

National Grid Electricity Transmission Stakeholder Engagement Submission Part One 2013/14

This submission demonstrates that National Grid Electricity Transmission meets and exceeds the minimum requirements of the Stakeholder Engagement Incentive Scheme 2013/2014. References to the supporting evidence that underpin this submission are included throughout the document.

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Examples of some of the successful outcomes that we have achieved for our Electricity Transmission stakeholders in 2013/14 as a result of their feedback include:

- Creating a transparent and consistent Network Development Policy to help stakeholders manage uncertainty around future generation connections
- Changing our proposals for the Hinkley Point and Mid-Wales connection projects to better reflect what our stakeholders want
- Creating a more transparent and consultative process for changes to our commercial frameworks
- Supporting local industry in Teesside by adapting our infrastructure and changing our programme to allow ships to navigate the Tees and berth on schedule
- Helping protect 116,000 people from flooding by deploying our flood barrier at a stakeholder's site

nationalgrid



In 2013/14 we have made stakeholder engagement a fundamental priority for our business. We have:

- **Consulted and delivered on the 24 commitments** that we made to our stakeholders for 2013/14
- **Achieved a customer satisfaction score of 7.4 and a stakeholder satisfaction score of 7.5**
- Included a commitment to improve stakeholder engagement in our **company vision and strategic objectives**
- Made good stakeholder engagement an objective for **every member of the senior leadership team**
- **Updated our stakeholder engagement strategy** in consultation with our stakeholders
- Established our **Independent Transmission Stakeholder Advisory Panel**
- **Trained 134 employees across Transmission in the stakeholder engagement curriculum** of the National Grid Academy
- Launched new **digital and social media platforms**
- **Restructured our business** to improve engagement with our stakeholder groups and introduced specific stakeholder facing roles
- **Developed Our Approach for building new infrastructure** to provide a consistent, structured framework for engaging with impacted stakeholders, and implemented it across all of our projects
- Established a new **Stakeholder and Customer Strategy Team** to further integrate stakeholder views in decision making
- Maintained the Government standard **CSE accreditation** for our Electricity Customer Service team.

Meeting our stakeholders' needs is essential to the success of our business

What we do

National Grid Electricity Transmission (NGET) owns the Electricity Transmission network in England and Wales; the high voltage network connecting electricity generators to distribution networks and large-scale consumers. NGET also operates Great Britain's entire Electricity Transmission system, which includes the Scottish and offshore networks, ensuring that supply and demand is balanced on a minute by minute basis.

The energy landscape within which we operate is changing. We continue to invest efficiently to deliver world class reliability for UK stakeholders and enable our customers to connect to our network. We continue to adapt to new sources of energy, and promote the development and implementation of sustainable, innovative and affordable energy solutions that will ensure security of supply. Our business plan is based on delivering an affordable Electricity Transmission network that meets the energy security and environmental requirements of our stakeholders.

As System Operator we are uniquely positioned to oversee the delivery of the Government's Electricity Market Reform and look forward to playing our part in helping the UK meet its requirements for secure and flexible electricity supplies at affordable prices.

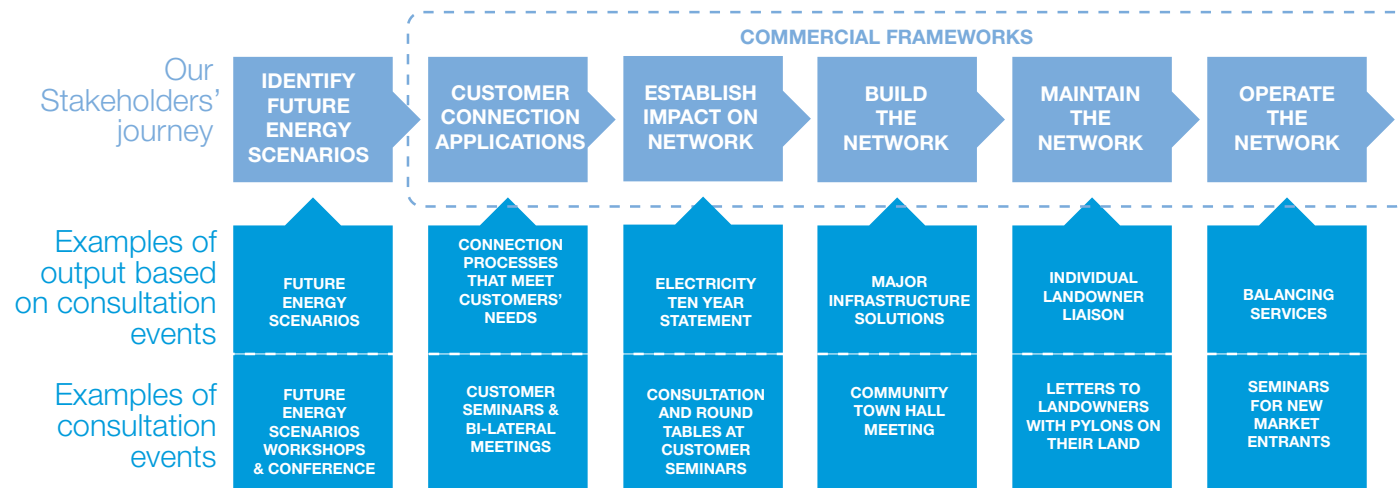
Our success in delivering this is entirely dependent on our ability to consult with our stakeholders and for them to become an integral part of our decision making processes. To help us do this we have established a number of tailored channels through which we can engage with our stakeholders such as Twitter feeds for new Electricity Transmission projects. This has been influenced by the feedback we received via our Talking Networks programme, through which we consulted our stakeholders on the development of our Electricity Transmission business plan under RIIO. We have continued our engagement with our annual consultation for our Electricity Transmission stakeholders. As a result we published Our Commitments, a set of promises that we have made to our stakeholders in response to areas they raised with us, such as visual amenity and the undergrounding of transmission lines.



Stakeholders are impacted by our business and influence our decisions at every stage of our operation.

The diagram on the left shows some of the stakeholder interactions on the journey through our key activities from identifying the energy mix of the future, through to building new overhead lines and cables and operating this new infrastructure.

- **Identify future energy scenarios** – providing a forum for exchange of ideas and data that informs our view of how the energy landscape will look in future
- **Customer connection applications** – identify customer-specific needs based on direct electricity connection applications
- **Establish the impact on the network** – explaining how we plan our network development in response to future scenarios and customer requirements
- **Build new infrastructure** – consulting with communities, landowners, politicians and experts on how to connect new customers to the grid and find long-term solutions that work for all
- **Maintain existing infrastructure** – regular communication with landowners and communities
- **Operate the network** – working closely with industry and government to balance the grid
- **Commercial frameworks** – working with stakeholders to develop the commercial frameworks that govern the energy industry.



Our comprehensive and up-to-date Stakeholder and Customer Engagement Strategy

We have made an enduring commitment to engaging with our stakeholders:

- 1. Because it's the right thing to do** – We are ultimately accountable to our customers and stakeholders for everything we do, and we take that responsibility very seriously.
- 2. To make better decisions** – By engaging with stakeholders early we can make better, more informed decisions that ensure better outcomes for both them and us in the long term.
- 3. To safeguard our reputation** – Our ambition is to be trusted to meet our stakeholders' energy needs today and tomorrow. As a monopoly, we understand the importance of trust, and the fragility of our reputation that relies upon it.

Stakeholder feedback forms an integral part of our decision making. Our Stakeholder and Customer Engagement Strategy was developed as part of the Talking Networks consultation on our RIIO business plan. We have worked closely with our Independent Stakeholder Advisory Panel to evolve this strategy, which follows the standards and principles of the **AA1000 Stakeholder Engagement Standard (AA1000SES)**.

Our strategy follows a simple cycle of engagement underpinned by the principles: **Listen; Discuss; Act**.



National Grid's Stakeholder and Customer Engagement Strategy is followed throughout the business and has been developed in consultation with and approved by our stakeholders through the Transmission Stakeholder Advisory Panel (see page 5). Our strategy is to:

- **Identify** our stakeholders – we have segmented our stakeholders into ten groups, to help us tailor the way we interact with them. Our business has been restructured to reflect these groups to help us plan effective engagement and manage these relationships
- **Understand** them, their needs and their relationship with us – we consult our stakeholders annually to understand what is important to them and update our processes and business plan in response to their feedback
- **Tailor engagement** – we do this according to their specific needs and in response to the way they have told us they want to engage with us to ensure our contact is efficient and effective, yielding the best results for all concerned
- **Act** on what they have told us – we have made major changes to the way we work and our decisions in response to stakeholder feedback
- **Inform** them about how we have taken their views into account – we do this through the channels we know they use, be it our Connecting website, tailored newsletters or annual publications
- **Measure** the effectiveness of those improvements – holding annual customer and stakeholder satisfaction surveys and an annual stakeholder consultation, and using key performance indicators which are reviewed annually by the Board.

A full version of our Stakeholder and Customer Engagement Strategy has been submitted as supporting evidence.

Identify stakeholders

DEFINITION OF STAKEHOLDER
IDENTIFY our stakeholders

Inform them of what we have done

COMMUNICATE what we are doing/have done

Act on what they are telling us

INFORM: make feedback transparent
RECOGNISE the diversity of our stakeholders and their views to develop balanced actions
DELIVER on those commitments



Understand their needs

UNDERSTAND what is important to them – their needs and priorities
LISTEN to how they are impacted by our activities, how they can impact us
MAP the influence they have over our business and their interest in helping shape it

Tailor engagement accordingly

TARGETED: tailored to suit the specific interests and priorities of each stakeholder
INNOVATIVE: designed and delivered in new and engaging ways
COLLABORATIVE: early and often – co-ordinated across organisations and individuals

We have engaged a broad and inclusive range of stakeholders

Identify: The Electricity Transmission business covers a very broad range of activities. As a result, we interact with a very diverse range of stakeholders with a wide set of interests. We map our stakeholders into broad groups to reflect our existing relationships with them.

Our business has been restructured to improve engagement with these groups and our new employee role outlines explicitly set

out the stakeholder relationships individuals are responsible for managing and maintaining. For example, to reflect the needs of our electricity customers, the electricity customer team is structured by regime, geography and connection type.

These groups are kept under review to ensure they remain up to date and accurate.

Stakeholder Group	Stakeholders	How we engage to build long-term relationships
Consumers	General public	We have made significant enhancements to our website, allowing consumers to fully understand the role of National Grid and other electricity industry companies. The website offers comprehensive consumer safety advice and contact details for emergencies or service queries. We have also introduced a number of social media channels to reach out and engage in two-way dialogue with the wider public, including Twitter and Facebook. We regularly use other channels to communicate with consumers eg feature blogs on Which? website/editorials on news channels as well as consumer group websites. We have a relationship management function focused on engagement via regular meetings with Consumer groups.
	Consumer Groups	
Customers	Energy Suppliers	Dedicated Customer Account Managers are responsible for individual customers. In addition to day-to-day engagement we hold customer seminars enabling customers to engage with us on a wider range of topics that they have told us they are interested in. These include monthly meetings on connections and code modifications, regular standing groups to discuss charging and governance as well as individual bespoke meetings to manage specific issues and build relations.
	Generators	
	Distribution Network Operators	
	Directly connected demand	
	Interconnectors	
Communities and their representatives	Landowners	We have a published Stakeholder Community and Amenity policy which describes our focus on building longer-term relationships with communities and local stakeholders to support our major infrastructure projects. Our Community Relations agencies work with local communities through consultation events, public meetings and local hubs set up to focus on specific projects. We have regular communication channels with local communities including our Gridline magazine aimed at local landowners. We launched Powering Britain's Future to expand the debate around the future of energy in the UK, promote understanding and help find common ground towards solutions for new infrastructure. We have brought together leaders from across the energy industry to discuss how we can engage better with consumers. In 2013 we took the campaign on the road across the UK and, in partnership with DECC through the British Energy Challenge Roadshows, engaged with over 1,100 people.
	Local authorities/Parish Councils	
	Local communities	
	Local campaign groups	
	Media	
Supply Chain	Suppliers	Dedicated teams within our Procurement and Capital Delivery departments work with suppliers and partners through competitive tender events and through ongoing partnerships to deliver our capital plan.
	Partners	
Political	UK Government	Our Parliamentary Affairs team works regularly with Members of Parliament, providing proactive briefing materials on relevant issues such as the future energy mix, keeping them informed of key development areas in the business that may affect them, ensuring they have up-to-date information with which to make well-informed decisions. We also engage on specific issues, such as the North London Reinforcement Project in which 120 key community and political stakeholders were contacted by us. We have ongoing relationships with Government departments including DECC, DEFRA and the Treasury. Similarly, we have established a Brussels office which is in regular contact with the EU Institutions – the European Commission, Members of the European Parliament (MEPs) and Member States' representations - and European energy stakeholders.
	Devolved administrations	
	European administration	
	UK Government Departments	
	Members of Parliament	
	Members of European Parliament	
Regulators	UK Regulatory bodies	Dedicated points of contact on the senior management team in all regulatory bodies, regular meetings to discuss issues and concerns important to them. We also work together with our regulatory bodies at every level of our organisation, sharing information and decisions to support solutions that are sustainable for us and consumers.
	European Regulatory bodies	
Educational interest	Academics	Academics and students are often interested in our business from the perspective of new technology and the future of energy. We have links with research and development projects across 13 universities, focused on the future of energy and work with funding bodies on vital university research on innovation in technology. We are also running or involved with a number of programmes and initiatives aimed at encouraging young people to study STEM subjects including 'School Power' to support the teaching of STEM subjects, work experience residential courses, 'open house' visits to our sites for students, and a partnership with VEX, the largest robotics programme in the world, to provide funding for a robotics competition between schools.
	Students	
	Schools and universities	
Non Government Organisations	Environmental Groups	We focus on stakeholders' specific issues such as visual amenity and energy policy. We engage through specifically targeted events including engagement with wildlife trusts on local environmental issues at our substations. Also Stakeholder Advisory panels such as the Visual Impact Provision Stakeholder Advisory Group, and involvement in Powering Britains Future and other engagement relating to the development of new major infrastructure.
	Interest groups	
Energy Industry	Scottish Transmission Companies	We work closely with our energy industry partners on a daily basis through meetings, briefings and working groups to help shape frameworks and commercial arrangements that deliver sustainable solutions to all. We engage with both the Scottish Transmission companies and Offshore Transmission Owners on a regular basis to ensure an efficient operating regime is in place through such forums as the Joint Planning Committee. In addition, we hold a quarterly Electricity Operational Forum which focuses on operational issues associated with the Balancing Mechanism and operational aspects of the interface between market participants and NGET. This is in addition to the Balancing Services Standing Group and Commercial Balancing Services Group sessions.
	Offshore Transmission Owners	
	Balancing Service providers	
	European administration	As GB energy policy is increasingly influenced by European policy and decisions, our role in Europe is key. In supporting GB stakeholders in understanding the changes and developments in European Policy, we operate the Joint European Standing Group as an information sharing forum to disseminate information to the broader industry.
	European Networks	
	Industry bodies	
European TSO Associations	The Third European Energy Package envisages a set of pan-European Network Codes covering grid connections, system operation and a single market for cross-border electricity. To prepare for changing the GB Code framework, we set up the European Cross Code Application Forum to coordinate and monitor the complex challenge of changing the GB Codes to align with the European requirements. We also take part in the drafting of the network codes through our involvement with ENTSO-E.	
Employees	National Grid Employees	Engagement through one-to-one meetings, monthly team briefings, intranet, weekly e-newsletters. Embedding stakeholder engagement across the business is an important thread through this communication and is part of the objectives of every senior manager at Director level.
	Trade Unions	



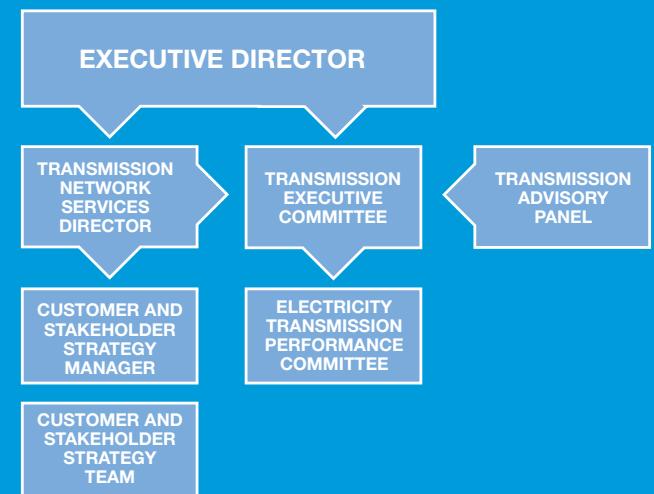
Governance

The Transmission Executive Committee (TEC)

is the governing and approval body for our Stakeholder Engagement strategy. TEC reviews our strategy annually, in consultation with our stakeholders, and monitors performance against improvement actions they identify. TEC is attended by a Director from each Transmission Directorate and is chaired by our Executive Director for Transmission.

Senior leadership – stakeholder engagement is an objective for every member of the senior leadership team, and accountability is at the highest levels of the business.

Customer and stakeholder strategy teams work with stakeholder engagement champions across the business to ensure engagement activities are consistent with our strategy.



We have engaged a broad and inclusive range of stakeholders

Understand: In 2013 we established an independent Advisory Panel (the Transmission Stakeholder Advisory Panel) to ensure our business and practices properly take into account the interests, priorities and concerns of our stakeholders.

The panel, which meets four times a year, operates under the following remit:

- To promote a better understanding of the needs of all stakeholders and customers.
- To develop a common understanding of the challenges involved in meeting stakeholder and customer aspirations and to work together to overcome these.
- To monitor our performance and encourage continuing improvement and innovation.
- To monitor progress on embedding stakeholder engagement across the business.
- To provide scrutiny and in-depth feedback on our stakeholder performance (including our stakeholder strategy, how we identify and engage with our stakeholders, and how we are acting on feedback).
- To offer insights on stakeholder engagement and act as a sounding board for new ideas.

In March 2014 the Transmission Stakeholder Advisory Panel published its first annual report. This commended us for the work we were already doing, and identified five priority areas to focus on for 2014/15 to continue to improve our stakeholder engagement:

- Making stakeholder engagement an integral part of every project and all decision making.
- Tailored and practical engagement that recognises the limited resources of many stakeholders.
- The need for a clear definition of our role and responsibilities within the energy system.
- Extending our digital media strategy across the business and across projects to involve stakeholders in the direction of the Transmission business.

Member	Stakeholder Group
Lord Martin O'Neill , Chairman	Political
Professor Jonathan Stern , Oxford Institute of Energy Studies	Academic
Basil Towers , Hesleden Partners	Stakeholder engagement expert
Paul Miner , Campaign to Protect Rural England	NGO/environmental group
Maf Smith , RenewableUK	Customer / energy industry
Barbara Vest , Energy UK	Customer / energy industry
Trisha McAuley , Consumer Futures	Communities & Consumers
Dax Lovegrove , World Wildlife Fund	NGO/environmental group
Jeremy Nicholson , Energy Intensive Users Group	Customer / energy industry
Mike Calviou , National Grid	National Grid Transmission stakeholder business lead
George Mayhew , National Grid	National Grid senior management team

- Continue to increase investment in skills and capability for all employees.

We agree that these must be priority areas for us to continue to improve and innovate in order to put our stakeholders at the heart of our business decisions and development, and we will work closely with the panel to achieve them. The panel will monitor and review our performance in these priority areas and will present its observations and recommendations to TEC annually.

Over the next year, we will be developing key performance indicators with the panel to ensure they receive adequate feedback on how the improvement actions they identified are progressing.



Extracts from the Transmission Stakeholder Advisory Panel Report 2013/14



National Grid has recognised the importance of engaging with all stakeholders in a consistent and inclusive manner, providing clarity and transparency in their decision making. The business understands the need to listen to what their stakeholders are telling them, engage with them on the issues that matter and discuss their concerns and ideas and then act on the feedback they are given.”



We commend the company’s serious commitment to genuinely improve their involvement with stakeholders and its openness in sharing existing practices.”



Delivering stakeholder engagement is clearly important to National Grid and the leadership commitment behind this is apparent.”

The terms of reference for the stakeholder advisory panel and the full 2013/14 annual report have been submitted as supporting evidence

Using appropriate mechanisms to inform and engage our stakeholders

Tailor: We often hear our stakeholders complain of consultation fatigue. We therefore recognise the importance of tailored and targeted engagement. Wherever possible we use existing forums, use a variety of methods and deliver information in a way that suits them best (see diagram to the right). For example, they told us that the type of engagement they prefer depends entirely on the issue or topic being discussed.

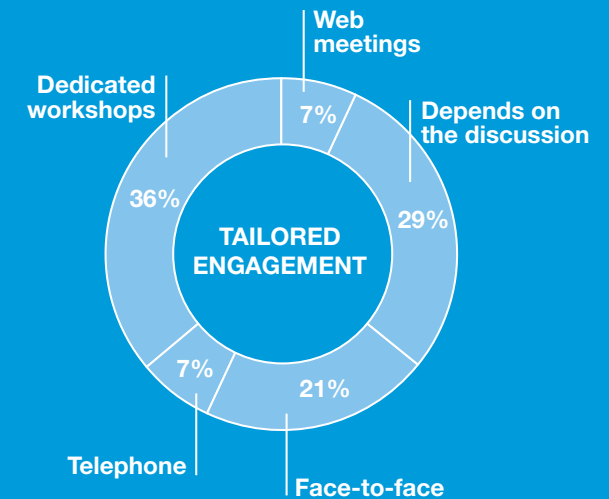
For the most part stakeholders prefer face to face discussions, either in workshops or bi-lateral meetings. This targeted engagement is developed with our stakeholders through our annual consultation, as well as us collecting feedback throughout the year to check that existing activities are still fit for purpose. We consult annually to ensure that the way we're engaging continues to reflect what stakeholders want.

Different methods of engagement

Type of engagement	Stakeholder Groups	How we did this in 2013/14	
Face to face	All	300 delegates at Future Energy Scenarios conference & workshops	
	Customers	Electricity customer seminars held every 6 months in London & Glasgow with each seminar attended by over 100 delegates across the two venues	
	Customers	4 electricity operational forums with 100 delegates at each event	
	Customers	Commercial seminars for new market entrants attended by 78 delegates	
	Communities and members of the public	Consultations, forums and exhibition events attended by 3,800 members of the public	
	Communities and members of the public	Community Forums attended by 75 members of the public	
	All	3 Transmission Stakeholder Advisory Panel meetings	
	Customers and community representatives	Meetings with geographically isolated stakeholders in Scottish isles	
	Consumers	Conversation on the UK energy challenge for hard to reach groups	
	Scottish Communities	Discuss local and national issues affecting grid connections in Scotland	
	Government and Council Representatives	Attend, present and discuss local and national issues with Scottish MPs and local communities	
	All	Invited to attend many industry conferences run by third parties to speak about National Grid strategy and what that means to customers and stakeholders	
	Scottish Government	Meetings with special advisors to Scottish Government on issues related to grid access	
	Customers	Electricity Demand Seminar, attended by 28 delegates	
Written	All	Annual stakeholder engagement consultation	
	Communities and members of the public	9,000 letters sent to local residents for major infrastructure projects	
	All	Future Energy Scenarios consultation	
	Customers, NGOs	Electricity Ten Year Statement consultation on developing the network	
	All	Electricity Transmission commitments document	
	Communities and members of the public, NGOs	195,000 community leaflets for major infrastructure projects	
	Communities and members of the public	Quarterly 'Gridline' magazine sent to around 23,000 landowners	
	All	Quarterly update on generation background and hot topics affecting the connections in Transmission Network Quarterly Connections Update (TNQCU)	
	All	Connect and Manage report and review on the connect and manage regime, this is published twice a year	
	All	New Connecting website to promote discussion on energy industry issues and topics with an average of 140 hits per day, and an average dwell time of 2:38 minutes	
Digital and social media	All	Talking Networks stakeholder engagement portal to keep stakeholders informed of our engagement activities	
	All	We communicate online with our 9,500+ Twitter followers, which has nearly doubled in the last year, and our 900+ Facebook followers	
	Customers	Social networking to collect stakeholder feedback on code development	
	All	Stakeholder videos on 'their engagement experience' shared with our leadership team	
	Communities and members of the public	4,000 people registered for updates on individual project websites	
	All	400 Twitter followers for specific major infrastructure project updates	
	Surveys	All	144 customers and stakeholders surveyed
	Wider outreach	Students	Activities with 7,000 students to promote STEM careers in the energy sector
		Work experience for 100 students at Eaking training centre	



In our Talking Networks consultation we asked stakeholders how they wanted to engage with us.



you continued to show that you support customers' receipt and understanding of information and staff spoke about use of different channels for disseminating information."

CSE Accreditation 2013 Assessment Summary
– Electricity Customer Team

Improving our business in response to stakeholder feedback

Act: Incorporating the views of our stakeholders into our business practice means that we can provide a service that better reflects their needs, priorities and expectations. The decisions we make as a business will be stronger if taken with the input of the people they impact. Where the views of a stakeholder cannot be incorporated, then we have a responsibility to explain why.

Every year we consult with our Electricity Transmission stakeholders through Talking Networks to understand how they think we are performing, how they want to engage with us and what areas are important to them. The results of our consultation in March 2013 told us that:

- 80% of respondents felt that our engagement was a good use of their time
- 80% felt they had been listened to and had their chance to have their say

- 71% felt we had either acted on their feedback, or that it was too early to tell
- Where stakeholders perceived that we had not yet acted on their feedback, this for the most part related to the visual impact of our assets. Our 2013/14 commitments reflected our continuing engagement on this issue.

Inform: In October 2013 we updated stakeholders on the progress we had made on our 2013/14 commitments. By doing so we are keeping them informed about how their views are shaping our business. This is an essential part of keeping our stakeholders engaged and we keep them up to date on our progress at every opportunity. In September 2014 we will publish a statement that consolidates this information and gives our stakeholders greater clarity on how their views are taken into account when we develop our business plans.

Last year we made 24 commitments to our Electricity Transmission stakeholders for 2013/14. The first 14 are the specific actions we committed to delivering across our business in 2013/14 based on the feedback stakeholders gave us in 2013.

Our commitments to our stakeholders	What we have delivered in 2013/14
1. Engage with stakeholders on our Network Development Policy and Electricity Ten Year Statement (E-TYS)	Changes were made to the E-TYS including greater clarity on opportunities, more information on operational challenges and we added a chapter on network development and opportunities.
2. Consult annually on development of our Energy Scenarios as part of our Future Energy Scenarios process	Over 180 organisations and 300 individuals were consulted through events that included a one day conference, questionnaires and tailored seminars and meetings on specific issues. Following feedback we retired the Accelerated Growth scenario in 2013 and have added new scenarios in 2014 in response to stakeholder recommendations.
3. Publish indicative costs associated with our power generation scenarios	We published our indicative costs for the first time in the Future Energy Scenarios document for 2013.
4. Consult with stakeholders on the allocation of funds available to mitigate the visual impact of existing lines in National Parks and Areas of Outstanding Natural Beauty.	We consulted on our draft visual impact provision policy between July and September 2013, and incorporated comments into the final document that was submitted to Ofgem in December. We have established a dedicated advisory panel to monitor and oversee this process.
5. Continue to engage with communities to assess the visual amenity impact of new connection options as part of our engagement on new potential routes.	We extended our consultation at Hinkley Point following comments received on a proposed new route, which may have less of an impact on the local area. Consultation has also led to the first proposal to introduce the new T pylon to lessen the visual impact of the infrastructure. The mid-Wales programme proposed to build a quarter of the route underground in response to feedback from the local community.
6. Continue to engage on the initiatives that were identified at our Sustainability Summit	We have continued to work with stakeholders on the initiatives identified at our Sustainability Summit in 2012: 1. Sanctioning sustainable growth 2. Build and embed a culture of sustainability and 3. Sustainable circular sourcing.
7. Ensure our people are accessible and respond to queries in a timely manner	We have put agreements in place as part of our consultation processes and operational commitments. We have also committed to responding to stakeholders within two working days following receipt of a query, with details of when they can expect a fuller response.
8. Simplify the tariff information we publish and work with stakeholders to improve the quality of this information	We have published Plain English versions of charging information for some customers and are now conducting the same review of key documents across the Transmission business.
9. Refresh and upgrade our website by October 2013	We delivered changes to our website and introduced the new Connecting blog in October 2013 and continue to seek feedback in order that we can deliver a website that is both intuitive and informative.
10. Improve our outage booking process through providing better and clearer information	Following feedback we have made changes to improve our process and issued a new work instruction.
11. Improve our engagement with industry participants on complex balancing services	Our Customer and Stakeholder engagement strategy was defined in June 2013. Recurring appointments have been scheduled between us and our suppliers. Lobbying groups have been identified, defined and targeted through various seminars/forums in June 2013. Balancing services and quick guides were created and published on our website in May 2013.
12. Keep stakeholders informed through industry forums about the development of EU network codes and other European developments	We have continued to keep stakeholders informed via the Joint European Standing forum and recently presented the 10 year plan as part of this forum. A specific forum has been introduced regarding the implementation of codes called the European Code Co-ordination Application Forum.
13. Continue to work with all of our customers and stakeholders to improve the process of connection	We introduced a programme management process and incorporated intervals at each stage of the process to engage stakeholders and involve them in actions and timescales. This improved process allows us to get it right first time.
14. Continue to work with our stakeholders to improve engagement throughout the lifetime of their project and reconcile any charges within the contracted timescales	We have developed our process to ensure that stakeholders are updated throughout the life of the scheme and committed to reconciling charges within the 12 month CUSC guideline. We are continuing to engage with stakeholders about the frequency of updates that they would like to receive.



Our Commitments Cycle

Our annual cycle of engagement is robust, inclusive and puts stakeholders front and centre of our business plan.

Consult: We combine feedback from our annual consultation with stakeholder input from our other engagement channels such as customer and stakeholder surveys, specific consultations and customer seminars.

Publish: In response to this feedback we publish our annual stakeholder commitments for the year ahead. This year we published 24 commitments.

Update: through customer seminars and engagement activities we keep our stakeholders up to date with our progress against the commitments.

Report: At the end of the year we report on our overall performance against the year's commitments. At the same time as consulting on our commitments for the following year, we also invite stakeholders to rate us on how we performed the previous year.



The 2013/14 Commitments consultation and report have been submitted as supporting evidence

Improving our business in response to stakeholder feedback

In our Talking Networks consultation, our stakeholders agreed on the five priority areas that they wanted us to focus on over the duration of the Electricity Transmission RIIO price control. These are the issues we know are important to our stakeholders, and our commitments in 2013/14 build on these areas.

In 2013/14 we have continued to deliver on these ten commitments:

Priority area	Our commitments to our stakeholders	Achieved in 2013/14
Safety	15) Deliver our commitments to protect our staff, contractors and general public.	✓
	16) Continue to comply with all safety legislation applicable to the operation of the Electricity Transmission network and deliver world class safety performance.	✓
	17) Continue to ensure our network is designed and constructed to be safe.	✓
	18) Structure our investment programme to ensure the safety and integrity of the network.	✓
Reliability	19) Focus our maintenance policy and approach to replacement of the assets in the poorest condition and with the greatest potential impact on safety, reliability and/or the environment, while maintaining the required level of network reliability.	✓
Environment	20) Deliver our statutory environmental obligations.	✓
	21) Minimise SF6 leakage and consider this issue as we make investment decisions.	✓
Customer Satisfaction	22) Implement an action plan to address areas of concern that are raised through our customer and stakeholder surveys.	✓
	23) Benchmark our customer strategy against other organisations to make sure we are delivering what our customers need.	✓
Connections	24) Continue to make connections offers within three months of a connection application.	✓



It [National Grid] is a reputable body that undertakes its functions with great skill and fairness."

Alan Whitehead – MP

Measure: It is important to review the effectiveness of the improvements we make to our business plans and processes by monitoring and measuring them regularly.

Two stages of our Commitments Cycle are dedicated to maintaining the highest standards and provide opportunities to gauge how well we are doing. We:

- carry out annual **Customer and Stakeholder Satisfaction Surveys** to check that we are engaging with our stakeholders in a way that works for them and they feel that they are being listened to
- **consult with our stakeholders annually** to obtain their specific feedback on how well we are engaging on the issues that affect them most.



Customer Commitments are published on the website and additional information about timescales is stated for each customer. You have added a five-day standard for turning round the minutes of meetings."

CSE Accreditation 2013 Assessment Summary
– Electricity Customer Team



The process used by National Grid in constructing the scenarios is impressive and involves wide scale consultation and engagement via a number of workshops held across the country. I think most would agree that National Grid has gone out of its way to be inclusive in the development of its scenarios"

Robert Sansom – Doctoral Researcher
whose work is sponsored by UKERC

Embedding stakeholder engagement in our business

Our stakeholder strategy is aligned to the National Grid Group vision, strategy and priorities, embedding stakeholder engagement right across the business.

Stakeholder engagement is an objective for every single member of our senior leadership team. Members of our senior management team each have individual stakeholder engagement plans to target activities based on stakeholder needs and our own requirements.

Our **customer and stakeholder strategy team** works with local stakeholder engagement champions across the business to ensure that activities are consistent with our strategy and that feedback is gathered into one central area.

By aligning and improving our **Processes** and focusing on **Performance Excellence** we will ensure we deliver what customers and stakeholders truly value. Senior leaders across Electricity Transmission attend monthly Process Performance Meetings (PPMs) to discuss solutions to improvement actions that the process reviews have identified and monitor delivery progress.

In order to effectively engage with our stakeholders, we work hard to understand their different knowledge levels, views and interests.

The relationships with our Electricity Transmission stakeholders are numerous and wide ranging, so coordinating feedback and sharing stakeholder views is critical in order that we can make better decisions based on their input and understanding what they want from us.

Our **stakeholder protocol** identifies who within our business has lead responsibility for each key stakeholder group (identified on page 4) to ensure feedback and concerns are collated and shared across the relevant parts of the organisation. In this way we can ensure that our engagement is tailored to suit the specific interests and priorities of each stakeholder. It also helps us develop our strategic priorities and allows us to join up within stakeholder groups to give us deeper and more productive relationships.

The Stakeholder Protocol has been submitted as supporting evidence.

OurAcademy

To ensure we have the right business, technical and behavioural skills to improve the way we engage with customers and stakeholders, a new customer focus and stakeholder engagement module was added to our Academy curriculum in 2013.

This dedicated module provides learning across four skill levels – from Foundation through to Expert. It adopts techniques suited to adult learning – bringing people together to build their skills, share experiences and knowledge through a range of different learning experiences tailored to individuals' needs. These include role play exercises and insights from other organisations that are considered leaders in this field.

The module covers the key elements of our customer and stakeholder strategy:

- Stakeholder identification and mapping
- Understand stakeholder perspectives
- Developing customer insights
- Customer Journey Mapping
- Improving communication and learning to use appropriate channels
- Building and maintaining strong customer and stakeholder relationships

The Academy's innovative, interactive and energetic approach to learning has benefitted 134 people in 2013/14, with a further 109 people already scheduled to attend the next course in June 2014, and more courses planned for later this year.

Chairman's Awards

Recognising our people for going above and beyond is important to us. The Chairman's Awards give us the opportunity to say thank you and celebrate their contributions in the seven award categories.

- Safety
- Environment
- Innovation
- Health and wellbeing
- Community contribution
- Customer delivery
- Inclusion and diversity.

Within each category we look for nominations that demonstrate key values and behaviours, including excellence in stakeholder engagement, where we have gone the extra mile with a clear benefit to our customers, stakeholders and the organisation.



National Grid's Line of Sight creates a link between the objectives of every single UK employee and the overarching vision and mid-term strategy of the business. By identifying stakeholder engagement as a business priority in the Line of Sight, we can ensure that it is embedded in the objectives of our employees right across the business.

Vision

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

Strategy

To be a recognised leader in the development and operation of safe, reliable and sustainable energy infrastructure to meet the needs of our customers and communities and to generate value for our investors.

2014/15 UK & EU Annual Priorities

- Achieve our safest year ever
- Invest in our people to grow skills and capability
- Embed performance excellence as our way of working
- Outperform regulatory and commercial contracts
- Improve the customer experience and stakeholder engagement
- Shape developments in the UK and EU energy industry
- Develop opportunities for future growth

The full Line of Sight has been submitted as supporting evidence

Evaluation and accreditation

Evaluating our performance

Since 2010 we have employed an independent research company to survey our electricity customers on their overall satisfaction with the Electricity Transmission business. In 2012 we extended these surveys to include electricity stakeholders.

This year our electricity customer satisfaction score remained at 7.4 and our electricity stakeholder satisfaction score was 7.5.

The scores and customer comments drive improvement actions which we monitor at our performance committees (see page 4) and feed into the annual commitments we make to our customers and stakeholders on the improvements they can expect us to make.

The results of these surveys have been introduced as Board level key performance indicators to drive and improve stakeholder engagement throughout our business.

Meeting the Government standard

Customers are a key stakeholder group for our business. We attained the Customer Service Excellence (CSE) Standard for our Electricity Customer team in August 2012, which was maintained in August 2013. CSE provides us with a practical tool with which we keep our Stakeholder Engagement Strategy up to date in response to feedback.

An extract from the Assessor's report is below and the full report has been submitted as supporting evidence.

CSE Accreditation 2013 Assessment Summary – Electricity Customer Team



Overall Outcome: Successful

"The Electricity Customer Team is completely focused on the customer... staff have retained a very cohesive approach to gaining a more in-depth understanding of their customer groups and the drivers of their behaviours."

Customer Insight: Successful Understand

"The Insight Strategy confirms consultation and engagement with customer and stakeholder groups facilitates deeper understanding of their needs and preferences."

Information and Access: Successful Tailor

"you continued to show that you support customers' receipt and understanding of information and staff spoke about use of different channels for disseminating information."

Delivery: Successful Act

"Customers confirmed during the assessment that they are told what they can expect from service provided at each stage of the journey. Many good examples were provided to show how you learn from best practice."

Timeliness and Quality of Service: Successful Inform

"Customer Commitments are published on the website and additional information about timescales is stated for each customer. You have added a five-day standard for turning round the minutes of meetings."

“

They have good communication with the industry. They don't have any problems with the way that they conduct transmission, as the projects are managed well.”

Charles Williams – Faulk Renewables
(wind farm developer - Scotland)

“

I think they communicate well. The people there care about their work as the problems they have are not simple to solve. They also do a fairly decent job in navigating through numerous stakeholder views.”

Dan Pearson – Meygen
Renewable Developer, Scotland