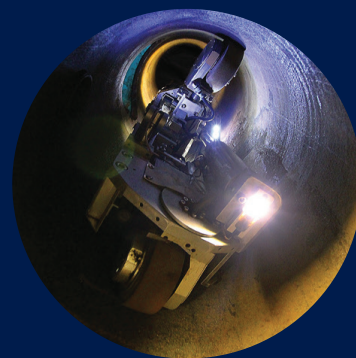




**SGN**  
Your gas. Our network.

# Stakeholder Engagement Submission

2014-15



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# We're dedicated to keeping our customers safe and warm by leading the way in energy delivery.

This is our vision and stakeholder engagement underpins everything we're doing to make it a reality. It's only by listening to our stakeholders, understanding their needs and keeping our promises, we can deliver an excellent service that people can trust.



## Our impact in the energy world

Energy is increasingly becoming one of the most important issues to households and policy-makers. Through our pipes, we're delivering gas to 5.8m homes across Scotland and the south of England and we know we have a role to play in the resolution of the energy trilemma.

Working through our strategy themes (below) and improved engagement, we're addressing the issues of the energy trilemma; carbon emissions, energy affordability and security of supply.

- Keeping the gas flowing
- Safe and efficient streetworks
- Future of gas
- Acting responsibly

## Our way

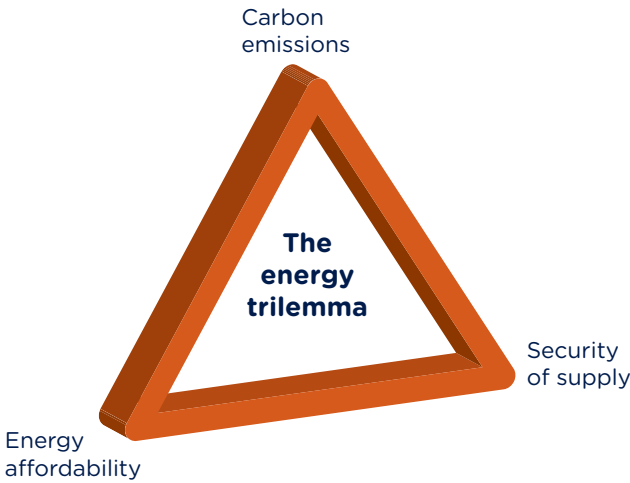
Last year stakeholders told us they want to see more proactive engagement on wider strategic issues and more robust mechanisms for making sure that their feedback is incorporated in our company decisions and we've taken that on board. That's why we recognise our stakeholder engagement strategy needs to support the delivery of our company strategy, which we're able to share online for the first time.

We're also measuring our activities, new and old, against our new decision-making tool to make sure that what we're doing is meeting the needs of our stakeholders, delivering real benefits that can be measured and making a positive contribution to the future strategy of our company.

## Working collaboratively

We believe successful engagement comes from working directly with our stakeholders and learning from the best practice of others. We're doing this by participating in industry forums, collaborating with other energy sector companies, partnering with expert third sector organisations and nurturing our relationships with powerful stakeholders to influence positive change on a broader scale.

By working with others, we're minimising the impact of our day-to-day activities, investing in a sustainable future, delivering our messages about carbon monoxide (CO) and supporting low-income and vulnerable customers in the communities we serve.



## On the horizon

We've made a lot of changes to the way we're approaching stakeholder engagement in our company (including improved governance, an updated company strategy, increased internal engagement) and I feel we've come a long way in a year. We'll continue to make improvements to our approach as we learn from our stakeholders about how best to meet their needs and how this can help achieve our vision of the future.

I'll be showing you as we go through part one of our submission what we're doing and how we've improved in the section overviews. I hope you enjoy reading it.

John Morea, Chief Executive Officer, SGN

# Part one

In part one, we're going to demonstrate the improvements we've made to our stakeholder engagement strategy over the last 12 months.

## John's section overview

"In this section, we're going to give a short summary of what we've achieved in the last year, an overview of our improved stakeholder engagement strategy and how this relates to our new company strategy. We're also going to provide an update on our governance structure and tell you the different ways we communicate our strategy throughout our company."

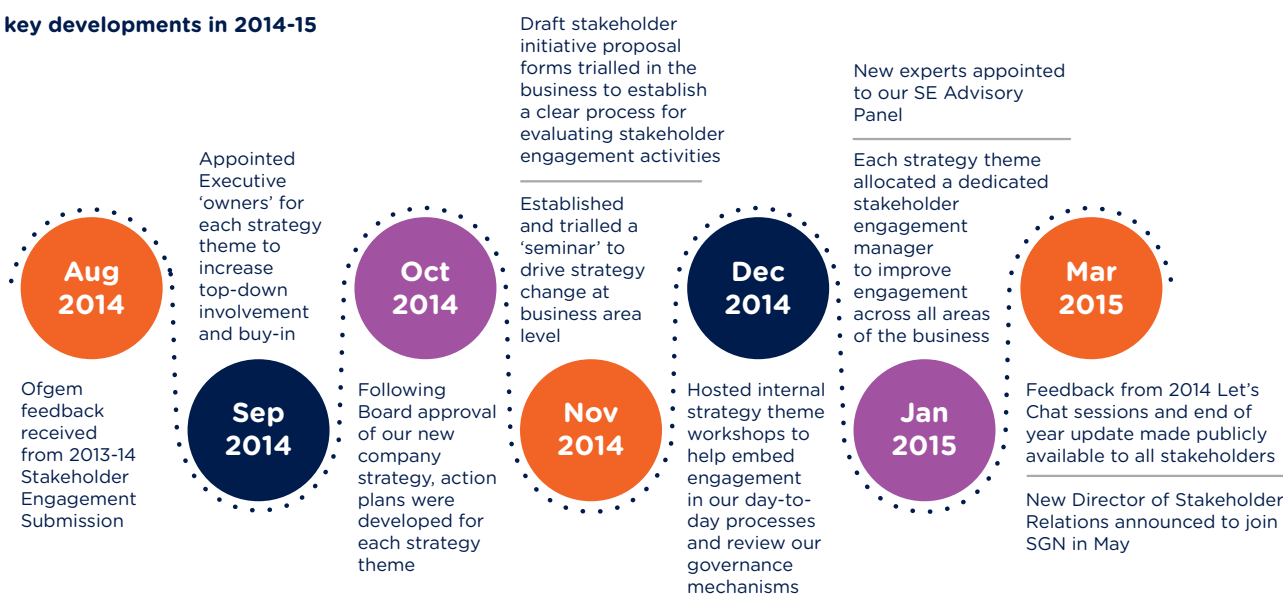


## Moving forward in 2014-15

We've taken feedback from the Ofgem 2014 submission panel and the on-going feedback from our stakeholders on board and we've been improving how we engage with those

who have an interest in what we're doing. In the diagram below you can see some of our key developments resulting from this feedback.

## Our key developments in 2014-15



## Evaluation and assurance

Our submission has been evaluated by our external Stakeholder Advisory Panel and independently assured by PricewaterhouseCoopers LLP (PwC).

We've engaged PwC to provide limited assurance that our submission is a fair reflection of the work we have done.

We made the decision to appoint PwC in this role based on previous work they had done for us and other utility companies. This is now the second year we've engaged PwC in this capacity and we believe that the assurance process adds value and credence to our engagement strategy. In addition, PwC provide us with a report of recommendations which informs the actions we prioritise over the next year.

Our cost benefit analysis led us to choose this approach over other assurance and accreditation schemes, which only cover specific business areas. By engaging in this way with PwC and our Stakeholder Advisory Panel, we're able to define the scope of the assurance we obtain.

- Independent Assurance Report – PwC – see page 24
- Statement from Stakeholder Advisory Panel – see page 26

## Our stakeholder engagement strategy

2014-15 has been a key year for the development of our strategy as we've introduced a number of changes to our approach on identifying stakeholders, how we engage with them and improved our governance on the activities we do to meet stakeholder needs.

The draft of the third edition of our Stakeholder Engagement Strategy has been approved and it's planned to be made available for public consultation in July 2015. Following this, a final version will be published.

Below shows the four component parts of our strategy; aims, key principles, our approach and strategy themes. Our strategy is founded on the principles of the AA1000 APS standard, an internationally recognised standard for stakeholder engagement.

## Our stakeholder engagement strategy

### Aims

#### What we want to achieve

Keep our stakeholders informed, seek their input and ensure their feedback is used to inform our decision-making process.

Build strong relationships with key stakeholders and their representatives, based on trust and respect.

Recognise the diverse nature of our networks and therefore diverse stakeholder aspirations and ensure we engage accordingly.

Provide a clearer, more focussed approach to managing our stakeholder engagement process and ensure our colleagues at each level understand their roles and responsibilities.

Assess how effective our stakeholder engagement activities are and make appropriate changes.

### Key principles

#### How we achieve them

- Inclusive**: We identify and engage with a broad range of stakeholders
- Targeted**: We target relevant stakeholders using the most appropriate method of communication to maximise efficiency
- Transparent**: Our stakeholders are clear about why, when and how we engage with them
- Responsive**: We deliver relevant and timely responses to the feedback raised by our stakeholders
- Accountable**: We consult with our stakeholders to inform our decision-making
- Measurable**: Our governance processes ensure that our approach is appropriate, efficient and value for money
- Embedded**: Our principles are demonstrated throughout our business and align with our company strategy

### Our approach

#### How we achieve it



### Strategy themes

#### What we do

Keeping the gas flowing

Safe and efficient streetworks

Future of gas

Acting responsibly



## Working together: our company strategy and stakeholder engagement strategy

Our company strategy outlines **our vision**, defining our purpose and the role of our company in the communities we're working in. We're working towards our vision through the work we do in **our strategy themes**, which we deliver by making sure that we follow **our values**.

We've introduced **our priorities** as a key component of our strategy and this tells our stakeholders what we're focusing on this year to help us reach our vision and address the issues raised by our stakeholders. We plan that these will be updated annually by our Executive team and approved by our Board of Directors.

Our company strategy is available on our website for all of our stakeholders to read.

## Summary of our company strategy



## Our approach to governance

Acting on feedback, we've transformed how we manage the governance of our engagement activities. We recognised we needed a more 'top down' approach and in September we appointed Executive owners for each of our strategy themes. Executive owners are accountable for delivering effective engagement which informs our strategic business planning using support from our Stakeholder Engagement team and business leads.

### Meet the team

Recognising the benefits that successful stakeholder engagement can add to our company, we've invested in developing our team. We've supplemented our existing team by appointing three new dedicated Stakeholder Engagement Managers. We now have one Stakeholder Engagement Manager for each theme, to lead in embedding our strategy throughout the company.

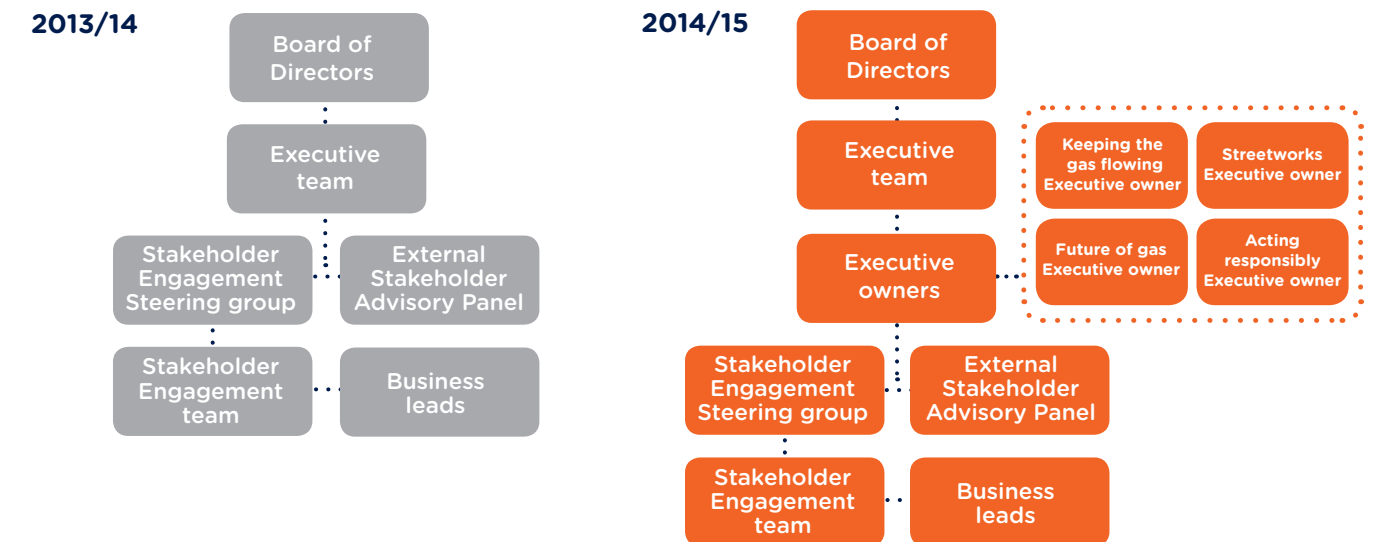
### Introducing new expertise

In December 2014, we welcomed two new additions to our external Stakeholder Engagement Advisory Panel, Maria Wardrobe (National Energy Action) and Ollie Pendered (Communities Matter) who engage with a range of our current stakeholders and have particular expertise in the areas of fuel poverty, community engagement, energy affordability and influencing energy policy. In January, we said thank you and goodbye to Teresa Perchard and we welcomed existing panel member Oli Howard as the new Chair of the panel.

### Combining skills

In March 2015, we announced a new Director of Stakeholder Relations has been appointed to oversee our Customer Services, External Communications, Internal Communications, Employee Engagement and Stakeholder Engagement teams and unite them under one directorate. By doing so we're working towards our aim of consistent, effective and far-reaching company messaging.

## Our governance structure



## Driving stakeholder engagement throughout our business

We use a number of mechanisms to deliver stakeholder engagement training and updates to the rest of our business beyond our Business Leads. These mechanisms help us to embed the behaviours which, we believe, lead to successful engagement and ultimately better decision making.

Examples of these mechanisms include:

### Teamtalk

Teamtalk delivers important company information to all employees on a monthly basis. This includes briefings on relevant company information, safety, operational and new procedures.

### Presentations

Our Stakeholder Engagement Managers embed the fundamentals of engagement by presenting at team meetings across the business - educating our employees from senior management to front-line staff.

### SGNnet/SGNmail

Key information and updates about our stakeholder engagement progress/processes is circulated to employees using our employee communication channels - i.e. our intranet and our employee newspaper.

### Workshops

We invited business leads and senior managers to attend four workshops held to collectively agree a way forward by:

- 1 Finding a way to ensure Business As Usual (BAU) engagement is embedded into our day-to-day processes and procedures
- 2 Determining the best way to capture Beyond Business As Usual (BBAU) engagement
- 3 Finding a solution to ensure we measure benefit against a new initiative
- 4 Capturing all initiatives being undertaken by the business

## Indicator of improved internal engagement

Following review and roll-out of our new online engagement form in 2014, available to all employees to record engagement activity in our database, we've seen an increase of over 200% extra forms submitted in the last year. We believe this shows that our principles are embedding in our company, which is further reflected by an increase in the range of new and powerful stakeholders that we're now engaging with.



1a) How the network company keeps stakeholders informed about relevant issues, business activities, decision-making and other developments; and

1b) How the network company enables timely input and feedback from stakeholders via appropriate mechanisms to inform decision-making.

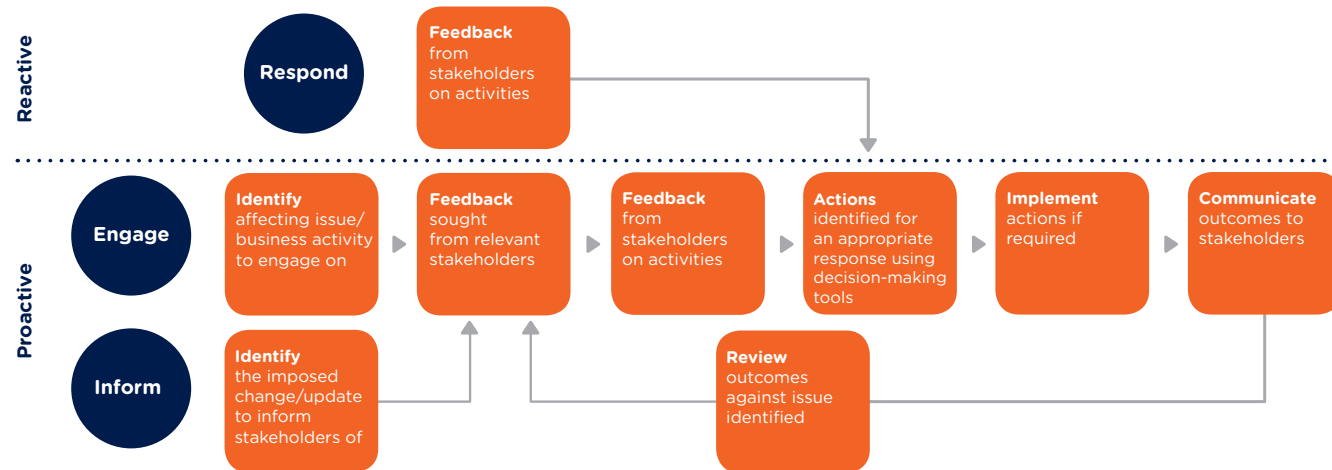
### John's section overview

"This sections demonstrates that we understand how feedback from our stakeholders plays a vital role in the decisions we make. We've shown some examples to help evidence this."



## Seeking and responding to stakeholder feedback

Feedback underpins our engagement strategy and we recognise that feedback can either be given or sought as a result of external (reactive) or internal (proactive) methods, when we respond, engage or inform.



### Respond

Stakeholders care about what we do and will often give us feedback on our activities, our processes are designed to respond to that feedback in an appropriate and timely way.

#### Case study:

##### Feedback given to us

Afroza Ahmed from charity Dying to Keep Warm told us that there was a need to provide information for care agencies who support vulnerable customers in their homes to enable them to recognise unsafe gas situations in the homes they visit.

##### Actions we took as a result of feedback

We've developed a training module for front line care workers. This is being piloted in Scotland to test the training materials and method.  
  
If the pilot is successful, we'll seek formal QCV (formerly NVQ) accreditation to enable further roll-out to care agencies.

##### How we communicated outcome

We've updated Afroza Ahmed on progress during 1-2-1 meetings throughout the project.

### Engage

We're pro-actively engaging and seeking feedback from our stakeholders on issues that arise to make sure that decisions we make and the actions we take reflect their needs and interests.

#### Case study:

##### Affecting issue

In August 2014, Ofgem began a review of The Fuel Poor Network Extension Scheme. The scheme affects a significant number of our stakeholders who have an interest in fuel poverty and energy affordability.

##### Who we engaged

We engaged with private householders who have benefited from a Help to Heat connection, local authorities/housing associations and Energy Action Scotland (EAS).

##### How we engage

We informed them of the review and asked for their feedback on the scheme to help inform our response via an online survey (one for private householders and one for social housing providers).

##### Feedback outcome

We discussed our response with EAS who supported our answers.  
  
We received **196** responses from private householders and **15** social housing providers, via online surveys which informed and supported our response.

## Inform

#### Imposed changes - keeping our stakeholders informed

In our fast-paced industry, stakeholders can be affected by change that we and/or they may be unable to influence and it's our responsibility that they are kept informed through appropriate channels. We offer stakeholders the opportunity to provide feedback even if the influence on outcomes may be limited.

#### Informing stakeholders of our company progress

We keep stakeholders informed about our overall progress as a company. At the end of each financial year we release our Annual Report and Accounts document so our stakeholders can see what we've been up to and how we're doing. In 2014-15, we've introduced an end of year report on our stakeholder engagement progress, Stakeholder engagement: growing ideas together. Both of these documents can be viewed by the public on our website.

#### Case study:

##### Change

The Avonmouth Plant currently supplies LNG to around **7,000** properties in our mainland Scottish Independent Undertakings. It was scheduled to close in 2018.

##### Who we informed

We decided on a phased top-down approach to informing relevant stakeholders from ministerial to residents.

**Phase one** - MPs, MSPs, DECC, Scottish Government.

**Phase two** - Councils then Public (halted following Ofgem feedback).

##### How we informed

We used a variety of communication methods - face-to-face meetings, direct communications (letters, phone calls and emails).

We informed them of the closure status and the enduring supply options that we've investigated.

##### Feedback outcome

During phase one, an agreement was reached with Ofgem on the continuation of natural gas supplies via alternative sources of LNG. We informed our stakeholders via e-mail.

Following this decision, phase two engagement was halted.

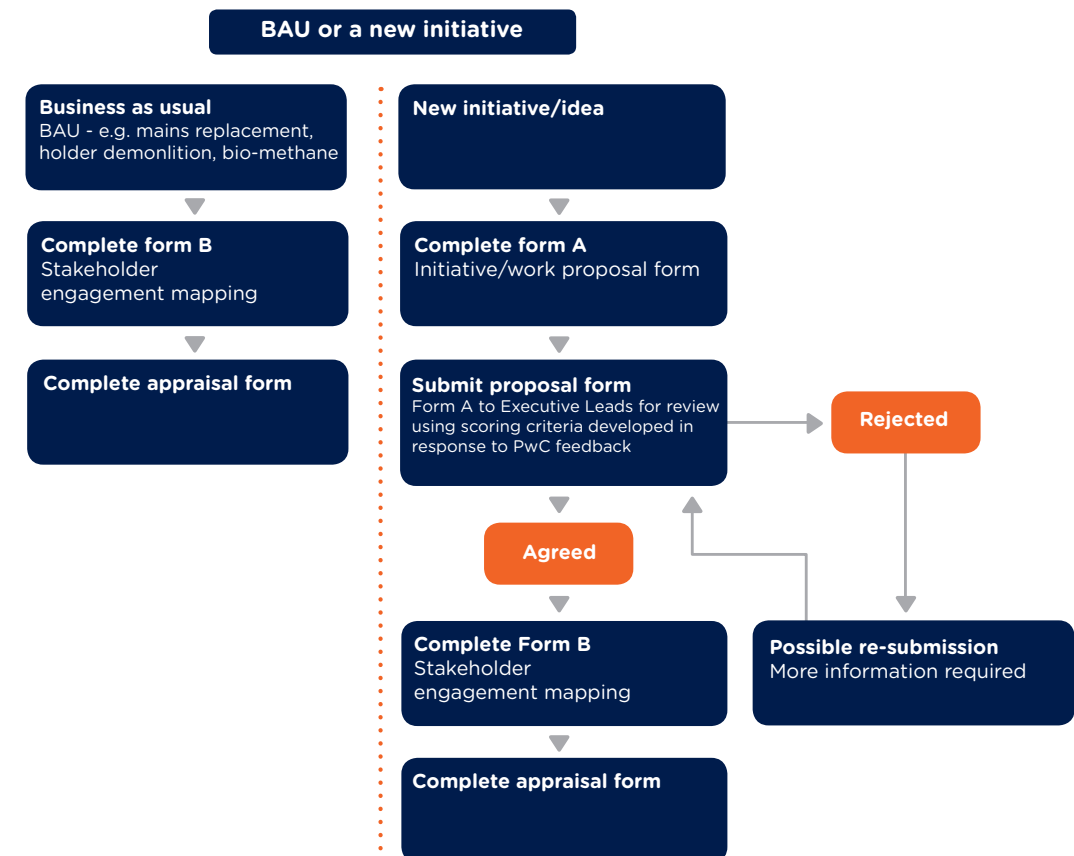
## Supporting decision-making

We've implemented a process to support the project assessment, management and post-completion appraisal of our initiatives. Using our new Stakeholder Initiative Proposal Form, we can assess the value of initiatives in meeting stakeholder needs and supporting our company priorities using a scoring criteria that we developed in response to recommendations from our assurance provider, PwC.

This helps inform our decisions and make sure that we're delivering measurable benefits to our stakeholders.

Initiatives are approved by the appropriate Executive lead and outcomes are assessed post-completion to understand what we've learned and determine what we'll do next.

#### Summary of process:





## 2. A broad and inclusive range of stakeholders have been engaged

### John's section overview

"In this section, we show our phased approach to provide evidence of the broad range of stakeholders that we're already engaging with."



### Stakeholder mapping

We have a diverse range of individuals, groups and organisations who we consider are our stakeholders, which reflects the nature of our operations and the geographical spread of our networks.

Following on from our initial stakeholder mapping last year, we've introduced a new phased approach for reviewing of our stakeholder mapping as shown below.

#### Mapping approach summary:

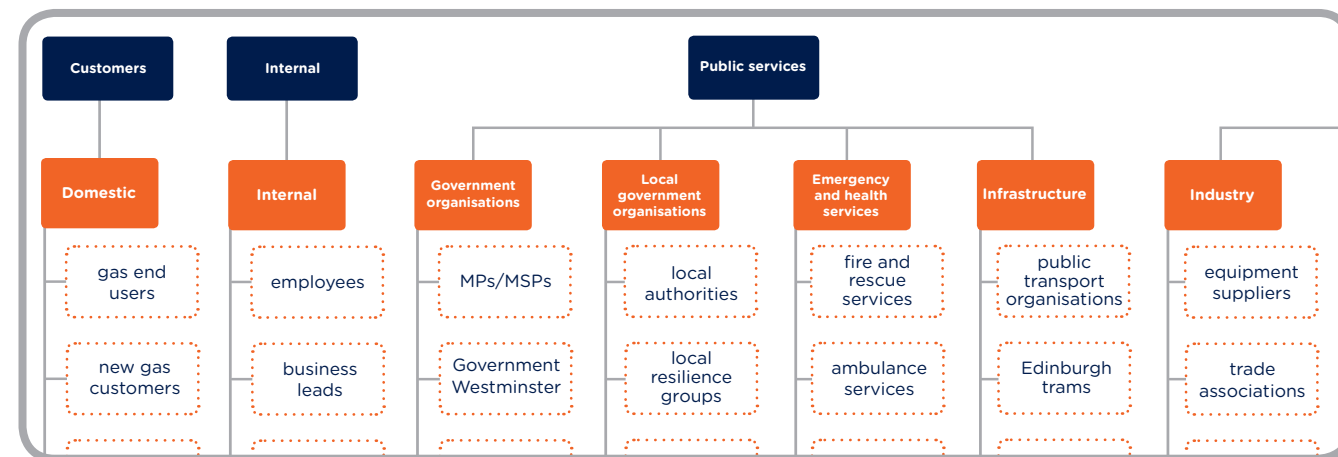


### Phase one: Identifying our stakeholder groups

#### Overview of key stakeholder groups:

Customers	Internal	Industry related	Public services	Public engagement
<ul style="list-style-type: none"> <li>Domestic</li> <li>Commercial</li> </ul>	<ul style="list-style-type: none"> <li>Internal</li> <li>Shareholders</li> </ul>	<ul style="list-style-type: none"> <li>Industry</li> <li>Industry groups</li> <li>Consultancy</li> </ul>	<ul style="list-style-type: none"> <li>Government organisations</li> <li>Public representatives</li> <li>Local government organisations</li> <li>Emergency and health services</li> <li>Infrastructure</li> </ul>	<ul style="list-style-type: none"> <li>Landlords</li> <li>Charities</li> <li>Community</li> <li>Not-for-profit organisation</li> <li>Forums</li> <li>Media</li> </ul>

Extract from our company-wide stakeholder mapping showing which stakeholders fall under the groups shown below:



Excerpt from our stakeholder engagement mapping

### Phase two: Individual stakeholders

An up-to-date contact list helps make sure we're communicating with the right people. We're currently in the process of reviewing our stakeholder contact list which details the individuals from the organisations mapped in phase one.

### Phase three: Measuring interest and influence

In phase three, we plan to measure how interested and how influential our stakeholders are, which will help inform the appropriate communications that these stakeholders need. It will also help us to identify our powerful stakeholders more easily.

## 3. The network company has used a variety of appropriate mechanisms to inform and engage their stakeholders - these have been tailored to meet the needs of various stakeholder groups, and are fit-for-purpose in allowing a detailed analysis of a breadth of stakeholder perspectives.

### John's section overview

"Here, we detail the different mechanisms we're using to inform and engage with our stakeholders and show you our new phased approach to demonstrating this. We've also given some examples to show you when our mechanisms have been used appropriately and effectively."



We monitor our stakeholder engagement activities using reporting from our online Stakeholder Engagement Form tool. Doing this allows us to guide our internal teams on tailoring their approaches to engagement to suit the audience and reduce any barriers to involvement.

How we approach this depends on a number of factors such as who they are, what we are trying to achieve, risks and opportunities.

### Strategy for ensuring appropriate mechanisms are in place

We engage with stakeholders using different channels dependent upon the stakeholder, what we are trying to achieve, the maturity of our relationship and the drivers, risks and opportunities.

In our current engagement strategy, we've introduced a phased approach to making sure that our channels of communication are appropriate. We've completed Phase one by reviewing the different channels of communication that we use to respond to, engage and inform our stakeholders. In phase two, we're beginning to formally document which communication methods are used for different stakeholders, which we intend to review annually.

#### Phase one

Identify broad range of communications used to inform our stakeholders across our business areas

Completed ✓

#### Phase two

Map communication methods used currently against the different stakeholder types

In progress

#### Phase three

Review of mapping and identification of improvements

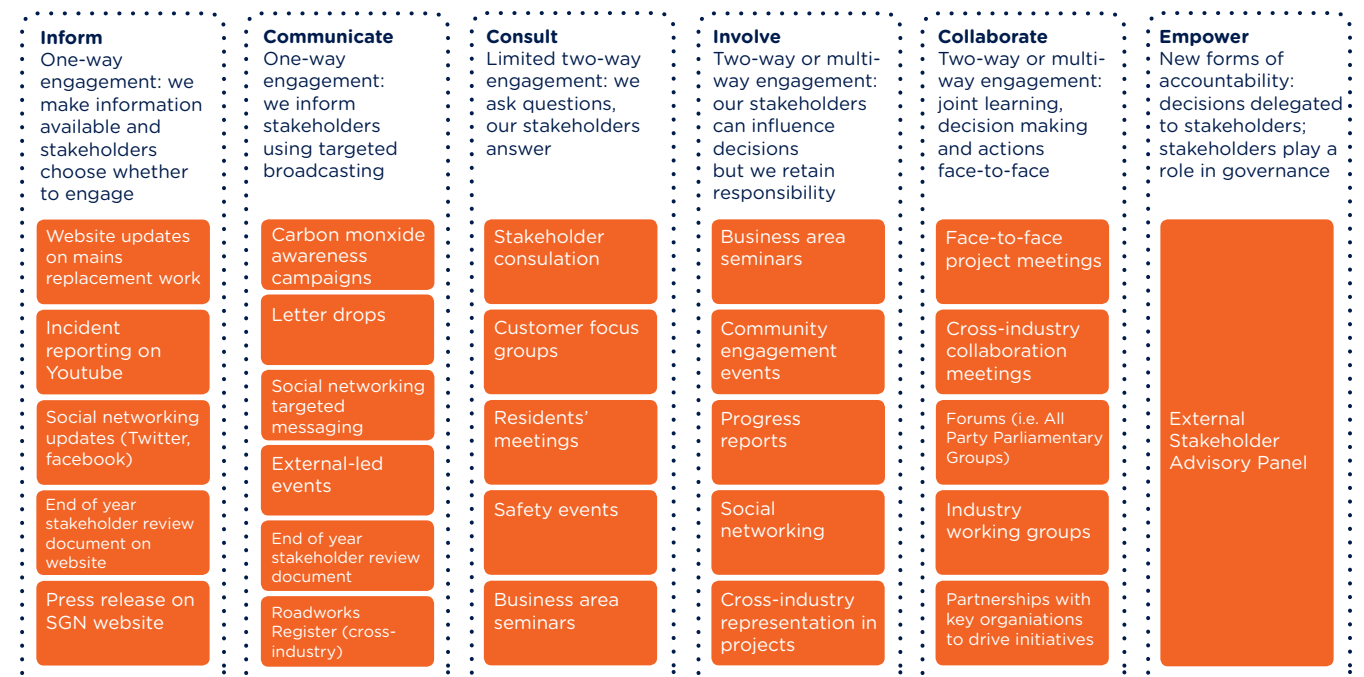
Coming soon

#### Phase four

Create and embed 'trigger points' for appropriate communications with stakeholders

Coming soon

### Phase one: Our different communication channels



Some specific examples include:

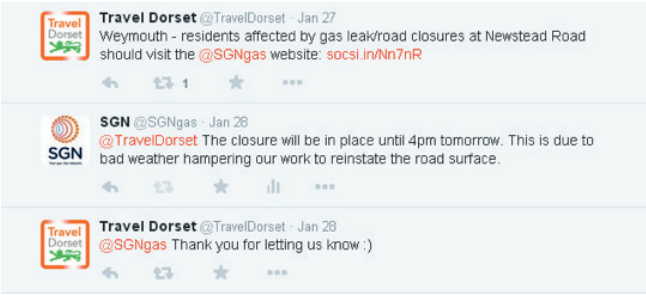
Social media strategy – being part of the conversation

Social media is embedded in our external communications strategy and plays a key part in delivering our customer service experience. We continue to use social media both proactively, by sharing relevant content and engaging with our stakeholders, and reactively by replying positively to customer enquiries in a timely manner.

Specifically, we use Twitter, Facebook and YouTube to promote our campaigns, share details of our projects and emergency street works, provide updates during loss of gas supply incidents and to highlight recruitment opportunities.

We have increased the use of Twitter for our street works and improved the effectiveness of our posts by targeting our stakeholders. We tag local authorities, local community and local traffic accounts, such as Travel Dorset, and ask them to share information on our works. By taking this approach, our messages will be seen by the thousands of followers of the local organisations and in turn, by followers of local people who also share our updates.

Our social media channels continue to be managed by Corporate Communications however to provide a consistent,



timely and responsive service, responsibility for social media customer enquiries has moved to our Customer Service team during office hours. Once this change is embedded, we will review our social media strategy and intend to use more advanced monitoring and analytics tools to help us pinpoint where to focus our efforts.

with local authorities and utilities on planned and potential projects. In particular, it allows us to dovetail with the local authority's own road resurfacing programmes.

Outside of the committee, we also collaborate with other utilities and highway authorities through registering our works on the Scottish Road Works Register, a system for all utilities set up by the Scottish Road Works Commissioner. This has led to works either being postponed or brought forward to co-ordinate with other activities taking place.

Chairing of industry working groups

Stakeholders said – “Share best practice and innovative techniques”

SGN has chaired the Gas Innovation Governance Group (GIGG) since January 2015. Through this we share innovation ideas and best practice across all the GDNs often working on projects collaboratively. Group members work closely to ensure technological, operational and commercial projects suit the needs of the gas networks to ultimately provide a better service for our customers.



Updating our customer literature

Following the launch of our new branding in September 2014 we've been reviewing and updating all of our customer literature. We realised that all written communications needs to follow our new tone of voice which has an emphasis on using simple and engaging language. This helps make sure that all of our customers understand the important information we're sharing with them.

Dedicated helpline number and mobile command unit

Stakeholders said – “Continue to support better communications and support for vulnerable customers in gas outages.”

Expanding on our customer literature review, we're also specifically reviewing how we communicate during incidents. As part of this, we use mock incidents to review and improve how we communicate the difficult situation of a loss of supply for our vulnerable customers.

We've introduced a **dedicated incident helpline number** for customers to find out the latest update information.

We've also introduced a **mobile command unit** that we can take to sites and have access to the latest communication tools.

Roads Authorities and Utilities Committee (RAUC) meetings and Scottish Road Works Register

Stakeholders said – “Share planned work programmes and co-ordinate work with other utilities.”

We continue to liaise with RAUC and local authorities through **regular planned meetings** prior to and during our construction works with particular focus on major or complex works.

This helps us to reduce the inconvenience to our stakeholders as it gives us the opportunity to co-ordinate

4. The network company can demonstrate it is acting on input/feedback from stakeholders.

John's section overview

“In this section, we've let our examples show you how our stakeholder feedback influences our actions.”



Our commitment to stakeholder feedback

We've made the following commitments to how we manage stakeholder feedback in our Stakeholder Engagement Strategy.



How our stakeholders' feedback inform our decisions

The Executive Owners for each of our stakeholder themes have responsibility and accountability to ensure we act on stakeholder feedback and deliver business changes in line

with our company's overall strategy. Stakeholder feedback is shared and used to respond. Examples of this are shown below:

What stakeholders told us	What we did	What we're doing next
During focus sessions, stakeholders told us that they were not being kept informed regarding their connection process.	We've implemented an Account Manager to contact customers the day after payment is made and at four key stages until work is complete.	Continue to inform customers through our dedicated Account Managers until work is complete.
During our Help to Heat seminar, stakeholders told us that we should have 'Warm up home advisers' (energy champions) providing pop-up shops in the off-gas grid communities to provide energy advice.	We're currently running trial 'pop-up cafes' in the Scottish Borders. During our Galashiels trial we trained local advice professionals about recognising fuel poverty and sign posting for further support.	Currently reviewing outcomes from our trial projects.
During customer focus groups, stakeholders told us that they did not recognise important information arriving through their doors.	We've reviewed current literature to give better recognition of 'important gas information' correspondence including instantly recognisable envelopes.	Finalise the design of new literature and roll-out across our company.

Ofgem said	What we did	What we're doing next
Define success criteria and whether they have been achieved.	We developed our Stakeholder Initiative Proposal Form where the activity's success criteria is assessed in the scoring.	We're planning to review our form following internal feedback then we plan to roll-out the updated version across all business areas.
More engagement with powerful stakeholders.	We've introduced a more in-depth phased approach to stakeholder mapping to better understand and then target powerful stakeholders. Our new stakeholder engagement forms also suggest we're engaging with more powerful stakeholders than we have before.	We plan to continue our work on phase three of our mapping process which will show the interest and influence levels of all our stakeholders, helping us to identify which stakeholders are the most powerful.
Consider embedding within the company – tools, techniques, training to develop engagement skills.	After appointing three new Stakeholder Engagement Managers this year, we now have a dedicated manager for each of our strategy themes who deliver training and raise awareness of stakeholder engagement processes internally.	We plan to further engage with business areas at team meetings and also investigate training material that can be shared across our company.



# Part two

“In **Part one** we outlined our approach to stakeholder engagement and how this supports our company strategy. In **Part two** we explain the changes and improvements we’ve made following last year’s feedback and illustrate some of the highlights resulting from our work with stakeholders and the valued outcomes these changes have brought.”



## Key developments this year

- Reviewed **company strategy** based on stakeholder feedback now published on our website showing our priorities for this year.
- New **stakeholder team** structure to embed strategy across all activities and improve proactive engagement with powerful stakeholders.
- Enhanced our **governance** structure to ensure senior management buy-in and a joined-up approach to stakeholder engagement across our business.
- Reviewed and improved **stakeholder mapping**.
- Developed a **decision-making tool** to support robust project management by ensuring that all new initiatives are assessed against our priorities.
- Trialled a **‘seminar’** framework to inform strategic directions of key business areas and encourage innovative thinking.
- Increased **beyond business as usual** activities in response to stakeholder needs using innovative thinking and collaborative working.

## Stakeholders: influencing our initiatives

We’ve proactively sought feedback from our stakeholders using methods from surveys, events, workshops, one-to-one meetings, seminars to social media channels.

We’re engaging more than ever. During 2014-15, we’ve received a **200%** increase in feedback forms, capturing engagement, from across our business. As a result of this a number of initiatives were suggested. These initiatives were assigned to the relevant strategy theme, assessed against our decision-making tool and approved by an Executive owner. Each initiative was assessed against the tool’s criteria to demonstrate measurable outcomes:

- How much of a strategic fit is the activity
- How powerful the stakeholder(s) impacted is/are
- The level of interest of the stakeholder(s) most impacted by this
- Size of expected impact/outcome
- How innovative it is
- How attributable to SGN the benefits are

## Our improved approach

Our strategic approach now demonstrates a clearer link between our overall company strategy and our stakeholder engagement strategy.

## Our strategy themes

Our strategy themes are the four areas that our business is focused on to help us achieve our vision and address the key issues raised by our stakeholders.

We’ve showcased some examples of our beyond business as usual activities under each of the following themes.

### Our vision

Dedicated to keeping our customers safe and warm by **leading the way** in energy delivery.

### Our values

How we do it

### Our priorities

What our focus is this year

## Strategy themes

### What we do

We’re...

We operate...

Keeping the gas flowing

Safe and efficient streetworks

We’re investing in the...

We believe in...

Future of gas

Acting responsibly

## Meeting expectations

Throughout the examples we’ve used icons to identify which of Ofgem’s criteria we felt best reflected where:



We’re delivering measurable benefits to our challenging stakeholder groups



We’re thinking innovatively to meet our stakeholder needs



We’re acting holistically and embedding initiatives in our company



We’re using robust project management



We’re driving and sharing best practice across the industry

## Strategy theme: Keeping the gas flowing

The Executive owner responsible for Keeping the gas flowing is Paul Denniff who is our Network Director.



“Providing warmth and security of energy supply even in the harshest winter conditions is fundamental to why we exist. It’s also vital for industrial and commercial companies who depend on us to keep their businesses running. How we do this is equally important – that’s why we always want to do things better by ensuring innovation always underpins our long-term company strategy.”

Keeping the gas flowing is a key element of our strategy. It is also absolutely what our customers

and stakeholders expect us to do. We recognise that this is business as usual for any network company but we are always seeking innovative and future-proof improvements to the way we operate to ensure we perform as efficiently as possible and meet the needs of our stakeholders now and in the future.

We’re engaging with stakeholder groups whose priorities include energy affordability and security of supply.

The following initiatives are a sample of the broad range of engagement we’re undertaking with relevant stakeholders in our **Keeping the gas flowing** theme.

## Managing customer data

**Issue identified:** Across the industry, stakeholders have identified there is an issue with properties not correctly registered with a supplier, who may be taking gas illegally, which affects the overall cost of gas to UK customers.

**Stakeholders engaged:** Gas suppliers, Ofgem, other GDNs, Xoserve, gas customers.

**Criteria reflected:**



Following review across the gas industry large volumes of records were identified where there was no contract set up with a supplier to enable a customer to pay for gas usage. We instigated work with suppliers and Xoserve (the company who manages data on our behalf) to set up a project to address the high priority sites across all networks. Of the circa **22,000** sites **7,000** sites were in our networks.

We recognised that we needed a robust project plan to manage this workload and to enable us to match our resources to meet our key milestones.

Our team are now leading a project to prioritise the remaining workload in order to focus future efforts. We also initiated and drafted a leaflet produced by the Energy Networks Association (ENA) on behalf of all the network companies. This leaflet is issued to all customers who ask for a connection to our networks advising them how to get

a supplier. This is designed to help drive changes within the industry to support our processes.

In addition we’ve put forward several amendments to industry regulations to further improve processes to avoid unregistered or illegal use and to enable all networks to charge suppliers for unnecessary visits where the data they have sent is incorrect.

Of the **7,000** high priority sites we have investigated we have now completed **63%**. This means that gas used in **13,000** premises (approx. **140 million kwh**) has now been correctly allocated and is not smeared across all UK gas bill payers.

We’re promoting further modifications to industry regulations which will help to support quicker supplier switching.

## Energy affordability - Oban project

**Issue identified:** A key thread through engagement activities with most of our stakeholders is the cost of energy. We proposed this project as we are in the unique position of having an isolated independent network, geographically representative of Great Britain (GB), where different standards of gas can be tested safely and effectively without impacting on the main gas network.

**Stakeholders engaged:** DECC, Ofgem, Scottish government, Local government, customer support groups, emergency services, domestic and commercial customers.

**Criteria reflected:**



The gas we use in GB is made up of a mix of components which must comply with national regulations. These days with gas coming from further afield than the North Sea, it needs to be processed expensively to change its composition to meet our national regulations. Other sources are perfectly safe and are already used successfully in some other European countries.

Our innovative **Opening up the Gas Market** project in Oban allows us to test different blends of gas which, if successful could lead to more secure, affordable gas supplies for everyone in GB.

The project involved mapping all our stakeholders and developing a plan to ensure everyone affected was engaged. Split into three phases, it has been managed by a project manager with local support.





**Phase one (May – Oct 2014)** we visited **100** customers homes and businesses to inspect and identify the most common appliances for laboratory testing by our expert partners Kiwa Gastec (detailed testing was carried out on **18** appliances). Any faulty installations or appliances found were repaired or replaced and a complimentary carbon monoxide alarm left with each customer.

**Phase two (Nov 2014 – June 2015)** we're visiting all **1,000** customers' homes and businesses and testing three different mixtures of bottled gas - again repairing or replacing any faulty appliances found and leaving a complimentary CO alarm. We've now visited over **650** properties and tested all different mix of gasses successfully. We've carried out repairs or replacement of appliances at **58** properties with **26** replaced.

**During Phase three (Jul 2015 – Jul 2016)** we'll inject the new mix of gas into the Oban network for 12 months to monitor how it performs.

As part of our mapping exercise we categorised our stakeholders on their influence/interest to enable us to create an engagement plan. The Scottish Energy Minister, local MPs and MSPs and government departments were engaged first followed by local council leaders, councillors, customer support groups, emergency services and local interest groups.

We did hold two public meetings which weren't particularly well attended. We then reviewed our strategy on how best to engage with local residents which led to us showing a short film about the project at the local cinema at the start of every film show. It was shown approximately **eight** times a day; **248** times during the month of October when it was visited by c. **2,000** people. We also held a cookery demonstration with a celebrity chef in a local hotel, inviting local residents and established advocates. **Thirty** to **40** people attended while the chef demonstrated cooking with the different gas mixes and encouraged audience participation.

Engagement with the local community has enabled us to achieve an access rate of **70%** and positive feedback from our stakeholders including Gas Safe register.

Building on the successful testing of alternative mixes of European standard gas we've compiled an exemption request with partner Kiwa Gastec to the Health and Safety Executive (HSE).

We've also been gathering information on the incidences of CO during our testing programme and outputs compiled.

Following completion of phase three we'll share the whole project findings with all our stakeholders and all industry players. This will inform the potential GB roll-out of European standard gas, removing the need for expensive processing and opening up competition, potentially leading to lower energy prices and security of supply.

Security of supply to remote Scottish towns

**Issue identified:** The only facility supplying Liquefied Natural Gas (LNG) to our Scottish Independent Undertakings (SIUs) is due to close in 2016 which means the security of the energy supplies for **7,000** customers in the remote towns of Wick, Thurso, Oban and Campeltown are at risk.

**Stakeholders engaged:** DECC, Ofgem, Scottish government, Local government, customer support groups, emergency services, domestic and commercial customers.

**Criteria reflected:**

In 2013 when we were first advised of the Avonmouth closure in 2018 we set up a project team to explore all energy options available, including:

- Electrification
- Gas pipeline
- LNG from another facility
- Liquefaction plan in Scotland

All alternatives were investigated on cost, timescale to deliver and impact to our customers.

The only solution which met the timescale was to continue to provide LNG but from a different source. We engaged with the Scottish Energy Minister, Scottish Government Oil and Gas team and local MPs and MSPs to review the options and our suggested solution.

After consultation and agreement our project team continued to work on procuring LNG from another facility. No other LNG facility processes the gas to GB standard so the team also needed to plan the building of facilities to process the gas locally.

In December 2014 we were advised that the closure has now been brought forward to 2016 putting supplies to SIUs in jeopardy.

We knew we had to think differently and embrace innovative solutions to ensure the continued security of supply for our customers. The new deadline doesn't give us time to install the required plant to bring the alternative LNG up to GB standard.

Building on the work we've done in Oban successfully testing

alternative mixes of European standard gas we've compiled an exemption request to the Health and Safety Executive (HSE). If this is approved we'll ask for the exemption to be extended to the other SIUs to enable LNG from other sources to be used from 2016.

Working closely with the HSE and providing it with all the information required is our highest priority to ensure we maintain security of supply to our most remote customers. Stakeholder mapping has been reviewed and our engagement plan developed to ensure affected stakeholders are kept informed and their concerns addressed. We've advised the Scottish Energy Minister and the Scottish Government's Oil and Gas team of the change to the closure date and have provided our strategy and plan for addressing the issues that the earlier closure brings.

As part of our exemption request to the HSE, we'll implement the same appliance inspection programme started in Oban in May 2014 in Wick, Thurso and Campbeltown commencing in 2015. The outcome from this will ensure that all appliance installations meet the pre-defined compliance standards for a change in gas specification. To enable this, any faulty installations will be repaired or replaced to bring them up to standard. The outcome:

- All appliances inspected (replaced or repaired where necessary)
- A complimentary carbon monoxide (CO) alarm to every property
- HSE exemption to use non-GB standard LNG
- Alternative LNG tankered to our four sites
- All **7,000** of our most remote customers benefitting from an uninterrupted supply of gas

Influencing change to the Uniform Network Code

**Issue identified:** We've been approached by some commercial customers with processes which require quantities of gas from our network only at specific times in the year. Their original requests had been rejected due to historic industry standards which did not allow for seasonal loads.

**Stakeholders engaged:** Commercial customers with seasonal load requirements, Ofgem, Energy Networks Associations, other gas distribution networks (GDNs).

**Criteria reflected:**

The industry standard code (Uniform Network Code) dictates that GDNs plan the capacity of gas available on their networks based on a 1 in 20 peak winter condition.

As a result we considered that the best option was to challenge industry code to ensure consistency across all networks.

As a result of the issue raised by a potential customer who only wanted to use gas during the summer for grain drying we instigated a review of the code to take into account customers who require a seasonal load.

We engaged with the other GDNs and Ofgem to discuss the issue and the potential solution, agree consensus to take the change to the code forward and ensure it came into effect.

We recognised we needed to be more flexible in our approach to meet our stakeholders' expectations and that this type of request could potentially come from stakeholders not just in our network but across all networks areas.

Our customer with the grain drying facility is now happy with the outcome and consequently our network is utilised more effectively and efficiently.

We're reviewing our network capacity and notifying our customers of the change in code and the potential benefits to them.

Strategy theme: Safe and efficient streetworks

Our Executive owner is Peter Webster, Director of Operations.



**"Maintaining a safe and reliable network is the foundation of our business. We invest in the maintenance, refurbishment and replacement of our pipe network to provide a service our customers expect; keeping them safe, warm and secure. We embrace innovation and new technology to increase efficiency, minimise disruption and to reduce the impact our works have on local communities and the environment."**

Safe and efficient streetworks is what our stakeholders have told us they expect from us and that is why it is one of our main strategy themes.

We understand that no one likes their lives to be disrupted by our activities in their communities. For this reason we're working hard to improve the planning and coordination of our roadworks with local authorities and other utilities and importantly embracing new technology and techniques to reduce the impact of our excavations and consequently the time we spend working in the streets.

We're engaging with stakeholder groups whose priorities include reducing disruption and improving efficiency of our streetworks activities.

The following initiatives are a sample of the broad range of engagement we're undertaking with relevant stakeholders under **Safe and efficient streetworks**.

Polyethylene (PE) risers in high rise properties

**Issue identified:** Replacing steel gas supplies (risers) in high rise properties is often a time consuming process resulting in customers being without a gas supply for long periods of time with the resultant difficulties this brings them.

**Stakeholders engaged:** Local authorities, the City of Edinburgh Council, Scottish Government, HSE, The Conservation Society, community, residents, Institution of Gas Engineers (IGEM)

**Criteria reflected:**

In order to reduce this impact for customers we've looked at innovative methods to replace old or leaking pipework. In the past twelve months, we've developed a process for replacing risers with polyethylene (PE), completed our first project, and brought about a policy change within the Institution of Gas Engineers and Managers (IGEM) engineering procedures, shaping best practice across the industry.

PE risers to replace the existing 2" steel supplies in a large flatted property in a conservation area of Edinburgh. We engaged with the local authority around initial concerns about the safety of this process in high-rise properties.

We were able to allay safety concerns through many risk assessments (carried out before and after the trial), stringent testing and reviewing procedures. Using PE instead of the previous steel removes a considerable amount of weight

from the structure, in turn reducing stress on the pipework, causing less joint leakage and less chance of corrosion at ground level. The risk score decreased to zero.

For our customers this process is less disruptive, it's quicker than replacing with steel and it supports our environmental strategy to reduce natural gas emissions by leakage from our network and potentially extends the life of our assets by 18 years. We funded this initiative at a cost of £298,684.

CISBOT

**Issue identified:** Our stakeholders have told us that they want us to minimise the disruption we cause when carrying out our streetworks.

**Stakeholders engaged:** Deputy Mayor for London, Isabel Dedring, Transport for London, HSE, Local authorities, other GDNs, national media, ULC Robotics.

**Criteria reflected:**   

Using traditional methods to replace ageing or high-risk gas mains is costly and time consuming, and as large diameter gas mains (18" to 48") are mostly found in city locations any work carried out has a significant impact on our customers. To minimise the disruption we recognised that an innovative solution was needed and that using robotic technology offers a step change in the way we repair and prolong the life of our cast iron network.

With our partner ULC Robotics of New York (who has developed a cast iron joint sealing robot known as Large CISBOT) the operation is performed live through one small excavation, from the rear of a single box truck. This greatly reduces inconvenience to the public, makes the work less visible and decreases the amount of excavation required. This trenchless technology offers potentially significant

Since the trial in Edinburgh we've replaced more than 40 risers with PE in our southern network. These are especially beneficial in coastal areas where the sea air is corrosive and where we have to replace or repaint relatively new risers and which results in inconvenience and security issues for customers. We're also working on three further projects of approximately 2,000 metres of pipe which will bring new challenges as the risers will be laid horizontally due to the design of the building.

cost savings by decreasing the cost of taking the main out of service, multiple excavations, restoration and required permits for these activities.



	Traditional repairs - £	CISBOT repairs - £	Savings - £	Days to complete - traditional	Days to complete - CISBOT	Savings - days
Kennington Park Road						168
Peckham Road						261



Strategy theme: Future of gas

Our Executive owner is Andrew Quail, who is our Director of IT.



**"We passionately believe gas has an important role to play beyond 2050. However no business, however successful, can afford to stand still. We all need to embrace the challenges the future brings and to position ourselves to be responsive to the changing needs of our stakeholders, and the opportunities that new technology brings."**

The future of gas is critical to the future of our company and is reflected in our strategic priorities. We know that our stakeholders including UK/Scottish governments and consumer and fuel poverty groups want us to continue to explore and invest in alternative cleaner energy sources, consider the future use of our network and skills of our workforce.

We're engaging with stakeholder groups whose priorities include energy sustainability and affordability. The following initiatives are a sample of the broad range of engagement we're undertaking with relevant stakeholders under **Future of gas**.

Greening the gas – the bio-methane way

**Issue identified:** The UK is working towards reducing carbon emissions from fossil fuels and its overall targets of generating energy from renewable sources by 15% and reducing carbon emissions by 34%.

At our Let's Chat stakeholder events UK and Scottish Government representatives and consumer and fuel poverty groups told us they want us to continue to invest in alternative, cleaner energy sources and integrate these into our network.

**Stakeholders engaged:** UK Government (Department of Energy and Climate Change), Scottish Government, Consumer and fuel poverty groups – National Energy Action (NEA) and Energy Action Scotland (EAS), bio-methane suppliers and clean-up plant operators, The Anaerobic Digestion and Biogas Association, Energy Networks Association (ENA), Ofgem, Health and Safety Executive (HSE), farmers and landowners, waste management, distilleries.

**Criteria reflected:**   

As alternative heat sources become more available we want to ensure that gas is an essential fuel of choice. We've set a target of supplying 250,000 homes with green gas by 2021 as part of our company strategy. As the first GDN to inject bio-methane into our network at Didcot and a partner at the first commercial bio-methane project at Poundbury in Dorset, we've now connected a further eight bio-methane sites supplying 65,000 customers' homes saving 145,806 tonnes of CO2. In addition to up to 56,000 households, our Poundbury site is also fuelling 34 buses in Reading.

**Cleaning-up 'down on the farm'**  
In August 2014 our Portsdown Hill Biomethane Terminal was launched and allows producers remote from the network to access the gas grid. We've reduced the cost of connection from £750,000 to a more affordable £300,000 with the help of DECC and the industry.

If a mains location is not near to the production site we can use a virtual pipeline system where customers can inject their gas into a pressurised trailer and download the gas at a remote location currently at Portsdown Hill, Portsmouth.

We aim to have 70,000 homes connected by the end of 2015.

Bio-methane distillery project

**Issue identified:** Whisky is a successful and growing industry in Scotland and it requires a significant amount of energy to power. We've been approached by a whisky manufacturer about investigating greener gas options to supply their distilleries.

**Stakeholders engaged:** Whisky manufacturers, Scottish Government, biomethane plant manufacturers, etc.

**Criteria reflected:**   

Our portfolio of biomass projects has now expanded to incorporate the first whisky distillery to connect to our network, where the bio-methane is produced from the organic waste at the end of the distilling process. The recent growth in the whisky industry has the potential to release over 90 million tonnes of organic material, some of which can be utilised in the production of bio-methane.

The project has allowed us to extend our knowledge in the large-scale entry of green gas and provided the customer with a cost effective and timely connection to our network. This has opened the way for similar sites to convert to green gas injection, benefitting the environment by the efficient use of the waste and local gas consumers products particularly in more rural areas.





Strategy theme: Acting responsibly

Our Executive owner for Acting responsibly is Denis Kerby, our Director of Corporate Communications.



“As we carry out our daily activities we truly believe in acting responsibly. Whether it’s how we look after our vulnerable customers, supporting people in fuel poverty, raising awareness about carbon monoxide or looking after our environment, we want to show we really mean it when we say we care about people and the communities we work in.”

As a responsible corporate citizen we know it is important to support the customers and

communities we work in. Our stakeholders have told us that they want us to prioritise looking after our most vulnerable customers by providing additional services for them.

We’re engaging with the following groups whose priorities include tackling fuel poverty, energy affordability, supporting vulnerable customers and raising carbon monoxide awareness.

Wider stakeholder issue: Fuel poverty

The following initiatives are a sample of the broad range of engagement we’re undertaking with relevant stakeholders under **Acting responsibly**.

Ofgem fuel poor network extension scheme

**Issue identified:** Our stakeholders want us to connect as many fuel poor customers as possible in the most effective way.

**Stakeholders engaged:** DHS and iGT customers, registered social landlords, iGTs, Ofgem, GDNs,

**Criteria reflected:**



We’re influencing the Ofgem consultation to include support for connections to District Heating Schemes (DHS) and iGT sites.

District Heating Scheme (DHS) customers

A number of stakeholders (including registered social landlords, Energy Action Scotland, Scottish Government, National Energy Action etc.) have asked us to support the cost of connecting customers to our network using a district heating scheme where their tenants would have otherwise qualified for funding if connecting individually. We’ve continued these connections on a discretionary basis and around **90** households have benefitted from this support at a cost of **£18.5k** this year helping low income and vulnerable customers.

Independent Gas Transporter (iGT) customers

We’ve developed a working process in partnership with ES Pipelines to make best use of funding allowances and to support iGT customers in the same way we would support our own customers. This was trialled in the first iGT/GDN collaborative project in Port Glasgow, fully funded by our Help to Heat scheme. **One hundred** private and social households living in an area of multiple deprivation have benefitted from a free gas connection giving them access to more affordable energy.

The working process will allow iGT customers in vulnerable and low-income circumstances across all networks to access funding to help them to switch to gas.

Pop-up energy cafés

**Issue identified:** Stakeholders want us to make warmth more affordable for low income and vulnerable households both on and off the gas grid.

**Stakeholders engaged:** existing customers, off gas grid communities, Communities Matter, Energy Action Scotland, National Energy Action, Northern Gas Networks, Citizen’s Advice Bureau, Home Energy Scotland, Financial Inclusion Project Borders

**Criteria reflected:**



We investigated opportunities to support households in fuel poverty both on and off gas grid by providing energy efficiency advice. This idea was endorsed by stakeholders at our Help to Heat seminars and supports the ‘affordable warmth for our customers’ and ‘off-gas grid support’ focus areas of our strategy.

Working in partnership with Communities Matter and Energy Action Scotland, we trialled the concept of the ‘pop-up energy café’. We ran **12** pop up energy café events in Brighton, Worthing and the Scottish borders. These café events provided local residents with a drop in service to help reduce fuel bills by raising energy efficiency

awareness, reviewing energy supply options and appropriate signposting.

EAS also carried out energy awareness training for **four** of our staff and five advisors from local agencies to enable us to use this skill for future projects.

Overall, our pop-up cafés proved an innovative way to help customers on and off the gas grid. We hosted a total number of **12** days offering energy efficiency advice on reducing energy costs, improving home energy performance and gas safety in the home over a cuppa and a cake. A total of **52** people received advice that could save them **£10,595**.

Wider stakeholder issue: Safeguarding vulnerable customers

QCV module on unsafe gas situations for frontline care workers

**Issue identified:** Frontline care staff are not sufficiently trained on recognising unsafe gas situations that could have serious impacts on our vulnerable customers.

**Stakeholders engaged:** Dying to keep warm, social services, housing associations, SGN employees, housing associations, care and repair groups, occupational therapists, NHS staff, Red Cross, Age UK

**Criteria reflected**



The charity Dying to Keep Warm told us that research shows that frontline care workers need training on recognising unsafe gas situations.

We’re working to develop a training module for frontline care workers to be able to recognise unsafe gas situations. This would provide additional safeguarding provisions for vulnerable people and prevent risk of serious harm or death from the cold, fires, gas leaks and carbon monoxide poisoning.

We’ve developed a new training programme - Gas Safety in the Home - that aims to:

- Educate frontline workers and raise their levels of risk awareness so that vulnerable people are identified, and risks to their health can be reduced or managed proactively
- Provide emergency safety interventions to prevent

serious harm and death for vulnerable people from the cold, fires, gas leaks and CO poisoning

- Give frontline workers real life reference points and examples to work with in order to broaden their knowledge through shared experience
- Offer solid and tangible support by providing checklists and procedures to follow in most case scenarios

The material has been written and we’re about to trial the concept with partner agencies e.g. social services, housing associations, Fire and Rescue and Care and Repair groups in Scotland.

The next stage will be to scope the accreditation process. Once trialled and passed by the relevant accreditation board (QCV - formerly NVQ), the training module could be replicated and shared on a broader scale for other agencies to use.

Addressing vulnerability in customers’ homes

**Issue identified:** Vulnerable customers, particularly those affected by dementia are increasingly at risk in their homes from cold, fires, gas leaks and CO poisoning.

**Stakeholders engaged:** Dying to Keep Warm (charity), Scottish Borders Council, Fife Council, Dundee City Council, fire and rescue services, Age Scotland, Alzheimer’s Scotland, Care Commission, SGN employees.

**Criteria reflected:**



Locking cooker valve

We heard a moving presentation at the CO Knowledge is Power Conference last July from Afroza Ahmed who runs a charity called Dying to Keep Warm. Afroza gave her presentation in collaboration with National Grid who had donated money to help the charity based in Liverpool in its North West network.

One of the safeguarding solutions which Dying to Keep Warm was advocating was a locking cooker valve which would help vulnerable customers avoid explosion and fire and provide reassurance for their carers.

The charity was doing this by paying for Gas Safe registered engineers from donations. We contacted Afroza and suggested our engineers could do this as part of our overall service. This is in keeping with our overall workforce strategy to ensure that we maximise the existing skills of our employees.

Comment from Afroza: “You have made my dreams come true.”

We wanted to trial the concept first so we accepted an invitation to the Scottish Borders Dementia Conference where, in partnership with Afroza, we presented our proposal. The idea was well received by all attendees from the care sector and taken forward by the Scottish Fire and Rescue Community Officer to initiate a trial in the Scottish Borders with a view to rolling this out across all our networks using our engineers who have the necessary skill and are already working in the community.

The trial project is underway and has now been expanded to Fife and Dundee. It’s being monitored in conjunction with social services and Dying to Keep Warm to understand job durations, costs and on-site challenges in fitting the valve in order to inform full roll-out. Success will be measured by:

- Number of valves fitted
- Reduction in risk of explosion/fire at properties
- Survey of carers

Following the trial we’ll programme a roll-out of the service across both our networks and share our findings with the other GDNs.

Our ambition

Locking cooker valve installation will be an embedded service across all GB gas networks and really make Afroza’s dream come true.



Care commission accredited dementia awareness training

We know that our frontline engineers encounter vulnerable customers during their everyday work activities. Our discussions with Dying to Keep Warm about adding value to these visits led us to appreciate that our engineers must first be able to understand and recognise vulnerability and then must be knowledgeable enough to provide support.

That's why we've started to train them on recognising the signs of dementia, providing communication aids and referrals via our freephone customer helpline. This service will refer these customers to local organisations for advice and assistance and we will also make sure that they are registered on the priority services register with their relevant energy supplier.

We scoped and procured e-training from the Care Commission which is being trialled by **500** staff including

our executive team, engineers, customer service staff and stakeholder team at a cost of **£3,000**. The trial is expected to be completed within a year and is being project managed electronically by our stakeholder engagement team.

Trial success will be determined by the number of referrals, communication aids given and PSR additions that are made by accredited engineers. If successful, all customers facing engineers, customer service and operational control centre staff will be trained and accredited.


Learnings from this will also be shared with all GDNs and other organisations that are in a position to adopt the programme and help us reach as many homes as possible.

Wider stakeholder issue: Raising carbon monoxide (CO) awareness

Joint SSE-SGN social media CO awareness during power outages campaign	
<b>Issue identified:</b> Our customers can become vulnerable to the risks of CO when they experience a power outage as they are unaware of the risks poses by inappropriate use of appliances.	<b>Stakeholders engaged:</b> gas customers, DNOs, suppliers, GDNs, emergency services
<b>Criteria reflected:</b>   	

During power outages customers can be particularly vulnerable to the risks of CO if they use appliances or generators inappropriately. To widen the reach of CO awareness beyond our own customers and to reach a group of customers who become temporarily vulnerable as a result of a loss of power, we've compiled information for multi-channel use on the dangers of CO from the misuse of gas appliances and power generators in the event of a power outage.

Using this information, we worked collaboratively with SSE to trial an awareness campaign using social media channels and targeted press releases. We also gave general CO advice, including the reminder to install a CO audible alarm. This innovative approach was launched jointly by SGN and SSE external communication teams. The success was to be measured by the number of customers receiving advice based on social media analytics.

 "During a storm, make sure the only thing knocked out is the power. Never run a gas, petrol or diesel-powered generator indoors. Take care, be CO aware."

The trial campaign was seen by **4,500** Twitter users and (**90** of them re-engaged further) and reached a potential audience of **1,421** Facebook followers. The press release was also run in **two** local newspapers and the information has been included in SSE's post incident surveys. At collaborative forums, we will share our learnings and encourage other power companies to promote a similar message, particularly during large scale power outages.

We will share the communications information pack with all other GDNs and DNOs.

Influencing CO alarm regulation in private rented homes	
<b>Issue identified:</b> There is no legislation in place to protect tenants from the dangers of CO.	<b>Stakeholders engaged:</b> UK Government, Scottish Government, All Party Parliamentary CO Group, Cross Party Safety Group, MPs, MSPs, The Gas Safety Trust
<b>Criteria reflected:</b>  	

The Downstream Incident Data Report indicated that tenants living in private rented properties are three times more at-risk of a CO-related incident than those living in other housing types. As a result of our strong presence on relevant CO forums and groups and our enduring relationships with powerful stakeholders such as, Barry Sheerman MP and Baroness Finlay, we were asked to provide industry knowledge to the government about carbon monoxide. This intelligence helped ensure an amendment to the Energy Act was passed to make the installation of CO alarms mandatory in private rented property.

We drafted an amendment for Baroness Finlay (Chair of the All Party Parliamentary CO Group) to introduce this to the

House of Lords, briefing her and Andrew Bingham MP and it was endorsed by the latter in his private members bill, Household Safety (carbon monoxide detectors).

The amendment to the Act was passed and it will now be mandatory from September 2015 for all private landlords in GB to install and ensure that there is a CO alarm in full working order in their premises. As a result, there will be reduced CO incidences leading to potential lives save and protection for landlords from legal actions as a result of CO incidents.

Raising CO awareness in local communities

<b>Issue identified:</b> There are around 200 CO related incidents a year- a significant contribution to this is a lack of awareness of the dangers of CO.	<b>Stakeholders engaged:</b> school children, teachers, members of the public and community groups, students, fire and rescue services, police, ambulance service, Dominic Rodgers Trust, British Red Cross, RNLI, SSE, NHS, Network Rail
<b>Criteria reflected:</b>  	

We know through industry research those most at risk from CO are young children, those leaving home for the first time, those in rented accommodation and the elderly. In order to reach these groups we worked with a range of expert partners who were able to act as champions in helping to raise awareness.

Through the Edinburgh Risk Factory, (a purpose-built safety centre for children and other community groups), and Safetaysiders (an event held annually by Police Scotland in Perthshire) we work to educate children on a wide range of safety issues with CO awareness and gas safety being integral. We provided information for workbooks and materials (issued to **56,248** primary 7 pupils), and our own staff volunteers through our Community Action Programme to help with the education process (delivered to around **3,000** primary 7 pupils from **79** schools).

We also continue to support Hazard Alley, Milton Keynes and LV Streetwise in Poole to provide CO awareness and gas safety messages to school children in Oxfordshire and Dorset.

In order to reach students we commissioned an on-line CO awareness survey of **1,804** university students with the National Union of Students. This will allow us to assess the gaps in their knowledge of CO and reduce the risk of CO related incidents for this group through targeted initiatives. We've also shared the survey results with the other GDNs to allow further collaboration in this area.

Results highlight that:

- **35%** live in private rented accommodation, **53%** of whom indicated that their landlord checks their gas appliances
- only **42%** of all respondents have a CO alarm in their home

- **9%** of all respondents told us they would use a BBQ to keep warm under an awning or gazebo
- Most respondents were aware that CO has no smell, taste or visibility

In order to reach vulnerable groups we partnered with Royal Voluntary Service (RVS) on their Get Ready for Winter Campaign. We donated **£20,000** in sponsorship to help older people, their friends, family and neighbours feel better prepared for winter, more connected and to feel well during this period. We did this by raising awareness of the importance of having audible CO alarms and getting appliances serviced and checked regularly especially when approaching winter months. In addition to a media and online campaign we sponsored and participated in six events at selected RVS service hubs/community centres with service users, and RVS volunteers.

The campaign reached **100,000** RVS service users through **69** hubs, **450** community centres, lunch clubs and volunteers, **500** hospital shops and cafes, **40,000** volunteers' newsletters, and **2,000** RVS staff through internal communications channels.

As part of the events we met other local community groups working with vulnerable people. Two of which being Dumfries Fire and Rescue Service, and Handyvan service, whom we gifted **50** CO alarms each to be donated during their home safety checks for the most vulnerable. We are currently in discussions with other fire and rescue services and local care and repair services regarding similar initiatives.

Continuing our support with Hampshire County Council's 'Hitting the Cold Spots' campaign dedicated to reducing the level of deaths and illness for vulnerable people, we donated **2,500** CO alarms that were issued to the most vulnerable during safety checks in 2014-15.

Forward look

The Ofgem stakeholder panel provided valuable feedback which helped shaped the engagement activities we progressed in 2014-15. Looking to next year, we'll continue to take this feedback into account as we develop the following initiatives.

Keeping the gas flowing

- We're field-trialling Osprey validators which proactively identify poor pressure areas, minimising risk of supply interruptions to our customers.

Safe and efficient streetworks

- Following trials in London we're extending the use of CISBOT technology to central Edinburgh.

Future of gas

- We're working with the Energy Innovation Centre and other GDNs to develop the UK's first digital social-energy platform, Futurewave, that initiates the development of new energy solutions for customers' evolving energy needs.

Acting responsibly

Fuel poverty

- In support of our strategy to support our existing customers and those off-gas grid, we've started trials of three innovative energy saving devices; Chop Cloc, Tadpole and Thermoflow. We're working with NEA and housing associations to validate the efficiencies to heating systems that these devices could offer - up to **29%** reduction in energy usage.

Vulnerable customers

- Develop strategy following review of the BSI accreditation.

CO awareness

- We're developing a gas safety survey via National Energy Action with the support of Gas Safety Trust grant after research indicated that 22% of private rented sector housing was found to be gas unsafe.





# Independent assurance report

**Private and confidential**

The Directors  
Scotia Gas Networks Limited  
Station Approach  
Horley  
RH6 9HJ

27 May 2015

*Independent assurance report to the directors of Scotia Gas Networks Limited (“the Company” or “SGN”) in respect of the Company’s statement of stakeholder engagement activities for the year ended 31 March 2015*

We have carried out a limited assurance engagement in respect of the Company’s statement of stakeholder engagement activities for the year ended 31 March 2015 (“the Selected Information”), as contained within Part 1 of the Company’s submission to the Ofgem Stakeholder Engagement Incentive Scheme (“the part 1 submission”).

The Selected Information is defined as the stakeholder engagement activities performed by the Company in the year ended 31 March 2015, described from page 4 onwards\* within the Stakeholder Engagement Part 1 submission under the following headings:

- Moving forward in 2014-15;
- Our stakeholder engagement strategy;
- Working together: our company strategy and stakeholder engagement strategy;
- Summary of our company strategy;
- Our approach to governance;
- Our governance structure;
- Driving stakeholder engagement throughout our business;
- Indicator of improved internal engagement;
- Seeking and responding to stakeholder feedback;
- Supporting decision making;
- Stakeholder mapping;
- Strategy for ensuring appropriate mechanisms are in place;
- Social media strategy – being part of the conversation;
- Updating our customer literature;
- Dedicated Helpline Number and Incident Support Vehicle;
- Roads Authorities and Utilities Committee (RAUC) meetings and Scottish Road Works Register;
- Our commitment to stakeholder feedback; and
- How our stakeholders’ feedback inform our decisions.

\* On pages 4, 8, 10, 11 and 13, there is an introduction to the section in a purple and orange box. This text is taken by SGN directly from Ofgem’s guidance on the minimum requirements for stakeholder

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engagement reporting and so is not included within the Selected Information. Similarly, the boxes marked “John’s section overview” on these same pages are excluded from the scope of assurance.

Our work has been undertaken so that we might state to the directors those matters we are required to state in an independent assurance report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the directors and the Company for our work, for this report, or for the conclusion we have formed, save where expressly agreed in writing.

*Respective responsibilities of the Company and the Practitioner*

The directors are responsible for ensuring that the Company designs and implements an appropriate stakeholder engagement strategy. They are also responsible for preparing the Selected Information as described above. Our responsibilities for this engagement are established in the United Kingdom by our profession’s ethical guidance and are to undertake a limited assurance engagement and report in connection with the Selected Information. We report to you whether anything has come to our attention in carrying out our work (which is further described below) which suggests that the Selected Information is not fairly stated, in all material respects.

*Our approach*

We conducted our engagement in accordance with International Standard on Assurance Engagements 3000 issued by the IAASB. We performed a limited assurance engagement as defined in the IAASB’s International Framework for Assurance Engagements.

The objective of a limited assurance engagement is to perform such procedures on a sample basis so as to obtain information and explanations which we consider necessary in order to provide us with sufficient appropriate evidence to express our conclusion. The extent of procedures performed is more limited than for a reasonable assurance engagement, and therefore less assurance is obtained.

Our procedures included:

- obtaining an understanding of the Selected Information and related disclosures;
- making enquiries of relevant Company management and personnel, including the Head of Stakeholder Engagement, the Social Responsibility Manager and members of the Stakeholder Engagement Team;
- attending three internal stakeholder workshops; and
- performing limited testing, on a selective basis, of evidence supporting the reported Selected Information, including (but not limited to):
  - feedback forms from stakeholder events and online consultations;
  - minutes of Stakeholder Engagement Steering Group meetings;
  - material presented to both internal and external stakeholders, including the Executive Team;
  - stakeholder engagement strategy, stakeholder mapping and action planning documentation;
  - publically available external documents which make reference to, or are relevant to, the company;
  - reports from the stakeholder engagement activities tracking system; and
  - project documentation used to assess and appraise stakeholder engagement activities.

*Inherent limitations*

Non-financial performance information is subject to more inherent limitations than financial information, given the characteristics of the Selected Information and the methods used for determining such information.

Our conclusion is based on historical information and the projection of any information or conclusions in the attached report to any future periods would be inappropriate.

*Conclusion*

Based on the results of our procedures, nothing has come to our attention to indicate that the Selected Information, as set out in the part 1 submission, is not fairly stated, in all material respects.

*PricewaterhouseCoopers LLP.*

PricewaterhouseCoopers LLP  
Chartered Accountants  
Manchester  
27 May 2015

## Appendix: Statement from Stakeholder Advisory Panel

Comment from Stakeholder Engagement Advisory Panel  
Since January 2014, the external Stakeholder Advisory Panel has worked alongside SGN as a 'critical friend' to help guide the development and delivery of the business' stakeholder strategy. Though not a representative body, the panel contains experience drawn from industry, interest groups, the voluntary sector, and professional stakeholder engagement. We use this experience to provide constructive challenge and encouragement, as we share SGN's commitment to ensuring that stakeholders are at the heart of their work.

We observed last year that SGN had undertaken a significant re-organisation of their stakeholder engagement activities. This process has continued since, with a professional stakeholder engagement team now in place (demonstrating SGN's willingness to invest in this area of work), a director-level appointment to oversee it and stronger links between corporate strategy and stakeholder input. It is in this final area where the change we have seen has been most significant. The long-term strategy approved by SGN's Board this year was developed in the light of stakeholder feedback gathered at last year's stakeholder survey and follow-up events. This is something we strongly urged last year and were pleased to receive assurance of. We have also witnessed the considerable effort that SGN has put into ensuring that stakeholder engagement is mainstreamed into the delivery of the strategy – from establishing clear ownership at executive level, to setting up clear and simple processes for identifying and engaging with the right stakeholders, to running workshops with operational management on how to get the best out of these.

It is fair to say that this work is about ensuring that stakeholder engagement is both consistent and strategically aligned. Operationally, we noted last year that a lot of good practice was in place already. It is this that has ensured the progress of innovative work like securing supply for remote parts of Scotland (one of SGN's unique challenges is establishing relationships with stakeholders across two countries), the Oban project and some of their excellent initiatives to support customers with dementia.

We believe that the strategy, governance, business processes and project management SGN now has in place should ensure more opportunities for the company and its stakeholders to identify areas of mutual interest, solve problems together and, in doing so, play a real part in securing a better energy infrastructure for the UK. However, SGN openly acknowledges that it is in the early stages of delivering this type of approach and that many of the challenges will come as it seeks to put the new strategy into practice. It is only by getting this right that they will achieve real and lasting change.

In summary, our opinion is: that the link between corporate strategy and stakeholder engagement strategy has been significantly strengthened; that stakeholder engagement is increasingly embedded within SGN's infrastructure at all levels; and that strong work with stakeholders continues on the ground, as evidenced by this report. We look forward to continuing to support SGN as they build on these solid foundations.

**Oli Howard, Chair**  
Stakeholder Engagement Advisory Panel

## Contact us

If you'd like to be part of the conversation to ensure your views count or if you have any questions on our stakeholder engagement activities please get in touch.



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