



Confidential

**Scotia Gas Networks (SGN)
Stakeholder Engagement Incentive 2013/14**

Request for clarification/information

Reference: *Ofgem email: "SE - SGN supplementary question"*

Received: 10/06/2014 17:25
From: Stephen Perry
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Topic: **Minimum requirement four**

Ofgem Question

Minimum criterion four is that "the network company can demonstrate it is acting on input/feedback from stakeholders". In Part 2 of your submission you identify "what our stakeholders said... what we have done...", please can you clarify what stakeholder engagement activities led you to identify these stakeholder needs.

SGN Response

In 2013/14, we used a diverse range of channels and activities to consult and engage with our stakeholders and identify their needs. We provide examples of these engagement channels and activities on pages 5 and 6 of our Part 1 submission, including stakeholder feedback (*see quotes on page 5*) to reflect whether our stakeholders felt the format and delivery of our Let's chat events were fit-for purpose.

Our stakeholders are diverse and therefore have varied aspirations and expectations from us. Our commitment to use appropriate channels and activities to ensure our stakeholders have the right mechanisms to engage with us is outlined in our Stakeholder Engagement Strategy, Appendix B of our submission.



For example, by using web-based channels we communicate with a wide range of stakeholders who have access to the internet. But as many of our stakeholders may not have easy access to a computer, we know it is equally important to engage through direct dialogues and interaction, including meetings, customer focus groups, and postal and telephone questionnaires.

These diverse range of engagement channels and activities, from our Let's chat stakeholder events and feedback forms, to meetings, telephone questionnaires, cross-industry collaboration forums, and our employee engagement survey have enabled us to receive feedback from our stakeholders.

Responsiveness is one of the key principles of our stakeholder engagement strategy to ensure we develop and deliver appropriate responses to the issues and opportunities raised through our engagement work. We also recognise that at times, stakeholder aspirations don't align to our strategy, and we provide an example on page 7 of Part 1 of our submission to demonstrate how we communicated this to one of our stakeholders.

Part 2 of our submission is structured around key themes at the heart of our business strategy, and the most important issues to our stakeholders (e.g. raising awareness on CO, tackling fuel poverty). To demonstrate how we have identified these stakeholder needs, we provide further examples of stakeholder feedback and how we responded to these in Part 2 in this format.

The table below provides further information on what specific engagement activities led us to identify the needs of our stakeholders.

Strategy theme	Stakeholder need as outlined on Part 2	Engagement channel(s) and activities	Notes
Keeping the gas flowing	“Confidence in a secure, uninterrupted gas supply is important to them”	Our business plan consultation.	This request originates from our RIIO-GD1 business plan consultation. However, this is clearly one of the most important issues for our customers and wider stakeholders, as it underpins our core business deliverable.
	“Ensure the Scottish Independent Undertakings (SIUs) have a secure energy supply”	1-1 meetings with key stakeholders, such as the Scottish Energy Minister, Ofgem, MPs and MSPs.	Due to the closure of the Avonmouth LNG plant in 2018, security of energy supply to the SIUs has been a key focus for a number of our stakeholders.
	“There are shipperless or unregistered sites with the potential for customers to be using gas and not paying for it. GDNs should collaborate with other utility companies to identify and resolve this issue.”	1-1 meetings and cross-industry collaboration forums Customer feedback on various online forums.	Shipperless or unregistered sites have been a growing concern for our regulatory stakeholders, given the impact on customers. Customers on shipperless sites often find the process of getting registered very stressful and confusing. Gas theft also has a financial impact on all energy customers.
	“Investigate feasibility of using alternative sources such as LNG.”	1-1 meetings and cross-industry collaboration forums.	Security and diversity of gas supply are important issues to our stakeholders and our regulator. By investigating the feasibility of alternative sources, we are looking at opportunities for improved market efficiency as well.

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Working safely and efficiently in our streets	<p>“Share planned work programme for the next eight year period and co-ordinate your gas mains replacement works with other utilities.”</p>	<p>Performance review meetings with local authorities and government organisations, such as TfL.</p> <p>Industry forums such as Highway Authorities and Utilities Committee (HAUC).</p> <p>1-1 meetings with other utility companies.</p>	<p>This stakeholder need has been raised in a number of different forums, including those listed under engagement channels, as an important issue and tool to minimise disruption to our customers and general public.</p>
	<p>“Collaborate with National Grid Gas Distribution (NGGD) and other utilities in London to share ideas and learning from our work with highways authorities, the London Mayor's office and Transport for London (TfL).”</p>	<p>Let's chat stakeholder events.</p>	<p>Given the unique operational environment in London, we would like to share best practice with NGGD, our counterparts in north London, to ensure Londoners can benefit from innovative approaches both north and south of the river.</p>
	<p>“The speed of our repair work and the resultant traffic disruption.”</p>	<p>Performance review meetings with local authorities.</p>	<p>Minimising the disruption to our customers and road users by completing our works quickly, safely and efficiently is one of the most important issues</p>

		Customer letters or feedback through social media.	to our stakeholders.
	“You can reach out to so many more people if you identify twitter accounts of local town councils or Chambers of Commerce, and tweet them about the progress of road works. These accounts usually have thousands of local community members following them.”	Let’s chat stakeholder consultation.	This was raised an important issue by a town council where we conducted planned replacement works within the last year.
	“Use innovative technologies to minimise environmental impact of road works.”	Meetings with local authorities and industry forums such as south east HAUC.	Our roadworks could adversely impact the environment through the waste generated. Therefore minimising waste to landfill and recycling roadworks waste is an important issue to our stakeholders.

Strategy theme	Stakeholder need as outlined on Part 2	Engagement channel(s) and activities	Notes
Acting responsibly	“Look at partnerships with Local authorities, local Community and Parish Councils, charity organisations and suppliers to identify vulnerable customers.”	Let’s chat stakeholder consultation.	Respondents of our consultation were asked “What else can we do collaboratively to take our fuel poverty initiatives beyond the delivery of our Assisted Connections Scheme?”
	“Extend the scope of your work to connect fuel poor independent gas transporters (IGT) customers to ensure they’re not discriminated against, and also include district heat schemes.”	<ol style="list-style-type: none"> 1. Let’s chat stakeholder events; 2. Let’s chat stakeholder consultation; and 3. Customer request via local council (1-1 meeting). 	<ol style="list-style-type: none"> 1. Feedback received by our experts at the ‘tackling fuel poverty’ stand. 2. Respondents of our consultation were asked: “Should the scope of our Assisted Connections Scheme be extended to include district heating, customers served by IGTs, and other areas? Please give details.” 3. An IGT customer’s carer felt they were being discriminated as the customer qualified for heat replacement under the Scottish Government scheme, but was still charged.
	“SGN needs to more actively engage with local authorities and work with gas suppliers, IGTs and GDNs, and agree how to reach the right people to tackle fuel poverty.”	Let’s chat stakeholder consultation.	Respondents were asked “What else can we do collaboratively to take our fuel poverty initiatives beyond the delivery of our Assisted Connections Scheme?”
	Our stakeholders stated ‘the focus of our CO awareness activities should be:	Let’s chat stakeholder consultation.	Respondents were asked “where should we focus our efforts on raising awareness of the dangers of CO?” We provided them with three options, and an

	<p>1. Exhibits at outdoor leisure events to raise awareness of CO when camping or caravanning</p> <p>2. Link with fire and rescue services to highlight the dangers of CO</p> <p>3. Enduring relationships with organisations such as Girlguiding to promote awareness of CO for young people'</p>		<p>opportunity to enter free text if their preferred area wasn't listed. We also tweeted the questions to some of our stakeholder contacts to increase the response received.</p>
	<p>"Customers value the work we do in local communities."</p>	<p>Direct feedback (e.g. email, 1-1 meeting) from the local projects who benefited from our Community Action Programme (CAP) scheme.</p>	<p>We receive similar feedback from many of our CAP projects. These stories are then shared with our colleagues on our intranet and company newspaper, SGNmail, and externally through our website and social media channels, such as Twitter and Facebook.</p>
	<p>"Communication with employees can be improved. We'd like to find out about things through structured briefs."</p> <p>"We'd like to see more training opportunities."</p> <p>"We don't see enough of our leaders and senior managers."</p>	<p>Our annual employee engagement survey.</p> <p>Trade Union meetings.</p> <p>Let's chat sessions with senior managers.</p> <p>'Teamtalk'.</p>	<p>Although these quotes were taken from the results of our survey, similar messages were reiterated by our colleagues through other channels, such as Trade Union meetings, Let's chat sessions with our Executive Team members and other senior managers, as well as 'Teamtalk', our internal briefing mechanism for our colleagues. These sessions are attended by colleagues at various levels.</p>

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Future of gas	“SGN should continue to invest in alternative greener, cleaner energy sources integrated in to its existing network system.”	Our business plan consultation. Let’s chat stakeholder events and consultation.	This request originates from our RIIO-GD1 business plan consultation. However, the stakeholder interest and appetite for green gas were reinforced at our stakeholder events, as it was our busiest stand. We also asked stakeholders “Do you agree gas has a role to play beyond 2050. If so, why?” in our consultation, and received similar responses.
	“Share your plans and ideas on how you will ensure you have enough skilled staff to deal with changing technology and workload demands from 2018-2020 onwards.”	Let’s chat stakeholder events.	This issue was raised many times through informal channels such as discussions with our employees or participation at industry forums due to the changing nature of our industry. It was further reiterated at our Let’s chat events as a key issue.
	“Engage with younger people to make them aware of the opportunities available in the gas industry”	Informal feedback from our charity partners. Let’s chat stakeholder events.	Although this was a request raised at our Let’s chat event, our not-for-profit partners often reiterate similar messages at our meetings.
	“Minimise the impact of smart meter roll-out on customers, and vulnerable customers and share your plans on how you will achieve this.”	Cross-industry meetings with suppliers and not-for-profit organisations. Let’s chat stakeholder events.	This has been a request echoed at a number of forums and 1-1 meetings with our stakeholders, from our Steering Group meetings with a number of energy suppliers individually, to our participation at industry forums such as Benefits Monitoring and Review Group (BMRG).

