

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, maintain and operate the national gas transmission system in Scotland, England and Wales, balancing the flow of high pressure natural gas between import terminals and the regional gas distribution networks, gas storage facilities, international interconnectors, power stations and other large industrial customers. 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 gas through our network on behalf of gas shippers. Our role is to facilitate the market on behalf of the industry.


nationalgrid

Securing our energy supply for future generations.

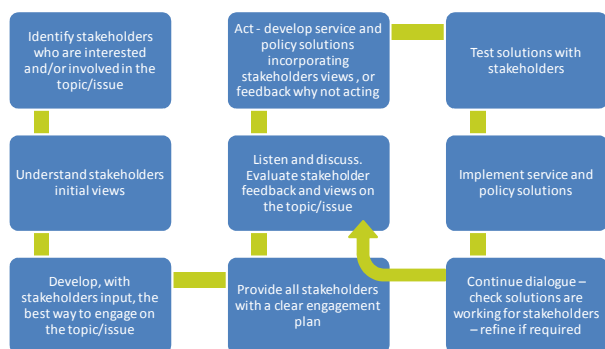
Our engagement Strategy

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:

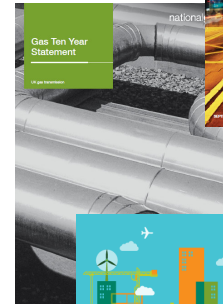
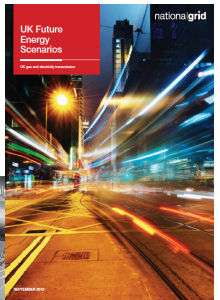
Talking Networks
Customer satisfaction surveys
Local community liaison for major infrastructure projects
Future Energy Scenarios consultation
System Operator incentives consultation
Charging methodology forums
Surveys of grantors
Operational forums
Regular bilateral meetings with customers
Gas Ten Year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

Summary of Outputs & Outcomes

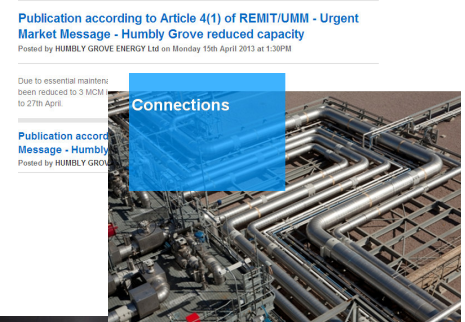
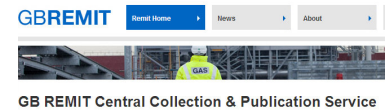
This summarises our key outputs by the groups identified by our stakeholders (as outlined on page 2). In addition we have included outputs related to our community engagement and innovation, to ensure that all our stakeholder groups are reflected in the submission.

	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"> 100% reliability on our gas transmission network Engaging with over 400 stakeholders through our Future Energy Scenarios consultation A range of future energy scenarios developed in conjunction with our stakeholders Publication of the Gas Ten Year Statement providing information on the potential development of our network
Environment	<ul style="list-style-type: none"> 100 Stakeholders attended our Sustainability Summit. 11 work areas have been identified Business plans that focus on delivering statutory environmental obligations only, based on what our stakeholders told us More consultative approach to Network Flexibility issues
Customer Satisfaction	<ul style="list-style-type: none"> The development of a service to allow stakeholders to meet their obligations related to the publication of commercial information. Since this went live in October 2012 over 350 participants have subscribed to the service and there has been more than 23,000 hits on the website 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 The introduction of dedicated account managers in our gas customer team An online feedback form that makes it easier for our customers to tell us how we are performing
Connections	<ul style="list-style-type: none"> A new Application to Offer process giving stakeholders a choice of connection offers The publication of a range of technical and non-technical guides to help our stakeholders through the connection process The ongoing development of a co-ordinated connections and capacity process
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 10,000 are gas grantors (a landowner or occupier who has National Grid equipment installed on their land)
Innovation	<ul style="list-style-type: none"> A Gas innovation day, attended by 45 stakeholders, enabling the sharing of ideas on areas for innovation in the gas industry 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"



Our engagement...

Talking Networks



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.

Talking Networks

• LISTEN • DISCUSS • ACT

We engaged in Talking Networks using consultations, workshops, bilateral meetings and surveys to seek stakeholders' views about what they want our gas 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 gas 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:

- **The development of the connections and capacity process.** See page 8.

- **Provide clarity of the timescales and deliverables for the connection process.** See page 8.

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

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

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 their 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						
Customer	Consumer	Professional Interest Groups	Social Interest Groups	Industry	Government	Regulators

Sustainability Summit



In September 2012, we held a Sustainability Summit bringing together around 100 stakeholders, including regulators, customers, suppliers and Non-Government Organisations 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						
Customer	Consumer	Professional Interest Groups	Social Interest Groups	Industry	Government	Regulators



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
- 100% reliability on our gas transmission network

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

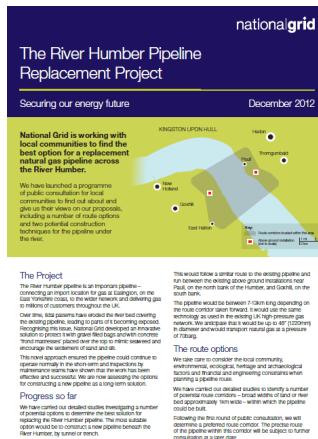
- keeping people safe from our equipment
- protecting our equipment from people damaging it
- protecting our equipment from corrosion
- monitoring gas quality in our network
- managing the gas pressure on our network

Protecting our assets

We are working with local communities to find the best option for a replacement natural gas pipeline across the River Humber. The River Humber pipeline is an important pipeline – connecting an import location for gas at Easington, on the East Yorkshire coast, to the national network and delivering gas supplies to millions of customers throughout the UK. The pipeline is 5km long and runs in an excavated trench along the river bed.

Over time, tidal patterns have eroded the river bed covering the pipeline, leading to parts of it becoming exposed. Recognising this issue, we developed an innovative engineering solution to protect the pipeline by covering exposed areas with gravel-filled bags with concrete 'frond mattresses' placed over the top. These incorporate plastic fronds to mimic seaweed and encourage the settlement of sand and silt. This solution ensured the pipeline could continue to operate normally in the short-term and inspections by maintenance teams have shown that it has been effective and successful. We are now looking at the options for constructing a new pipeline beneath the Humber as a long-term solution.

We have engaged with a wide range of stakeholders that could be affected by a new pipeline such as the Environment Agency, English Heritage, Associated British Ports, local councils and the Crown Estate. Our engagement has included public exhibition events, meetings with local councils and 3000 letters which have been sent to stakeholders detailing the project. The project also has a dedicated page on our website. We began by presenting some strategic options to the key stakeholder groups identified above, with their views then helping to shape our Strategic Options Report. This report allowed the wider stakeholder groups, including members of the public, to view and comment on the different options identified in the report. **We are currently in the process of identifying the current route solution, with the views of stakeholders a key part of the decision making process.**



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

Customer	Consumer	Professional Interest Groups	Social Interest Groups	Industry	Government	Regulators

Stakeholders Involved

Customer	Consumer	Professional Interest Groups	Social Interest Groups	Industry	Government	Regulators

Network Flexibility

One of the features of a future low-carbon economy will be an increasing reliance on wind generation, which brings with it a need to respond quickly when the wind stops, or starts, blowing.

The use of gas-fired generation as a rapid response back-up is one of the ways we will balance supply with demand but our gas transmission network was not designed to operate in the way we anticipate will be required.

We have been discussing this 'Network Flexibility' issue with our stakeholders and we tried to estimate what might be required and how much it would cost. In the discussions with our stakeholders it became clear that there was so much uncertainty around network flexibility requirements that we needed to think again about our approach.

Therefore, instead of planning for a given amount of investment, we have **proposed a mechanism to deal with the uncertainty** which will involve wide consultation ahead of us making a case to the regulator, Ofgem, for any network flexibility investment we are considering.

Stakeholders Involved

Customer	Consumer	Professional Interest Groups	Social Interest Groups	Industry	Government	Regulators

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.

Reinstating the landscape

When designing new infrastructure routes on our transmission network there is a need to have a balanced approach to our decision-making that takes into account the most efficient and cost-effective route with the effect on the landscape.

Ensuring that we reinstate the landscape after building our infrastructure is an important aspect of any project. Large infrastructure projects are infrequent on the gas transmission system. A recent example of this balanced approach in action is the Wormington-Sapperton pipeline that was constructed in 2010. This project affected an area of outstanding natural beauty in the Cotswolds, two popular footpaths and sections of historic drystone walls.

A stakeholder mapping exercise identified the stakeholder groups affected and we engaged with stakeholders such as local MPs, parish councils, local residents, the Cotswold Conservation Board (CCB) and local walking groups.



Our engagement activities included e-mails, newsletters, a website, local letter drops to schools and stakeholder meetings. Feedback from our stakeholders resulted not only in amendments to the project plan and route but also to our engagement activities such as our public exhibitions and our website. Our community relations team produced regular newsletters throughout construction to update stakeholders on progress, promote positive messages and give information on related issues such as the community support initiative. The newsletter format was designed so they could be issued as an email, but easily printed for parish council notice boards if required.

Particular concerns were raised by the CCB about wall sections which were going to be affected by construction of the new pipeline. We worked with the CCB to develop and launch the National Grid Dry Stone Walling Grant Scheme. The scheme has helped to provide funding for 65 dry stone walling projects totalling 6,743 metres in length. The result of the project was a new 44km, 900mm diameter gas pipeline helping to ensure continued reliable and safe gas supplies in Great Britain while balancing this with the needs of our stakeholders.

Stakeholder feedback on the outcome was positive:

"This was a rare example of how any job should be done. The new fencing was excellent and even Cotswold drystone walls were excellently rebuilt. All your staff smiled and were enormously polite. The roads were always clean and the area left in a far better condition than before work took place! Well done to all the team - outstanding to say the least!"

"As a resident of Wormington I was surprised at how little disruption etc was caused. Well done to all concerned."

The project also won two awards: a *Gold Award for Community Relations from the Chartered Institute of Public Relations (CIPR)* and an *award from the Gloucestershire Branch of the Campaign for the Protection of Rural England (CPRE) for the successful management of a major project. We were nominated for the award by the CCB, who had originally objected to the scheme.*



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

Environmental Investment

Through Talking Networks we asked our stakeholders about their appetite for environmental-related investment to see whether they wanted us to become leaders in this field. In the discussions that followed they told us that they wanted us to focus on delivering the statutory environmental obligations we face. On this basis our **core business plans have included only those investments we have identified as being statutory in nature.**

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

Measuring emissions

We are working in partnership with the Carbon Disclosure Project in developing an innovative analytical approach to measuring and monitoring indirect Greenhouse Gas emissions. These are the emissions from the activities of the suppliers and partners that support our activities.

This approach involves integrating data sources from across our business as well as engaging suppliers and encouraging improved supplier environmental reporting with the ultimate goal of reducing emissions.

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

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.

Improved information

We have engaged with stakeholders via industry workshops and bilateral meetings to look for ways to improve transparency in transmission charges, particularly exit capacity charges, to provide more predictable charges in the future.

We have committed to **making our Transportation Charging model available to stakeholders** to enable them to forecast charges.

We continue to engage with our stakeholders in topic specific forums such as the Transmission Charging Methodology Forum.

The screenshot shows the 'National Grid Transmission Charges' website. It lists various charge categories such as Connection Charges, Capacity Charges, and Transmission Charges, along with their respective effective dates and methodologies. The page is organized into sections for different types of charges and provides links to detailed information for each.

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

European Energy Market Evolution

As part of the drive to establish a consistent set of rules for the **European energy market, we have been extensively involved in the relevant code development processes** in our role as the GB National Gas Transmission System Operator.

On a regular basis we provide feedback and analysis at workgroups and, more recently, the DECC / Ofgem led European Stakeholder meetings. This provides an opportunity for stakeholders to understand and discuss evolving EU code developments and issues together with the potential impact this could have on the GB market.

This then assists our stakeholders by providing information to inform their position during the code development process and in any subsequent consultations.

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

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
- Are **targeting the government's Customer Service Excellence Standard** in 2013 for our gas customer team



Sharing information

Our stakeholders have told us that wide availability of information is important, to help inform their decision making.

In 2011 the EU introduced obligations on gas market participants to publish commercial information on events that could affect the wholesale gas price. We were identified as being a potential provider of this information.

The screenshot shows the 'GB REMIT' website. It features a header with the 'GB REMIT' logo and navigation links. The main content area displays information about the 'GB REMIT Central Collection & Publication Service', including a publication according to Article 4(1) of REMIT/UMM - Urgent Market Message - Humby Grove reduced capacity, dated 15th April 2013.

Through an engagement process utilising a regular industry meeting and via a web survey we **developed a service (REMIT)** to allow participants to publish the required information, meeting their obligations under European rules. This is a central platform that we operate on behalf of the gas industry.

This service went live in October 2012 and has over 350 participants subscribed to the service, there has been over 23,000 hits on the website to date.

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

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

Our stakeholders have told us that the connections process should be a key priority for us and that we needed to improve the communications throughout the process.

Addressing stakeholder concerns

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 a new Application to Offer process** that we implemented in August 2012. The key features of this new process are:

- Clear explanations about the types of offers available, recognising our stakeholders want choice and may require different types of connections
- Defined timescales for connections relative to their complexity
- Guidance for customers on what they need to provide us and when
- Clear and transparent fees

In addition we now provide a range of technical and non-technical guides for our customers to help them through the connections process.

One of the concerns of our stakeholders was the length of time it took for us to deliver connection offers. As well as having defined timescales in our new Application to Offer process we are committed to being transparent about how we are doing. We now publish a quarterly report that shows:

- The number of applications we have received
- The type of offers we have made to customers
- The average time to deliver

Our report in January 2013 shows that the one required offer was made well within the permitted timescales.



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

Co-ordinating complex processes

Through consultations around the new Application to Offer arrangements outlined above, and confirmed through our Talking Networks engagement, our stakeholders told us that the connections and capacity reservation processes were inconsistent, too complex and should be co-ordinated. We have been working with our stakeholders to **develop solutions with the aim of achieving simpler and more closely aligned processes**.

Through a combination of bilateral discussions and monthly industry workgroups it has been established that one of the key requirements of any new arrangements will be to enable both our customers and ourselves to explore the impact of their development on our network and to reserve capacity ahead of making a final commitment. This approach is anticipated to complement the formal Planning Act process through:

- Facilitating co-ordinated planning applications by the customer and ourselves
- Enabling the design work to be completed ahead of full planning permission being achieved
- Shortening the time between final commitment to a project and the project being completed
- Allowing customers to reserve capacity ahead of making a final commitment to proceed with their project

Wide-ranging discussions aimed at achieving a consensus on the key principles and processes continue, with a view to a full industry engagement process and new arrangements being put in place over the next year.

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

Working with our connections customers

In the past year our refined connections process has enabled us to develop connections for customers who:

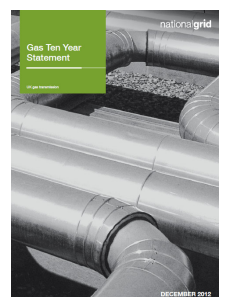
- wanted us to do work outside of our transmission network. **We have identified a solution outside of our standard technical and regulatory framework**
- wanted to bring forward a connection ahead of original agreed timescales. We have **identified ways of progressing connections more quickly** and these benefits can be applied to other stakeholders
- wanted a different, much smaller than usual, type of connection to our network. We are **developing a different approach** for this type of customer connection.

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

Long-term planning

Our long-term planning publications provide valuable information to our customers who potentially want to connect to our network, as well as existing connected customers.

In December 2012 we **published our Gas Ten Year Statement** which provides information on the potential development of our gas network under a range of different scenarios. This document is informed by the Future Energy Scenarios consultation detailed on page 4 of this document.



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

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. National Grid takes 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 **Imagineering 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 gas 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						
Customer	Consumer	Professional Interest Groups	Social Interest Groups	Industry	Government	Regulators

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."*



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 owners 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 10,000 are gas 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						
Customer	Consumer	Professional Interest Groups	Social Interest Groups	Industry	Government	Regulators

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						
Customer	Consumer	Professional Interest Groups	Social Interest Groups	Industry	Government	Regulators

Working with communities to identify alternative solutions

When an application to build a significant new installation in Gloucestershire was refused, we worked closely with the local opposition group, planning officers and the local authorities to identify different options and find out their views. **Following our community engagement programme we identified a new site and then, working closely with the local council planning and landscape officers, revised the scheme further with respect to landscaping and tree and shrub planting.**

The new site was commissioned in autumn 2012 and throughout construction we updated the local community on progress via regular briefings, letters and bi-annual newsletters.

One local resident who had originally been opposed to the scheme contacted us to say how well the new site blended into the countryside and the chair of the local parish council said the local residents have commented that the site is significantly less obtrusive than they had been expecting.

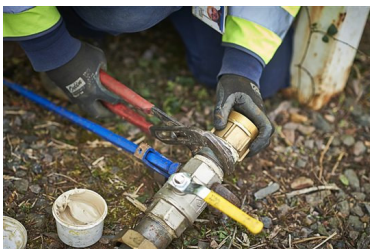
Stakeholders Involved						
Customer	Consumer	Professional Interest Groups	Social Interest Groups	Industry	Government	Regulators

Community & Innovation

Addressing community concerns and improving communication

When undertaking some work at one of our gas installations in Hertfordshire we received a complaint from a local resident related to noise and light pollution. One of the main reasons for this was the lack of initial communication we had with our stakeholders regarding this work.

We subsequently wrote to all residents in close proximity to the site and also to local councillors to inform them of our work. We also worked closely with the local residents, including the complainant, to install sound barriers at appropriate places, ensure lights were directed away from stakeholder properties and offered blackout blinds to residents to help mitigate light pollution.



As the project progressed we continued to inform local residents of the programme of works and any changes to this programme.

As a result no further complaints were received and we have developed a communications pack based on the 'lessons learnt' from this work, to use at similar projects in the future.

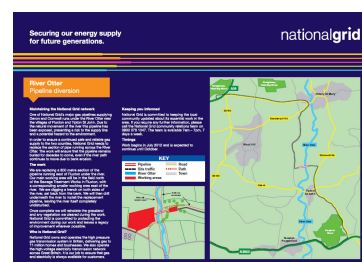
Stakeholders Involved						
Customer	Consumer	Professional Interest Groups	Social Interest Groups	Industry	Government	Regulators

Working with the local community

In 2012 we had to divert and replace a pipeline that runs under the River Otter in Devon as erosion has caused the river to move eastwards, exposing part of the pipeline. To prevent the pipe being damaged by debris floating in the water a replacement pipe was laid at a greater depth.

This was an important project as it is one of only two main gas pipes supplying Devon and Cornwall.

Our stakeholder engagement included a community drop-in session to talk the local community through the work; holding a school-power event at a local primary school to tell schoolchildren about the project and teach them about gas; helping out at the local village fete; meeting with the local council and building on an established relationship with this group; organising a contribution to the local skate park project; and producing a colour leaflet explaining why we had to carry out disruptive works at a popular beauty spot in the summer months.



We received excellent feedback throughout the project, including letters of thanks from local residents and positive coverage in the local newspaper.

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

We are committed to being an innovative leader in the energy sector and this commitment is supported by our stakeholders. Working with our stakeholders, we will investigate innovative solutions in all the areas that they have told us are important.

Innovation

In Gas Transmission we need to harness innovation to fulfil our statutory environmental obligations, operate a more flexible network and facilitate the connection to the NTS for our customers. This will support the flexible operation of gas fired generation plant that will provide the necessary reserve for wind generation as the electricity sector decarbonises.



Engaging with our customers and stakeholders together with collaboration with other utilities is seen as key to innovation success. Our Innovation Funding Incentive (IFI) team have supported a number of key conferences to highlight our current innovation work. The Transmission innovation teams joined National Grid's senior leadership (UK and US) conference this year. There were eight projects on display, as well as a set of summary slides covering sixty of the innovation projects. The displays prompted significant interest and many discussions about implementation of innovation within the company and the wider industry. Innovation will be a focus at National Grid's Annual General Meeting, opening the innovation projects up to a wider range of stakeholders and interested parties. We also engage on Innovation with organisations such as the Energy Research Partnership, ENTSG, UK universities, Customers and our equipment suppliers.

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

Gas Innovation Day



Our Gas Transmission Innovation team organised an Innovation Day in November 2012 at the University of Manchester.

This enabled stakeholders and ourselves to share ideas on areas for innovation on topics such as materials, technology and development, along with sustainable network investment modelling and analysis.

Several potential projects are currently under development as a result of these workshops. Similar engagement opportunities are being explored for the future, with material distributed at these events aiming to provide a spring-board for future ideas, events and shared areas of interest.

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