



**QUALITY OF SERVICE DISCRETIONARY REWARD SCHEME
GAS DISTRIBUTION NETWORK OPERATORS
ENTRY FORM**

Please note that the deadline for receipt of applications is 5pm, 15 May 2009.

GDN DETAILS: (please complete)		CONTACT DETAILS: (please complete)	
Company:	National Grid	Name:	Paul Rogers
Networks:	North London	Title:	Regulation Manager
	North West	Telephone:	01926 655584
	East of England	Email:	paul.s.rogers@uk.ngrid.com
	West Midlands	CATEGORY: (please tick)	
Address:	National Grid House	Initiatives to reduce environmental impact of gas distribution	X
	Warwick Technology Park	Initiatives to facilitate network extensions	
	Warwick	Schemes to promote gas safety	
Postcode:	CV34 6DA		

INTRODUCTION

The aim of the discretionary reward scheme is to encourage and drive performance in areas that cannot be easily measured or incentivised through more mechanistic regimes.

The scheme will achieve this by recognising leading performance and beacons of excellence within the industry and driving innovation and creativity through the promotion of best practice.

The scheme is designed to reward the performance of those GDNs which best serve the interests of customers across the chosen categories throughout the year, particularly those which exceed their license requirements.

GUIDANCE FOR COMPLETING YOUR APPLICATION

- Keep it brief and simple. Keep to the page limits specified below, it will be the weight of your initiative(s) rather than the length of your application which will impress the Panel.
- Be specific, give examples and provide evidence where possible.
- Attach your application to this covering entry form.
- Your application should include:
 - A description of the initiative(s);
 - Background information on the initiative(s) (how it was identified, why it was implemented, the objectives, etc);
 - Information on how the initiative(s) was monitored, how success was measured and the current and future benefits to customers and the business ;
 - A description of how the minimum requirements were met and exceeded.

THE RULES

1. Entries will be judged by a Panel appointed by Ofgem who will recommend award winners to the Authority. The final decision rests with the Authority.
2. Each GDN may submit one entry per category. GDNs must complete a separate entry form for each category. A GDN group may submit one entry per category which covers multiple networks, however, each of the networks covered by the entry must be clearly indicated in the relevant section of the entry form.
3. GDNs should ensure that their main submission for each category does not exceed 2 pages in length (excluding the covering entry form and any optional supplementary information). Supplementary information for each category must not exceed two pages in length per category
4. Entry forms must be received at Ofgem by no later than **5pm on 15 May 2009**. Entry forms should be sent to paul.branston@ofgem.gov.uk electronically, with a hard copy sent to: **Paul Branston, Gas Distribution, Ofgem, 9 Millbank, London SW1P 3GE.**
5. Award winners will be announced during Quarter Two (July- September). Winners may include the category and year they received an award in advertising and promotional materials.

MINIMUM REQUIREMENTS

Initiatives which reduce the environmental impact of gas distribution including those that reduce shrinkage but which may not be rewarded through the shrinkage incentive and those that improve the measurement of shrinkage

- GDNs are pro-active in developing systems and processes that reduce gas shrinkage, the effects of which do not currently feed into the leakage model and can demonstrate meaningful improvements to the measurement of shrinkage;
- The GDNs look to develop and supplement the information in the leakage model to improve the measurement of shrinkage; and
- GDNs have effective and efficient systems, procedures and processes in place and ensure these effectively reduce the environmental impact of gas distribution and that performance in this area is regularly monitored.

Initiatives which facilitate network extensions, particularly those that increase the affordability of network extensions for fuel poor consumers

- GDNs provide meaningful assistance to fuel poor customers in accessing available resources¹ so that they can benefit from extensions to the gas network by making associated 'in house works' more affordable;
- GDNs have appropriate and targeted communication strategies to ensure that information about their network extension programmes and initiatives is effective and reaching their target audience. GDNs should demonstrate how they measure and monitor their success in this area;
- GDNs develop appropriate partnerships with relevant stakeholders to assist in targeting these initiatives at the fuel poor customers and communities which are generally harder to reach; and
- GDNs seek feedback from their customers, stakeholders, partners and staff and use this feedback to improve their network extensions programmes and initiatives.

Schemes to promote gas safety including awareness of carbon monoxide

- GDNs have a scheme, or range of schemes, that improve public awareness of gas safety (including carbon monoxide poisoning) and that are tailored to particular target audiences
- The GDNs have processes in place to monitor such schemes to ensure that they are effective in reaching their target audiences and in getting their message across; and
- GDNs seek feedback from customers, stakeholders, partners and staff regarding these schemes and their effectiveness and use this to improve their scheme.

DECLARATION AND CONSENT

I declare that the information contained in this application is correct and true to the best of my knowledge and belief and I give consent for Ofgem to use the information and contact details provided when publishing the Best Practice Register.

¹ For example, from existing sources of government funding, such as those aimed at tackling fuel poverty and regeneration.

Signature: Paul Rogers by email

Date: 15 May 2009

Initiatives which reduce the environmental impact of gas distribution including those that reduce shrinkage but which may not be rewarded through the shrinkage incentive and those that improve the measurement of shrinkage

**Stakeholder Engagement in the Recycled Aggregate Industry:
National Grid approach on the Road to ZERO**

Introduction

National Grid owns and operates the Electricity Transmission System in England and Wales and is the system operator for Electricity Transmission in Great Britain. It owns and operates the National Gas Transmission System and four of the eight gas distribution networks (GDNs) covering North London, the West Midlands, North West and East of England. It also owns around 18,000,000 domestic and non-domestic gas meters in Great Britain and owns significant electricity and gas transmission, distribution, generation and supply businesses in the USA. It owns and operates the Grain LNG terminal in Kent which is capable of supplying up to 20% of the UK gas demand and the England – France electricity inter-connector.

This submission is on behalf of the Gas Distribution business which holds one gas transporter licence covering all four of its gas networks.

The submission is under the category of **Initiatives which reduce the environmental impact of gas distribution** and concerns:

Background

The work carried out on the Gas Mains Replacement Programme generates significant quantities of road spoil that historically has been disposed of by sending to landfill and re-instatement has then been performed by use of virgin aggregate as a backfill material. Such an approach is not compatible with National Grid's commitment to becoming more environmentally sustainable. Therefore, Gas Alliances (gas mains replacement partners) and Term (gas operations) contractors in National Grid are required to increase the proportion of road spoil recycled and increase the use of recycled aggregate. National Grid has set a five year programme to avoid sending road spoil to landfill and to avoid using virgin aggregate. By 2010/11 the target is to be recycling 90% of road spoil (which represents close to 100% of arisings that have the potential to be recycled).

The environmental benefits of using Recycled and Stabilised Materials in the context of trench work arisings are well known. It reduces the need for raw materials, landfill space and haulage, so therefore, one may think that recycling is the obvious thing to do and that these targets will be easily achieved. However, National Grid has encountered significant external barriers to overcome and achieving the target has involved facing some significant challenges.

Approach

The Highways Authority and Utilities Committee (HAUC) specification has set out criteria that re-instatement materials need to satisfy to be acceptable. The acceptance of recycled aggregate is largely dependent on the interpretation of the HAUC Specification. However, there have been inconsistent interpretations of definitions amongst various stakeholders, especially some of the Local Highways Authorities, leading many to conclude that recycled and stabilised materials may not be compliant with the HAUC Specification.

Apart from this, the approval process of new materials is deemed complex, understanding the specification takes time which leads to unwillingness to change within the Aggregate Industry. Additionally lack of communication and sharing of information has led to unnecessary repeat testing of materials by different Local Authorities.

Consequently, National Grid has developed a twin approach to the issue of using Recycled and Stabilised Materials for reinstatement. Firstly, it has worked with the Environment Council to run a series of stakeholder workshops covering blockers to increased use of Recycled and Stabilised materials and to develop solutions to move this forward. Secondly, it has worked with WRAP (Waste & Resources Action Programme) to develop a protocol for alternative reinstatement materials whereby its signatories commit to setting company targets and milestones for increasing the use of Recycled and Stabilised Aggregate.

Stakeholder Workshops

To assist in combating the lack of clarity, transparency and commitment among stakeholders in the industry National Grid (in conjunction with The Environment Council) sponsored a series of workshops around the country bringing together the relevant people to agree a way forward.

The workshops were facilitated by The Environment Council on behalf of National Grid. The workshops consisted of presentations given by WRAP, the local HAUC and respective County Councils. These were then followed by syndicate sessions which allowed participants to discuss and give their views on issues raised, to reach potential solutions and to commit themselves to actions to be undertaken.

Together, the workshops comprised well over 200 people including contractors, suppliers, Local Authorities, Utilities, WRAP and HAUC representatives. The Environment Council did a very good job designing the workshops. In particular, after the presentations, they would rely solely on participants views, criticism and injection of ideas which has provided a great deal of information on barriers and requirements for an increased level of recycled content in trench reinstatement. The programme of work started in 07/08 and was completed in 08/09.

In summary, the workshops objectives were to:

- Improve communication and clarity between stakeholders;
- Identify barriers to using recycled aggregates and alternative materials for reinstatement;
- State what needs to change in order to encourage more recycling;
- Seek agreement and commitment among all parties concerned, to ensure increased use of these materials;

Outcome

The workshops have successfully addressed a range of concerns held by stakeholders and consensus and agreement on a number of actions reached that have increased the use of Recycled and Stabilised Materials. A number of specific steps have been taken:

1. That Suppliers of recycled and stabilised materials would develop appropriate QA/QC systems in place to give Local Authorities confidence that materials have been produced in a manner that ensures compliance with HAUC specification.
2. That HAUC and the Utilities agreed to rewrite their training modules to incorporate Recycled and Stabilised Materials.

3. The workshops resulted in Local Authorities adopting a more flexible approach regarding use of recycled and stabilised materials by allowing their use initially as a performance trial to confirm their acceptability.

4. Agreement that a centralised independent body should ideally be set up to take responsibility for trialling, approving and providing guidance on the use of Recycled and Stabilised Materials.

To measure the success of this initiative National Grid has also commissioned the Environment Council to perform a survey of workshop participants to evaluate changes that have occurred consequently.

At the end of year 2004/05 the National Grid Gas Alliances were using 55% of virgin aggregate for reinstatement. Stakeholder engagement has enabled this to be reduced to 34% by the end of year 2008/09. This corresponds to an increased use of recycled aggregate of 60,000 tonnes. Nevertheless, the North West Gas Alliance sent 11 % of excavated road spoil direct to landfill, but were compelled to use 41% virgin aggregate in re-instatements due to continued resistance by certain local authorities. However, by the end of March 2009 all bar one regional HAUC had signed the memorandum of understanding supporting the WRAP protocol which is a measure of the success of the stakeholder engagement groups run by National Grid.

This programme will result in further targeted workshops to drive further improvement in stakeholder commitment

Customers have gained from this work because demand for recycled aggregate has been increased making it easier to divert material from landfill and by reducing demand for virgin aggregate thus reducing consumption of a finite resource and reducing environmental damage caused by quarrying.

Independent endorsement from the Waste and Resources Action Plan (WRAP) of the work carried out by National Grid is appended to this document together with support from one of the participating companies. **(Appendix 1)**.

Appendix 1 - Endorsement of the Waste and Resources Action Plan

1. Source: WRAP website www.wrap.org.uk

http://www.wrap.org.uk/downloads/Excavated_Spoil.33ce46e9.3906.pdf

Case study "National Grid Transco- Infrastructure Works" Recycled content in Utility Works

"This study found that there are real benefits, environmental and financial, to using recycled aggregate to reinstate trenchwork."

"Benefits highlighted by this study:

- Using recycled aggregate to reinstate trenchwork offers environmental and financial savings.
- Techniques which facilitate the recycling of soil are increasingly available.
- Potential financial savings reflect lower material costs, greatly reduced disposal costs and lower haulage costs.
- Non-traditional techniques perform well in trials.
- Haulage costs are an important factor favouring the recycling of trenchwork arisings and use of recycled aggregates."

2. Source: WRAP website www.wrap.org.uk

http://www.wrap.org.uk/downloads/Good_Practice_Guide.cc99db66.5249.pdf

Utilities Agreement Good Practice Guide

"The Draft Strategy for Sustainable Construction⁵ is a joint industry/government strategy which includes the objective of developing agreements and initiatives between the construction industry and its clients with the aim of reducing the carbon footprint and use of resources."

National Grid is used as a good practice example in various parts of this document. Part of which is below

"National Grid - Utility Company and Contractors partner to improve efficiency

All ten contracting partners are now taking steps to ensure that waste is diverted to landfill and more recycled materials are used. Only 30% of waste spoil is now disposed of via landfill."

3. Endorsement from a participating company.

From: Iain Casson [mailto:iain.casson@barhale.co.uk]

Sent: Tuesday, May 12, 2009 7:45 PM

To: Bradshaw, David I

Subject: RE: Feedback on National Grid workshop on the use of recycled and stabilised aggregate, 5th November 2008

David

I would be more than happy to support your application.

Many of the comments you have highlighted in your paper mirror our own experiences as contractors and we find it frustrating both from an environmental, cost and common sense perspective that there continue to be blockers to the use of recycled materials in highway reinstatements. Nevertheless I thought the workshops sponsored by National Grid were extremely useful in gathering a consensus of opinions from like-minded organisations who want to tackle this issue. Although I have been to other similar workshops provided by organisations such as WRAP, this was the first provided by a client organisation.

If you want to discuss further please feel free to contact me. I'm out and about most of this week but my mobile number is 07717 780119

Regards

Iain

End