

Stakeholder Incentive Trial Submission

National Grid
Gas Distribution



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Welcome to National Grid Gas Distribution



JEREMY BENDING
Director,
Gas Distribution

“I am delighted to present our Stakeholder Incentive Trial Submission, showing how we have worked with our stakeholders to understand and deliver their needs and, importantly, how we can continue to enhance our performance in 2013/14 and beyond.

We work with a wide range of stakeholders from our supply chain partners to major energy users, gas Shippers and Suppliers, our industry regulators and Local Authorities to those individuals who rely on us to bring warmth to their homes and their communities, including our more vulnerable customers.

Our biggest deliverable this year has been the development and publication of our eight year business plan for our new price control (RIIO-GD1). We couldn't have done this without our stakeholders. They have helped us to identify our priorities for the future, as well as areas we can improve upon in our daily operations.

We look forward to continuing to understand more about our stakeholders and how and what they want us to do (**Listen**), engage and develop options with them (**Discuss**) and to put their feedback and learning in to practice (**Act**).

I, my senior leadership team and our gas distribution team, are proud to be delivering an essential customer service to our 11 million customers and we are passionate about delivering the quality service they should expect. We will ensure that they join us on our journey as we further embed stakeholder engagement into our organisation so that it truly underpins everything we do.”

Who we are

Our gas distribution business provides an essential service delivering energy safely and reliably to our 11 million customers. Whilst we manage a common operating model across our four networks, we recognise that the communities in which we operate offer different challenges and opportunities for us, our customers and our stakeholders. Whether we are managing incidents, maintaining our networks or connecting new customers,

we never lose sight of the fact that our stakeholders require us to keep them safe and deliver a reliable and quality service that provides value for money. To deliver the best service to our customers and stakeholders we need to understand their needs and expectations - their views help to shape our decisions and the services we provide.

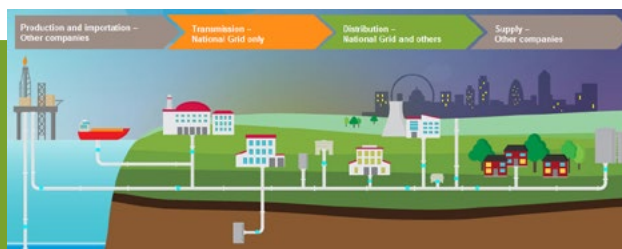
Where we work



What we do

Distribution

We transport gas through our network of pipes on behalf of our Business-to-Business (B2B) customers, known as gas Shippers. Our role is to ensure that the infrastructure we all rely upon every day is safe and reliable delivering gas to homes and businesses whenever it is needed.



Our Stakeholder vision, strategy and principles

Throughout our RIIO-GD1 business planning process, we engaged with our stakeholders to understand their **priorities** and to further develop our stakeholder **vision** (our long-term destination), **strategy** (how we will realise this vision) and engagement **principles** and values. This framework helps us

to identify our stakeholders, engage with them, understand and discuss their needs, act on feedback and ideas, keep them informed, and monitor, review and improve. It ensures that we are doing the right thing, and it provides a platform to facilitate open and transparent discussions.

Our 2013/14 stakeholder vision, strategy and principles have been approved by our Director, Gas Distribution and Executive Committee.

Vision

Connecting you to your energy today, trusted to help you meet your energy needs tomorrow

Priorities

We will keep you **safe**

We will be **reliable**

We will safeguard **future generations**

We will deliver a **quality** service to all

We will provide **value** for money

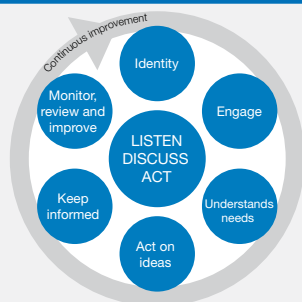
Stakeholder Vision

We are dedicated to being a stakeholder centric organisation, working together to find solutions to shared challenges.

Our stakeholders will desire to work with us to deliver a safe, reliable and sustainable energy network, creating opportunities to continuously improve the services customers want both now and in the future.

We will be passionate about listening and acting on our stakeholder', customers' and communities' views and being challenged to go the extra mile delivering value for money in everything we do.

Stakeholder Strategy



Engagement Principles

Integrity	We will be open, honest and create an environment which enables stakeholders to discuss what is important to them.
Accountability	We will show stakeholders how we have taken their views into account. Where we have not we will explain why.
Transparency	We will ensure all relevant information is easy to access quickly.
Inclusive	We will be flexible enough to provide opportunities for everyone to be involved.

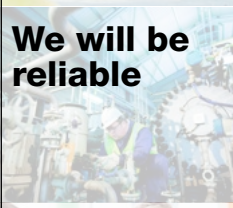
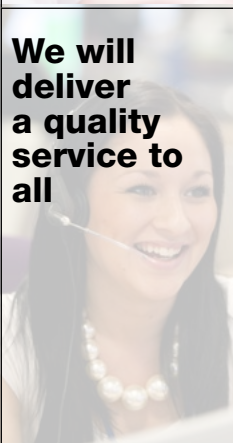

Our stakeholder strategy is driven by our stakeholders' priorities and is based around the philosophy of continuous improvement, to ensure our decisions both now and in the future are well informed and lead to improvements that deliver customer benefits. We have mapped and segmented our stakeholders so we can engage appropriately across a range of topics and issues:

- **Identify** - We will build on existing and create new relationships. We will look to strengthen these relationships by continued engagement.
- **Engage** - We will **Discuss** with our stakeholders using appropriate tools and techniques to meet our stakeholder requirements such as workshops, industry forums, social media, one-to-one's, focus groups, written consultations and consumer surveys.
- **Understand needs** - We will **Listen** to our stakeholders and understand how best we can work together.
- **Act on Ideas** - We are committed to **Act** on ideas and to fully consider the feedback we receive.
- **Keep informed** - We will continue with our 'Talking Networks' concept. This will evolve to become the central point of reference for all our stakeholder engagement information.
- **Monitor, review and improve** - We will continue to review and improve the effectiveness of our engagement.

“ During the discussion sessions we had open two way dialogue ”

What our Stakeholders have told us

Throughout the period, much of our engagement has centred around our customers' and stakeholders' priorities and what they would like us to deliver over the next eight years. The table below summarises the feedback we received, on how we can improve our daily operations and the actions we are taking or have taken as a result of this feedback.

	Stakeholder feedback	Our actions	Status
 <p>We will keep you safe</p>	<p>Safety is a given with the gas industry seen as leaders in this area. Feedback was primarily around how we manage our mains replacement programme and keep the public informed of what we are doing, how we share information with our local stakeholders and how we can minimise disruption.</p>	<ul style="list-style-type: none"> • Our roadworks are now published on Elgin – the largest single source of local roadworks information in the UK. We are now working to improve this further • we are working with Local Authorities so that we can provide longer-term and more meaningful planning information • our communication materials and methods have been overhauled and expanded, for example the signs we use at our roadworks. 	<p>●</p> <p>●</p> <p>●</p>
 <p>We will be reliable</p>	<p>Maintaining the integrity of our networks is a primary focus. Feedback was around simplicity and timeliness of communications, particularly during incidents. Stakeholders were also keen to understand more about our gas holders and our future asset investment.</p>	<ul style="list-style-type: none"> • During incidents our communication now includes real time information via our website and social media updates using Facebook and Twitter • in July 2012 we held a successful gas holder workshop bringing interested parties together. Further engagement will take place now that our business plan has been agreed. 	<p>●</p> <p>●</p>
 <p>We will safeguard future generations</p>	<p>Stakeholders have told us that our role as facilitator to move to a low carbon economy is vital, in particular in connecting sustainable gas to the network. Furthermore, stakeholders see us as having a role in education, promotion, lobbying and removing barriers to connection.</p>	<ul style="list-style-type: none"> • We have established a dedicated sustainable gas team • we are actively working across the industry undertaking research and government liaison • we have developed school education packs • we have led and taken part in numerous forums, conferences. We have been invited and actively participated in policy debates • we are working with others to remove barriers to biomethane connecting to our network and trialling new technologies. 	<p>●</p> <p>●</p> <p>●</p> <p>●</p> <p>●</p>
 <p>We will deliver a quality service to all</p>	<p>Stakeholder feedback has highlighted that a key area of focus for us is how we communicate and the IT systems and methods we use. It is also apparent that there is low visibility of the role of National Grid as the gas network operator and that we need to enhance our visibility.</p> <p>Customers also want to understand how their money is being invested in our networks.</p>	<ul style="list-style-type: none"> • Our website is currently being upgraded • we are helping to educate the public with better communications and signage when we are working in the streets and holding community days for large projects • we are hosting events for stakeholders to see and hear what we do • we are reviewing the use of our IT systems • we have made it easier for our Business-to-Business customers to make contact with us • we have established a stakeholder advisory panel. • we have published spend information on our website and are investigating how we can publish this more widely. We will also publish the outputs we are committing to and how we are performing. 	<p>●</p> <p>●</p> <p>●</p> <p>●</p> <p>●</p> <p>●</p> <p>●</p>
 <p>We will provide value for money</p>	<p>Stakeholders have suggested that we play a greater role in reducing industry costs and providing greater transparency in charging forecasts.</p> <p>Innovation is a key theme and we need better cross-industry working to deliver best value.</p>	<ul style="list-style-type: none"> • We have established a dedicated team to focus on gas losses from our network • we continue to refine the data we produce for charging purposes and will publish our model, for the next price control, showing how our distribution charges are derived • we have published our innovation strategy and are investigating the use of a collaboration forum and web-based innovation portal. 	<p>●</p> <p>●</p> <p>●</p>

● Complete or significantly complete ● In progress – plans in place to complete ● In progress – but decisions still to be made

We will keep you safe and be reliable

All of our stakeholders and customers have told us that safety and reliability are key and our performance should focus on maintaining existing standards with no degradation of service.

We have held stakeholder workshops, webinars, one-to-ones and telephone interviews with both national and local stakeholders across our four networks. These stakeholders include Consumer Focus, HSE, Local Authorities and others. Our stakeholders have said they trust us to deliver our priorities on safety and reliability that we have agreed with them.

In terms of our day-to-day operations, stakeholders have provided feedback on how we can improve in this area, and we have taken this feedback on board.

Another area of focus for us last year was supporting the Olympic games to ensure our activities in London contributed to their success.

Preparing for the 2012 Olympic Games

Working alongside other utilities, our London gas network played its part in ensuring one of the biggest sporting events ever held in the UK was not disrupted, and that we had resources on standby should an emergency occur.

We engaged with a wide range of stakeholders, such as the Games organising committee, Government, Ofgem, other utilities, Transport for London and many others to ensure that our planned maintenance works were rescheduled with minimum disruption, whilst maintaining safety and the integrity of the gas network.

We also undertook major education and engagement with customers in London, to ensure that any new gas connections were planned outside of the event window whilst managing our customers' expectations.



Stakeholders said	Our actions
Keep the public aware of where and when we are undertaking roadworks.	Our roadworks are now published on Elgin – the largest single source of local roadworks information in the UK. We are now working to improve this further.
Ensure all communication is simple, easy to understand and timely.	Our signage at roadworks has been reviewed and updated to provide more information to the public. This has now been replicated by other gas network operators. Where our customers want more visual information we have uploaded details on Youtube and also produce DVDs for issue as and when required. All have been well received.
Provide real time information via website during gas interruptions.	The use of our website, Facebook and Twitter is now a key communications tool.
Provide more information on our gas holder demolition plans.	In July 2012 we held a successful gas holder workshop bringing interested parties together. Further engagement will take place now that our business plan has been agreed.
Consider innovation when managing our mains replacement programme.	Innovation is a key feature in our Innovation strategy and we are working closely with supply chain partners, Local Authorities and others to create new tools and ways of working.
Provide better visibility of our planning data for mains replacement.	We are working with Local Authorities as to how we can share this information in the best format and timescales that work for them.

Our engagement has enabled us to look more holistically at how we manage the health of our assets, providing better and real time information for those who require it, as well as longer term information to enable better planning and co-ordination of works for Local Authorities, developers, utilities and others.

Data Sharing: Sharing our long term planning information

Engaging stakeholders at a network level has highlighted a need to provide more information to Local Authorities on our mains replacement programme. We currently make data available on an annual basis, but making longer-term and more detailed information available will help Local Authorities to plan and co-ordinate works more effectively, reducing disruption, costs and customer inconvenience.

We have held a number of workshops, webinars and face-to-face meetings with Local Authorities and invited other interested parties, including customers via focus groups, to understand their needs, so that we can provide information that is fit for purpose. Our planning cycles have now built additional information provision and engagement into the process.



We will keep you safe and be reliable

“ It is the Mayor’s priority...
Innovation really matters in London
– we need to innovate ”

Innovating

Our Innovation Strategy, developed with our stakeholders, was a key deliverable last year. “Core & Vac”, an innovative key-hole technology for minimising disruption when replacing gas mains, is an example of how, working with Local Authorities (LAs) in London we have successfully trialled a new technology. The results have been so positive that our Best Practice team are now working with other LAs in London for full roll-out, before engaging LAs in our other network areas.

Benefits - This initiative has already led to savings of more than 1,500 days of traffic disruption, as well as doubling productivity across the London network, providing savings and avoided costs of more than £1m, as well as environmental benefits. We have shared this best practice and Southern Gas Networks are now also using this equipment within their network. This keyhole technology has led to a reduction in travel disruption for the general public, safer commuter journeys and a safer area on the streets for the visually impaired and all our stakeholders.



Putting local communities in the picture

Our customers and stakeholders have told us that they want to be more involved when we are working in their area, on larger mains replacement projects. Embracing this challenge, we held a public meeting for a local community in the Great Yarmouth area, in preparation for a 12-month gas mains replacement project we were planning.

We shared with this community our plans, timescales and why we needed to carry out the work, as well as seeking their views. It was a great opportunity for this community to meet us, ask questions and share their thoughts and feedback.

Benefits - We were able to provide education on how and why we upgrade the gas pipes, as well as take contact details, in order to keep stakeholders updated on our progress, share more information on our plans and ensure vulnerable consumers were identified upfront. The feedback we received is helping us improve future schemes. We have also been able to provide interpreters for other schemes, where many of the customers do not use English as their first language.

Keeping customers informed

Stakeholders asked us to review the communication methods we use during interruptions to gas supply, using more real time information. This is achieved by using social media such as Facebook and Twitter.

Benefits - Real time two way dialogue has helped our customers in planning and managing their well-being during interruptions. Our on-site community liaison officers continue to support all our customers, including those needing special assistance during times of essential works.



Keeping abreast of streetworks

Maintaining the pipes that supply gas to our customers’ homes is crucial to keeping people safe and providing a reliable gas supply. Sometimes this will inevitably cause disruption to communities and traffic. Our customers and the public have told us that one of their key considerations is disruption to their travel plans. We have now published our roadworks on Elgin – the largest single source of local roadworks information, and we are now working with our customers and the public to improve this further.

Benefits - A reduction of congestion will not only reduce frustration and dissatisfaction for road users, the environmental impact from stationary traffic will be reduced, as well as improving safety and reducing travel costs.

We will safeguard future generations

“ Help educate the public and others around a low carbon economy...” ”

Stakeholders have told us that the future of energy will change but gas will continue to play a crucial part. We must continue to lead the energy debate and facilitate a move to a low carbon economy.

A key output for us has been the analysis and research we have undertaken that has fed into our work with the Government, helping to shape UK energy policy. Alongside this we have been asked to and attended numerous forums, debates and education sessions.



We have also not lost sight of the fact that although our stakeholders' primary focus is for us to help facilitate a low carbon economy, our own personal contribution is also important.

Working at Group level we have published our commitment to environmental sustainability and we will report to our stakeholders how we are doing.

Stakeholders said	Our actions
Our role as facilitator to move to a low carbon economy is vital, in particular in connecting sustainable gas to the network.	We have established a dedicated sustainable gas team to undertake analysis and research in order to contribute to and help shape UK energy policy.
We have a role in education.	We are actively working across the industry to educate customers and stakeholders and undertake government liaison. We have developed school education packs, and have also introduced volunteer school ambassadors.
We have a role to play in promotion and lobbying.	We have taken part in numerous forums, conferences and been invited to take part in policy debates.
We have a role to play in removing barriers for connecting sustainable gas to the network.	We are working with others to remove barriers to biomethane connecting to our network and trailing new technologies.



Supporting vulnerable customers, not on the gas network

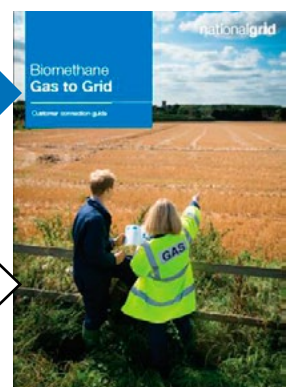
Through our continuing unique partnership with Affordable Warmth Solutions, a Community Interest Company, we continue to look for innovative ways to assist vulnerable customers. This year we have assisted 3,599 vulnerable households across our four networks. Our key area of expertise is connecting whole communities to gas and offering a complete package of heating and energy efficiency measures. Last year based on similar numbers, saw benefits of household energy efficiency increase by 28%, fuel poverty reduce by 34%, CO2 reduce by 49% and household running costs reduce by 34%. We have yet to complete our base-lining for the last 12 months

As part of our ongoing and RIIO-GD1 engagement our customers and stakeholders have told us that we should continue our work in this area and we have committed to assisting c.35,000 customers currently not on our gas network, over the eight year period.

Making a renewable gas connection easier

We are working to improve the end-to-end process for making a renewable gas connection. An area of focus for us, is in the Utility Infrastructure Provider (UIP) market, where the existing connection entry agreement does not lend itself to the new biomethane connection arrangements. We have established a partnership with a producer and certified UIP so that we can all develop a fit for purpose solution.

Benefits - Gas will remain in the energy mix for the foreseeable future and connecting biomethane and other sustainable sources of energy to the network will meet climate change targets at least cost. The right technologies, end-to-end processes, regulatory and commercial regimes, need to be in place for this to happen and we are working with our stakeholders on these four pillars.
With the right frameworks in place many more connections can be made bringing economies of scale, more innovation and reduced costs to consumers.



We will deliver a quality service to all

“Improving the profile of NG explaining its relevance and activities...”

During our engagement with our customers and stakeholders, they have told us that there are two areas we need to focus and improve on; communications and information technology.

Communicating with our customers

Customers requesting a gas connection have found our website difficult to navigate around and the process of having a gas connection quite confusing.

We are upgrading our website so that it is more intuitive and easier to navigate. We have also released an interactive DVD, walking our customers through the end-to-end process and explaining who needs to be involved. Because of the positive feedback we've had we are now extending this method of communication to other areas of our business.



Our B2B customers provide a service to their own customers and at an operational level may need to contact different parts of our organisation. To make doing business with us as easy as possible we publish a contact directory. Following feedback, we have undertaken a review and published a more in-depth directory on a wider scale. We will continue to update this at regular intervals and solicit feedback.

Stakeholders said	Our actions
Improve our website and access to information so it is more customer friendly.	The whole of our website is currently being upgraded.
Review and improve communications when replacing gas mains to educate the public.	Our materials and how we communicate have been updated. We have introduced new signage and community days.
Educate stakeholders and customers on what we do.	We have held three stakeholder days and a number of consumer focus groups.
Set up a consumer challenge group or expert panel to advise the business.	We have established a stakeholder advisory panel.
Make it easier for our Business-to-Business customers to contact us.	We have refreshed our contact directory and are now publishing it more widely.
Give customers a breakdown of how their money is spent.	We have published information on our website and are investigating how we can publish this more widely. We will also publish the outputs we are committing to and how we are performing.
Review our website and communications for customers wanting a gas connection.	We have updated our website and developed more user-friendly information on how we charge and what we do.
Improve IT and phase out use of fax machines.	We are reviewing areas of the business where fax machines are still in use.



Involving our stakeholders

Our B2B customers and stakeholders have told us that they want to learn more about us and how we operate. We have held three open days for our customers and stakeholders to get to know us and our business better. Our open day invitations have extended from shippers and suppliers to include supply chain partners, customer groups, Local Authorities and other trade bodies.

Benefits - developing a relationship has been mutually beneficial; in some cases it has reduced queries to us, but has also helped our stakeholders to feel more able to participate in our engagement.

Talking Networks

After consulting with our stakeholders, we developed the 'Talking Networks' concept that provides channels through our three themes of Listen, Discuss and Act and used it throughout all our engagement activities to provide a forum for consistent and open exchange of views, not only between National Grid Gas Distribution and our stakeholders, but also between stakeholders themselves.

Benefits - Talking Networks is recognised as our central repository and communications vehicle for all our communications. We now have over 100 registered users who are alerted of updates and events. We have had positive feedback from a wide range of stakeholders including customers, shareholders, employees, customer groups and many others that it is timely, relevant and informative.

“Talking Networks

- Listen
- Discuss
- Act

We will provide value for money

“ Model used to derive distribution charges would be good ”

Customers and stakeholders have told us that value for money both now and in the future is crucial, as is pricing stability and managing uncertainty.

The gas distribution element of our customers' bill is around 18%. This equates to c.£110 per year, so any changes to bills is an important consideration.

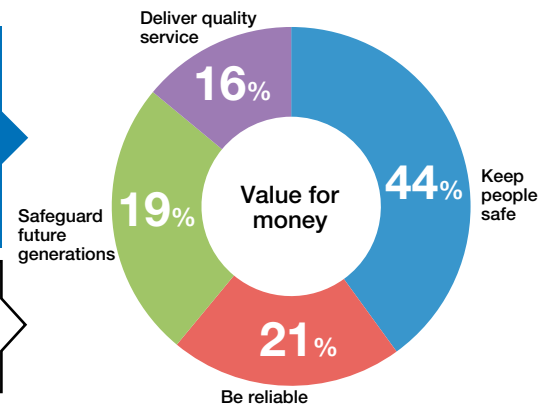
As part of our RIIO-GD1 engagement our customers and stakeholders have asked us to publish a breakdown of spend for each of our priorities and how we are delivering against them. A breakdown of our spend is shown below, and we will publish how we are delivering against our priorities on an annual basis. We will work with our stakeholders to publish this in user friendly formats.

Stakeholders said	Our actions
Our customers and stakeholders have suggested that we play a greater role in reducing industry costs.	We have established a dedicated team to focus on gas losses from our networks.
Providing greater transparency in charging forecasts is important.	We continue to refine the data we produce for charging purposes and will publish our model, for the next price control, showing how our distribution charges are derived.
Stakeholders have suggested that we need better cross industry working to deliver best value.	We have published our Innovation Strategy and are investigating the use of a collaboration forum and web-based innovation portal.

How bills are affected by changes

Customers' bills are affected by a number of factors, including the distribution charge. Suppliers want to know when and how changes may happen so they can take these into account. We continue to work with suppliers to refine the data we provide and we have also committed to publishing our model showing in detail how the distribution charges are derived. We have input into Ofgem's consultation on charging volatility and proposed a number of ideas that could have a positive impact on volatility.

Benefits - Increased visibility of changes will enable suppliers to offer fixed term supply contracts with customers, as well as being able to better forecast and keep customers abreast of changes. This will benefit domestic, non-domestic and industrial & commercial customers.



Reducing costs to the industry

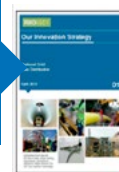
Our industry stakeholders have suggested that we need to focus more on detecting illegal taking of gas from the network. In response to this we have established a dedicated Theft of Gas team. We are working with the industry, including shippers, suppliers, Ofgem, Consumer Focus and other gas network owners upgrading our processes and procedures to tackle the industry wide problem of customers illegally taking gas.

Benefits - Theft is a major issue costing the industry millions of pounds per annum, and we are committed to leading industry change in reducing the costs to the industry and ultimately customers.

Innovation: Working Smarter

Our supply chain partners are keen to develop a more collaborative working relationship with us and other networks and we are looking at new ways of doing this. We are assessing the viability of a collaboration forum and development of a web-based innovation portal. We are also reviewing our current activities and processes to improve the experience they have with us.

Benefits - Enhanced collaboration across all network owners and supply chain partners will enable learning and best practice to be shared more readily helping solutions to be developed more quickly. It will also avoid duplication of effort and replication of non viable projects.



Innovation is at the heart of our plans for the future.

John Pettigrew
UK Chief Executive Officer

Working with our stakeholders

“All engagement we and our members have with National Grid is very useful and informative...”

One of our most significant deliverables in 2012 was the development and publication of our detailed 8-year RIIO-GD1 business plan (which commenced 1st April 2013).

This £10bn plan was developed in conjunction with our stakeholders and clearly showed where we had made changes as a result of our stakeholder feedback, and where we had not taken our stakeholders views on board, explained why not. We have a database of 766 stakeholders and to ensure we made good use of their time, we segmented our database enabling us to identify areas of interest.

Customers and Communities	Consumer Groups	Trade Unions
National, Regional and Local Government	Business to Business Customers	Supply Chain Partners
Fuel Poverty Groups	Trade Bodies	Skills and Education
Environment (incl. Sustainability and Renewables)	Regulators and Industry Bodies (incl. Health & Safety)	Service Providers
Energy Groups	NGOs and Think Tanks	General Public
Shareholders	Employees	Other Networks

Some of the changes we made as a result of our stakeholders' feedback include:

- Our role in Carbon Monoxide (CO) awareness, which

now includes the provision of a number of alarms to 'at risk' individuals (we will be working with stakeholders as to how we categorise 'at risk' individuals).

- A revision to our proposed programme on training and apprenticeships, seeing an increase in the number of apprentices and the inclusion of graduate recruitment.
- A revision to our accelerated gas holder demolition strategy on environmental grounds, to a programme based around safety and capacity requirements, following a winter review.
- A revision to security of our sites, to enhanced security where the cost benefit analysis can be fully articulated.

We also received feedback, where following analysis, we did not take forward our stakeholder's views. For example, Shippers and Suppliers advised us that the accuracy of offtake meters was important to them. Following ongoing dialogue, and the provision of costed options, we were unable to justify this on cost benefit grounds. We went back to our stakeholders to explain why we were not taking this proposal forwards.

In total, throughout our RIIO-GD1 engagement our five rounds of engagement attracted some 265 attendees and responses, across a diverse range of stakeholders. In addition we undertook 5 direct consumer focus groups, and in depth interviews with Small Medium Enterprises and supplemented this with over 9,000 telephone and face to face surveys at our key customer touch points.

Our stakeholder commitments – Have Your Say and Committing to You for 2013

During autumn 2012, we took stock of our stakeholder activities. We went out and consulted over a three month period with a wide range of stakeholders, to give them the opportunity to have their say, and to understand how we had been doing. 40 stakeholders responded, including: customers, Local Authorities, Business-to-Business, consumer and fuel poverty groups, shareholders, supply chain partners and other networks. We also held four dedicated customer focus groups.

Following this feedback we published 'Committing to You for 2013' that details the '29 commitments' we have made and how we will deliver on these throughout the year involving everyone across the business. This document also summarises how our stakeholders thought we were doing, and how we can improve.

We will carry on engaging with our stakeholders throughout the year and, to help do this, we have refreshed our consultation document Continue to Have your Say.

As part of our consultation, we asked our stakeholders how they thought we were doing. The feedback was overwhelmingly positive, and a snapshot of the responses is shown below.



Time
97% of respondents felt our engagement was a good use of their time.



Listen/Discuss
97% felt they had been listened to and had a chance to have their say.



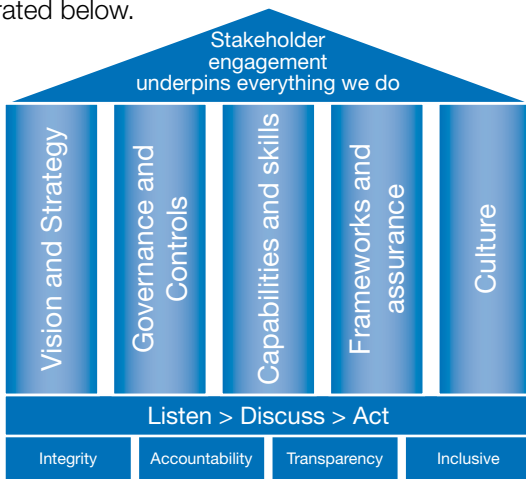
Time
67% felt we had acted on feedback, or if not, explained why not. 30% felt it was too early to tell yet.

Continuing our journey

“ We look forward to continuing the current good working relationship with your company ”

We recognise the need to continually enhance our performance and embed stakeholder engagement into everything we do. The framework below sets out how we will do this.

How we will develop our stakeholder engagement capability is illustrated below.



Our Stakeholder Vision & Strategy

We have a clearly defined and documented stakeholder vision and strategy. This has been signed off by our Executive Committee and will be reviewed on an annual basis with our stakeholders, our Stakeholder Advisory Panel and Executive Committee.

Governance & Controls

To underpin this, we have put in place essential governance and controls to ensure that we will deliver our strategy. This is supported and managed by a robust project management approach. We have set up an independent Stakeholder Advisory Panel to review and challenge the business and support our engagement activities.

Capabilities & Skills

Even though we have active programmes of stakeholder engagement, we also appreciate that we must always improve our core skills and capabilities.

We have already identified a structured leadership framework and programme to improve our skills and capabilities.

During 2012/13 our senior Executive re-evaluated our critical organisational core capabilities and behaviours – one of which is ‘Stakeholder Management’. These capabilities have been signed off by our Executive and each has an Executive sponsor.

In autumn 2013, we will be introducing an academy and curriculum that will provide structural learning across the whole organisation including staff and the executive team to develop and enhance our stakeholder capabilities. Specific focus will be on those who are responsible for delivering results locally. We will establish Stakeholder Centres of Excellence and stakeholder experts so that stakeholder engagement is not separate to our day-to-day activities, but something that underpins everything we do.

Framework & Assurance

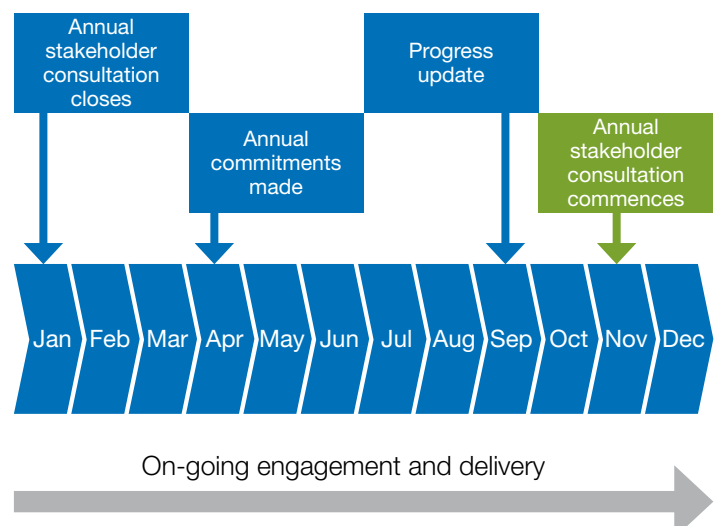
We recognise where we are on our stakeholder engagement journey. We have identified best practice and frameworks that will ensure compliance through independent assessment, and we are just about to undertake a structured programme of external assessment.

Culture

All of the above will improve our management, skills and capabilities that will become inherent in how we will operate as a business. This is all part of our business change and is fundamental towards improving our internal business culture, and becoming a more externally focussed organisation – something which our stakeholders desire.

We have committed to our stakeholders that we will undertake an annual review process to monitor how we are doing, and understand how we can improve.

The timetable below shows our annual review process in order to drive continuous improvement. Although we will review annually, our engagement will be ongoing encouraging our stakeholders to provide feedback at any time.



Stakeholder Incentive Trial Submission May 2013

Email:

Tracy.Hine@nationalgrid.com

Website:

www.talkingnetworksngd.com

Write to:

Tracy Hine
National Grid House,
Warwick Technology Park,
Gallows Hill, Warwick, CV34 6DA

Telephone:

Tracy Hine on 01926 656923