

## 4 Value for money

# Keeping costs down

With more than 10% of English households in fuel poverty and our customers telling us that reducing their bills is important to them, we want to provide value for money. Our domestic charges are on average the lowest in the industry. We achieve this through a combination of technological advances, improvements to our processes, a relentless focus on efficiency, and the nature of our network. In association with a number of Community Energy Companies, we run public workshops on how to reduce fuel bills. We rolled out a referral programme and booklet called 'You and Your Home' that we produced in partnership with Citizens Advice to help those facing difficulties in paying their bills.

### Edison Alliance: working together

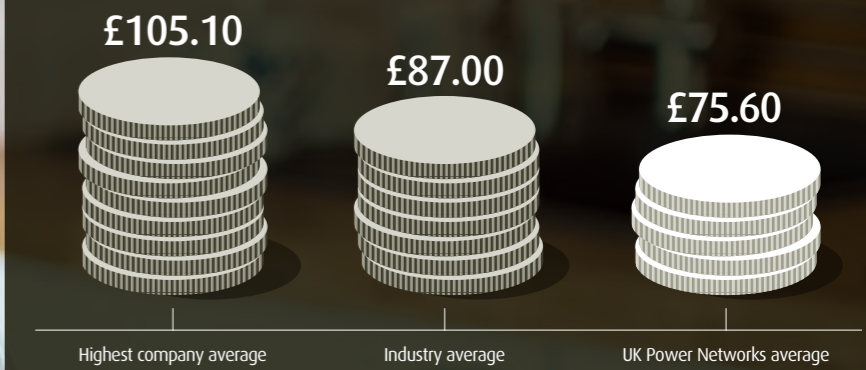
As well as looking for savings for individuals, we are also pursuing other strategic ways to save costs. We established the Edison Alliance in 2015 to work with infrastructure contractors to improve the efficiency of all our processes. Our partners in this are:

- Amec Foster Wheeler
- Clancy Docwra
- Morrison Utility Services
- McNicholas

All our construction projects are now operated through the Alliance. This allows us to share and embed best practice in collaboration with our Alliance partners to continue to improve efficiency. We have a single, robust way of working across the delivery of all our major construction projects.

### Annual domestic charge for using our networks (2015/16)

Domestic unrestricted customers based on average annual consumption of 3100 kWh



## £6.30

Our domestic customers pay us an average monthly fee of only £6.30 (£0.21 per day) for a reliable electricity supply

**Jonathan Walley**  
Managing Director,  
Infrastructure

“ At McNicholas we believe the Alliance will create a step change in the way that works are delivered.

We have already seen the benefits of early contractor involvement in the development and planning of projects and the direct relationship with UK Power Networks.

With the ability to take a programme management approach with forward visibility of the work we can together deliver the targeted improvements in Customer Service, Safety, Sustainability and Network Reliability within this funding period set by Ofgem.”

**McNicholas**  
KEEPING THE NATION CONNECTED

# Value for money

continued

The year from April 2015 to March 2016 was a period of tremendous achievement for UK Power Networks. Customer satisfaction reached an all-time high. Reliability, as measured by the frequency and duration of power cuts, was our best ever. Safety measures, too, showed that we are continuing to accelerate improvements in this vital area.

We have achieved this success by keeping a laser-like focus on the following areas: safety, customer service and costs. We pride ourselves on leading innovation in our sector, and all the technology and new ways of working that we develop are designed to make the experience of our customers better, cheaper, greener, faster or easier, or to help us take better care of the safety and well-being of our employees and the general public. And sometimes they do more than one of these.

We are diligent about our role as a respected corporate citizen. We are working hard to earn our place at the heart of the society and the business community that we serve. That commitment includes the individuals and businesses that we support, the environment where we live and work, and the people who work for us, and their families.

## Summary of our performance

Improvement since 2010/11



Lost time incidents improved by

**80%**



Customer minutes lost improved by

**53%**

\* Since 2011/12



Customer interruptions improved by

**42%**



Customer satisfaction increased by

**15%\***

**Cutting our costs is the most direct way we have of bringing down our customers' bills. Whenever we do make savings, whether it is through technological breakthroughs, improvements to our processes, or in other ways, this results in lower bills for customers.**

## £6.30

Our charges mean that the average domestic customer pays us only £6.30 per month (£0.21 per day) for a reliable power supply as part of their electricity bill.

## Value for money

Our customers often tell us that they want their bills to be lower. We recognise how important this is, and we are always looking for ways to cut costs. Cutting our costs is the most direct way we have of bringing down our customers' bills. Whenever we do make savings, whether it is through technological breakthroughs, improvements to our processes, or in other ways, this results in lower bills for customers.

According to the Department of Energy and Climate Change, over one in ten English households are in fuel poverty (Annual Fuel Poverty Statistics Report, 2015). As a responsible corporate citizen we take seriously our responsibility to do as much as we can to help these families. We do our best to make sure they have access to our expertise and help them to reduce their fuel bills as much as possible. Working with local charities and organisations such as housing associations, we have developed a number of programmes designed to alleviate the difficulties people face. Fuel poverty has three main drivers: low income, energy costs and energy efficiency. We held a series of energy efficiency workshops to help people who are worried about paying their electricity bills.

As well as tips and advice on how to use energy efficiently and switch tariffs, the workshops pointed people towards initiatives such as the Warm Home Discount to help them save money. We also work with housing association staff to spread the word about how to cut electricity bills.

To build on this work and to give customers ever-greater value for money, we formed a partnership with Citizens Advice. We spoke face-to-face with over a hundred customers and, based on what they told us, we launched 'You and Your Home'. This service provides free and impartial advice on how to reduce energy bills, improve efficiency, find the best energy tariff, manage fuel debt and check benefits entitlement.



'You and Your Home' is part of our wider community energy programme. Community energy companies are well placed to sign up local people to our Priority Services Register in both urban and rural areas. They play a powerful role in local communities, talking on doorsteps and in customers' living rooms about their energy needs. Crucially, they are seen as trusted intermediaries and sources of advice on energy matters.

As well as helping customers individually, we are also pursuing other strategic ways to reduce costs. We have established an alliance with four infrastructure contractors with whom we share and embed good ideas to improve efficiency of all our processes. Called the Edison Alliance, we and our partners aim to achieve fundamental improvements in the performance of our major construction projects. Working in collaboration, we believe we can provide better value service, continuously improve efficiency and at the same time improve our understanding of the cost of ownership of our assets.

## Energywise

Our innovation project, Energywise, is a partnership with ten organisations exploring how residential customers struggling with fuel bills can manage their energy usage better. This includes trialling energy-efficient devices such as eco kettles and LED lighting, along with time-of-use tariffs. The project is currently working with over 300 social housing tenants in the London Borough of Tower Hamlets. To date, we have delivered eight workshops with five housing associations and a further 14 housing providers said they were interested in running sessions in the future.