

Welcome

At National Grid our vision is to connect people to the energy they use today, and be trusted to meet the energy needs of tomorrow. As we develop energy infrastructure, safely, sustainably and reliably, we are committed to ensuring that stakeholders views are heard, listened to and acted upon.

We have a strategy in place to ensure we meet this commitment, embedding this into normal working practice is something that I, along with my senior leadership team, are very much focussed on.



Nick Winsor
Executive Director, UK

In preparing for the new UK regulatory framework (RIIO), we wanted to make sure we fully understood our stakeholders' priorities and could take their views into account when shaping our delivery plans. Through an engagement programme called 'Talking Networks' we gathered views from consumers, government, the energy sector, environmental organisations and our wider stakeholder community through workshops, surveys, meetings and forums. We published the outcome of our consultations on the 'Talking Networks' section of our website, describing the feedback we received and the action we are taking as a result. Stakeholder engagement is an enduring approach that will continue through the RIIO period and beyond. Building on the Talking Networks engagement we continue to encourage our stakeholders to let us know how we are doing, how they would like to engage with us and where we should focus our resources. This submission describes the key outputs we have delivered through our stakeholder engagement activities in 2012/13.

About Us

Who we are

At National Grid our job is to connect people to the energy they use – whether that's to heat and light homes, or to keep factories, shops and businesses going. We all rely on having energy at our fingertips; our society is built on it. That puts us at the heart of one of the greatest challenges the UK faces – how the country will meet its ambitious low carbon energy targets and connect that new energy supply to communities.

Where we work

We own and maintain the high voltage electricity transmission system in England and Wales, together with operating the system across Great Britain, balancing supply with demand on a minute by minute basis. The transmission networks can be likened to motorways; high capacity networks linking major conurbations. These networks are natural monopolies regulated by Ofgem (Office of the Gas and Electricity Markets).

What we do

We transport electricity through our network on behalf of electricity suppliers. Our role is to facilitate the market on behalf of the industry.


nationalgrid

Securing our energy
supply for future generations.

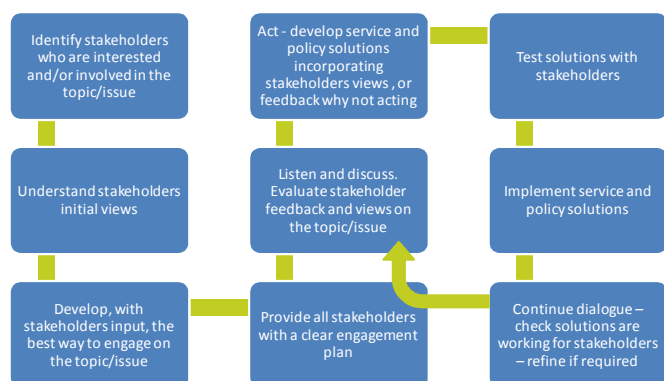
Our engagement Strategy

Regular communication with our stakeholders is vital to our business, their feedback helps us to understand their needs and expectations and shapes the way we go about our business. We are committed to being a business that not only listens but also responds to and adapts our business to what our stakeholders tell us.

Together, with our stakeholders, we have developed our stakeholder strategy to strengthen our commitment to our stakeholders, making clear what they can expect from us. It is an enduring strategy that provides the basis for all stakeholder engagement across our businesses ensuring we are listening and working with stakeholders to provide the types of services they want to see from us. The key is not only listening and discussing issues with stakeholders, it is also about acting on what stakeholders have told us so we can improve the services we provide to them. This strategy was developed and refined during our Talking Networks process - the engagement process we used in developing our business plans for our price control.

Our stakeholder engagement strategy and culture applies to our entire business, not just our Transmission businesses. Some of our stakeholder groups do not distinguish between the separate parts of our business and engage with us as an integrated energy company. It is therefore right that our engagement spans our different business units. Examples in this submission that span more than one part of our business are clearly identified by the  symbol.

What we do:



How we do it:



Nature of engagement

Our engagement activities are varied and wide ranging ensuring that they can adapt and be responsive to particular business and stakeholder needs and be tailored to specific stakeholder groups. This engagement varies from large established annual consultations to single one-off smaller pieces of engagement and everything in-between.

We currently consult on many aspects of how we operate, usually focusing on a particular area of our work to make it easier for our stakeholders to have the right people involved. This engagement helps to shape our business plans and the services we provide.

This submission outlines a broad range of our engagement over the last year, focusing particularly on the outcomes of this engagement for our stakeholders and for our business. We have structured these examples around the five key outputs that our stakeholders told us were most important to them during our Talking Networks consultation. These cover: Reliability, Safety, Environment, Customer Satisfaction and Connections. You will also note that each example states which of our stakeholder groups are involved in the engagement.

For reference, our stakeholder groups are categorised as follows:



Grouping our stakeholders like this helps us to understand where their interest lies. These groups are identified by what our stakeholders have told us.

To demonstrate which groups of stakeholders have been actively involved in the engagement outlined throughout this submission we have provided a key, for example:

| Stakeholders Involved | | | | | | |
|-----------------------|----------|------------------------------|------------------------|----------|------------|------------|
| Customer | Consumer | Professional Interest Groups | Social Interest Groups | Industry | Government | Regulators |

Those groups highlighted in colour demonstrate the key stakeholders that have been engaged in the particular piece of engagement.

Governance & Assurance

We are committed to ensuring stakeholder views are incorporated into our decision-making at every level of our business. This includes the key decisions that are made at the top of our organisation. Our governance structure ensures that stakeholders are considered in the decision-making process at the top of our organisation.

The views of stakeholders are considered as part of all our decision-making processes. For instance, when sanctioning investment on our network all proposals include a section on 'customer issues' to capture stakeholder input. As an additional assurance check, our Director of Transmission Network Service, Mike Calviou is also our stakeholder and customer business lead and is part of all Transmission related Executive Committees.

Stakeholder Management Steering Group

In 2012 we established a stakeholder management steering group to drive and support the delivery of a business that shapes everything we do around our stakeholders requirements, putting customers and stakeholders at the heart of our business. The membership of this group includes senior management representatives from across our UK business: Transmission, Distribution, Corporate Affairs, Human Resources, Electricity Market Reform, Price Control Delivery and Process Development. The group is jointly chaired by Mike Calviou.

The steering group has the following objectives:

- Develop a framework and approach for effective enduring stakeholder engagement;
- Ensure appropriate strategies, governance and assurance are in place to meet requirements;
- Demonstrate stakeholder requirements are understood, evidenced, discussed and ultimately delivered through future business plans;
- Ensure that processes for stakeholder engagement and managing the change resulting from it are robust and embedded in normal business;
- Develop the organisational and individual capability, skills and tools to deliver enduring engagement.

We are also in the process of establishing a Stakeholder Advisory Panel to ensure our business and practices properly take into account the interests, aspirations and concerns of all stakeholders and customers.

The objective of the panel is to allow our executive to draw on the experience of eminent and diverse senior advisors outside of National Grid to discuss key stakeholder issues and their impact on our business. The panel will provide a challenge to our executive team and a strong voice for our stakeholders, helping to shape our business strategy.

Customer Strategy Steering Group

The Customer Strategy Steering Group consists of nominees from across the transmission business who directly impact on the service we provide to our customers and stakeholders. The group is chaired by Mike Calviou.

The steering group has the following objectives:

- Drive performance to ensure we deliver for all our customers;
- Provide leadership support and guidance;
- Monitor and control progress at a strategic level;
- Hold the business accountable for improving customer and stakeholder satisfaction by:
 - Challenging and reviewing action plans,
 - Monitoring progress,
 - Reviewing investment proposals that improve satisfaction;
- Provide knowledge and experience to support effective decision making;
- Provide insight and innovation that accelerates performance;
- Agree terms of any benchmarking, research, and other relevant studies.

Examples of our stakeholder engagement activities over the past year:

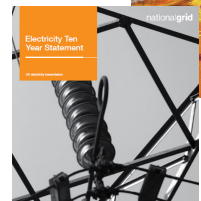
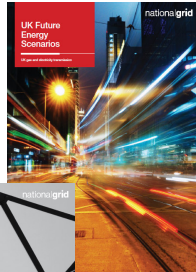
Talking Networks
 Customer satisfaction surveys
 Local community liaison for major infrastructure projects
 Future Energy Scenarios consultation
 System Operator incentives consultation
 Charging methodology forums
 Surveys of grantors
 Operational forums
 Regular bilateral meetings with customers
 Customer seminars
 Electricity Ten Year Statement
 Dedicated webpages for individual major infrastructure projects.

Summary of Outputs & Outcomes

This summarises our key outputs by the groups identified by our stakeholders (as outlined on page 2). In addition we have included outputs related to our community engagement and innovation, to ensure that all our stakeholder groups are reflected in the submission.

| | Outputs & Outcomes |
|------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Safety | <ul style="list-style-type: none"> An Injury Frequency Rate (IFR) of 0.138 for employees in 2012/13 (0.143 in 2011/12) across our Transmission businesses An IFR of 0.071 for contractors in 2012/13 (0.127 in 2011/12) across our Transmission businesses 0 Injuries to members of the public in 2012/13 (1 in 2011/12) across our Transmission businesses IFR = The number of Lost Time Injuries (LTI - injuries resulting in days off work) per 100,000 employees over the total hours worked in the 12 month period (An IFR of 0.1 equates to any employee having a 10% chance of an LTI in their working life) |
| Reliability | <ul style="list-style-type: none"> 99.9999% reliability on our electricity transmission network Development of a Network Development Policy, increasing transparency of our decision-making and giving stakeholders the opportunity to input to the process of network investment Publication of an Electricity Ten Year Statement providing information on the potential development of our network Engaging with over 400 stakeholders through our Future Energy Scenarios consultation A range of future energy scenarios developed in conjunction with our stakeholders |
| Environment | <ul style="list-style-type: none"> 100 Stakeholders attended our Sustainability Summit. 11 work areas have been identified The development of a new approach to the design and routing of new electricity transmission lines A £500m fund put in place to address the visual impact of existing lines in designated areas throughout Great Britain The development of an innovative new pylon design to balance energy needs with visual amenity concerns |
| Customer Satisfaction | <ul style="list-style-type: none"> The introduction of dedicated account managers in our electricity customer team A helpline for customers who do not know where they should direct their enquiries The introduction of a customer complaints procedure with a commitment to provide a full response within 20 working days Achieving the government's Customer Service Excellence Standard for our electricity customer team Updated tariff forecasts four times a year An online feedback form that makes it easier for our customers to tell us how we are performing Customer seminars held in Glasgow and London every six months with each seminar attended by over 100 customers across the two venues Demand-side seminars held in Birmingham every six months for approximately 40 customers Improved co-ordinated system planning meetings for customers connected to our network |
| Connections | <ul style="list-style-type: none"> Providing connection offers that meet the dates our customers want 88% of the time Delivering new financial security arrangements for 250 contracts for generation developers Providing customer choice connections which provide options outside of our normal service Continuing to deliver early connections under the innovative 'Connect and Manage' process which has enabled the earlier connection of 33GW of new generation by an average of six years per project |
| Communities | <ul style="list-style-type: none"> 6,500 young people discovered more about energy from National Grid 19,000 people visited our education website 100 young people attended our work experience course Dedicated webpages for individual major infrastructure projects Gridline publication sent to 30,000 grantors, of which 20,000 are electricity grantors (a landowner or occupier who has National Grid equipment installed on their land) |
| Innovation | <ul style="list-style-type: none"> Innovation Funding Incentive (IFI) report published annually |

"I thought last year's FES event was one of the best events I've attended, with both good context and good critique of Grid's work"



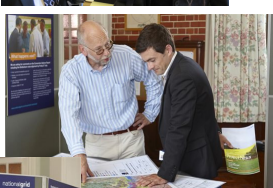
"Thank you for putting on such an inspirational summit on Sustainability"



CUSTOMER SERVICE EXCELLENCE



The Government Standard



Our engagement...



Talking Networks

Talking Networks

■ LISTEN ■ DISCUSS ■ ACT

One of the most significant deliverables in 2012 was our detailed 8-year price control business plan. This was developed in conjunction with our stakeholders via a robust and extensive stakeholder engagement plan. Our stakeholders identified five key areas that we should focus on - Safety, Reliability, Environment, Customer Satisfaction and Connections. This document is structured around these key areas with additional coverage of our community engagement and innovation activities.

We engaged in Talking Networks using consultations, workshops, bilateral meetings and surveys to seek stakeholders' views about what they want our electricity transmission business to deliver. This engagement also helped us to understand how stakeholders wish to be engaged in the future so we can further embed effective stakeholder engagement throughout our business. From the Talking Networks engagement a **defined stakeholder engagement strategy, process and principles has been developed**. This has been utilised across our electricity transmission business. The 'Talking Networks' brand is a commitment to the engagement strategy and to implement this throughout the business.

There are clear links between the stakeholder consultation and our long-term business plans. Our engagement with stakeholders influenced and shaped our business plans in numerous ways. Some examples are outlined below:

- **Carrying out further research to see if consumers would be 'willing to pay' to mitigate the visual impact of existing overhead lines in National Parks and Areas of Outstanding Natural Beauty.** See page 6.

- **Making our current customer forums more accessible, given the geographical dispersion of our stakeholders.** Page 8 outlines some of our specific customer engagement with pages 9 and 10 covering the ways in which we engage with different stakeholder groups.

- **Explore innovation topics that are suggested by our stakeholders.** See page 10.

| Stakeholders Involved | | | | | | |
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BEST PRACTICE

The Future Energy Scenarios consultation made a big impression on industry colleagues some of whom who ran their own version of the events. They sought advice from us on delivery mechanisms for this in particular the use of voting technology at our workshops which they proceeded to use at their own events. This approach to engagement has also been utilised by other network companies in the engagement events.



Future Energy Scenarios (FES)

Our annual UK Future Energy Scenarios publication provides a detailed analysis of credible future energy scenarios looking at a range of energy supply and demand options. They are subject to an established industry wide consultation covering over 90 organisations.

For this consultation stakeholders are invited to engage and express their views through various targeted mechanisms. These include questionnaires, bi-lateral meetings, workshops and an annual conference allowing us to seek a cross-section of views. This is designed to be inclusive, allowing all interested parties the opportunity to feed in their views using the approach that best suits them and to enable us to discuss these views with them.

The information received through all stakeholder engagement for this consultation forms a key input to the development of our scenarios for the following year. In addition to helping shape our scenarios, feedback received in areas which we have currently not explored but our stakeholders believe will add value, will be used to direct new areas of research and analysis.

These outcomes fit with our engagement strategy as they are a product of us listening and discussing the scenarios and associated issues with stakeholders and acting on their views to drive our outputs. We report these back to stakeholders through our feedback document to provide the opportunity for them to provide further views based on what we have implemented as a result of their input.

The scenarios feed into our business plans and are used to assess potential network investment requirements in the future, informing key integrated network investment decisions. Through this consultation we are able to ensure that any future plans reflect the views of stakeholders.

Our stakeholders now have greater awareness of our future of energy work, its impact on likely future investment in our networks and how they can shape this. Our engagement activities enable our stakeholders to understand and debate our scenarios with National Grid and other stakeholders. It also provides an opportunity for our stakeholders to shape our next set of scenarios.

| Stakeholders Involved | | | | | | |
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Sustainability Summit

In September 2012, we held a Sustainability Summit bringing together around 100 stakeholders, including regulators, customers, suppliers and Non-Government Organisations (NGOs) with National Grid employees from across the business as well as our senior leadership team. This was a highly interactive event focused on collaborative planning and generating ideas.

The event captured the sustainability priorities of our stakeholders, with a key output being the definition of 17 focus areas that have been merged into 11 work areas. These include: The Natural Grid, Resource not waste, Sustainable Logistics and Build and embed an enduring culture of sustainability.

The various outcomes of the summit were shaped with stakeholders through a process of understanding and discussing their ideas with them and together generating actions to take forward. Each of the work streams has a senior sponsor from National Grid who is **developing and delivering action plans** that were shaped at the summit.

This summit will help us to **develop and refine National Grid's long-term sustainability, climate change and environmental strategy**. To achieve this the ideas generated will be turned into actions so that they can be embedded into our business and employee culture. Ensuring that sustainability will become part of the way we run our business.

All stakeholders are kept informed of the development of these actions through a **dedicated website**, allowing them to continue discussing the outcomes, review any actions and feedback on these.

External stakeholder engagement meetings are ongoing to bring together key organisations including the Wildlife Trust, RSPB and National Trust to explore opportunities to work together on shared projects.

| Stakeholders Involved | | | | | | |
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Safety & Reliability

Our stakeholders have told us that focus on Safety is a given. They expect us to continue managing safety as we have been doing. Our stakeholders also see reliability as crucial and expect us to deliver a high level of reliability in an affordable way for consumers.

- An Injury Frequency Rate (IFR) of 0.138 for employees in 2012/13 (0.143 in 2011/12) across our Transmission businesses
- An IFR of 0.071 for contractors in 2012/13 (0.127 in 2011/12) across our Transmission businesses
- 0 Injuries to members of the public in 2012/13 (1 in 2011/12) across our Transmission businesses
- 99.9999% reliability on our electricity transmission network

Some of the key activities we undertake to ensure this level of safety is maintained are:

- visual inspections of our equipment
- a programme of work structured to ensure the continued safety and integrity of our network
- keeping the public safe from our equipment via security and measures such as anti-climb paint

Replacing pylon steelwork

We identified that some pylon steelwork in the Peak District National Park needed replacing due to corrosion. A number of options were considered ranging from the replacement of the existing pylons through to undergrounding or tunnelling through rock. We conducted an engagement process including workshops, presentations and walk-through days with a variety of stakeholders such as the Peak District National Park Authority, Natural England, local councils and the department of transport.

In the meantime we were also developing a **new approach to 'recover' lightly corroded steelwork** (which would previously have had to be replaced) by mechanically cleaning it and applying an enhanced paint system. This innovation enables us to re-assess the project with the possibility of repairing the steelwork at a much lower cost than replacing it. This will also make any decision to underground these overhead lines in the future (as part of the fund to address visual amenity – see page 6) more economic and efficient.

| Stakeholders Involved | | | | | | |
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Sharing our long-term planning information

In order to maintain safety and reliability at the current levels, investment in the network is required and we are open and transparent about our decision-making processes for future investment. Stakeholders have an input into these decisions via our continued engagement in this area.

In order to assist our stakeholders in exploring the justification of any proposed reinforcements to our network we **produced the Electricity Scenario Illustrator (ELSI) Model**. This allowed stakeholders to input their own assumptions on such things as the timing of new generation connections and then assess the implication of their own views on the future of the market and the network. Furthermore, we are now using a similar approach to allow customers to assess potential future charges using this model.

We have also **developed a Network Development Policy** that will guide our decision-making process when making investment on our network. This policy will be implemented next year with stakeholder engagement a key part of the process.

| Stakeholders Involved | | | | | | |
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Olympics

The Olympic Games in London was one of the biggest sporting events ever held in this country. In order to ensure that the Games were not disrupted due to a loss of energy supply we engaged with a wide range of stakeholders such as the Games organising committee, government, Ofgem and other utility networks through a detailed stakeholder mapping programme.

The aim of all involved was to ensure the games went ahead without disruption. By engaging with our stakeholders we identified the level of network resilience, emergency provision and operational readiness required. This enabled us to contract for services, provide additional staff at key locations where necessary and work closely with other utility providers to **deliver the required outcomes for all stakeholders – a disruption free games**.

| Stakeholders Involved | | | | | | |
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Our Commitment to process safety



Due to the nature of the equipment we own and operate, process safety is of paramount importance. It is about ensuring that people and the environment are safe from major accidents - very low probability events but with the potential to have a significant impact. This means we need to place a particular focus on this aspect of our business, with the core beliefs and objectives running right through all parts of our business.

Our belief -

Safety is paramount. We will protect people and the environment from the risk of major accidents through our Process Safety Management System and the right safety focused culture.

Our objective -

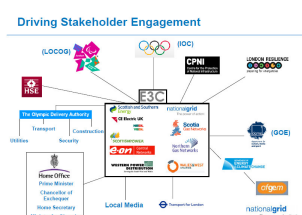
To be an industry leader in managing the process safety risks from all our assets.

Our strategy -

Will be achieved through visible leadership, regular performance monitoring and consistent implementation of our Process Safety Framework:

- Ensuring all changes are implemented effectively and performance is regularly monitored
- Ensuring all new assets, modifications or repairs are safe before they are operated
- Using clear, concise operating procedures which are understood by everyone
- Ensuring our people are competent
- Opportunities for human error have been assessed and addressed
- Confirming our emergency plans work when required
- Operating assets within their safe limits and confirming protective devices work when required
- Inspecting our assets and maintaining them fit for purpose
- Controlling work with effective permit systems
- Maintaining accurate records and data for our assets
- Using systems to detect and prevent third party damage
- Continuously improving through regular auditing and implementing learning from incidents

| Stakeholders Involved | | | | | | |
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Our input was recognised with letters of thanks from a number of organisations such as the Energy Minister.

Environment

Our stakeholders have told us that our role as a facilitator of a low carbon economy is vital and that we should take account of the impact of our day-to-day operations on the environment. Furthermore, stakeholders have told us we need to consider our visual impact on the environment.

Visual Amenity

Our stakeholders have told us that visual amenity is of great importance to them. It is a highly emotive subject providing a wide range of differing views. We consulted widely with our stakeholders throughout our Talking Networks programme, culminating in a **bespoke environmental workshop** covering visual amenity. We asked whether consumers would be willing to pay to mitigate the visual impact of existing overhead lines in National Parks and Areas of Outstanding Natural Beauty with options such as underground cables, the screening of existing lines and pylon innovations.



There was widespread support for this concept and we were able to follow this up by agreeing a new approach with Ofgem, meaning that a **£500m fund has been put in place by Ofgem to address the visual impact** of existing lines in designated areas throughout Great Britain.

For new routes to be built as overhead lines we are keen to support the development of more visually acceptable solutions. The Royal Institute of British Architects ran a competition supported by the government and ourselves to come up with pylon designs that balance energy needs and visual impact.

The outcomes of this engagement are the product of really understanding and discussing the needs, views and concerns of the affected stakeholders. As a result of this we provided possible solutions to mitigate these concerns and kept communities informed, encouraging them to discuss possible solutions with us. Further to this we acted innovatively by engaging with government to run the **competition for new pylons**.

In addition, our stakeholders told us that undergrounding of transmission lines should always be considered when designing new infrastructure. We consulted with our stakeholders on our approach to undergrounding and the output was a **new approach to building new infrastructure**: "Our approach to the design and routing of new electricity transmission lines". This approach recognises that engaging stakeholders early in the process helps us to identify and better understand the impacts on local communities and the environment.

| Stakeholders Involved | | | | | | |
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King's Lynn project and crop spraying

During consultation, once a route alignment for the pylons had been determined, we consulted with landowners on a one-to-one basis about the precise location for each pylon. As a result, several small **changes were made to the location of the pylons** before the final plans were submitted to the Planning Inspectorate. For example, at the request of one farmer, made during a one-to-one conversation organised by us, a pylon was moved by 5m nearer to the edge of a field in order to enable clearance for a crop-spraying boom on his tractor.



| Stakeholders Involved | | | | | | |
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Our new approach to developing transmission lines in action

We have been consulting on our proposals to build a new 400,000 volt electricity transmission connection between Bramford in Suffolk and Twinstead Tee in Essex. This is needed to connect a number of new power generators to the national electricity transmission network in East Anglia.



We conducted an extensive consultation, where many of the responses raised concerns about the potential impact a new connection would have on landscape where there are no pylons. Local people were able to participate in a variety of ways including independently-chaired community forums and public consultation events. We also spoke to people with an interest in the land, local authorities, environmental bodies and other organisations. The decision-making process included a number of competing variables including all stakeholders views as well as our statutory duties and any environmental constraints. In order to be cost-effective we had to balance the need to place a greater emphasis on reducing the visual impact of our projects with the higher cost of putting cables underground. We now **consider all projects on an individual basis, taking into account a balance of environmental, cultural, visual, technical and cost factors**. This example is the first project where this new approach has been used.

We have selected two sections along the 28 kilometre route where we believe the high cost of putting the cables underground can be justified and in May 2012 we published proposals to underground around eight kilometres of this route.

| Stakeholders Involved | | | | | | |
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Protecting the local wildlife

In the spring of 2012 our engagement with stakeholders affected by an overhead line refurbishment in Essex identified a pair of rarely seen ravens nesting in one of our pylons. **We immediately stopped work and consulted with the Royal Society for the Protection of Birds (RSPB) and local residents to reschedule the programme and ensure the birds were not disturbed.**

| Stakeholders Involved | | | | | | |
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Working with other networks

The Low Carbon Network Fund allows up to £500m support to projects sponsored by the distribution network operators (DNOs) to try out new technology, operating and commercial arrangements. The objective of the projects is to help networks understand what is needed to provide security of supply at value for money as we move to a low carbon economy. Where projects also impact the Transmission network **we engage with DNOs** to develop projects ahead of bidding for funds. For instance, **in 2012 we worked closely with Electricity North West (ENW) and other stakeholders, including Ofgem** on a project looking to identify alternative and additional ways of providing demand response services and network services. **This could also result in a lower cost to the end consumer.** The project bid was successful and the project will be developed over the next three years.

| Stakeholders Involved | | | | | | |
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Customer Satisfaction

Our stakeholders have asked us to do more to engage and make our existing events and seminars more accessible. In addition, transparency and predictability of charges are of critical importance to our stakeholders.

Seminars and meetings with customers

Our electricity customer seminars are aimed at people who want to connect to our network or understand more about this aspect of our role. They are intended to provide an opportunity to talk about industry developments, share knowledge and discuss issues.

These workshops continue to evolve and have been developed with stakeholder input ensuring that we act on their views and ideas and provide what they need from the sessions.

The seminars began with approximately 25 attendees and have evolved to now have 100 - 120 attendees across two venues biannually. The move to two venues was in direct response to stakeholder feedback that a London based seminar was inconvenient for our stakeholders based in Scotland. In acting on this feedback **we added a seminar in Glasgow**. Customers also identified that the focus was on generation customers, we have now **developed separate seminars for our demand side customers**, demonstrating our commitment to tailor our engagement to meet specific stakeholder group requirements.



The seminars continue to evolve based on stakeholder feedback that we collect following each of the seminars. This feedback has resulted in the structure of the day now incorporating a number of round table sessions catering for smaller groups, as well as interactive zones where our stakeholders can speak to experts on a one-to-one more informal basis about particular issues. In addition we also invite speakers from other organisations such as Ofgem and other Transmission Owners, to make the seminars as useful as possible.

These seminars also provide a platform for engagement on issues that are relevant to this group of stakeholders. For instance, as part of the engagement programme for the development of our new long-term planning document - the **Electricity Ten Year Statement** - we gave stakeholders the opportunity to drive the development of this document via 'round table' sessions at these seminars. Also the surgeries we held at the seminars, as part of the implementation of new financial security arrangements, has resulted in the **production of a set of guidelines and Frequently Asked Questions documents** for our stakeholders.

In addition we hold planning meetings with customers to co-ordinate the outages of our transmission circuits for maintenance so they have the least impact on our customers. Following comments made by our customers, it was clear that these meetings were not delivering the value that they were intending to. We were told the meetings were too fragmented and that the time was not being used to discuss planning issues in enough depth. Following further discussion each **meeting is now tailored to individual customer requirements** with the agenda and frequency of the meeting driven by our customers.

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European Energy Market Evolution

As part of the drive to establish a consistent set of rules for the European energy market, we have been actively participating in the relevant European Network Code development processes in our role as National Electricity Transmission System Operator.

Stakeholders told us that they wanted us to play a more involved role, including consulting with GB market participants on the changes originating from those processes. We now **support the Joint European Standing Group**, which represents all of the GB market codes and participants and is designed to share information coming out of the European processes. More usefully it provides an opportunity for our stakeholders to understand and discuss evolving issues.

Our role has now evolved to include:

- administrator for the monthly meetings
- provision of expert input for the various working groups on specific topics
- publication of a weekly newsletter on topical issues.

| Stakeholders Involved | | | | | | |
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Improved information

Transparency of prices and predictable charges is vital to our customers. In 2012, we implemented a new approach to the 'use of network' charge forecasting. We now provide updated forecast use of network tariffs four times a year, with explanations of what has changed and why.

| Stakeholders Involved | | | | | | |
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Responding and adapting to what our customers want

Since 2009 we have been asking our customers how satisfied they are with our service. This, coupled with regular engagement at our customer seminars and in bilateral meetings with customers has helped us to understand our customers needs and expectations and shape the way we go about our business

We have:

- **Improved visibility and access to the right person** by introducing dedicated Account Managers in our customer team
- **Established a helpline** for customers who do not know where they should direct their queries
- **Introduced a customer complaints procedure** with a commitment to providing a full response in 20 working days
- Set out a **Customer Commitment** that details what our customers can expect from us
- Achieved the government's **Customer Service Excellence Standard** for our electricity customer team



| Stakeholders Involved | | | | | | |
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Our stakeholders have told us that a timely connection is vital for a project's progress.

Customer Connections

Our aim is to make connecting to our network as easy as possible for our stakeholders. Through a series of informal pre-application discussions we set out to understand our customer's wishes and provide them with a range of options and solutions. Driven by feedback through our regular customer engagement and through our surveys:

- We have **introduced customer choice connections** which provide options outside of our normal terms
- We provide **advice and support in completing application forms** for new connections
- We have connection offers that meet the dates customers request 88% of the time
- We have seen an increased number of connections proceeding to final signature
- We have seen a reduction in speculative applications
- We have continued to deliver early connections under the '**Connect and Manage**' innovation which has enabled the earlier connection of 33GW of new generation by an average of six years per project



Our stakeholders have told us that they need to understand where opportunities exist to connect and when this might be possible in different regions.

To facilitate this we have **developed two complementary publications**:

- Timely Connections Report
- Transmission Quarterly Connections Update

Together they explain to our customers what projects are connecting where and what is driving the connection date.

| Stakeholders Involved | | | | | | |
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Financial security for generation developers

Our stakeholders told us via our customer seminars and regular bi-lateral meetings that the existing arrangements for generators providing user commitment in the form of financial securities were a barrier for new connections, particularly smaller customers. We have worked with our stakeholders to **develop a solution to reduce the upfront costs** we require from generators in order to protect consumers.

These arrangements were implemented in April 2013, with 250 customer contracts moved to the new arrangements, and we will continue to engage with our stakeholders to answer questions and provide guidance and information via our customer seminars.

| Stakeholders Involved | | | | | | |
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Innovative connection solutions

The development of low-carbon generation projects has led to a need to develop innovative connection solutions for projects that are not covered by the current regulatory framework. For instance, a number of Irish windfarms want to connect their projects to the GB system.

In order to progress this connection we engaged not only with the customer to understand their commercial drivers, but also closely with the regulator and government to assess how the connection agreements could be progressed in the current framework.

Further engagement was required when two more stakeholders approached us with similar connections. Working closely with the three parties, we got them to agree to disclose information about their projects to each other to enable connections to be developed for all parties. This was done while considering the wider issues of trying to 'integrate' offshore wind projects where efficient to do so and trying to develop a solution to allow further connections in the future.

The outcome of the process is that there are contracted connection agreements in place for all three stakeholders totalling 9GW of renewable generation capacity. We will continue to work with our key stakeholders to develop the commercial and regulatory structure to facilitate these connections.

| Stakeholders Involved | | | | | | |
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Electricity Ten Year Statement

When producing our long-term planning documentation in 2011 our stakeholders gave us feedback that we should consolidate these long-term planning documents into one publication.

In April 2012 we sought feedback on the evolution of these documents. We consulted with the industry via a written consultation and we utilised existing industry forums such as our electricity customer seminars.

In November 2012 we **published our first Electricity Ten Year Statement (ETYS)** which provides information to our stakeholders on the potential development of our network under a range of different scenarios.

The ETYS has been shaped by stakeholder views, the existence of the publication is the result of us acting on stakeholder feedback which was gathered following our stakeholder engagement process.



| Stakeholders Involved | | | | | | |
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Community

The nature of what we do means we have an important role to play in local communities across the country. Our community activities recognise our role and the effect of our infrastructure projects in the communities in which we operate and serve.



The Government strategy, to 'rebalance' the economy away from financial services, towards other sectors, including life sciences and green energy, is heavily reliant on building and sustaining the science, technology, engineering and maths (STEM) industries and crucially the supply of STEM skilled individuals; demand for new workers in these sectors is significantly high. We take an active role in bringing engineering to life with young people. Across our business, employees deliver a range of engagement programmes to promote engineering and inspire the engineers and scientists of the future. Our programmes include:



- 'school power' sessions for primary school aged children based on exploring energy and materials;
- after-school **Imagining Clubs** for 11 year olds based on promoting engineering through fun projects;
- challenging **engineering projects** for sixth formers through the Engineering Education Scheme;
- "Open House" visits to our sites to give students and teachers an insight into how electricity systems work, and future energy challenges;
- A well respected **work experience programme** offering 15 year olds a week-long taster of engineering.

Last year, around 6,500 young people discovered more about energy from National Grid and 19,000 visited our dedicated website.

We are proud of our work to help young people learn about energy, sustainability and engineering.

| Stakeholders Involved | | | | | | |
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BEST PRACTICE

Our work experience course is viewed as a great programme of engagement to inspire young people. The course was co designed with the Royal Academy of Engineering and is fully approved by them.

We offer a hundred young people a week-long residential course which, exposes them to the energy world through a series of interactive workshops, demonstrations, site visits and projects. The programme is highly regarded in the industry; Selex ES, UK said "I was very impressed by how you managed to turn such large scale tasks into interesting, challenging, but workable projects for the students, it certainly got me thinking! The students seemed very switched on and completely immersed in both projects. The facilities are also top notch!"

We are proud of the outcomes that this engagement results in. One parent told us that "My daughter attended your work experience course and thoroughly enjoyed the week. She was very sceptical at first but has returned with the most positive attitude and the course has given her some direction with career choice."

Making ourselves accessible

To ensure all our stakeholders have access to information about new projects we **provide a variety of options** to stakeholders. As part of our North West connections project there is now the opportunity to register for **email and text updates** on the project through the North West Coast Connections website. The introduction of the text service forms part of our approach to enable hard to reach stakeholders to access the information they need. All communications and key project materials are made available to download on the project website and in hard copy in library packs and upon request.

| Stakeholders Involved | | | | | | |
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Engaging with different stakeholder groups

Our attendance at County Shows provides an opportunity to inform our grantors (a landowner or occupier who has National Grid equipment installed on their land) of the projects in their area and facilitate face to face discussions. In 2012 National Grid attended the Royal Cornwall, South of England, Cheshire, Lincoln, Great Yorkshire, New Forest & Hampshire, Pembroke and Newbury shows.



The County Show Programme has played a vital role in promoting and maintaining good relationships with grantor land owner and occupiers for several years. This allows us to get key messages to a different set of stakeholders. For instance we have used the events to **promote safety procedures** targeting landowners who, according to reports, are the group who cause the most damage to our equipment.

In addition we **produce a magazine**, Gridline, which is a quarterly publication distributed to approximately 30,000 electricity and gas grantors (of which 20,000 are electricity grantors) ranging from farmers and urban businesses to the National Trust, British Waterways and the Ministry of Defence.

These engagement activities enable us to engage directly with grantors, promote safety, allow issues to be addressed at an early stage, inform stakeholders of our operations, engage in two-way communication and demonstrate our commitment to the communities we impact upon.

| Stakeholders Involved | | | | | | |
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Mid-Wales consultation

As part of the Mid-Wales transmission line consultation, we worked with two other energy companies - Scottish Power Energy Networks and Scottish and Southern Energy.



A number of public events were held in partnership with Scottish Power Energy Networks allowing residents to see the two sets of proposals together and talk to both project teams. Information was also available from Scottish and Southern Energy and from RenewableUK. We **co-ordinated this approach to better enable the public and stakeholders to understand the full scope of the project**.

To facilitate debate, **dedicated discussion hubs** were created at each exhibition. In the centre of each room, two to three hubs were created which held large scale maps, portfolio folders of relevant images and diagrams, and key technical documents. These helped to better facilitate discussion with the public and stakeholders. Recognising a desire for large scale maps from the public and stakeholders, **a special fold-out newsletter was developed** for the route announcement phase, which allowed the newsletter to fold out into an A1 map. This was well received and is being used for following announcements and on our other projects.

| Stakeholders Involved | | | | | | |
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Community & Innovation

Community Contact Centres

Our community relations teams have developed a streamlined contact centre process for encouraging and responding to community feedback relating to projects. As part of communicating with communities about work that may impact on them we provide a number of options for contacting us such as a freephone telephone number and an e-mail address. Any concerns and issues are addressed by a dedicated team.

| Stakeholders Involved | | | | | | |
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Local community projects

Some of our equipment is situated in built up areas. When upgrading this equipment safety, noise, dust, mud on the roads and parking can all be issues for the local community. To maintain good relations with the community in Kemsley, Kent we took a very personal approach to engagement including hand-delivered letters explaining our work programme. We also got involved in local community volunteering, helping with the refurbishment of the local Youth House and building a nature reserve and classroom in the local primary school grounds.

| Stakeholders Involved | | | | | | |
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Farm Watch

With much of our work taking place in sparsely populated areas, we have teamed up with North Wales Police to help make local farms and communities safer by joining the Farm Watch scheme. The scheme was originally introduced for farmers and communities to receive and pass on relevant information to help reduce crime in rural areas. Joining the Farm Watch scheme could provide a real benefit to the rural community's fight against crime as our engineers can keep a look out for suspicious activity in the area during their daily work.

Local Police Community Support Officer (PCSO) Lona Davenport said: "The Farm Watch scheme has been successful because local farmers are sharing information with each other and with the Police. National Grid's engineers are another set of eyes and ears for the scheme. **The information they provide can help keep our communities safe and the more people we can sign up to the scheme, the more effective it can be in tackling rural crime.**"

| Stakeholders Involved | | | | | | |
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Keeping people moving

One of our projects in Kent resulted in a road closure that affected local bus services. **Working with the local parish council and bus company we came up with a solution to ensure local children could still get to school and vulnerable members of the community were not isolated. We helped to set up a minibus service to shuttle people from their homes to join up with the normal bus service for their onward journeys.**

| Stakeholders Involved | | | | | | |
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London Power Tunnels (LPT)

In February 2011 National Grid embarked upon a seven-year project to rewire London in order to meet increasing electricity demand and help London access renewable energy sources. Recognising that this long-running project has an impact on the communities and businesses near to our works, we set out from the start to work closely with them. For instance, we have worked closely with the "Friends of Kensal Green Cemetery" to ensure we dealt with tunnelling under the cemetery sensitively and we have co-operated on technical matters with London Underground and Thames Water to minimise the impact on underground structures.

As part of the LPT project a **free phone hotline** is available for our stakeholders to contact us. A resident informed the LPT team through this hotline that she was feeling vibrations from the tunnel boring machine trains within her property. As a result a speed restriction was put in place on a 200m stretch of tunnel in order to reduce the impact on this individual.

We also **opened an energy education centre** in Willesden, London, which has been developed in parallel with the LPT project. The education centre is designed to help local schools and other visitors understand the future energy challenge; how can we balance affordability with sustainability and the role we will play in making sure we have energy security in the future. New interactive tools, specially designed games and on site experts are hopefully able to inspire today's school children to choose science and engineering courses, helping to ensure we have the specialist skills needed to operate our energy system in the future.



This project has won a Silver Award for outstanding Corporate & Business Communications in the Chartered Institute of Public Relations' (CIPR) Pride Awards 2012. The award was given in partnership with Public Relations agency TK Associates for the work done to promote the Energy Education Centre. The CIPR judges recognised how we had engaged with members of the local community and increased their understanding of energy issues.

| Stakeholders Involved | | | | | | |
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Innovation

In Electricity Transmission we need to harness innovation to upgrade our transmission assets and operate a more flexible network. We need to connect new sources of lower carbon generation as well as looking for ways to reduce the direct environmental impact of our own network.

We are involved in a Collaboration Network where we engage stakeholders from different disciplines such as Technology, Major Industry and Construction for feedback on our various projects.

The Future Cities catapult project is looking at the concept of 'Future Cities' and how their development can boost the GB economy and the ideas can be transferred to other European cities.

In the High Voltage Cable Systems workshop we engage with stakeholders such as the Marine Biological Association, our European counterparts and energy suppliers to look at ways of improving marine life. Our annual Innovation Funding Incentive report describes a variety of projects we are undertaking with a wide range of stakeholders.

| Stakeholders Involved | | | | | | |
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