WESTERN POWER DISTRIBUTION

*Serving the Midlands, South West and Wales*

# WPD South Wales Business Plan

## Key facts about our network

Ownership : Western Power Distribution

Number of customers : 1,108,000

Length of underground cables (km) : 17,000

Length of overhead cables (km) : 18,000

Total units distributed annually (GWh) : 11,833

Number of employees (FTEs) : 946

Area covered (km²) : 11,800

Geographical location : South and West Wales, including Cardiff, Newport, Swansea, Llanelli and Haverfordwest.

For our area map, see www.westernpower.co.uk/About-us/Our-Business/Supply-area

Peak demand (MW) : 2,118

## What we plan to do

During RIIO-ED1 (2015 - 2023) WPD will continue to provide the best customer service, deliver further improvements to network performance and facilitate the move to a low carbon future.

We will invest £990m during the period including expenditure to maintain, extend and reinforce our network. We have benchmarked our costs to ensure this expenditure is efficient and we have embedded further savings into the plan to ensure we continue to deliver efficiently.

Our proposals reduce customer bills on average by 19.0% in real terms.

Our plan delivers over 75 measurable outputs for customers which include:-

- reducing the average time customers are off supply by 29% vs.DPCR5 targets
- connection of Low Carbon Technologies at the most efficient cost
- improving the overall time to deliver a new connection by 20%
- continuing to be the most innovative company
- answering all customer calls in less than 2 seconds on average
- ensuring we continue to have no Ombudsman complaints
- reducing our carbon footprint by a further 5%

For further information please see our website www.westernpower.co.uk or contact Alison Sleightholm, Regulatory & Government Affairs Manager (Email: asleightholm@westernpower.co.uk).

## How much we propose to spend and how it will be financed

| | | | |
|---|---|---|---|
| Cost of Equity | 6.7% | Notional Gearing | 65% |

| *All amounts in 12/13 prices* | Total spend £m over the course of the price control | Annual average Percentage change from DPCR5 |
|---|---|---|
| Network Investment | £445.50 | 19.0% |
| Operating Costs*** | £544.90 | -6.6% |

## How this will impact domestic customer bills

Distribution charges make up 16% of the average overall domestic bill*

| *All amounts in 12/13 prices* | 2014/15** | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 | 2020/21 | 2021/22 | 2022/23 |
|---|---|---|---|---|---|---|---|---|---|
| Percentage change in distribution costs | n/a | -21.5% | 1.0% | 1.0% | 1.0% | 1.0% | 1.0% | 1.0% | 1.0% |
| Annual change in £s | n/a | -£25.93 | £0.95 | £0.95 | £0.97 | £0.98 | £0.99 | £0.99 | £1.01 |
| Total distribution charge | £120.76 | £94.83 | £95.78 | £96.73 | £97.70 | £98.68 | £99.67 | £100.66 | £101.67 |