fair to freeze certain schools out.” Business representative, Llandudno
- “Maybe you could look at the schools with lower education levels for these events? That’s where you need it the most.” Business representative, Llandudno

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- “By installing these CO alarms, you’re saving money which could be spent elsewhere, as these social and private landlords are fulfilling their obligations.” Housing representative, Llandudno
 - “I think it’s very good that WWU have made a lot of their social responsibility. I like that you’re providing support to improve energy efficiency, and helping fuel poor customers, but all these schemes rely on means-tested benefits. There are no schemes for low-income fuel poor that don’t get benefits. If you don’t claim, it doesn’t mean you’re not in fuel poverty, or that you’ve got any savings and can afford a new boiler, for example.” Charity representative, Newport
 - “In principle, I support everything on here, but I feel that it may be better for a different organisation like Citizens Advice to promote the PSR.” Energy / utilities representative
 - “Education on CO alarms, for example, is important. I think the Welsh Government is doing this to a certain extent but could do more. A coordinated approach is required.” Housing representative, Newport
 - “You should lobby to change legislation to include CO alarms in boiler checks. This would reduce the cost for WWU. The burden needs to be put on the landlords.” Housing representative, Newport
 - “It would be interesting to see what kind of people are deemed vulnerable in an area from figures. Are they social tenants or are they private tenants? Finding out the balance on that would mean that you don’t have to spend quite as much.” Housing representative, Newport
 - “We need to develop a single Priority Services Register. Some of my clients tell me that they have signed up to it, but they are actually all signing up to separate ones.” Charity representative, Newport
 - “It’s good to try and measure what you’re doing with the social return on investment. When you’re working with vulnerable people, there are intangible benefits and it’s important to capture that.” Environmental group representative, Newport
 - “You need a sizable chunk of money to make these activities worth your while.” Local authority representative, Wadebridge

2) In our business plan, we are requesting £750k in order to support customers in the most vulnerable situations. This represents £500k to help vulnerable customers and £250k on CO. Does this split feel right?

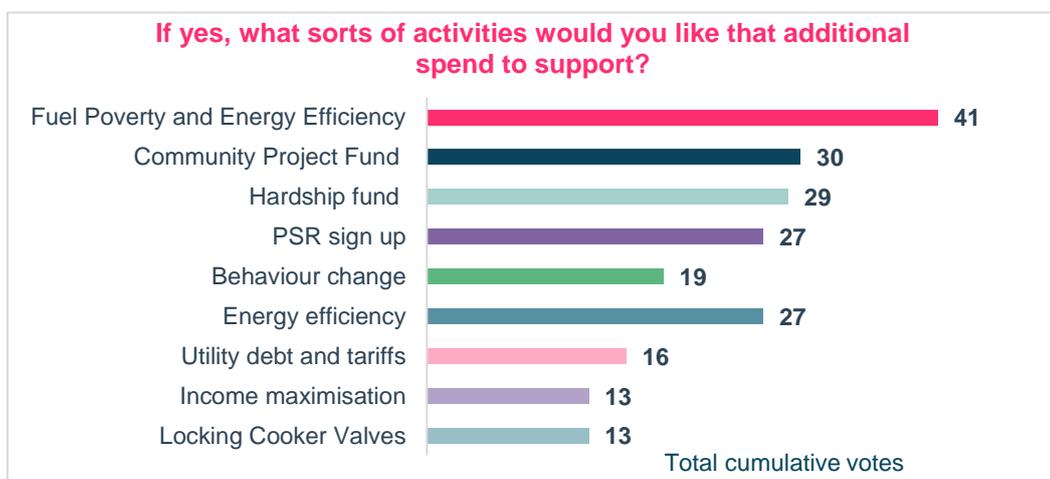
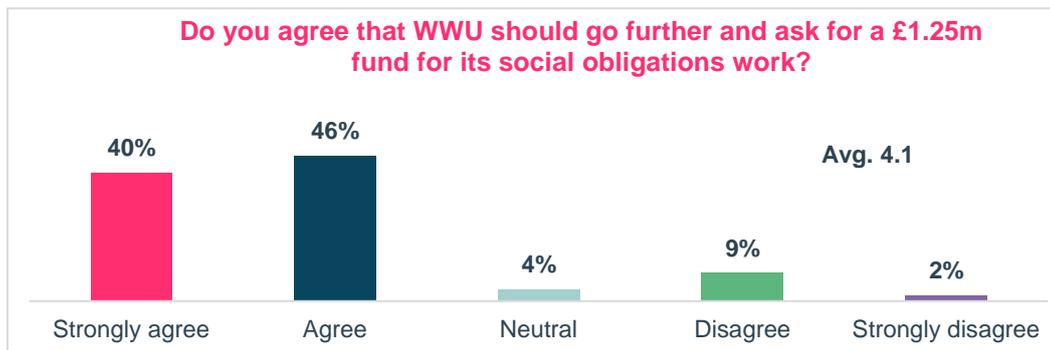


- “It’s a realistic split, isn’t it? It’s another improvement on a job you’re already doing quite well.” Charity representative, Llandudno
- “I don’t think that there’s enough information for us to understand. We can’t make those informed choices at present.” Business representative, Llandudno
- “Would it be worth training a school representative who can spread the knowledge back at the schools rather than just going to a school? Surely that would save a lot of money?” Housing representative, Llandudno
- “I think it feels about right, but it’s hard to tell.” Charity representative, Llandudno
- “Linking warm homes and lower costs to the NHS should be considered for Wales as a country, for future generations, as well by working together.” Housing representative
- “It’s really hard to judge. All these little bits all add up. Pennies quickly turn into pounds on the bill.” Charity representative, Newport
- “I understand that we’re talking about money saved to society but it’s indirect, so it’s difficult to articulate. People aren’t actually seeing that money going into or coming out of their bank accounts.” Business representative, Newport
- “I think it should be a government issue.” Charity representative, Newport
- “In terms of landlords paying, the landlords should be paying for CO monitors, but there is no justification for getting them to pay for school events, for example. Many houses are inhabitable, so the money needs to be spent there.” Charity representative, Newport
- “The school events, I know you do a lot of those. The remit is a bit narrow given that CO risk is very low to the public. You could also be talking about the green network, that sort of stuff. There is potential to have a bigger impact.” Environmental group representative, Newport

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- “We’ve got separate education and awareness, and with the vulnerability aspect, it sounds to me like the government are making the networks do stuff that could be paid for by taxation. It should be societal obligations. The other question is whether there is a better means of communication in the modern era than going around schools.” Business representative, Newport
 - “We assume that kids need the education, but there’s concern around the elderly and fuel-poor people who don’t know the most cost-effective ways of heating their home, for example. It’s about making a cost judgement on whether more resources would help. Personally, if someone said my tax would cover it, I’d be happy. But doing it through the bills feels like you could blame the gas companies for bills going up; it puts the gas companies up to criticism for what the government should be doing.” Business representative, Newport
 - “Not all adults will gather in the same place, whereas all children go to school, so you can capture that group easily.” Charity representative, Newport
 - “There’s potential for working with third-sector organisations for getting the message out, but it would need to be paid for as these organisations are underfunded. There are creative options though; you can piggyback on existing events run by third parties such as Age Cymru – a pre-Christmas dinner, for example, which is sponsored by other organisations that have stands at the back during the event.” Charity representative, Newport
 - “The business you’re in, you’re best placed to interact with schools. There are things you can do for a relatively modest sum. It’s good that you’re out there in the communities and spreading information.” Local authority representative, Wadebridge



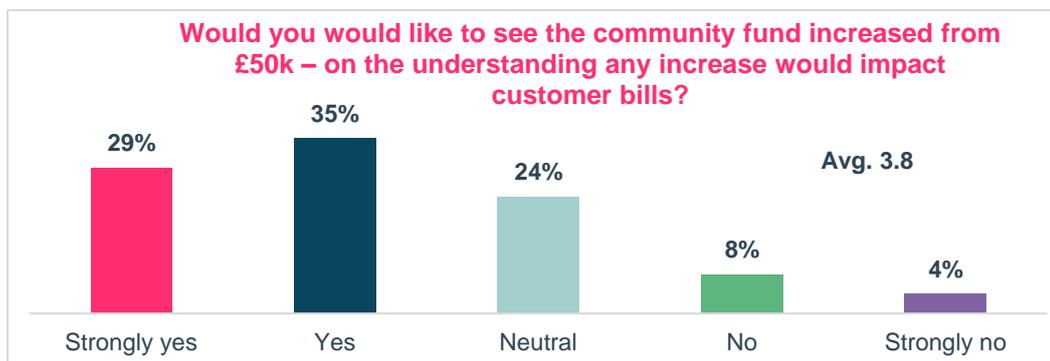
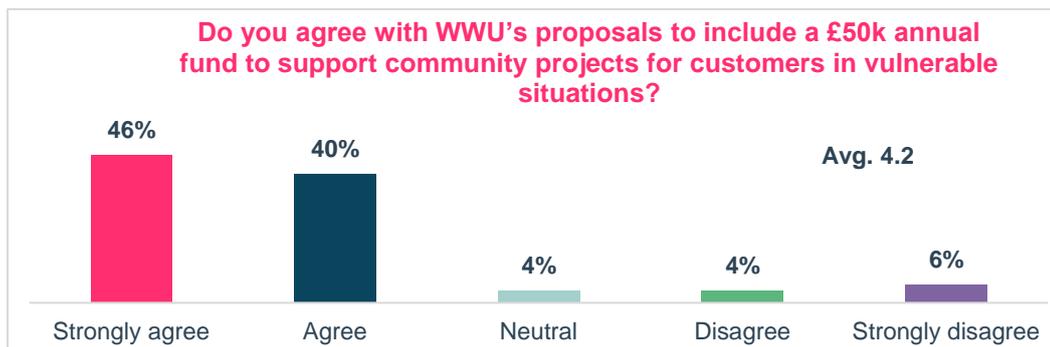
3) Do you think we should go further and ask for a £1.25m pot of money (est. 50p on customer bills)?



- “For people who are in work, the 50p is not an issue, but for people who are not, that is a big deal. It might be worth it if it helps.” Housing representative, Llandudno
- “I would keep it at 30p.” Local authority representative, Llandudno
- “It’s not just about savings; this will totally transform peoples’ health and well-being.” Charity representative, Newport
- “School outreach is an area I’m very supportive of. The more you invest in that, the better.” Business representative, Newport
- “I love this stuff, but what’s the role of the state? I worry that we are seeing private companies feeling obliged to do more and more stuff. It’s absolutely right that society needs these things, but I feel like general taxation should be sorting this.” Energy / utilities representative, Newport
- “Yes, if the government made it a legal requirement that housing associations and landlords must provide carbon monoxide alarms, it would take a lot of the burden off energy companies there.” Charity representative, Newport

- “If you look at the estimated bill impact compared to the amount you’re going to get back from it, it’s an insignificant increase for a much bigger return.” Local authority representative, Newport
- “You could do as much as you can and make a real success of it, and then the other companies will see that and might start doing it too.” Charity representative
- “I would say that number 2 is good because you could get a lot more out of the schools initiative.” Charity representative, Newport
- “The difference seems a small amount, but the extra costs could potentially be socialised.” Business representative, Newport
- “As a consumer, 30p vs 50p makes no difference to me. Do it.” Environmental group representative, Wadebridge
- “It seems insignificant now, but the cost could always keep going up. That could be a worry over the long term.” Environmental group representative, Wadebridge

4) Do you agree with our proposals for an annual Community Fund of £50k and, if so, how should we run the fund?





- “It goes back to targeting the community centres. They know the areas that need funding. It depends from community to community. Most communities have workshops, so they know what is needed and can pass that on to you.” Local authority representative, Llandudno
- “Having strict criteria would make it difficult for people to apply.” Local authority representative, Llandudno
- “Make sure you get publicity out of it.” Local authority representative, Llandudno
- “The money is not a lot, but it could go a long way if that person running it is part of that community. For example, a community has people come to our area, and to come to buy coffee to our centre, the reassurance, it feeds into a different pot.” Charity representative, Llandudno
- “It doesn’t seem a lot of money to cover the whole of Wales. How will you split it up? There’s not a lot of money to be shared around fairly. It’s a good idea in theory, though.” Business representative, Llandudno
- “I think that the need is there for a fund of this type, as there are shocking levels of vulnerable people who aren’t reaching out. They need this help.” Charity representative, Llandudno
- “I would say that caring companies do this anyway. It’s all about your reputation and what you can put in your reports.” Consumer group representative, Llandudno
- “Shareholders are the ones who make the decisions unfortunately, but you should be doing this.” Consumer group representative, Llandudno
- “You need plenty of time to allow things to happen when implementing this fund. For example, with the school project, you need to think ahead, way before the next school year starts, for example. You also need to be clear about what you want to achieve because you’ll get the right people applying as a result.” Business representative, Llandudno
- “With austerity measures at the moment people are looking to do more work with charities, agencies or even the private sector. I think that collaboration is needed.

There are so many people who could help, especially around safety issues.” Local authority representative, Newport

- “In my view, it’s much more important to tackle fuel poverty.” Housing representative
- “My team would fight for this type of funding, as people always get missed. Missing the means testing by a pound means that you can’t heat your home, access services or fix their broken boiler, for example. The impacts are enormous so it would be good to give this pot of money to frontline staff.” Infrastructure / engineering representative
- “We would bid for this funding. There’s so many people out there doing great work but £50k is nothing. You need coordination to make big impacts. We go to energy companies, get boilers and heating installed. £50k is part of it, all the extra bits.” Environmental group representative, Newport
- “I think half a million [pounds] would be the threshold at which that money would start to make a meaningful impact.” Charity representative
- “The projects would do more to spread the word about the PSR, which could help to reach new people.” Housing representative, Newport
- “There are always people looking for community projects. Sometimes they need money for something.” Housing representative, Newport
- “We want to see energy efficiency measures, such as installing loft installations or LED light bulbs, which would enable people to save money. This would help to tackle fuel poverty. I’m also concerned about whether there is enough money to go around. At present, the government measures don’t even scratch the surface.” Charity representative, Newport
- “You need to focus the money on whoever really needs it.” Housing representative
- “Age Concern help a lot of people, so I think communicate about the fund to them, as well as schools.” Parish council representative, Newport
- “The responsibility for fuel poverty is there, but it’s about how you discharge that responsibility through other organisations and people. You can be creative.” Charity representative, Newport
- “People with a winter fuel payment can donate it via a programme and it is redistributed. The community foundation has raised a lot of money. I looked at the reasons for people accessing grants – one third had a broken heating system; another third of people couldn’t afford to fill their oil tank; the final third owned storage heaters and suffered from things like arthritis. It’s common themes. So, people who can’t afford to fix broken heating seem like a good fit for the community fund.” Environmental group representative, Newport

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- “I don’t think that it’s in WWU’s best interests to run the strategy themselves, as it’s not effective enough in terms of costs. If it was run through partner organisations, the infrastructure would already be in place on that front. Having that point of contact at the partner organisation is key.” Local authority representative, Wadebridge
 - “The community fund isn’t enough. Maybe WWU could fund more of it?” Local authority representative, Wadebridge
 - “£50k to cover the whole area, with 8k or 10k pots, that’s going to be quite sparse. The difficulty is how you do projects that haven’t reached the hard-to-reach. It’s incredibly difficult: you communicate, people throw it away or don’t read it in the papers. The people you’re trying hardest to reach, who could benefit most, there’s a skill and art in reaching them. You could find yourselves giving away money to projects that sound good but don’t help the people you’re trying help.” Environmental group representative, Wadebridge
 - “It comes to the framework and criteria of the organisations you choose to support. You need the organisations who already have those contacts. Plymouth Energy Community started off with people in fuel poverty, they found they almost had to become social workers as fuel poverty is more often a symptom, and they became a point of contact.” Environmental group representative, Wadebridge



WORKSHOP SIX: PRIORITISATION AND VALUE FOR MONEY

The final discussion session of the day was introduced by Sarah Williams. Over the course of the morning, the data from stakeholders' feedback forms on 'Stakeholder Priorities' and 'Value for Money' had been aggregated. Sarah presented the outcomes of this exercise before asking stakeholders for their views.

Stakeholders broadly endorsed the outcomes of the earlier prioritisation and value for money exercises once they saw the results aggregated across the wider group. However, it was the case that certain priority areas, such as the theft of gas, were deemed more important once stakeholders had heard more about the issue and the proposals to reinvest the money that would be recouped. A number of stakeholders also thought that environmental priorities such as 'Lower Carbon Future' and 'Protecting the Environment' should be higher, although it was commented that 'CO Awareness and Prevention' should remain as the highest priority because of the serious consequences of CO leaks.

1) Do you have any comments on the findings of our prioritisation and value for money exercises?

- "I'm surprised 'Innovation' has dropped. Innovation will help reduce gas bills. Customers in vulnerable situations will gain from that." Infrastructure / engineering representative, Llandudno
- "[Regarding] 'Theft of Gas', I hadn't thought of the impact; I was thinking it was small scale, I didn't think how dangerous it could be. I'd see that prioritised higher." Community council representative, Llandudno
- "My scoring for 'Theft of Gas' would change if I knew the money would be reinvested back to customers. Creating a surplus from theft of gas for upgrading the network would mean that the 30p on the bills would not be needed and wouldn't hit the customer." Housing representative, Llandudno
- "I'm delighted the environment has come up higher in the charts." Business representative, Newport
- "Maybe the ones that are towards the top of the list are there because they are more tangible and easier to understand, like carbon monoxide poisoning." Energy / utilities representative, Newport
- "The value-for-money score is lower than I thought it would be." Business representative, Newport
- "I'd put 'Lower Carbon Future' higher." Local authority representative, Newport
- "Fuel poverty trumps lower carbon future for me in terms of the current picture." Infrastructure / engineering representative, Newport

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- “I would have had ‘Lower Carbon Future’ and ‘Innovation’ further up on the list, although I’m not 100% sure what the term ‘innovation’ encompasses in the context of WWU’s work.” Charity representative, Newport
 - “It’s difficult to comprehend the timescales behind these priorities. If we’re talking about future-proofing, for example, are we talking about the near future or distant future? The same for innovation: that could involve every area of your business.” Charity representative, Newport
 - “The green theme has gone up across the board, which is not surprising.” Housing representative, Newport
 - “I would support putting ‘supporting those in fuel poverty’ above ‘Lower Carbon Future’, because working towards this would involve using newer technologies, so you could improve efficiency. I would also prioritise looking after people, particularly when they’re in a vulnerable situation.” Charity representative, Newport
 - “I would move ‘theft of gas’ to a higher position after the measures discussed this morning.” Housing representative, Newport
 - “I would put value for money higher having seen everything today.” Housing representative, Newport
 - “It reflects the public shift in opinion around the environment.” Environmental group representative, Newport
 - “The top one on the list is instant death – CO. The next one was vulnerable people, then the planet; it’s all improving the lives of the less fortunate.” Charity representative, Newport
 - “I’m surprised by how much CO awareness has dropped. To me, that is absolutely key.” Housing representative
 - “‘Meeting Future Demand’ is a lot more important to me now, having understood the wider environmental context.” Environmental group representative, Wadebridge

AFTERNOON SURGERY ONE: SUSTAINABILITY

Stakeholders were talked through the UN's 17 Sustainable Development Goals (SDGs) and were asked which of these should apply to Wales & West Utilities' work and how. There was broad agreement with the six SDGs that the company had identified.

Stakeholders felt that some areas are more relevant to Wales & West Utilities as a business than others, including: Goal 3: Good Health and Well-being, which could include initiatives aimed at WWU staff; Goal 7: Affordable and Clean Energy; and Goal 8: Decent Work and Economic Growth, where the company continues investing in apprentices and providing job opportunities, particularly in rural Wales.

Stakeholders discussed Goal 10: Reduced Inequality, which they felt could be addressed through changes to the company's culture, although it was agreed that ensuring that a certain proportion of new starters were female would be a difficult goal to achieve, and it would be more effective to put measures in place such as flexible working, which would also benefit carers.

Many of the SDGs stakeholders wished to address were related to the environment in some way. One of the most discussed was Goal 13: Climate Action. It was suggested that this should be an overarching goal for the company. Stakeholders were of the view that the company's role in this should be to empower people to become more energy efficient as well as other initiatives such as cutting emissions, reducing leakage and enabling small businesses to make use of Combined Heat and Power (CHP). In addition, it was also thought that the company should work more collaboratively with the electricity sector.

Other goals that were seen to have an environmental component included: Goal 11: Sustainable Cities and Communities, which could include hydrogen cities; Goal 15: Life on Land, which was seen to include gas leak prevention and minimising disruption to ecosystems; and Goal 12: Responsible Consumption and Production, which was seen to incorporate educating customers on energy efficiency as well as encouraging suppliers to be more sustainable in their operations.

Moreover, it was agreed that in order for the company to achieve Goal 17: Partnerships, it should work with local authorities and relevant organisations such as community energy groups.

AFTERNOON SURGERY TWO: STREET WORKS

Stakeholders were keen to discuss issues related to their local area. It was noted that for many local authorities, the more notice given for street works, the better. It was commented that it is often the case that coordination between utilities is hard and that this causes frustration for residents. Some stakeholders felt that there was a tendency to leave the most difficult jobs until the last minute, even if these were also the most critical.

Stakeholders were keen to learn more about online applications, which can be completed cheaply and are then sent automatically to the relevant person. It was commented that previously all work appeared on one invoice but now there is more detail, which is helpful.

WWU's engagement with local authorities was praised by many stakeholders and the customer service team was cited as being particularly good. As a result of this, the number of complaints officers and members receive is kept to a minimum. However, there was some frustration voiced that elected members are not as involved in the process as officers and were therefore unable to explain the benefits of the mains replacement programme to their constituents.

Whilst some stakeholders saw the use of vacuum excavations (Vac-Ex) by another utility as being positive, it was noted that this technology can be costly for local authorities even if it reduces the time taken for works. It was pointed out that WWU does sometimes use this technology in cases of emergency.

Stakeholders were keen to discuss the GSOP-13 letters and the proposals to give more advance notice to residents of street works. The point was made that all correspondence should include the contact details of relevant WWU personnel, so questions and queries can be dealt with. It was added that this would make it easier for customers to inform the company of details such as which residents may be particularly impacted by any disruption, such as those on the PSR.

Examples were given of instances where more notice should be given to customers of street works. It was felt that more than 3 months' notice should be given to any who would have their driveways dug up, for example.

AFTERNOON SURGERY THREE: SOCIAL OBLIGATIONS

Stakeholders were pleased to hear that WWU has access to the PSR in emergency situations. There were calls to further increase access to the PSR and to improve the quality of the data so that the company can best adapt its services to help customers in vulnerable situations at these times.

A stakeholder remarked that some people avoid contacting the PSR because it's complicated and there are too many options on the phone. This causes confusion and stress for vulnerable customers. The idea of getting WWU to sign them up to the PSR when carrying out gas checks was positively received.

The locking cooker valve was unanimously praised, as it would ensure that customers, including those with dementia, still had their independence. It was noted that customers do not need a medical diagnosis to have a locking cooker valve fitted and that anyone who is prone to forgetfulness can have one installed.

There was praise for how the process of getting people signed up to the PSR works, with CSOs and engineers working to identify customers in vulnerable situations and then passing on their details.

There was support for the idea of the 'How we work' training to be opened up to third parties. Stakeholders from the charity sector also suggested that locking cooker valves should be given to certain third parties so they can familiarise themselves with these and spread awareness. It was also suggested that information on these could be put on hospital information desks so that patients with dementia and their families can be made aware of them.

There was support for the idea of visually impaired people being given a CO alarm as a matter of priority. There was also praise for the idea of vibrating CO alarms being given to the hard of hearing, although it was noted that this is not currently something being done by WWU, primarily because of the cost implication.

There were calls for more budget to be given to initiatives such as the locking cooker valves and CO alarms as it was commented that, at present, the amount of money given to such initiatives is relatively small. It was thought, however, that budgets could 'work harder' by working more effectively with partners such as the Alzheimer's Society and 'energy champions' from other organisations. It was, however, noted that certain organisations, particularly those in the public sector, have straitened budgets which means that they are often unable to assist with such initiatives.

There was praise for the initiative to give ‘crisis packs’ to eligible customers, which include an analogue phone, a ‘snap light’ and a warm blanket. Many stakeholders were not aware of this but thought it was a really good initiative.

There was some debate about the amount of notice that should be given to customers in vulnerable situations for mains replacement and ‘RepEx’. Whilst it was acknowledged that too much notice could lead to customers feeling anxious about such works or forgetting that they are taking place, it was also felt that more notice would be better for many customers in vulnerable situations so that they can make arrangements accordingly.

In terms of the way WWU informs customers of this work, it was felt that the layout of the envelope which is sent to customers should change. The comment was made that the information on the green pipe is the most important part, but that it is written in a far small a font, so this should be altered. It was also noted that the word ‘upgrade’ featured on the letter doesn’t mean much to many people, who may assume that it is a sales letter and may consequently throw the letter away. There were calls for WWU to make the envelope more explicit that the letter inside is informing customers that there will be an interruption to their gas supply.



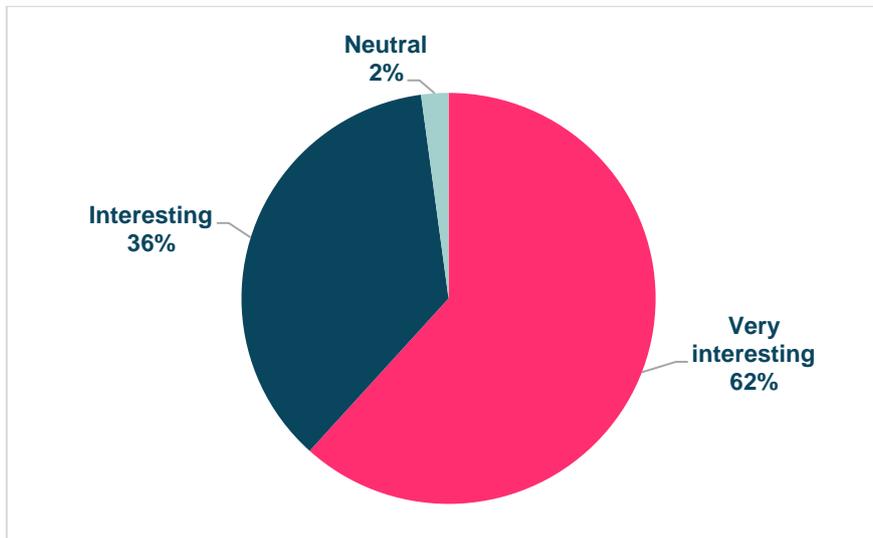
APPENDIX I: ATTENDEES

Age Cymru	Gelligaer Community Council
AgilityEco	Glan Conwy Community Council
Aughton Automation	GPS PE Pipe Systems
Auriga Services	Hafod
Bishton Community Council	Hy-Ram Engineering
Bron Afon	Isle of Anglesey County Council
Business in the Community Cymru	Joint Radio Company
Cadent	Llandudno Town Council
Caerphilly County Borough Council	Major Energy Users' Council
Care & Repair Cardiff and the Vale	Marble Power
Care & Repair Cymru	National Energy Action
Centre for Sustainable Energy	National Landlords Association
Citizens Advice Denbighshire	Nest
City of Bangor Council	Newport City Council
Clwyd Alyn	Newport City Homes
Commission for Environmental Cooperation	Npower
Community Energy Plus	Plymouth City Council
Conwy County Borough Council	Plymouth Energy Community
Cornerstone Housing	Royal Voluntary Service
Cornwall Chamber of Commerce	South East Wales Energy Agency
Cornwall Council	Wadebridge Renewable Energy Network
Cornwall Housing	Warm Wales
DangerPoint	WG Energy Services
Denbighshire County Council	Wrexham County Borough Council
DNV GL	Ynni Glan
Forest Traffic Services Ltd	ZLC Energy

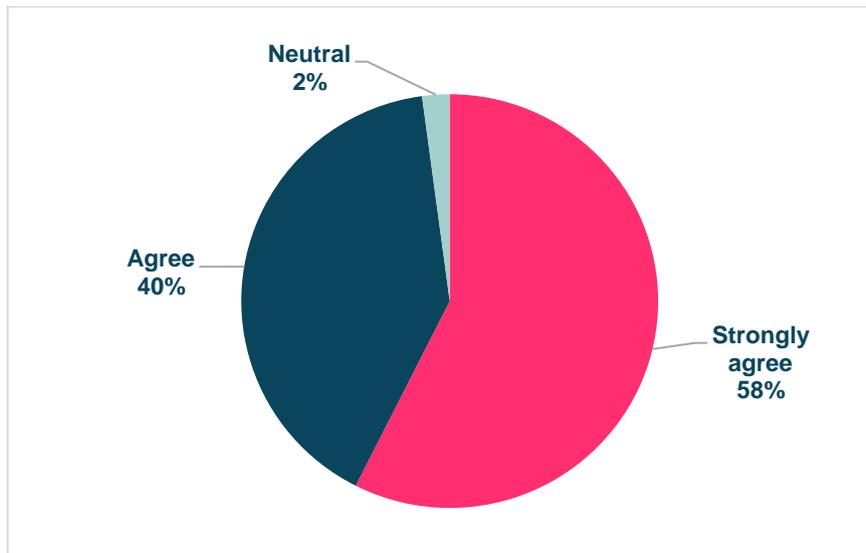
APPENDIX II: EVENT FEEDBACK

After the workshop, stakeholders were asked to complete a short feedback form on what they thought about the workshop itself. The feedback was as follows:

1. Overall, did you find this workshop to be:



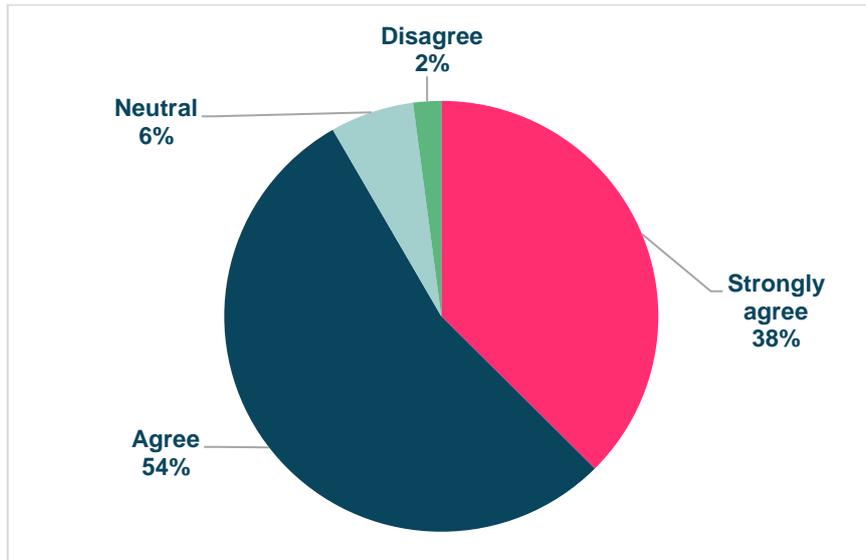
2. Did you feel that you had the opportunity to make your points and ask questions?



Comments:

- “Excellent workshop, brilliant presentation, and very well facilitated.”
- “A very open meeting with everyone being allowed to express a view.”
- “Great facilitation!”
- “This is first workshop I've attended, and I learned a lot from it.”
- “Great amount of engagement!”
- “Excellent event.”

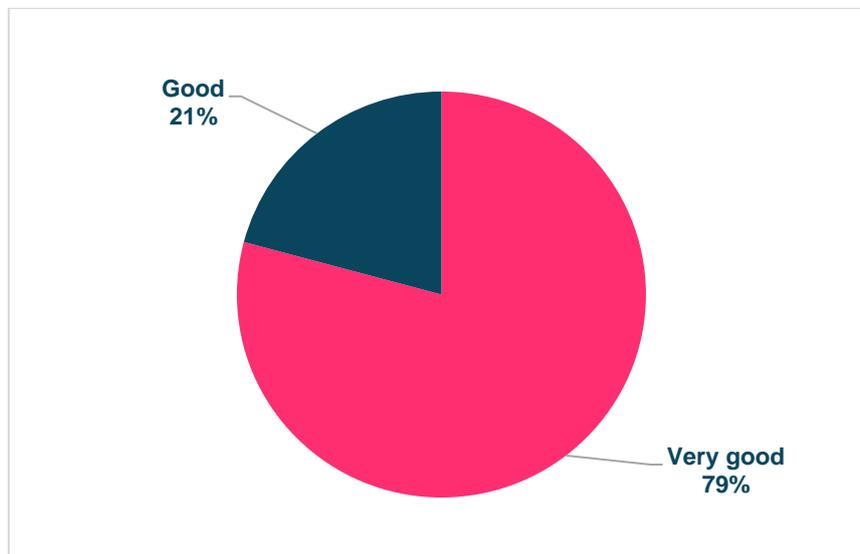
3. Did we cover the right topics for you on the day?



Comments:

- “Topics covered were topical and of great interest.”
- “Topic on ‘innovation’ would be interesting.”
- “Not necessarily all relevant to my specific role but most certainly as a collective.”
- “Great insight.”

4. What did you think of the way the workshop was chaired by your facilitator?



Comments:

- “The discussions were both lively and informative.”
- “Excellent facilitator, excellent format – completing the forms was better than just a plain discussion.”
- “Very well conducted giving everyone the opportunity to speak.”

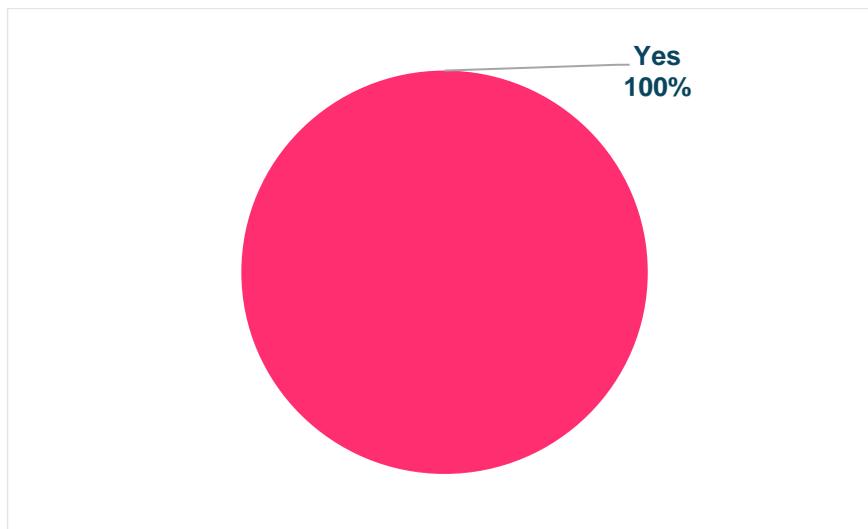
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- “Good discussion throughout the group.”
 - “Great at teasing out detail!”
 - “Professional, friendly and positive.”
 - “Kept things flowing and created conversation!”

5. Any other comments?

Comments:

- “Very enjoyable workshop. Some very good discussions around the gas industry and the future.”
- “Really productive workshop.”
- “Maybe a quick pre-read could have helped folk understand a little more before the session?”
- “A unique educational and learning experience.”
- “Learned a lot today and have valuable feedback for my community.”
- “Thank you for such an excellent event.”

6. Would you like to receive our post-event report, and invites to similar events in the future?





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