



Committing To You For 2015



UK GAS DISTRIBUTION



April 2015

Where are we in the process?

We consult with you each year to understand your priorities and how we can improve our service. We make commitments and share our promises for the year. Following this, we let you know how we are acting on your feedback.



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, Block 2, Brick Kiln Street, Hinckley, Leicestershire, LE10 0NA

Talking networks website: www.talkingnetworksngd.com

General Enquiries & Customer Support

Email: customersupport@nationalgrid.com

Phone: 0845 835 1111

Write: Customer Support Team, National Grid, Block 2, Brick Kiln Street, Hinckley, Leicestershire, LE10 0NA

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

Hello and welcome...



We were delighted to receive a fantastic response to our Have Your Say consultation, which closed in February, and I'd like to personally thank all our stakeholders that took part. The

consultation provided the opportunity for you to let us know how we are doing, how you would like to engage with us going forward and what we should be focusing on for the coming year. We have taken your feedback to draw up our new stakeholder commitments for 2015/16, which you will find in this document: Committing To You For 2015. We have also provided an update on how we have been delivering against last year's commitments. We welcome your feedback throughout the year, so please do contact us through our Talking Networks website at www.talkingnetworksngd.com

Emma FitzGerald,
Director – Gas Distribution

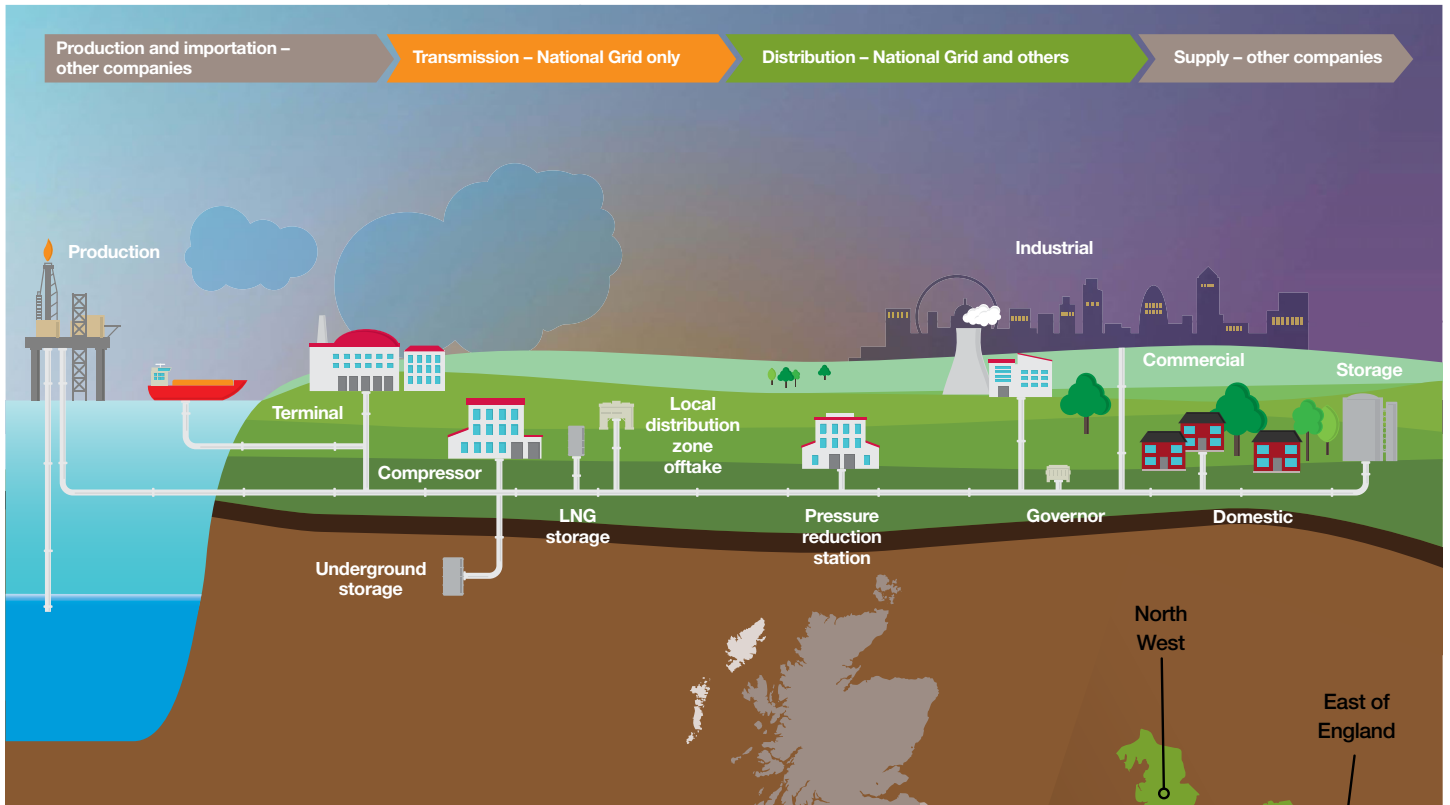
Our commitment to you

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 (www.talkingnetworksngd.com) 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
- Transparency
- Accountability
- Inclusivity





Who we are and what we do

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.

WHAT WE DO

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 – transporting gas to our customers through a network of pipes to around 11 million homes, businesses and schools through 131,000 kilometres

of pipeline, which laid out in a line would stretch round the world. We provide 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. 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.

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 all give customers the best value for money.

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

Our 10 commitments for 2015/16

Our stakeholder commitments are based around our RII0 priorities, which were set with you in 2013 and will be in place until 2021, and the outcomes that you have told us you want us to deliver for the coming year. Our wide-ranging commitments will help us deliver and measure these outcomes. We will report on our progress and the work that we have been doing to meet these commitments in Acting On Your Ideas in November 2015.

Over the next few pages you will find our new commitments for 2015/16 together with an update on what we have been doing to deliver our promises from last year. ▶

Our new 10 commitments for 2015/16

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

THE OUTCOME WE WILL DELIVER:

We keep our communities safe and warm

YOU SAID	OUR NEW 2015/16 COMMITMENTS
<ul style="list-style-type: none"> ● We should continue the work we are doing to help people stay safe from the dangers of carbon monoxide (CO). 	<p>1 We will continue to develop partnerships to raise awareness of the dangers of CO to help change our customers' behaviour.</p>
<ul style="list-style-type: none"> ● We should continue the work we are doing to help those in fuel poverty and vulnerability in our communities. 	<p>2 We will innovate to provide additional services to our vulnerable and fuel-poor customers.</p>
<ul style="list-style-type: none"> ● We should improve the performance of our streetworks, work safely, efficient management of traffic on site and coordination. 	<p>3 We will work more closely with local and highway authorities to undertake our works safely, improve planning and coordination and deliver innovative solutions to minimise disruption.</p>

OUR RIIO PRIORITY: We will deliver quality service

THE OUTCOME WE WILL DELIVER:

We are easy to do business with

YOU SAID	OUR NEW 2015/16 COMMITMENTS
<ul style="list-style-type: none"> ● We should make the process for accessing our asset data quicker, clearer and more efficient, with clearer lines for communication, ownership and escalation of queries. 	<p>4 We will work with our stakeholders to review our asset data service to identify improvements.</p>
<ul style="list-style-type: none"> ● We should continue to focus on the major changes that will impact the gas industry, working towards a timely implementation with all our stakeholders. 	<p>5 We will continue to help shape industry change, working collaboratively to simplify processes that deliver positive outcomes for our customers.</p>
<ul style="list-style-type: none"> ● We should look for improvements in our processes for non-standard jobs. 	<p>6 We will work with our customers to review the service we provide for our non-standard works, for example diversions.</p>
<ul style="list-style-type: none"> ● We should continue to focus on listening to our stakeholders, including our supply chain, and improve our communication channels. 	<p>7 We will improve our communication and access channels.</p>

Based on the feedback that you provided to us through our consultation, we have made our new commitments for 2015/16. We will monitor these commitments and provide an update in November 2015

OUR RIIO PRIORITY: We will safeguard future generations

THE OUTCOME WE WILL DELIVER:

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

YOU SAID	OUR NEW 2015/16 COMMITMENTS
<ul style="list-style-type: none"> ● We should continue to make changes to our bio-methane connection process to increase response times and customer service, and look for new sources and uses of sustainable gas. 	<p>8 We will continue to improve the bio-methane process and innovate for new uses and gas sources.</p>
<ul style="list-style-type: none"> ● We should focus on the future of our network for a low-carbon environment, making sure we have the right skills to do this. 	<p>9 Through our people and our networks we will help shape the transition to a low-carbon future.</p>

OUR RIIO PRIORITY: We will provide value for money

THE OUTCOME WE WILL DELIVER:

We are delivering value for money

YOU SAID	OUR NEW 2015/16 COMMITMENTS
<ul style="list-style-type: none"> ● We should continue to communicate our RIIO performance and maintain an efficient network. 	<p>10 We will continue to share our RIIO performance annually with our stakeholders and operate a safe, reliable and efficient network.</p>



Our consultation results, what you've told us...

... will help us to better engage with you and deliver the service that you would like

We were delighted to receive 134 responses to our three-month consultation, almost double compared to the previous year. We received responses across a wide range of stakeholders, from gas shippers to shareholders, local & highway authorities to fuel poverty groups, supply chain partners and consumer groups.

By giving you the opportunity to let us know how we are doing, you are able to help shape our plans and we can improve the service we provide. We have made our new commitments (pages 4 & 5) based on your feedback to ensure that we get better at what we do.

This year's engagement has highlighted two areas of our business where we are not performing as well as we should be: i) accessing our asset data; and ii) our non-standard works such as diversions. In light of this, we have made two specific commitments (page 4, numbers 4 & 6) to address these issues and plan to make improvements to both these areas of our service.

Where stakeholders have highlighted specific areas of concern to us, and provided their contact details, we will address their issues.

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Our latest consultation may have closed, but you can give us feedback on our business throughout the year. Visit brws.it/continuetohaveyoursay

HOW WE ARE DOING

In the first part of our consultation we asked you how we are doing. The majority of stakeholders who responded work with us on an ongoing basis, with many stakeholders engaging with us on a weekly or daily occurrence, depending on the activity.

86%



A large number of stakeholders agreed that the engagement was a worthwhile use of time, many citing that it helped to discuss and resolve issues. However, it did identify that we have two key areas of our service that we need to improve. Our new commitments look to address this.

92%



Similar to last year, we received a positive response, with the majority of our stakeholders believing that they are treated fairly during the engagement, with several commenting that the engagement is respectful and accommodating.

83%



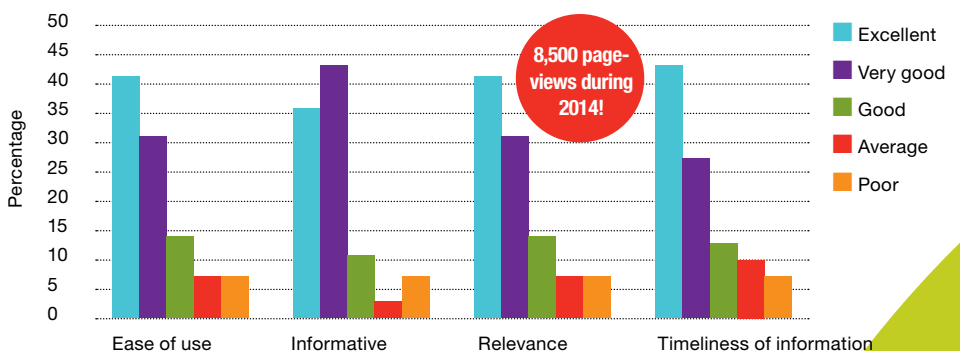
Most of our stakeholders believe that they have been listened to and had a chance to have their say. However, there are some stakeholders that believe we could do better in this area, and again, this will be addressed through our commitments 4 & 6.

79%



of stakeholders said that we acted on feedback provided or explained why not, and a further 3% said it was too early to say.

HOW DID YOU RATE OUR TALKING NETWORKS WEBSITE?



We are currently reviewing our website and the content published.

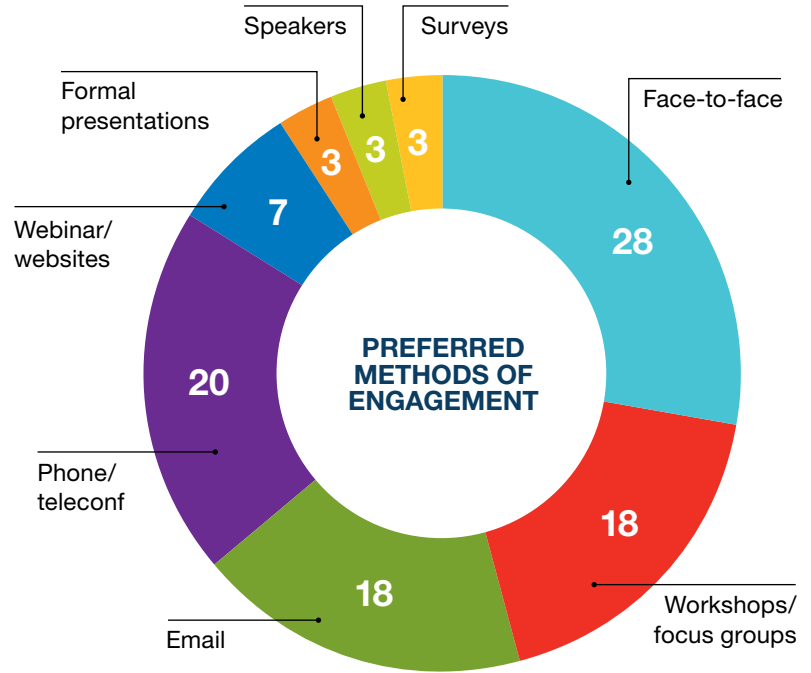
HOW YOU WOULD LIKE TO ENGAGE WITH US

Our stakeholders continue to want to engage using a variety of methods. Face-to-face engagement and workshops are the preferred methods for initial engagement and more complex subjects, while email and phone calls work well for day-to-day interactions. We continue to look at how we can improve our communication channels and make it easier for you to do business with us; we have made commitment 7 to deliver on this promise.

100%



of stakeholders believe that pre-read material is useful, can provide background information and many agree that it makes engagement more efficient, provided that the material is timely and concise.



STAKEHOLDER GROUPS

We are constantly reviewing our stakeholder groups to ensure that we continue to engage with a wide range of stakeholders. Through our consultation, we were asked about the following groups of stakeholders and can confirm the following.

Independent Gas Transporters, Utility Infrastructure Providers, suppliers, consultant engineers, development industry and CDM coordinators are incorporated in business-to-business customers.

For charities, as these are often specialist groups, they have been mapped into their relevant areas of expertise. For example, charities active in fuel poverty have been mapped into Fuel Poverty Groups.

Libraries have been incorporated into Local Authorities, and public services and Citizens Advice Bureau are covered in Consumer Groups. UK Onshore Operators Group is included in Trade Bodies and Professional Institutions.

Street authorities, highways agency and their agents are captured in Regional and Local Government. Lastly, schools are included in Skills and Education and Neighbourhood Watch and local groups are contained in Customers and Communities.

To capture the new stakeholder groups that have been identified to us, we have broadened the Shareholders group to include investors and added professional institutions to the Trade Bodies group.

“The people we engage with are straightforward, professional and committed”

“Sometimes the engagements are not very productive. Lengthy meetings with few actions”

OUR STAKEHOLDER GROUPS

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

We will keep you safe, warm and be reliable

YOU SAID	OUR OUTCOME	NEW COMMITMENT 2015/16	COMMITMENTS FROM 2014/15*
<ul style="list-style-type: none"> We should continue the work we are doing to help people stay safe from the dangers of carbon monoxide (CO). 	<p>We keep our communities safe and warm.</p> <p>To do this:</p>	1. We will continue to develop partnerships to raise awareness of the dangers of CO to help change our customers' behaviour.	N/A
<ul style="list-style-type: none"> We should continue the work we are doing to help those in fuel poverty and vulnerability in our communities. 		2. We will innovate to provide additional services to our vulnerable and fuel-poor customers.	N/A
<ul style="list-style-type: none"> We should improve the performance of our streetworks, work safely, efficient management of traffic on site and coordination. 		3. We will work more closely with local and highway authorities to undertake our works safely, improve planning and coordination and deliver innovative solutions to minimise disruption.	3. Work locally to deliver a safe, reliable network, delivering innovation to minimise the impact of our works. 5. Be active in our communities, keeping them informed of local plans, working with others for solutions and increase visibility of what we do.

*We have mapped any outstanding 2014/15 commitments to our new current commitment

HELPING OUR VULNERABLE CUSTOMERS



We continue to lead the Customer Safeguarding Working Group, which brings together cross-industry representatives to help deliver a holistic and joined-up approach to support those in vulnerability.

A sub group of this working group is focusing on data and how we can simplify and standardise the data that we all use. Working with the other gas and electricity distribution networks, shippers and suppliers, we are currently agreeing and standardising one set of consistent data for categorising our vulnerable customers. This will ensure that we

are all using the same language and definitions of examples of vulnerability, such as visually impaired and hearing difficulties. This is particularly important when helping vulnerable customers register for services, such as the Priority Services Register (register of those customers that may need additional support and assistance).

We are also looking at the opportunities to work with agencies and their referral schemes to improve the support network for those vulnerable customers that we meet during our works.

SHARING OUR QR INSIGHTS

Following our successful trial of QR codes on the barriers around our street works in London, we are now sharing this learning across the industry and other utilities and sectors. The QR code on the barriers, when scanned with a smartphone takes the user to www.roadworks.org where they can find up-to-date information on the works.

We recently hosted a collaboration session with other gas distribution networks to share the journey and benefits that we had seen following our trial in London. We are keen to share this best practice and to help implement a cross-industry standard for the use of QR codes and roadworks.org



We will deliver quality service to all

YOU SAID	OUR OUTCOME	NEW COMMITMENT 2015/16	COMMITMENTS FROM 2014/15*
<ul style="list-style-type: none"> We should make the process for accessing our asset data quicker, clearer and more efficient with clearer lines for communication, ownership and escalation of queries. 	<p>We are easy to do business with.</p> <p>To do this:</p>	4. We will work with our stakeholders to review our asset data service to identify improvements.	11. Focus on our end-to-end processes bringing improvements and efficiencies.
<ul style="list-style-type: none"> We should continue to focus on the major changes that will impact the gas industry, working towards a timely implementation with all our stakeholders. 		5. We will continue to help shape industry change, working collaboratively to simplify industry processes that deliver positive outcomes for our customers.	4. Play our role in industry change, working collaboratively and across the industry while understanding the issues of others.
<ul style="list-style-type: none"> We should look for improvements in our processes for non-standard jobs. 		6. We will work with our customers to review the service we provide for our non-standard works, for example diversions.	11. Focus on our end-to-end processes bringing improvements and efficiencies.
<ul style="list-style-type: none"> We should continue to focus on listening to our stakeholders, including our supply chain, and improve our communication. 		7. We will improve our communication and access channels.	

*We have mapped any outstanding 2014/15 commitments to our new current commitment

WORKING TOGETHER FOR INDUSTRY CHANGE

We have been at the forefront of driving industry change for Project Nexus (a project to deliver major change to the industry regime). This involves identifying enhancements required to the contract between gas shippers and gas transporters.

Xoserve, who provide the centralised information and data service for shippers and transporters, is undergoing a major change to replace its systems known as UK-Link. In order to get the best enduring solution, both the systems and contract need to be changed together.

Working closely with Xoserve and shippers, we have driven the identification and development of the necessary contract changes. The scope of change includes major improvements to the energy allocation and settlement framework. A principal consideration during development has been to ensure we can use and drive customer benefit from the increased availability of data from 'smart' meters and automated meter reading equipment. This has culminated in us raising three change 'modifications' to the contract and these have been approved for implementation by the industry regulator, Ofgem.

Now that the enduring contractual regime is clear, we are focusing on the requirements for ensuring an orderly transition to Project Nexus. We have identified and raised five further change 'modifications', some of which have already been approved by Ofgem. Implementation of Project Nexus is on 1 October 2015.



FOCUSING ON SMART METERING

Our dedicated project team have recently been expanded to ensure we fully understand and anticipate the impact smart meters will have on our customers, stakeholders and business. We have continued to engage proactively across the industry, particularly with the Department of Energy and Climate Change and other gas distribution networks, to help support the smooth delivery of smart metering for our customers.

In addition, we are working

closely with energy suppliers, who have agreed to share their detailed roll-out plans with us so that we can plan the resources we will need to maintain our high levels of customer service. To support this, we have also been training our customer centre, operational field force and partners on our role and responsibilities and what we will need to do, during and after the roll out.



Smart metering is the government-led programme to replace household gas and electricity meters with smart meters by 2020.

We will safeguard future generations

YOU SAID	OUR OUTCOME	NEW COMMITMENT 2015/16	COMMITMENTS FROM 2014/15*
<ul style="list-style-type: none"> We should continue to make changes to our bio-methane connection process to increase response times and customer service, and look for new sources and uses of sustainable gas. 	<p>We're developing a future network, connecting you to your energy, while supporting the social and environmental agenda at least cost.</p> <p>To do this:</p>	8. We will continue to improve the bio-methane process and innovate for new uses and gas sources.	7. Continue to improve and modernise the sustainable gas connection process.
<ul style="list-style-type: none"> We should focus on the future of our network for a low-carbon environment, making sure we have the right skills to do this. 		9. Through our people and our networks, we will help shape the transition to a low-carbon future.	

*We have mapped any outstanding 2014/15 commitments to our new current commitment

IMPROVING OUR BIO-METHANE CONNECTION PROCESS

Since our last update in November, we have connected a further five bio-methane projects at Sotterley, Holkham, Bredbury, Scampton and Reydon. This means that just over 7,000 homes are now heated by green energy. We have a further four projects under construction. To keep our local communities informed of these exciting projects, we work with local media and radio stations and also brief local MPs so that they are aware of the renewable energy being supplied to local homes, offices and businesses in their constituency.

At the acceptance stage of individual projects, we hold meetings with representatives from all interested parties, and agree regular update meetings with our customers based on their preference, which include face-to-face meetings and teleconferences. To help those carrying out the works, we have developed a project checklist, which itemises all technical requirements, and we agree timescales and milestones prior to go live of the scheme. Leading up to delivery of the project, weekly and daily update meetings take place and on commissioning day we form an operations room with engineers on site and teams available at our Operational Centre.

In order to improve on what we do, on completion of each project we carry out a review to understand what worked well, as



“On completion of each project, we carry out a review to understand what worked well”

well as the challenges we encountered and any solutions implemented.

Alongside this, we are also completing a full end-to-end review of our bio-methane connection process, from the application stage to the timescales for completion of

each phase of the project. We are keen to involve our customers and stakeholders in this review and will be getting in touch in the coming months to gain feedback and look at how we may take these comments on board.

We will provide value for money

YOU SAID	OUR OUTCOME	NEW COMMITMENT 2015/16	COMMITMENTS FROM 2014/15*
<ul style="list-style-type: none"> We should continue to communicate our RIIO performance and maintain an efficient network. 	<p>We are delivering value for money</p> <p>To do this:</p>	10. We will continue to share our RIIO performance annually with our stakeholders and operate a safe, reliable and efficient network.	7. Continue to improve and modernise the sustainable gas connection process.

*We have mapped any outstanding 2014/15 commitments to our new current commitment

A BETTER PROCESS FOR OUR SUPPLIERS

We are now reaching the end of implementing our new Supply Contracts Control Framework, which will be mostly rolled out by June 2015. The new framework will see a change in approach for working with c.250 suppliers with a more consistent approach and process adopted. There will now be a dedicated contracts manager for each supplier, with regular contract review meetings. This will provide the structure and opportunity for our suppliers to share innovative ideas, discuss performance and other issues. As a result of this, we are closing our 2014/15 commitment.

MAKING CHANGES TO OUR PLANNED WORK PROCESS

We are continually looking at how we can improve our service and minimise disruption to our customers and communities when we are replacing our old metallic gas pipes with hardwearing plastic pipes. Working with our customers and stakeholders, we are reviewing the end-to-end service we provide. Their feedback tells us we need to focus on: how we communicate and provide notification of work taking place; keeping the area tidy while we are working; and how soon we return the area back to its original condition, as well as how long our customers are off gas. We are now using performance excellence, a set of tools and techniques that will help us improve our customer service, efficiency and reduce waste in these areas.



INNOVATION TO REDUCE DISRUPTION

As well as looking at how we can improve our existing customer service, we are also looking at new ways of doing things. Together with our partner, Balfour Beatty, we are currently trialling a Blown Air Extrusion (BAE) technique, which allows a gas service pipe to be replaced without any requirement for digging in the highway or on private property.

BAE uses an air jet to apply polymer (type of plastic) to the inside of the existing gas service pipe to create a new pipe with a lifespan of 50 years. This

method can negotiate 90° bends and together with the use of a robot is then joined to the new gas main. This method means that an existing service pipe can be replaced in 20 minutes, rather than several hours.

We currently replace over 50,000 gas service pipes a year and we have to dig two holes for each pipe replaced. Using this new technique will help us to keep our customers and stakeholders safe, with much less disruption and inconvenience.



How to contact us

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24-hour Gas
Emergency line:
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