

nationalgrid

nationalgrid

Committing to
you for
2014



Hello...



... and welcome to 2014's *Committing to You* booklet. We were

delighted to receive a great response to our *Have Your Say* consultation published last year and received feedback from a wide range of stakeholders.

The consultation closed in February and gave you the chance to tell us how we're doing, how you'd like to engage with us in the future and what we should focus on in 2014.

I'd like to thank everyone who took part – your views form a key part of our future plans.

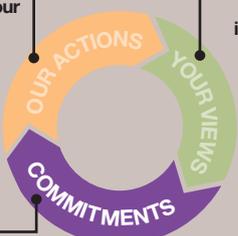
This document lets you know the commitments we're making to you as a result of your feedback. We continue to welcome your views, so please get in touch through our *Talking Networks* website at talkingnetworksngd.com

Emma Fitzgerald,
Director – Gas Distribution

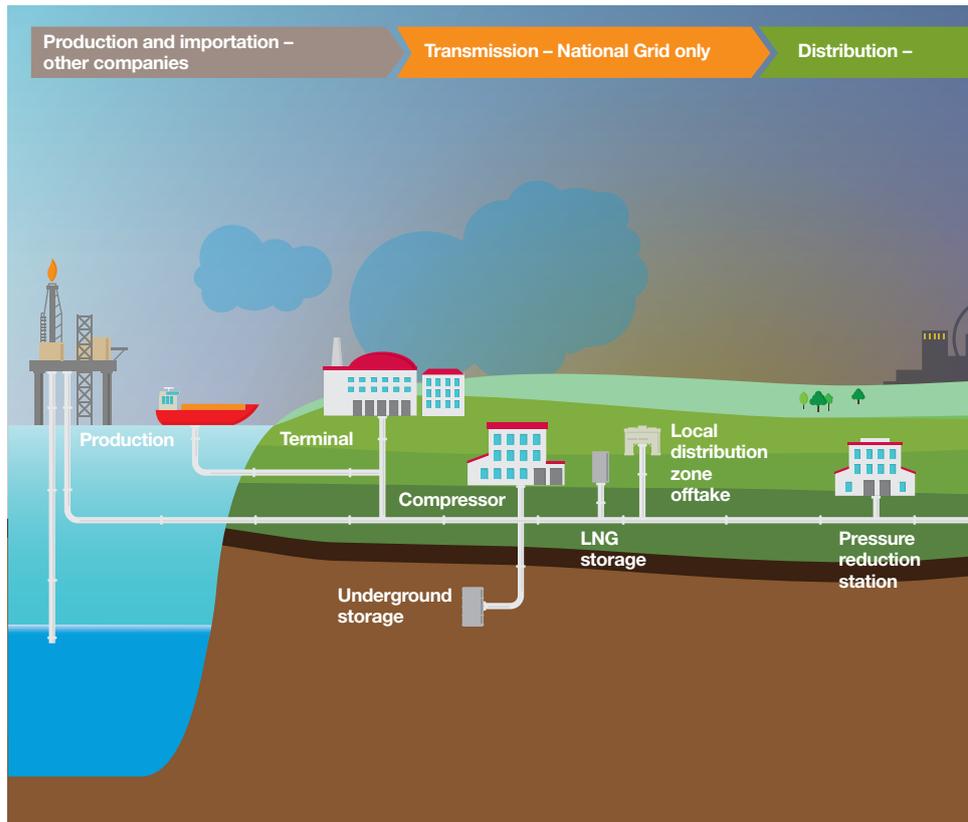
Where are we in the process?

How we're acting on your feedback

YOU ARE HERE
We're sharing our promises for the year ahead



Tell us how we can improve our services



Who we are

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

At 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 (circa 82,000 miles) of pipeline, providing energy to some of England's largest cities and highest-profile companies.

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

VALUE

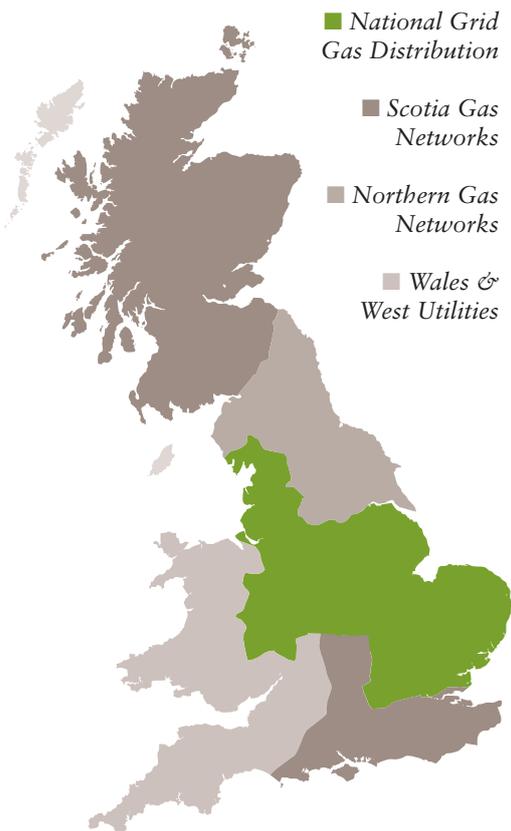
National Grid Gas Distribution, along with the three other gas distribution companies that operate throughout the UK, are regulated by Ofgem (the Office of Gas and Electricity Markets) to make sure, as natural monopolies, we give customers the best value for money.

Our latest price control, known as RII0-GD1, started in April 2013 and is in place for the next eight years.



National Grid and others Supply – other companies

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.



“ Talking Networks ”

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 offer an accessible communication channel for group and one-on-one discussions.



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

- Integrity
- Accountability
- Transparency
- Inclusivity

How to contact us

If you have 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 656 923

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 commitments for 2014

We've taken a new approach to deliver the outcomes you wanted us to focus on this year by making broader commitments.

Our five RIIO priorities were set with you and will be in place until 2021, while our 2014/15 outcomes are based on your current stakeholder feedback.

These outcomes translate into 12 broad commitments that will help us to measure everything we achieve.



Find out what our commitments for 2014 are over the page ➤

We will... keep to our 12 new commitments for 2014

OUR RIIO PRIORITY: We will... keep you safe, warm and be reliable

FEEDBACK: YOU SAID

Continue to run a safe, efficient and reliable network, working across the industry to help those in fuel poverty and vulnerability as well as increasing carbon monoxide safety for our customers

THE OUTCOME WE WILL DELIVER

We keep our communities safe and warm

COMMITMENTS FOR 2014: WE WILL

- 1. We will work collaboratively to deliver cross-industry solutions for those in fuel poverty and vulnerability
- 2. We will work collaboratively to deliver cross-industry solutions related to carbon monoxide and other safety related issues
- 3. We will work locally to deliver a safe reliable network, delivering innovation to minimise the impact of our works

OUR 2013 COMMITMENT	OUR 2013/14 UPDATE	STATUS	NEW
2. Develop the distribution networks' role in the roll-out of smart metering with key stakeholders	2. We regularly attend industry meetings and are working to investigate the operational, safety, customer and financial impacts of the roll out, discussing potential risks and identifying actions (see page 8)		4
6. Work with local and highways authorities to provide more meaningful and longer-term information	6. We shared our eight-year mains replacement plans with some local authorities – leaving printed maps detailing the pipes we plan to replace and an indication of where we plan to work for years three to eight. We will continue with this programme		3
7. Review our planning process in conjunction with Land & Development to make required improvements	7. We continue to investigate having a one-stop-shop, making it easier for local authorities to contact us for long-term strategic planning requests. This will be reviewed at the contract renewal stage in September		6
10. Ensure a smooth transfer from existing to new ways of working	10. We created a team to manage relationships with new partners. Monthly meetings cover safety, innovation, contract delivery, and process, engineering and customer performance		N/A

OUR RIIO PRIORITY: We will... deliver quality service

FEEDBACK: YOU SAID

Continue our involvement in industry meetings; understand others' issues while facilitating changes to the gas industry, working together with local and highways authorities to improve our streetworks as well as providing timely honest communication to all

THE OUTCOME WE WILL DELIVER

We are easy to do business with

COMMITMENTS FOR 2014: WE WILL

- 4. We will play our role in industry change, working collaboratively and across the industry while understanding the issues of others
- 5. We will be active in our communities, keeping them informed of local plans, working with others for solutions, and increase visibility of what we do
- 6. We will take an open and honest approach to develop effective working relationships, listening to our stakeholders and acting on their feedback

2013 COMMITMENT	2013/14 UPDATE	STATUS	NEW
19. Continue to roll out a new fleet of vehicles and signage to support awareness of our brand	19. Half of our fleet have been rebranded to reflect our corporate identity and we will continue until all vehicles have been updated as part of the five-year cycle. We've reminded our field force of the importance to keep vehicles clean. Trials are continuing in London to advertise roadworks. org for information on streetworks		N/A
20. Share best practice through various industry forums and across our own networks	20. We will continue to share best practice and lead many industry working groups, covering theft of gas, carbon monoxide, project nexus and fuel poverty, working collaboratively with others in the industry. We also hold regular customer best practice sharing sessions (see page 11)		N/A
21. Review information to ensure it is relevant and continue upgrading our website for our customers	21. We've redesigned our home page and made the online connection process easier, including a video of what to expect when having a new gas connection, introduced live chat for customers to ask questions while using the online service and added an indicative price tool (see page 9)		N/A



Last year, we made 29 commitments and updated you on how we were doing in our November 2013 publication *Acting on Your Ideas*. There are some commitments that we are still working on and we have provided status updates for each of these below. Where we are still working on these commitments (shown as amber), we have aligned these to our new 2014 commitments to ensure we deliver on our promise, and we continue to report how we're doing.

OUR RIIO PRIORITY: We will... safeguard future generations

FEEDBACK: YOU SAID

Make changes to improve our bio-methane connection process, looking to innovation for new ways of working while considering the environmental impact as well as telling the story for the future use of gas

THE OUTCOME WE WILL DELIVER

We're developing a future network to connect you to your energy

COMMITMENTS FOR 2014: WE WILL

- 7. We will continue to improve and modernise the sustainable gas connections process
- 8. We will focus on innovation facilitating new uses of gas sources
- 9. We will continue to articulate the story for gas, with a focus on the environment, while providing long-term value for money for consumers

2013 COMMITMENT	2013/14 UPDATE	STATUS	NEW
12. Use data from smart technology to inform the decisions we make	12. We continue to investigate and identify the benefits smart meter data will provide, working with xoserve to provide information to the data communications centre about all of our supply points. We are also investigating the use of consumption data to help us manage our networks and emergency contact centre better, working closely with the other gas distribution networks to compile our data requirements and continue to work in collaboration on a number of aspects of smart metering to share knowledge and best practice	■	9
14. To review our role with vulnerable customers and work with the industry to develop partnerships and support networks	14. We are working with our Stakeholder Advisory Panel to develop our strategy in parallel with chairing the cross-industry Vulnerable Customer Working Group, which includes gas and electricity distribution network operators, energy suppliers and other stakeholders to develop solutions for vulnerable customers (see page 10)	■	1

OUR RIIO PRIORITY: We will... provide value for money

FEEDBACK: YOU SAID

Provide information on how we spend your money, sharing our RIIO performance widely. Review our processes to identify areas to improve, and work with smaller companies and our supply chain to focus on innovation and reduce costs

THE OUTCOME WE WILL DELIVER

We are delivering value for money

COMMITMENTS FOR 2014: WE WILL

- 10. We will provide transparency of costs and how money is spent, as well as how we are delivering our RIIO targets
- 11. We will focus on our end-to-end processes bringing improvements and efficiencies
- 12. We will work across our supply chain, including smaller organisations, and identify areas for collaboration

2013 COMMITMENT	2013/14 UPDATE	STATUS	NEW
24. Continue to lead industry change, and share best practice lessons (including theft of gas). Prioritise resources based around industry requirements	24. We're continuing to establish working groups across the industry and set up a Vulnerable Customer Working Group to look at solutions. We are taking a lead on Project Nexus and sharing our learnings on theft of gas (see page 11)	■	N/A
25. Investigate the use of a collaboration forum and web-based innovation portal after our innovation strategy is published	25. Following the publication of our innovation strategy, we've been collaborating with the Energy Networks Association (ENA) and other distribution networks, and there is an external web portal that the industry can use to record innovation projects. Find out more about our projects at http://www.smartnetworks.org/site.aspx	■	N/A
28. Refine the data for charging purposes and publish our model for the next price control	28. We revised the format of our charging data revenue report for our Business-to-Business customers which was well received. Our discussions with shippers continue around what they would like from our charging model	■	10

KEY: ■ In progress – plans in place to complete ■ Complete or significantly complete

We wanted to find out what you thought...

... and your feedback is helping us to shape our plans for the next 12 months

From local authorities and gas shippers to customers, shareholders and others, we received an overwhelmingly positive response to our 2013 consultation.

We wanted to find out how we are doing, how you would like to continue to engage with us, where we should prioritise our resources for 2014 and the services you want us to provide.

Our three-month consultation gave you the opportunity to discuss it with us face-to-face and provided time for you to have your say.

We presented and discussed the consultation at various industry groups and published it online. It was available for everyone to engage with us using whichever mechanism was preferred.

Thanks to more than 70 responses – a significant increase on our previous consultation – we've drawn up our new set of commitments to make sure we get even better in the year ahead.

Stakeholders that highlighted specific areas of concern in their feedback and provided their contact details, will be contacted to discuss their issues and share our commitments.

The next two pages provide you with a summary of the results from our consultation with you.



Our latest consultation may have closed, but you can give us feedback on our business throughout the year. Visit www.talkingnetworksngd.com for more information

HOW WE ARE DOING

The first part of our consultation centred on how we are doing. Many of our stakeholders who responded had engaged with us before – many on

several occasions.

Some of our stakeholders engage with us on a daily or weekly basis, depending on the nature of their role.

92%



Most of our stakeholders found the engagement worthwhile. The results highlighted we need to work more closely with local and highway authorities to understand their requirements, address their issues and to improve our working relationship with them

100%



Similar to last year's results, everyone who gave us feedback felt we had listened to them and they had a chance to have their say. Stakeholders believe they have the opportunity to discuss issues and work together, and believe we are open to fresh ideas

97%



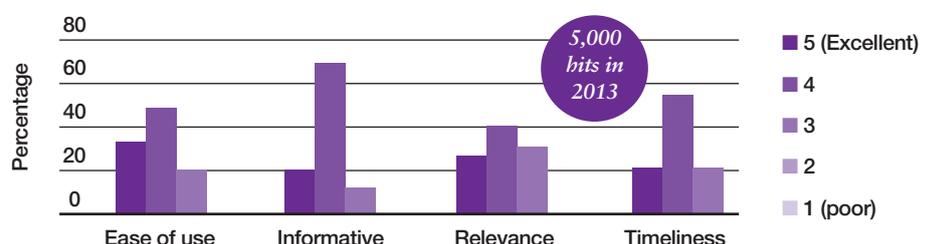
We added a new question to the survey this year to understand whether stakeholders think they are being treated fairly during the engagement. We received a positive response, with almost all stakeholders believing they are treated fairly

9/10



91% said we had acted on their feedback or understood the reasons why we hadn't. The other 9% told us it was too early to say just yet

How you rated our Talking Networks website (%)





HOW YOU WOULD LIKE TO ENGAGE WITH US

We received a wide range of responses about your preferred method of engagement, with choices varying depending on your requirements.

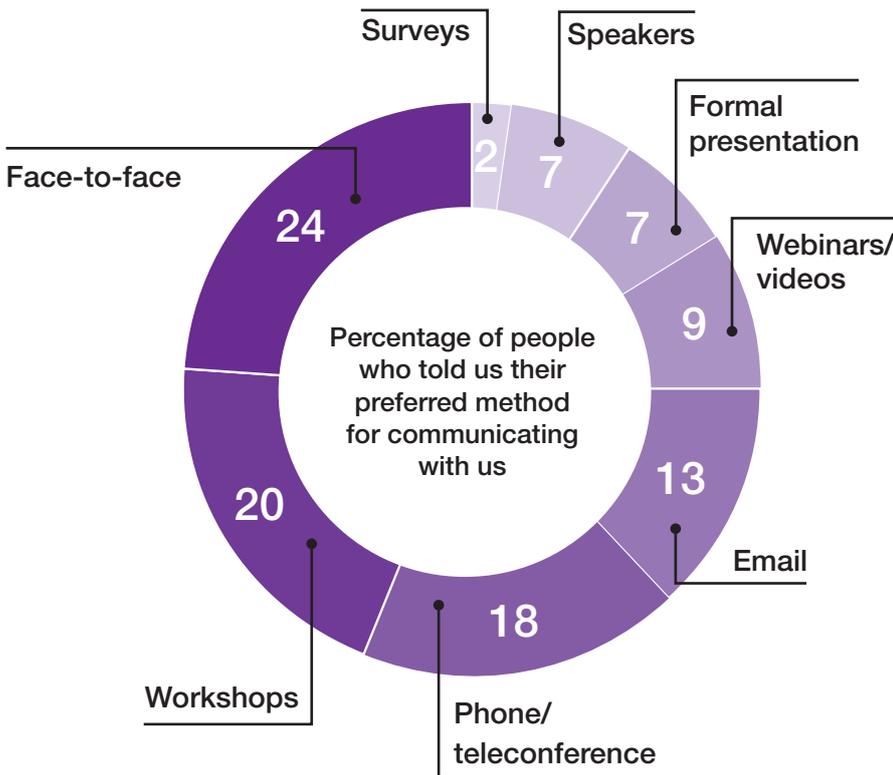
The most popular method is face-to-face and workshop engagement,

while many of you who contact us for day-to-day local operational work said they preferred email or telephone for convenience. For specific subjects, face-to-face engagement and workshops were preferred.

83%



The majority of stakeholders agree that the pre-read engagement material we use is very useful and is helpful when preparing for meetings, particularly when produced in advance



It is important for us to make sure we are engaging with a wide range of stakeholders, so we're always reviewing our stakeholder groups. See table below.

We were specifically asked about xoserve (gas transportation transactional service) and can confirm they are included in the service provider category. Educators are captured in skills and education, and wider customers are included in customer and community groups.

Our results identified media as a new group of stakeholders and we have included this below.

Although local and highways authorities were included in the national and regional government stakeholder group, we have made the decision to separate this group as we recognise the work we need to do to improve our relationship and engage more closely with them.

“We have been able to give National Grid our best ideas and they’ve been prepared to innovate”

“Speedier actions would make me feel my time spent was even more worthwhile”

Our Stakeholder Groups

Customers and Communities	Business-to-business Customers	Supply Chain Partners
National Government	Trade Bodies	Skills and Education
Fuel Poverty Groups	Regulators and Industry Bodies (incl. health and safety)	Service Providers
Environment (incl. Sustainability and Renewables)	Media	Regional and Local Government, including Local and Highway Authorities
Energy Groups	NGOs and Think Tanks	General Public
Shareholder	Employee Trade Unions	Other Networks
Consumer Groups		

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

2013/14
Commitment
update

UPDATE ON
COMMITMENT 2 FROM 2013

Staying smart

The Department of Energy and Climate Change (DECC) recently announced that the roll-out of smart metering will begin in late-2015.

The programme to install the energy-reading devices into every UK home is expected to finish by 2020, with approximately 10 million meters being replaced in our four networks in that time.

The smart meters will show exactly how much gas households are using and will bring an end to estimated bills – helping customers reduce spend and improve energy efficiency.

Your feedback told us we should develop our distribution networks' role in the smart-metering programme with our key stakeholders and should use data from smart technology to inform our decisions.

Over the last two years, we've worked across the industry to develop our role in the new regime and received clarity of our responsibilities.

We're continuing to investigate the impact the roll out of smart meters will have on our customers in our networks



and work towards delivering the best outcome for them.

We want to make sure we're in the best place to provide support to our customers throughout this change and to identify all the impacts our customers will face.

To help us do this, we participate in regular industry meetings with key

stakeholders, such as the Energy Networks Association (ENA), gas suppliers, electricity distribution networks and information technology providers.

Internally, we've set up a dedicated project team and workstreams to ensure we're in the best place for dealing with this major change to the gas industry.

OUR NEW COMMITMENTS FOR 2014

YOU SAID

- work across the industry to help those customers who are in fuel poverty or vulnerability
- raise our profile in terms of keeping customers safe; continue to increase awareness of carbon monoxide safety with our customers and workforce
- operate a safe and efficient network, continuing with our mains replacement programme to ensure security of supply while minimising disruption to our customers

OUR OUTCOME

On the basis of the feedback received the outcome we will deliver for 2014/15 is:

We keep our communities safe and warm

To do this we have made three commitments:

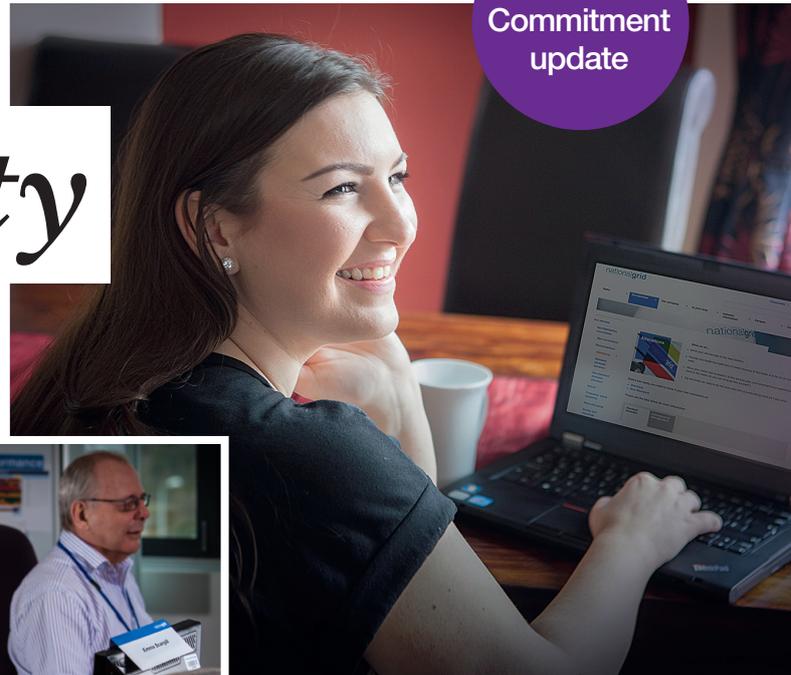
WE WILL

1. work collaboratively to deliver cross-industry solutions for those in fuel poverty and vulnerability
2. work collaboratively to deliver cross-industry solutions related to Carbon Monoxide and other safety issues
3. work locally to deliver a safe and reliable network – delivering innovation to minimise the impact of our work



2013/14
Commitment
update

We will... deliver quality service to all



UPDATE ON
COMMITMENT 21 FROM 2013

Getting better connected

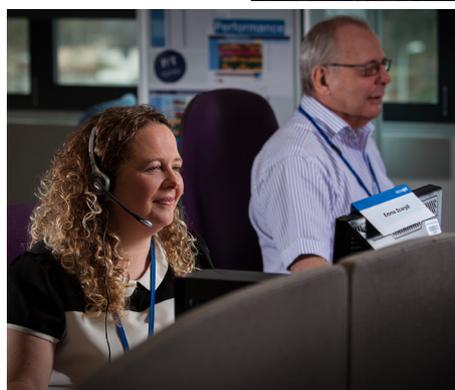
You said we needed to make the content on our website more relevant and easier to understand, so we've redesigned it to make it easier for you to navigate.

Based on focus group feedback, a key part of the upgrade was making our gas connection pages easier to find on our website.

We have improved our gas connection web pages to make them more customer friendly and easier to use, and introduced a variety of new and improved online tools.

As we mentioned in November's Acting on Your Ideas publication, you can now use the Where We Operate function to identify if we operate in your area. If not, contact details are provided for the gas distribution company to help you.

To assist further with the connection process, we've launched an indicative price tool, which allows you to get a guide



price for work you're considering. If you wish to proceed, then you don't have to re-enter any information or cancel your application based on the indicative cost.

We've also introduced live chat, which lets you ask questions to our operatives when applying for a new connection, service pipe alteration, disconnection or meter box spares. There's no need to call our Customer Centre anymore.

There is a video on the website too, which demonstrates how we carry out a new gas service pipe connection. This provides further guidance to you on what to expect when our engineers arrive to do

the work.

We've added a Frequently Asked Questions section so that you can search the extensive knowledge base to answer your queries and included an option of completing an online enquiry form if you can't find what you need.

The web pages also include detailed information about local authority permit schemes and lane rental charges, which may need to be considered when applying to us for gas connection services.

All these tools and methods allow for you to interact easier with us through your preferred method of online interaction.

Finally, our connection, disconnection and alteration service online guides and checklists have also been refreshed and updated, making it easier for you to understand the gas services we provide.

OUR NEW COMMITMENTS FOR 2014

YOU SAID

- continue our involvement in gas industry meetings, understand others' issues and support changes to gas industry structure
- work with local and highways authorities to improve planning and communication of our streetworks. Provide timely planning information for replacement programmes
- provide open communication to all and give feedback. Continue to engage with all groups, listen to their concerns and improve our web-based portals

OUR OUTCOME

On the basis of the feedback received, the outcome we will deliver for 2014/15 is:

We are easy to do business with

To do this we have made
three commitments:

WE WILL

- 4. play our role in industry change, working collaboratively and across the industry while understanding the issues of others
- 5. be active in our communities, keeping them informed of local plans, work with others for optimum solutions, and increase awareness and visibility of what we do
- 6. take an open and honest approach to develop effective working relationships, listening to our stakeholders and acting on their feedback

We will... safeguard future generations

2013/14
Commitment
update



UPDATE ON
COMMITMENT 14 FROM 2013

Working together for success

You told us to work collaboratively with other industry organisations to develop a network for the future, deliver solutions and share best practice – and we’ve done just that.

To tackle the issues our customers face, the four gas distribution networks (National Grid Gas Distribution, Scotia Gas Networks, Wales & West Utilities and Northern Gas Networks) have established a number of groups alongside the ENA.

Meeting quarterly, each group focuses on one of several key subjects – carbon monoxide awareness and safety, fuel poverty, customer issues and stakeholder management.

The purpose of these groups is to share



best practice across the industry, and learn from what others have done and their achievements. At the meeting, attendees look for solutions to issues and identify what can be done to deliver these solutions.

Working collaboratively as one group also allows us to form a single voice, making joint decisions and help shape the customer agenda. This means we liaise together, for example with our regulator Ofgem, all party parliamentary groups, fuel poverty action groups, Gas Safe Trust and Renewable Energy Groups.

There are also efficiencies to working this way, as we can share the cost of outcomes and trialling innovative solutions across

the gas industry, like carbon monoxide awareness.

In addition to these groups, we’re working closely with the gas distribution networks on the roll-out of smart metering to ensure we fully understand the impact this change will have on our customers – leaving us in the best possible place when roll-out begins.

We’ve also set up a Stakeholder Advisory Panel, which is made up of internal and external industry experts to act as an independent review body for our stakeholder strategy and delivery. The panel meets quarterly and is helping to influence and shape our business priorities.

To see the minutes and outcomes from any of the meetings, visit our Talking Networks website at www.talkingnetworksngd.com

OUR NEW COMMITMENTS FOR 2014

YOU SAID

- we should improve our bio-methane connection process, improving timescales and transparency for our business-to-business customers
- we should be more innovative - looking at technology and promoting new ways of working, while considering alternative energy sources and renewable gas in our network
- focus on the environment and the impact our work has on it, and continue to promote the use of gas

OUR OUTCOME

On the basis of the feedback received, the outcome we will deliver for 2014/15 is:

We’re developing a network for the future, connecting you to your energy, while supporting the social and environmental agenda at least cost

To do this we have made three commitments:

WE WILL

- 7. continue to improve and modernise the sustainable gas connections process
- 8. focus on innovation facilitating new uses of gas sources
- 9. continue to articulate the story for gas with a focus on the environment, while providing long-term value for money for customers



We will... provide value for money

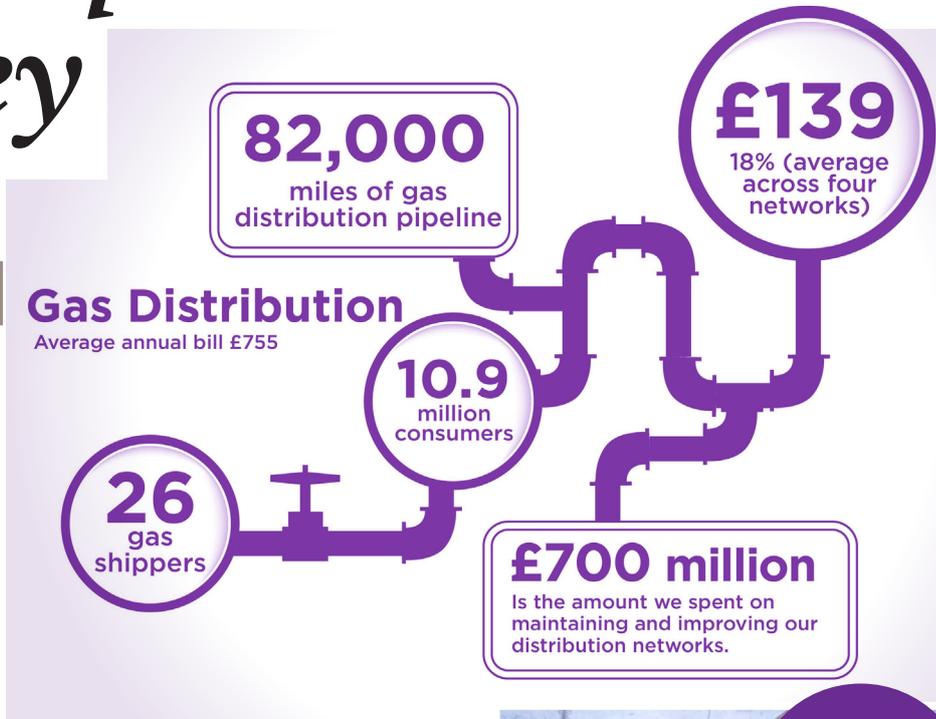
UPDATE ON COMMITMENT 20 & 24 FROM 2013

Clamping down on theft

We are spending £700 million to maintain and improve our distribution networks. We are working on a number of initiatives to reduce costs and provide value for money. Our business-to-business customers told us a key area for us to focus on is the detection of the illegal taking of gas from the network, including shipperless and unregistered sites.

Our Theft of Gas team is working with the industry – including shippers, suppliers, Ofgem, Consumer Futures and other gas network owners – to make the changes to the industry contract (known as Uniform Network Code) and help create an industry code of practice. These changes will help prevent customers taking gas illegally, which costs the industry and customers millions of pounds per year, as well as having significant safety implications.

We're enhancing our processes, procedures and working practices internally, and sharing our approach with others.



We're also raising awareness with our engineers to spot the signs of theft to help prevent theft occurring and to recover the costs when it has so the money can be passed back to customers.

Theft of gas costs customers millions of pounds per year and requires industry leadership to prevent it occurring.

Through our theft of gas investigations, we've recovered and returned approximately £120,000 in 2013-14, which has been passed back to customers. Our aim is to keep our customers safe while driving efficiencies and value for money.



NEW COMMITMENTS FOR 2014

YOU SAID

- focus on providing information on how your money is spent to improve understanding, as well as publishing our RIIO performance with you
- review and improve our processes – making them more efficient and accessible for our customers
- work with smaller companies, allowing for innovation, making the supply chain smoother and more efficient

OUR OUTCOME

On the basis of the feedback received, the outcome we will deliver for 2014/15 is:

We are delivering value for money

To do this we have made three commitments:

WE WILL

- 10. provide transparency of costs and how money is spent as well as how we are delivering our RIIO targets
- 11. focus on our end-to-end processes, bringing improvements and efficiencies
- 12. work across our supply chain, including smaller organisations and identify areas for collaboration

How to contact us

If you have 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 656 923

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

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