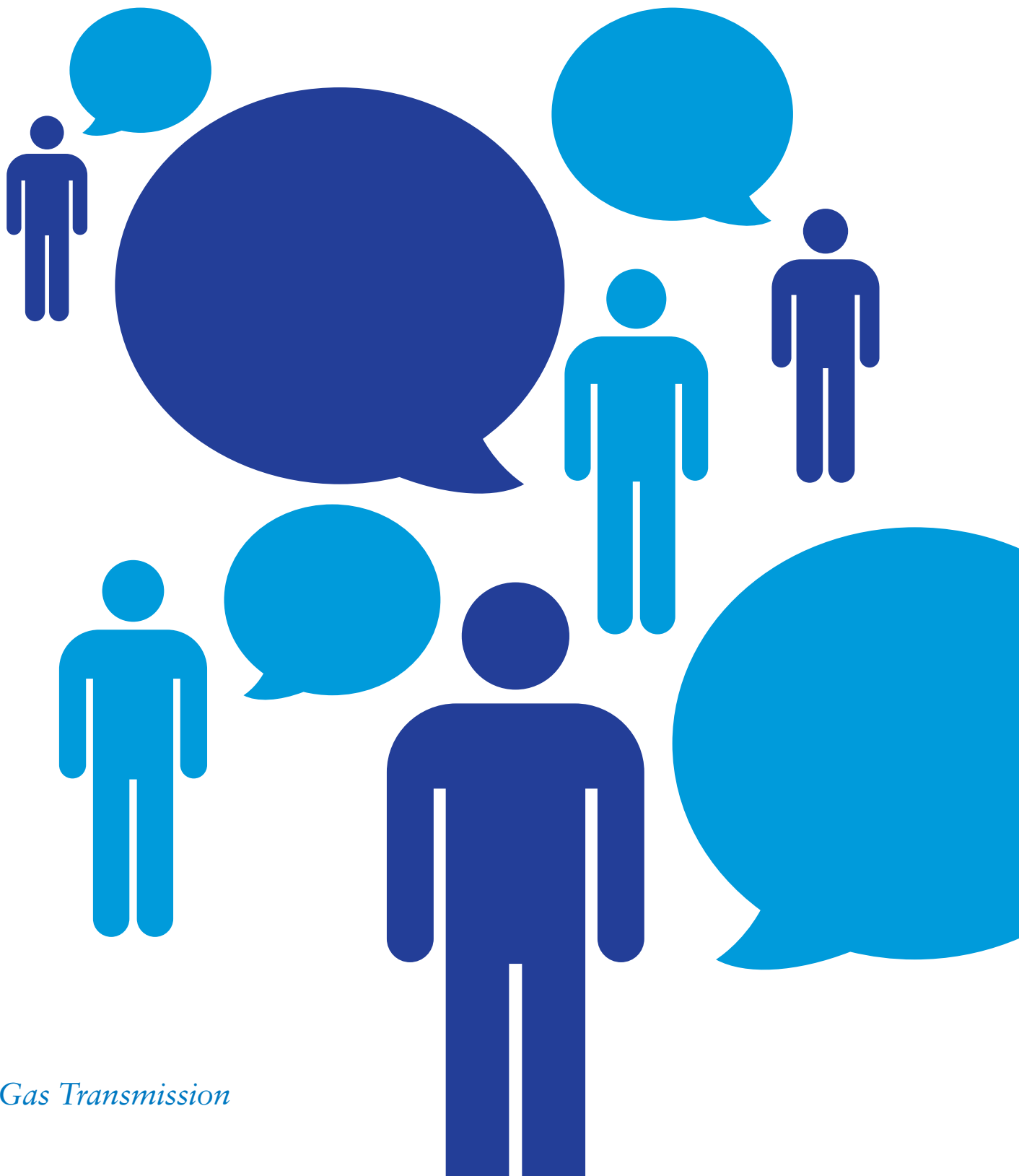


Gas Transmission

Stakeholder update and consultation 2014



Welcome to National Grid Gas Transmission



MIKE CALVIOU
Director of Transmission
Network Service

“Welcome to our latest stakeholder update and consultation for our gas Transmission business. This document provides an update to you on what we are delivering based on your views.

Your continual feedback is important to us and helps us to plan the future together, so we'd like to hear from you on how we are doing and what we should be focusing on.

To do this, complete the survey in this document and post it to us or online at our Talking Networks website at www.talkingnetworkstx.com”



We are committed to becoming a truly listening business that responds and adapts to what our stakeholders are telling us.



What we do

We transport gas through our network on behalf of gas shippers.

Our role is to ensure that the transmission infrastructure we all rely upon every day delivers gas to homes and businesses whenever it is needed.

Who we are

At National Grid our job is to connect people to the energy they use – whether that's to heat and light homes, or to keep factories, shops and businesses going. We all rely on having energy at our fingertips; our society is built on it.

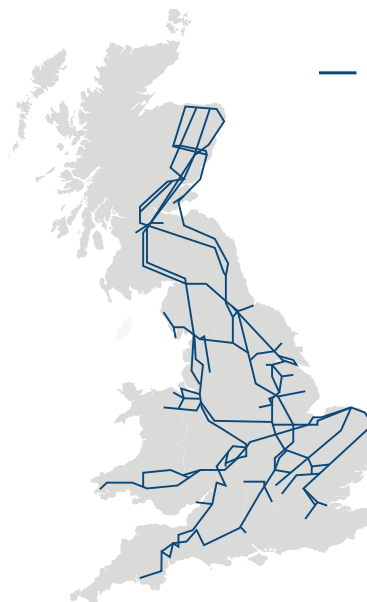
That puts us at the heart of one of the greatest challenges the UK faces – how the country will meet its ambitious low carbon energy targets and connect that new energy supply to communities.

These networks are natural monopolies regulated by Ofgem (Office of the Gas and Electricity Markets). Our current price control, known as RII0-T1, started in April 2013 and will last for eight years.

Where we work

We own, maintain and operate the national gas transmission system in Scotland, England and Wales, balancing the flow of high pressure natural gas between import terminals and the regional gas distribution networks, gas storage facilities, international interconnectors, power stations and other large industrial customers.

The transmission networks can be likened to motorways; high capacity networks linking major conurbations.



— Gas Transmission
System

What we are delivering *Based on your feedback*



Summary of previous year's commitments

Our commitments, based on your feedback for 2013/14, were split into two categories. The first included the specific actions we committed to delivering across our business, based on your feedback.

The second focused on our more continual business-wide commitments in areas such as safety and reliability. These are the things you have told us are important and we will continue to deliver and maintain the standards we have set or are obliged to meet.

The tables below provide a summary of our 2013/14 commitments and updates on how we are doing.

Output area	You said	We did	Useful links
Reliability	You expect us to be transparent about our decision-making with regard to the development of the Transmission network.	1) We engaged with stakeholders on the development of our Gas Ten Year Statement (GTYS) published in December. The feedback we received resulted in changes being made to the GTYS including a new chapter on system capability requirements, more detail on network flexibility and embedding engagement within the document in the form of questions and discussion points.	GTYS – http://www2.nationalgrid.com/UK/Industry-information/Future-of-Energy/Gas-Ten-Year-Statement/
Environment	Consider dropping our 'Accelerated Growth' energy scenario, as it is not plausible. You told us that our role as a facilitator on a low carbon economy is vital, in particular connecting gas-fired power stations and additional storage to the network.	2) We engaged with more than 180 organisations and 300 individuals as part of the consultation process on our 2013 UK Future Energy Scenarios. Following feedback on the range of our scenarios we removed the Accelerated Growth scenario. We have also doubled the number of scenarios and are now developing four scenarios for 2014, with a varying emphasis on sustainability and affordability. 3) We have continued to engage with you on the following initiatives that were identified at our Sustainability Summit in 2012: <ul style="list-style-type: none">■ Sanctioning sustainable growth■ Build and embed a culture of sustainability■ Sustainable circular sourcing.	FES consultation – http://www2.nationalgrid.com/uk/industry-information/future-of-energy/future-energy-scenarios/ Our Contribution – http://www2.nationalgrid.com/responsibility/Connecting-for-tomorrow/Preserving-for-the-future/sustainability/ Sustainability Summit – http://www2.nationalgrid.com/responsibility/Connecting-for-tomorrow/Preserving-for-the-future/sustainability-summit/

What we are delivering

Based on your feedback (continued)



Output area	You said	We did	Useful links
Customer satisfaction	<p>You told us that transparency and predictability of charges are of critical importance.</p> <p>You told us that our website needs refreshing to make information more accessible.</p> <p>You want us to do more to engage with you and make our existing events and seminars more accessible.</p>	4) When you contact us, we continue to commit to responding within two working days following receipt of your query, with details of when you can expect a fuller response.	Contact us / Responding to your queries – http://www2.nationalgrid.com/UK/Services/Transmission-customer-commitment/Whats-different/
		5) We have worked with stakeholders to enhance the tariff information we publish via the National Transmission System Charging Methodology Forum (NTSCMF) meeting and we are continuing with proactive engagement.	NTSCMF – https://www.ofgem.gov.uk/gas/transmission-networks/forums-seminars-and-working-groups/national-transmission-system-charging-methodology-forum-ntscmf
		6) We refreshed our UK home page and other key customer and stakeholder pages in October 2013. We continue to seek feedback to deliver a website that is both intuitive and informative. We acknowledge our website requires further development to meet your needs and we continue to work on this.	National Grid website – http://www2.nationalgrid.com/uk/
		7) We have improved our gas outage information for stakeholders and introduced forums to discuss maintenance plans with you.	Maintenance – http://www2.nationalgrid.com/uk/industry-information/gas-transmission-system-operations/maintenance/
		8) We held our first customer seminar last July and received feedback from customers that they found this beneficial. The next customer seminar is planned for June 2014 and we are writing to customers to establish what you want us to focus on.	
		9) We have continued to keep you informed through the Transmission Workstream and we developed a specific European working group with you and introduced a website dedicated to European issues.	Maintenance – http://www2.nationalgrid.com/uk/industry-information/electricity-codes/european-network-code/
Connections		10) We continue to engage with you on the new Planning and Advanced Reservation of Capacity Agreement (PARCA) and anticipate that this will be implemented during 2014.	PARCA – http://www2.nationalgrid.com/UK/Services/Gas-transmission-connections/Capacity-and-connections/Processes/Parca/

Continual business commitments



Output area	You said	What we have done/will continue to do	
Safety	<p>You expect us to continue managing safety as we have been doing, complying with the required standards.</p> <p>Focus on safety is a given and is very important to you, with the gas industry seen as experts in this area.</p>	11) Deliver our commitments to protect our staff, contractors and general public. We achieved 0.1 lost time injury frequency rate (IFR) and our relentless safety focus means we have reached world class standard in the UK.	✓
		12) Comply with safety legislation applicable to the operation of the gas transmission network.	✓
		13) Make sure our network is designed and constructed to be safe.	✓
		14) Structure our investment programme to ensure the safety and integrity of the network.	✓
Reliability	<p>You told us that reliability is seen as a crucial aspect of our service with a high level of reliability expected, delivered in an affordable way for consumers.</p>	15) Meet our obligations to provide sufficient network capacity.	✓
		16) Minimise the risk of equipment failure by ensuring our equipment is maintained and/or replaced to maximize its operations.	✓
Environment	<p>You told us we should take account of the impact on the environment of our day-to-day activities and make sure we meet our statutory environmental requirements.</p>	17) Deliver our statutory environmental obligations.	✓
		18) Continue to engage with stakeholders on their evolving future network service requirements.	✓
Customer satisfaction	<p>Your feedback has highlighted that while our customer service has improved, there is still room for improvement.</p>	19) Implement an action plan to address areas of concern that are raised through our customer and stakeholder surveys.	✓
		20) Benchmark our customer strategy against other organisations to make sure we are delivering what you need. From this we have created Our Academy training to make sure we have the right skills, capabilities and behaviours across our organisation. We have also completed customer Journey Mapping to make sure you are at the heart of what we do and through aligning and improving our processes and deploying Performance Excellence we will be able to understand what our Customers and Stakeholders want.	✓
Connections		21) Meet our obligations to deliver timely offers for connection to our network.	✓
		22) Continue to work with you to improve engagement throughout the lifetime of your project.	✓

Commitments for 2014/15



Last year we made commitments based on what you said was important to you and including those which you rightly expect us to deliver, such as safety and reliability. We will continue to deliver our 2013/14 commitments and identify further ways of improving our business for you, with particular focus on the results of our Gas Ten Year Statement (GTYS) and our customer and stakeholder satisfaction surveys. We would like your input on our new commitments and please refer to the consultation on page 6 to tell us your thoughts. These are our initial thoughts on our commitments for 2014/15 and the areas we feel will improve our services to you include:

- making stakeholder engagement an integral part of our decision making
- we will tailor our engagement with you to suit your needs
- clearer definition of National Grid's role and responsibilities within the energy system
- we will make clear to you our role in the industry
- we will make sure we communicate in ways that suit you, e.g. social and digital media
- we will make sure our people have the skills and capability to support you.

Our commitment to you

We are committed to stakeholder engagement, listening to stakeholders and acting on what they tell us.

Working with a wide range of stakeholders we developed 'Talking Networks' providing channels through which we will listen, discuss and act on what you tell us.

Talking Networks will:

- provide information to show how your views have influenced our business decisions
- where possible, use existing forums to engage with you rather than take up more of your time
- make us accessible for one-to-one discussions where an open forum is not appropriate.

Our Engagement Principles

Integrity – We will be open, honest and create an environment which enables you to discuss what is important to you.

Accountability – We will show you how we have taken your views into account. Where we have not, we will tell you why.

Transparency – We will ensure all relevant information is easy to access quickly.

Inclusive – We will be flexible enough to provide opportunities for everyone to be involved.



Talking Networks Website:

www.talkingnetworkstx.com

Email:

talkingnetworkstransmission@nationalgrid.com

Commitments for 2014–15



Consultation

The consultation gives you an opportunity to have your say and let us know what your thoughts are on our priorities for the coming year. If you have engaged with us so far, please tell us how we are doing, including the things we are doing well and areas in which we can improve. Your opinion makes a real difference.

- Q1 Do you feel we have listened to you?
- Q2 Did we act upon what you told us?
- Q3 Do you feel we are focusing on the right things?
- Q4 What else would you like us to focus on?
- Q5 How should we engage with you?
- Q6 Is there anything else you would like to tell us?

How to respond

Online: www.surveymonkey.com/s/NGTransmission2014

Email: talkingnetworkstransmission@nationalgrid.com

Post:

Dan Bartlett
National Grid House
Warwick Technology Park
Gallows Hill, Warwick.
CV34 6DA

For further information contact:

Dan Bartlett – m 07815 702755
Email – dan.bartlett@nationalgrid.com

Tell us about you



We will publish a summary of results from this consultation but we will not publish any personal information.

Please let us know if you would like your response kept confidential.

Name:
Company name (if applicable):
Phone number:
Email/postal address (as preferred):

Is there anything else we can do to help you take part in this or future consultations?

Next steps

We will collate and analyse your responses and publish the findings with our commitments for 2014/15 in June 2014.

We welcome your feedback and ideas at any point in the year, so please feel free to get in touch with us as any time.

Our stakeholder engagement strategy:



