nationalgrid

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Acting on your bootstand

UK Gas Distribution

November 2013

Hello...



... and welcome to the second edition of Acting On Your Ideas. During 2012/13,

you provided us with feedback on how to make our service even better. Thanks to what you told us, we made 29 commitments for 2013/14 and put actions in place to achieve them.

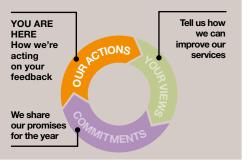
This document gives you an interim update against each of the commitments and there are a number of case studies with more details. If you have any comments or questions about these updates please let us know.

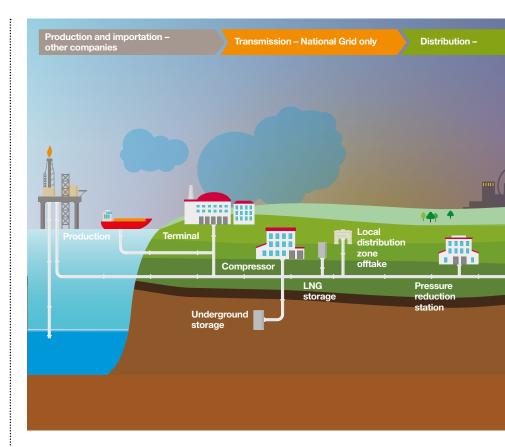
We need to understand what's important to you, so tell us what we should be focusing on in 2014/15. We promise to listen to your feedback, which you can submit using our Have Your Say document – it is available on our Talking Networks website.

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Emma Fitzgerald, Director – Gas Distribution

Where are we in the process?





Who we are

Our gas distribution networks keep the services your community relies on running all year round

t National Grid Gas Distribution, our job is to make sure people are connected to the gas they need for heating, cooking and to keep their businesses operating.

Our services include managing the national gas emergency number, responding to gas escapes and repairing leaks. We also connect new customers to our network, alter the position of customers' supply pipes and disconnect gas supplies that are no longer needed.

In addition to this we are responsible for replacing our gas mains infrastructure to make it safer and more reliable for future generations.

NETWORKS

We own and operate four of the eight regional gas networks in the UK – the East of England, North London, North West and West Midlands.

Our Gas Distribution business

supplies gas to around 11 million homes, businesses and schools through 131,000 kilometres of pipeline, providing energy to some of England's largest cities and highest profile companies.

The regions we operate in make our gas distribution networks the largest and most diverse in the UK, covering densely populated residential neighbourhoods and widely dispersed rural communities.

VALUE

National Grid Gas Distribution, along with the three other gas distribution companies that operate throughout the UK are regulated by Ofgem (the Office of Gas and Electricity Markets) to make sure, as natural monopolies, we give customers the best value for money.

Our latest price control, known as RIIO-GD1, started in April 2013 and is in place for the next eight years.



 National Grid and others
 Supply – other companies

 Industrial
 Industrial

 Industrial
 Industrial

 Commercial
 Storage

 Governor
 Domestic

WHAT WE DO

Covering the East of England, North London, North West and West Midlands, we transport gas through a network of pipes to our customers' homes and to businesses. One of our key roles is to make sure the infrastructure we rely on to power our lives every day is available whenever it is needed.

> National Grid Gas Distribution

> > Scotia Gas Networks

Northern Gas Networks

> ■ Wales & West Utilities



Our commitment to you

To provide the best possible service to you, we need to fully understand your needs and expectations.

Armed with your feedback, we can put you at the heart of our business decisions and services.

We set up Talking Networks to do just that, so we can share how your views influence our decisions and to offer an accessible communication channel for group and one-on-one discussions. Listen Integrity Accountability Transparency Inclusivity SSTO

Talking Networks will keep to our engagement principles of acting with:

- Integrity
- Accountability
- Transparency
- Inclusivity

How to contact us

If you have got a question, any feedback or an opinion on any of our stakeholder engagement activities, feel free to get in touch with us.

EMAIL: talkingnetworks. distribution@nationalgrid.com

PHONE: 01926 656923

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

TALKING NETWORKS WEBSITE: www.talkingnetworksngd.com

General Enquiries & Customer Support

EMAIL: customersupport@ nationalgrid.com

PHONE: 0845 835 1111

WRITE: Customer Support Team, National Grid, Brick Kiln Street, Hinckley, Leicestershire LE10 0NA

Smell gas? Please call the 24-hour Gas Emergency line: 0800 111 999

Our 29 commitments

Based on your feedback, we have made 29 commitments to make our service even better.

These commitments are the promises we made to you following our stakeholder engagement in 2012 and early 2013.

Part of this engagement was a formal consultation called Have Your Say, which gave you the opportunity to let us know what we should be doing throughout 2013/14.

We have been working on these commitments since April 2013 and this document provides an update and progress status for each one.

For some of the commitments, we have provided more detail on the work we're doing to meet them. You can find this by looking through the case studies section (pages 6 to 11) of this booklet.

TURN OVER THE PAGE TO SEE WHAT WE'VE PROMISED ➤

Our 29 commitments

We will... keep to our

PRIORITY	COMMITMENT
We will keep you safe and warm	1 Continue to review and refresh our education and safety campaigns, and utilise different media to target specific groups.
	2 Develop the distribution networks' role in the roll-out of smart metering with key stakeholders.
	³ Improve awareness of carbon monoxide (CO) through individual contacts with consumers and the provision of CO alarms to individuals most at risk.
	4 Publish our safety commitments and report progress annually.
We will be reliable	5 Review the process and service we provide to local authorities for strategic planning requirements.
	6 Continue to work with local and highways authorities to provide more meaningful and longer-term information.
	7 Review our planning process in conjunction with Land & Development to make required improvements.
	 8 Continue to look for innovative solutions and techniques, and roll them out in our networks. 9 Work with local and highways authorities to reduce customer disruption and manage streetworks issues, in conjunction with giving the public visibility of where we are working.
	10 Ensure a smooth transfer from existing to new ways of working.
	11 Enhance the security of our key critical sites against the threat of terrorist activity and general theft.
	12 Use data from smart technology to inform the decisions we make.
We will	13 Facilitate 34,650 fuel-poor connections over RIIO-GD1 to provide the most economic heating source for consumers. Work with the government, Ofgem and other stakeholders to influence the framework.
safeguard future generations	 To review our role with vulnerable customers and work with the industry to develop partnerships and support networks.
	 Help to educate stakeholders and explore the role for gas to assist policy-making, and support sustainable and new gas sources connected to our network. Work with others to remove bio-methane connection barriers and trialling new technologies.
	17 Continue our programme of stakeholder and customer engagement, while monitoring and reporting annually on our progress.
We will deliver quality service	18 Investigate the possibility of establishing a consumer challenge group.
	19 Continue to roll-out a new fleet of vehicles and signage to support awareness of our brand.
	20 Share best practice through various industry forums and across our own networks.
	21 Review information to ensure it is relevant and continue upgrading our website for our customers.
	22 Re-establish an industry forum to discuss current topics.
	23 Review our IT systems in relation to communication with our business-to-business customers.
We will provide value for	 Continue to lead and support industry change, and share best practice lessons (including theft of gas). We will prioritise resources based around industry requirements.
	Investigate the use of a collaboration forum and web-based innovation portal after our innovation strategy is published.
	26 Drive innovation to ensure value for customers, promote collaboration opportunities while maximising the innovation allowance opportunity.
	27 Publish a scorecard demonstrating how we are delivering our RIIO-GD1 outputs.
money	28 Continue to refine the data we produce for charging purposes and publish our model for the next price control, showing how distribution charges are derived.
	29 Continue to publish spend on our website and look at how we can do this more widely.



29 commitments

	UPDATE	STATUS		
1	Check out some of our safety and carbon monoxide (CO) awareness campaigns on page 6.	1 A. 1		
2	Engagement has begun with internal and external working groups, which have been set up and smart metering impacts are being analysed.			
3	We have developed our CO strategy and we are about to start a number of pilot schemes, which we will report on soon. More details on page 7.			
4	To be published along with our RIIO outputs in summer 2014 once 12 months of data is available.			
5	We've reviewed our processes and re-briefed our teams on the correct action to be taken. We'll continue to monitor this.			
6	We've started to share our mains replacement programme with some local authorities and will continue to do this once our plans have been finalised. Go to page 7 for more details.			
7	We are investigating opportunities to provide a one-stop-shop for strategic planning requests.	•		
8/9	We are developing a number of innovation trials and have teamed up with roadworks.org to provide you with information about where we are working. More details on page 10 and 11.	1.5		
10	We are building strong relationships with our new partners to ensure targets are met and are holding regular performance meetings to share best practice.			
11	For more information about our security of supply, go to page 6.			
12	We are investigating the use of data from smart meters and the benefits it can provide.			
13	Fuel poor gas connections are on track and we have established a Fuel Poverty Advisory Group sub group on behalf of the industry. Go to page 8 for more details.			
14	We are working with our Stakeholder Advisory Panel and other network owners to develop our strategy.	•		
15/16	We have supported the government in developing policy and are working within the industry to remove barriers. More details on page 8.	1.1		
17	We continue with our programme of engagement and this booklet provides our interim progress report. More details can be found on page 10.	•		
18	We have established a Stakeholder Advisory Panel. The quarterly group will assist, advise and challenge our stakeholder activities. Our documents can be found on www.talkingnetworksngd.com. More details on page 10.			
19	During the next five years, our entire fleet is being replaced with vehicles displaying new branding. A trial is taking place in North London for improved signage.			
20	We have established a number of industry collaboration groups and have become part of others, including ones for CO and fuel poverty. More details on page 9.	•		
21	Based on focus group feedback, we have redesigned our home page and made our gas connections pages more user- friendly. To see more about our web and new media strategy, go to page 10.	•		
22	Our first Gas Industry Forum was held in October. We'll hold future meetings every six months. More details on page 10.			
23	A process has been rolled out allowing our engineers to notify independent gas transporters by email rather than fax, when attending an emergency on their site.	- -		
24	We continue to support the development of a theft of gas framework and have also taken a lead role on Project Nexus, which is an overhaul of Uniform Network Code (UNC) settlement and allocation arrangements. More details on page 9			
25	Our innovation strategy is now available online and we're working to introduce a web portal, which will enable us to collaborate with our external partners and share best practice. More details on page 11.			
26	We're continuing to address our key innovation themes and challenges, and will carry on working in partnership with the Energy Innovation Centre. Go to page 11 for more details.	•		
27	We will report annually against our RIIO outputs once a full 12 months of data is available.			
28	We revised the format and data for our revenue report to show more detail. We continue to work with shippers to understand their needs for a charging model. More details on page 11.			
29	We will report annually after the first year of operations under RIIO.			
	KEY: 📕 In progress – solution still being developed 📕 In progress – plans in place to complete 📕 Complete or significantly complete			

We will... keep you safe, warm and be reliable

can be safe around the use of gas.

they are still relevant and up to date.

channels more attractive to students.

WE DID... A range of our safety campaigns

and tools have been refreshed to make sure

We have refocused our winter safety and CO student campaigns so they are fresh

and interesting, and launched a smartphone application to make our social media

We've also renewed our partnership with

the Scout Association and redesigned our

Home Safety Badge pack to include extra

activities - we hope these changes will add

CASE STUDY: COMMITMENT 11

Security of supply

YOU SAID... Ensure we have the appropriate levels of security across all our sites and functions. WE DID... We have rigorous defence systems in place and monitor them

to protect us against threats. We're working with government agencies to enhance security at our critical sites and to deliver the reliability you expect.

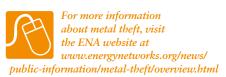
Some of our sites are classified as critical national infrastructure and must comply to independently set security requirements. We have an established programme to raise security at these sites to protect against terrorism.

Metal theft has also become a serious issue for all energy networks in recent years and we're working with industries and the Energy Networks Association to make this a high priority and deliver a programme to improve security.

An information security programme has been established for online safety too. This is aligned with industry standards and

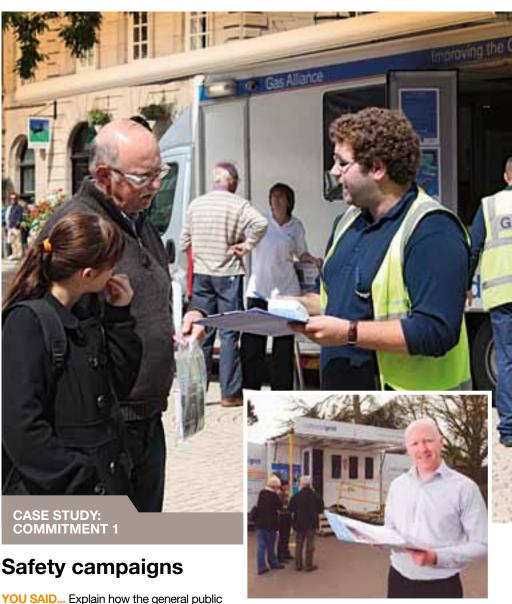
we're continually looking at initiatives to protect against cyber threats.







Tell us how you would further improve our service by filling in our Have Your Say questionnaire. <u>www.surveymonkey.com/s/</u> <u>Nov13HaveyoursayOurquestionstoyou</u>



"We refocused our winter safety and CO campaigns"

to the 84,000 packs used in 2012.

To increase safety awareness, our Gas Emergency webpage has been updated to include a suite of videos and we have extended our use of YouTube, Facebook and Twitter to promote awareness of emergency information.



CASE STUDY: COMMITMENT 3

Carbon monoxide awareness

YOU SAID... Ensure customers are aware of the dangers of carbon monoxide (CO).

WE DID... Following your feedback on how we can play a part in CO safety, we pledged to raise awareness of the dangers it carries.

We are now equipping our engineers to use gas and CO detection equipment, in order to identify the presence of CO in your home. We're developing a number of pilots with our engineers to provide awareness advice and information when carrying out other works in your home.

We're aiming to further reduce the risk of CO in your home by providing free alarms to at-risk individuals.

All CO incidents in our networks are now discussed at our executive team's weekly meeting and we're carrying out research in our customer centre to better understand behaviours and take the next steps to safety.

We've also supported Gas Safe to set up its Gas Safety Map, which encourages customers to have their appliances serviced regularly by a registered engineer.

As part of our research, we've identified low-level of CO awareness among young and middle-aged workers, so we've produced a short film to raise awareness and encourage the installation of CO alarms in their homes.



To reach as many customers as possible, we have promoted this video widely and posted it on our webpage.

XOB FPN

Kill your speed

Drives Salata

To measure how effective our awareness campaign is and whether customers are benefiting from talking to our engineers, "We're reducing the risk of CO in the home by providing advice and information."

we've worked with the industry and Ofgem to develop a standard survey.

More information about our CO awareness programme can be found in our Discretionary Reward Scheme (DRS) submission (details on page 8).

CASE STUDY: COMMITMENT 6

A plan for the future

YOU SAID... Provide more meaningful information on our mains replacement programme.

WE DID... We've started a programme of engagement to share our mains replacement plans with local authorities.

Holding one-to-one sessions and group forums, we're sharing plans as far into the future as possible – in some cases up to eight years in advance of work starting. In some areas, we're still developing our eight-year forecasts but we are keen to meet with all local authorities once we have the information available.

We continue to think innovatively and have teamed up with Severn Trent and Worcestershire County Council so we can better coordinate where we're working. This will reduce the amount of

disruption to your community.



CASE STUDY: COMMITMENT 16

Exploring the future

YOU SAID ... Focus on renewable and other sources of gas, and the obstacles to be overcome.

WE DID... As part of our quest to explore renewable gas resources, we are managing over 35 live gas injection projects including a pioneering bio-methane project working with Severn Trent. We're constructing a new bio-gas connection for its sewage plant in Minworth, near Birmingham, to inject into our gas network - providing sustainable energy for more than 900 homes each year.

The scheme is the first of its kind, so we're working hard to solve any technical issues and share findings with the rest of the industry to help similar projects.

The success of connecting sustainable energy resources facilitated by our continual drive to listen to our customers and simplify the process means we can ensure you receive the reliable gas supply you rely on, both now and in the future. By supporting the connection of projects like Minworth, we can help you reduce



your carbon footprint without the cost and disruption of replacing existing appliances.

With interest in sustainable and environmentally friendly sources of energy increasing dramatically over recent years, we have put together a simplified eight-step connection process, outlining the application procedure and timescales to support the groups involved in bio-methane.



Tell us how you would further improve our service by filling in our Have Your Say questionnaire, www.surveymonkey.com/s/ Nov13HaveyoursayOurquestionstoyou

CASE STUDY: **COMMITMENT 13**

Warming your homes

YOU SAID... We need to maintain a focus on connecting fuel poor homes to the gas network.

WE DID... We will deliver 28,150 new fuel poor gas connections and, in partnership with Affordable Warmth Solutions (AWS), a further 6,500 to deprived communities over the eight-year RIIO-GD1 period. At the end of September 2013, we had already delivered 2,408 fuel poor gas connections for 2013/14.

We're widening the scope of our activities to provide independent energy efficiency advice and tariff signposting. We've also started working with leading fuel poverty charity National Energy Action, and electricity and water companies to see how we can work more holistically.

We're supporting AWS to develop heat solutions for multiple occupancy buildings, including fuel cell technology and trialling new technologies, such as air source heat pumps for off-gas grid

vulnerable households.

Our work will also contribute to our environmental targets by reducing household emissions.



For more information EnergyandServices/TalkingNetworks/









We will... deliver quality service to all

CASE STUDY: COMMITMENT 20 & 24

Best practice makes perfect

YOU SAID... Share our success stories so good practice emerges and can be used by all.

WE DID... We are leading the industry to share best practice in many areas.

For example, we have set up a Fuel Poverty sub group of FPAG (Fuel Poverty Advisory Group), with the first meeting held in October.

The group will work collaboratively with a diverse range of stakeholders to share best practice and new solutions to alleviate fuel poverty.

We've implemented changes to industry procedures, which are



expected to lead to a reduction in the number of shipperless and unregistered sites who are taking gas illegally.

We are also closely involved in the creation of an industry code of practice, through the Supply Point Administration Agreement, which will standardise best practice between the various industry parties. In addition, we have implemented an internal collaboration group to share customer best practice on a regular basis across our networks.

TURN THE PAGE FOR MORE CASE STUDIES >

CONTINUED FROM PAGE 9

We will... deliver quality service to all

CASE STUDY: COMMITMENT 21

Updating our website

YOU SAID... Ensure information is timely and relevant, and to continue to upgrade our website.

WE DID... We've launched a raft of improved online tools to make our online user experience better. The new functions mean you can get the information you want at the click of a button.

The most noticeable difference is the redesign to our UK home page and gas connections pages, making them more intuitive and user-friendly. Visitors will find the site easier to navigate and clearly signposted so they can find the pages that matter most.

Among the changes is an indicative cost calculator, which lets us set price expectations for gas connections, disconnections or alterations to gas supplies before asking you to complete a formal application process.

Another new feature is the Where We Operate tool, which allows you to search for a road or postcode to find out which company is responsible for the gas network.

CASE STUDY: COMMITMENT 17, 18 & 22

It's good to talk

YOU SAID... Continue to have dialogue with our stakeholders, and keep them informed about what we do and industry developments. WE DID... Following your feedback we've reintroduced the Gas Industry Forum, giving you the chance to discuss industry topics and share information.

The first Gas Industry Forum took place in October 2013 and, as a result of its success, you've asked us to continue these every six months.



We now also provide more information on our work at <u>www.roadworks.org</u>. The revamped website shows why we're working in a road and how long the job is planned for, how to get in touch and also gives access to detailed videos to explain how work is done.

There are more exciting developments planned for the coming months, so keep an eye on <u>www.nationalgrid.com/uk</u> for further changes.

"Visitors will find the site easier to navigate and clearly signposted so they can find the pages that matter most to them"



Tell us how you would further improve our service by filling in our Have Your Say questionnaire. <u>www.surveymonkey.com/s/</u> <u>Nov13HaveyoursayOurquestionstoyou</u>



To give you even more chance to have your say, we also established a consumer challenge group.

Called the Stakeholder Advisory Panel, the group combines internal and external representatives, and will advise and challenge our business to provide feedback from collective experience.



GAS INDUSTRY FORUM AND STAKEHOLDER ADVISORY PANEL IS AVAILABLE ON OUR TALKING NETWORKS WEBSITE.



We will... provide value for money

CASE STUDY: COMMITMENT 28

An impressive forecast

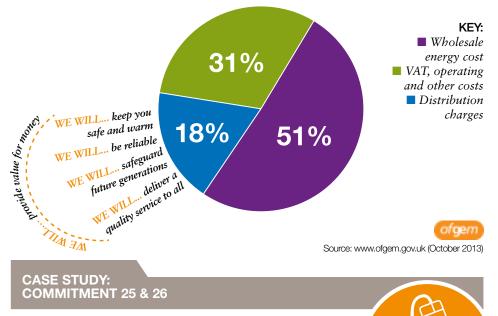
YOU SAID ... Minimise costs to consumers giving visibility on how money is spent. Our B2B customers would like access to the model used to derive distibution charges. WE DID... To meet our B2B customers' needs, we published a new charging method to increase clarity.

The improved revenue report shows greater detail of our projections and focuses



on future revenue uncertainties, such as customer incentives and new initiatives.

The extra information was welcomed by gas shippers at the July Distribution Charging Methodology Forum and led to discussions about future revenue and transportation charge levels - encouraging shippers to ask their other gas distribution networks to adopt similar approaches.



Innovative thinking

YOU SAID... Investigate the use of a collaboration forum and web portal following publication of our innovation strategy. WE DID... You can take an in-depth look at our innovation strategy which is available on the National Grid website.

You will also find details of how to get in touch if you have an innovative idea or would like to get involved. If you are a supplier, you can put forward your innovative solutions by getting in touch with the **Energy Innovation** Centre (EIC)

www.energyinnovationcentre.com.

We work in partnership with the EIC to seek out innovative solutions from Small Medium Enterprises. Additionally, we will introduce an external web portal in the future to provide more collaborative opportunities.

OMMITMENT 8. 9 & 26



Keyhole technology

YOU SAID... You wanted us to drive innovation so that you receive the best possible value. WE DID... Keyhole technology works by drilling a 600mm hole in the road and removing a single core before vacuuming the material to expose the gas main underneath.

This means we can repair gas escapes without having to dig large holes, which saves time, money and road disruption.

In September 2013, we unveiled our second generation fleet of machines to carry out this work. Previously, we used two lorries - one to cut the core and another to vacuum the soil.

We now have 'combined' vehicles fitted with machinery that can do both of these operations in one.

We're introducing six new units, four in North London and two in the North West.



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Breakdown of an average household gas bill

nationalgrid

How to contact us

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EMAIL: talkingnetworks. distribution@nationalgrid.com

PHONE: 01926 656923

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

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