

Locking cooker valve

Our **free** safety device

Gas companies
Caden Networks, SGN
utilities are
willing to fit free
locking nationwide.

Our helps keep
situation



SGN

Your gas. Our network.

Moving Forward Together

Our journey so far
2013 - 2018

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Setting the scene

A new model of energy network regulation was introduced in 2013, which is designed to put stakeholders at the heart of our decision making. As a result, it's important we deliver measurable outputs against our key priorities in six main areas: safety, reliability, environment, customer satisfaction, social obligations and connections.

Developing our stakeholder strategy

Recognising the importance of meeting our stakeholders' needs we've continued to develop our stakeholder strategy as outlined below:

2014/15

- ✓ Increased top-level buy in by appointing Executive owners for each of our strategic themes and agreed strategic action plans for each theme with our Board.
- ✓ Developed an online form to capture stakeholder engagement from across our business.

2016/17

- ✓ Set our strategic priorities and objectives with our stakeholders at our Moving Forward Together (MFT) workshops.
- ✓ Updated our governance structure to bring together our internal steering group and external Stakeholder Advisory Panel as one body.
- ✓ Decision-making tool is embedded to assess all initiatives.
- ✓ Extended the reach of our political engagement at national and local level.

2013/14

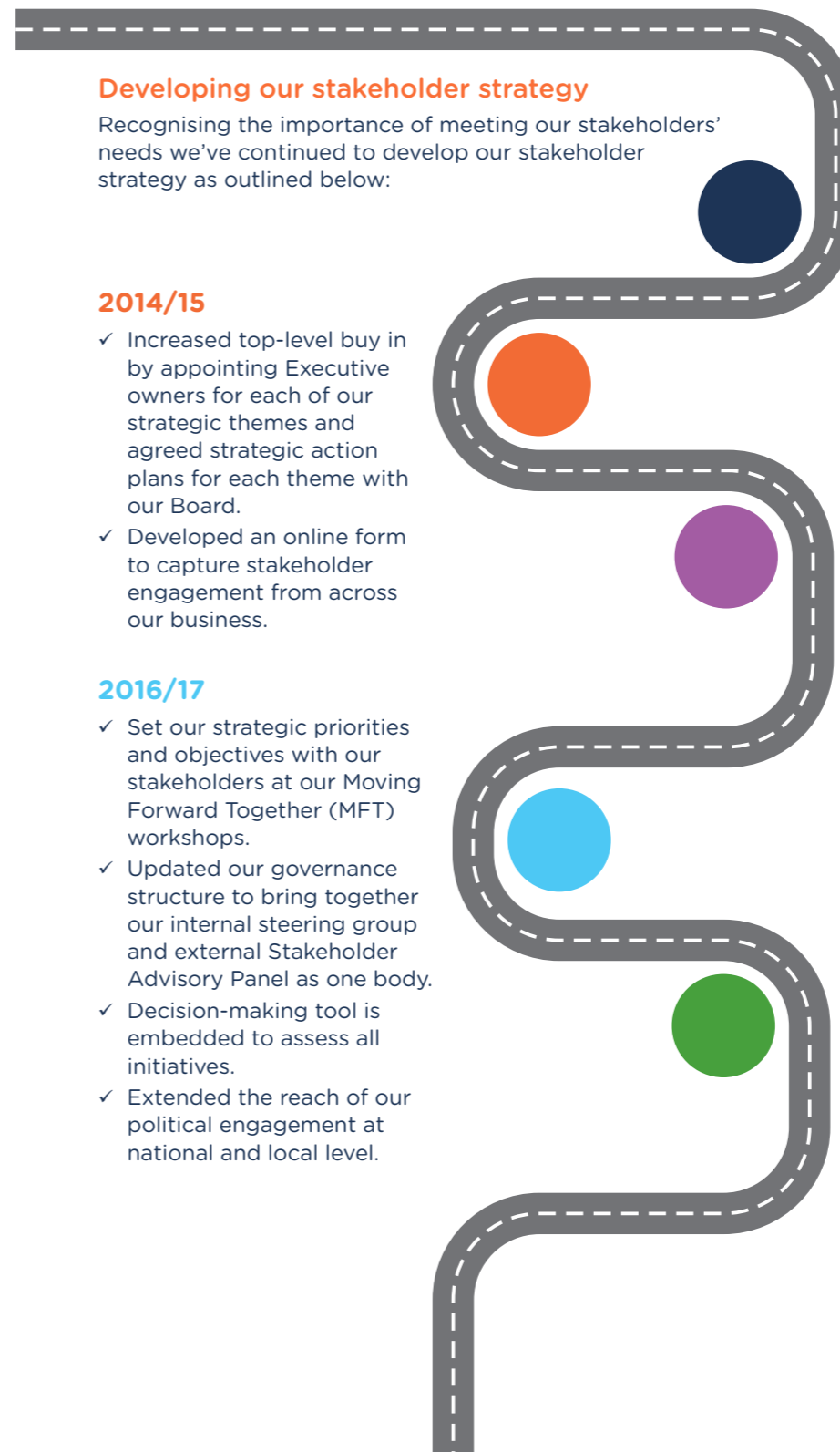
- ✓ Set up a dedicated stakeholder engagement team to support our business leads.
- ✓ Established a governance framework with an internal Steering Group and an external Stakeholder Advisory Panel (SAP).
- ✓ Joined collaborative working groups with the other gas distribution network companies to share learning and best practice for the benefit of customers.

2015/16

- ✓ Appointed a new post of Director of Stakeholder Relations in May 2015 and formed a new directorate.
- ✓ Rolled-out an updated decision-making tool giving us a cost benefit analysis to assess the value of a proposed activity for stakeholders.
- ✓ Introduced planned project impact evaluation tool which we now know as Tailored Project Delivery.
- ✓ Held the first of our now annual Moving Forward Together (MFT) workshops and introduced local depot forums.
- ✓ Held a Better way for London collaborative event with National Grid (Cadent).

2017/18

- ✓ Increased our SAP membership and sphere of influence.
- ✓ Launched our Specialist Panels on Fuel poverty, Supporting those at risk and Supporting communities.
- ✓ Held deliberative customer workshops across the networks to agree customer priorities.
- ✓ Incorporated stakeholder feedback in any consideration of investment decisions.
- ✓ Revised our decision-making tool to align to our strategic priorities.
- ✓ Enhanced our structured approach to engagement by introducing our PIPE timeline of initiatives to set out clearly if an initiative is at the Planning, Idea, Pilot or Embed stage.



Reliability – keeping the gas flowing safely



Our research tells us customers rate both the safety and reliability of our networks as being very important to them.

Our aim is to ensure your gas is always available when customers need it. If we do interrupt your gas supply we aim to ensure it's for the shortest possible time and our customers are kept informed throughout, taking extra care of those in the most vulnerable circumstances.

Our mains replacement programme is the main cause of planned interruptions where we may need to disconnect your supply to renew and reconnect your service pipe.

The technique we used to apply meant two interruptions to the customer's supply however a new technique called live insertion now allows us to only interrupt a customer's supply once instead of twice, reducing both the length and number of interruptions.

New innovations will further reduce the impact on customers, for example, we designed our replacement programme to focus on lower diameter pipes and remove higher diameter pipes from 2017 to 2021. This allows stakeholders to benefit from the robotics innovations to reduce cost, interruptions and disruption from our work.

We also continue to achieve our commitment to plan for a '1 in 20 winter', in both our networks which means we keep the gas flowing, whatever the weather.

Our stakeholders at our MFT workshops said: we should improve partnerships with local resilience forums, as they did not feel we involved them quickly enough in the event of a potential incident.

Resilience

We carried out mock incidents with external resilience partners in our depots and held local depot forums. One important outcome was to recognise we needed to engage early with partners when there is a potential incident.

To gather evidence of continuous performance improvement, we carried out post incident surveys of our stakeholders following losses of supply in two areas in Scotland and were rated as follows:

- Scone, Perthshire, 2017 - **3.5 out of 5.**
- Torphichen, West Lothian, 2018 - **4.4 out of 5.**

We also asked our specialist panel members in both networks to review our performance in managing emergency incidents. They devised a list of **15** criteria against which they assessed our performance rating us **4 out of 5**. Our Incident Review Group adopted these criteria as the standard against which we review our performance and learn lessons following an emergency incident.

We've also improved the information we make available on Resilience Direct™, promoting this in our business to embed its use with **145** key operational and support staff registered and linked into the online community.

Pipeline safety



Our stakeholders told us preventing damage to our network, both physical and cyber is an important objective for our focus.

Recognising this, we have reached out to suppliers and partners to deliver the improvements our stakeholders want to see. This has included the introduction of a new online mapping tool. We surveyed existing users on their service expectations and preferred methods of engagement and tailored a self-service website 'Linesearch Before You Dig' (LSBUD) which provides targeted information for stakeholder groups who make online enquiries. On average, we received around **30,000** enquiries per year and our original response process averaged **15 days**. Our new online solution now ensures **immediate** access to the most up-to-date and accurate information, minimising the possibility of damage to our network.

We've been promoting the use of LSBUD with our stakeholder partners. Enquiries have increased from **2,500** a month to **47,300** with a reduced response time from **15 days** to **two minutes** and a corresponding decrease in damage to our network.

We also identified the farming community was a challenging group we needed to engage with more. Following consultation with the National Farmers Union Scotland (NFUS) and Scotland's Rural Colleges (SRUC) we put together a training programme aimed at educating future landowners and people who will be working on the land our pipes run through. We initially delivered this training in partnership with SRUC who in turn included this into its existing courses being delivered across six campuses.

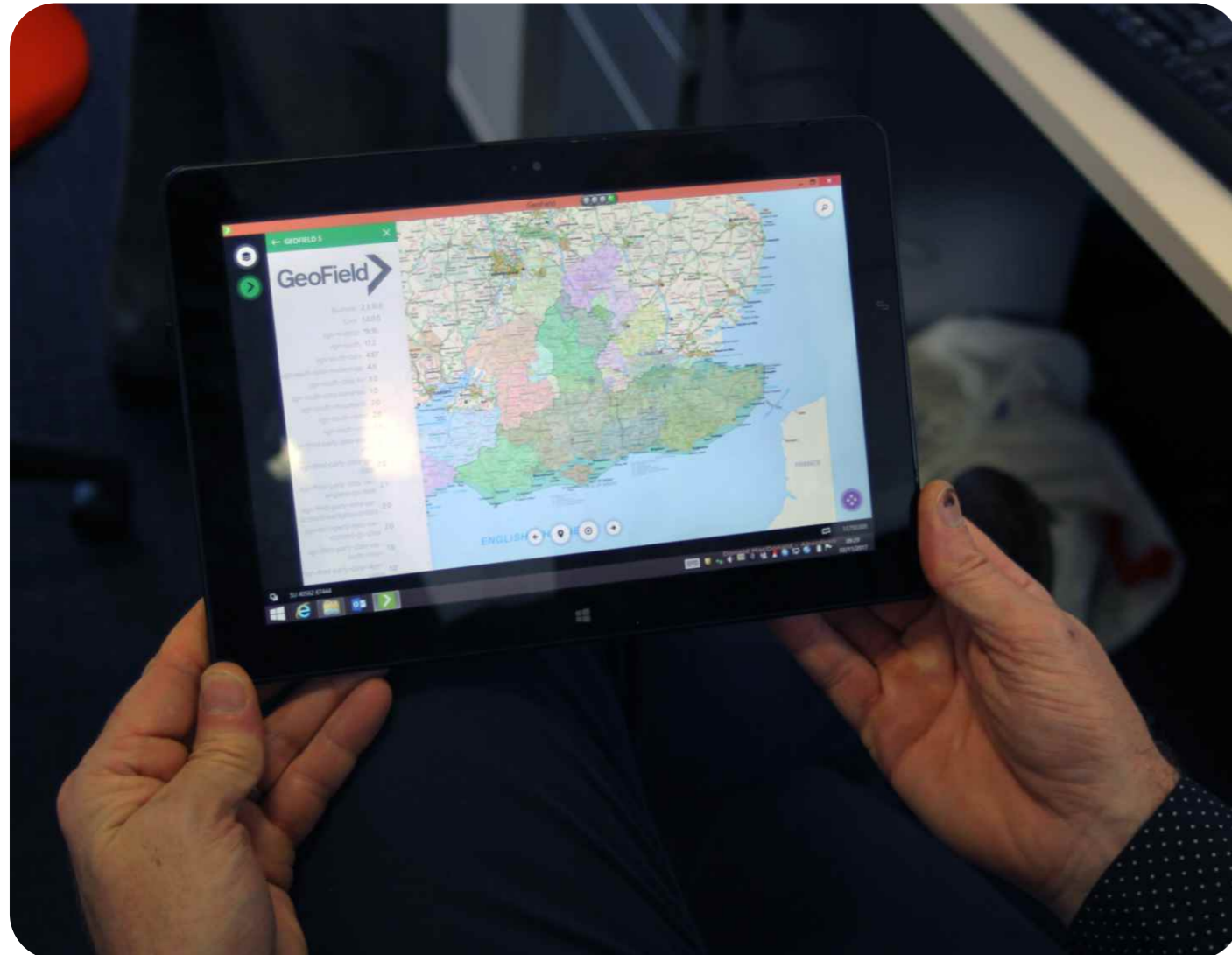
Cyber security

Our stakeholders told us the security of their gas supply is very important to them including protection from possible cyber-attack.

In response, we've been taking significant steps to protect the data we manage. We achieved Cyber Essentials Plus accreditation - one of the first UK utility companies to do so. We've further increased our investment in this area when in November 2017 we agreed to spend an additional **£10m** as part of our voluntary **£145m** contribution returned to consumers, made in response to concerns raised by stakeholders about fair value for customers.

We've partnered with the National Cyber Security Centre (NCSC) and the Department for Business and Industrial

Strategy (BEIS) in our approach to security. This includes a new security operation centre to improve our ability to protect, detect and respond to cyber incidents. We've now achieved **ISO27001** security framework accreditation for our Gas Control Centre and SGN Smart business. We've detected **6,170** malicious web traffic issues and managed **36** security incidents. Our security programme has been recognised as an industry leader, picking up Winner of the Cyber Security Project of the Year at the UK IT Industry Awards in 2017.

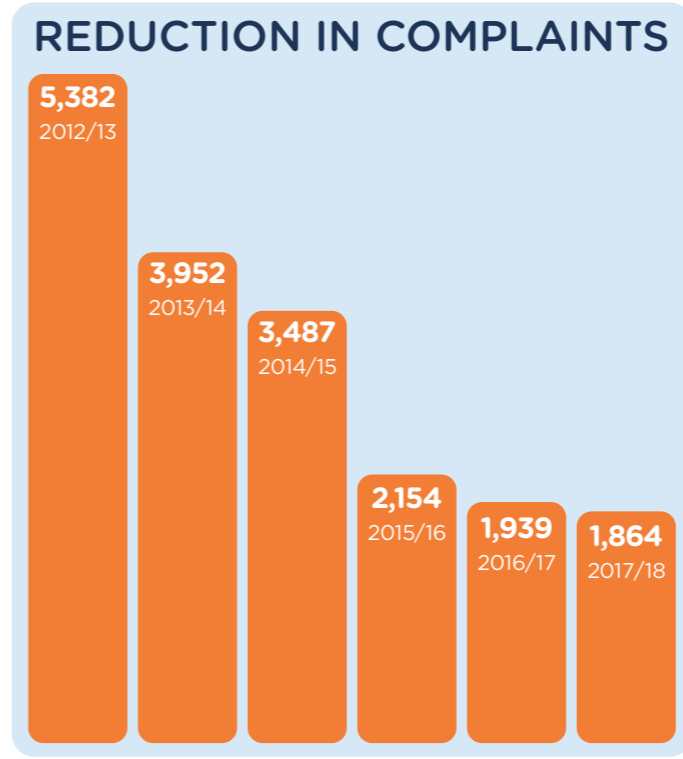


Providing excellent service

We regularly review the experience we provide for our customers to find innovative ways of improving our communication and service.

We've embedded a customer service-focused culture in our business to ensure our customers are provided with the highest level of service. Our aim is always to provide a 10/10 service in all areas through continuous improvement and innovation.

We introduced our customer app allowing us to access live customer feedback on dashboard screens in our depots and enabling us to react quickly to any issues. We've also introduced new digital support tools allowing us to chat online without our customers needing to telephone us. We're also using co-browsing technology for customers seeking a gas connection to enable us to help guide them through the application process. We're also embedding the use of our CitNow video so we can send customers visual updates of the work we're doing at their property.



Stakeholders told us information and data sharing is very important to them and they would like to be able to access data about our network more easily.

Shippers, suppliers and companies providing new connections told us the number of requests they need to make for network pressure information is increasing. Recognising this we changed the current process developing a network pressure identification tool. After testing this with shippers we have rolled this out with **200** companies now using this tool with it handling **1,000** enquiries increasing both our and our commercial customers' efficiency.

Tailored project delivery

In 2015/16 we introduced our evaluation tool to assess the impact of our work ranking it as Gold, Silver or Bronze. This allows us to identify everyone who should be engaged and to enable us to tailor our communications in a more robust, structured way. We moved away from the categorisation of Gold, Silver and Bronze as feedback from our initial trial said it could be perceived as delivering a graded level of service. Taking this on board, we tailor our project delivery, designing

appropriate engagement and responding to what local stakeholders tell us. In 2017/18 we applied this model to **988** projects, restructuring our stakeholder & community managers so they are geographically aligned to support local project managers. Carrying out an evaluation in our London West replacement depot it was identified that in **55%** of the projects, plans were changed following engagement with stakeholders and the volume of enquiries and complaints reduced by **71.9%**.



How we've performed

An overview - 2013 - 2018



Improving speed of repairs and minimising traffic disruption

Our stakeholders tell us they want us to use and explore the latest technology and innovations, particularly robotics.

Over the past few years we've steadily been increasing our use of innovative techniques. Our Core & Vac equipment introduced in 2014, is an excavation tool which allows us to remove a small core from the highway to access a leak. This circular section is replaced as soon as the leak is dealt with, avoiding the need for lengthy trenches in the road. It reduces the environmental impact of each excavation, time spent on the highway and disruption to road users and local communities.

We then introduced CISBOT, which allows us to seal leaking joints in cast iron mains without interrupting the flow of gas. We've continued to embed CISBOT in our business with three robots now regularly employed showing considerable savings in both cost and level of disruption compared to conventional methods.

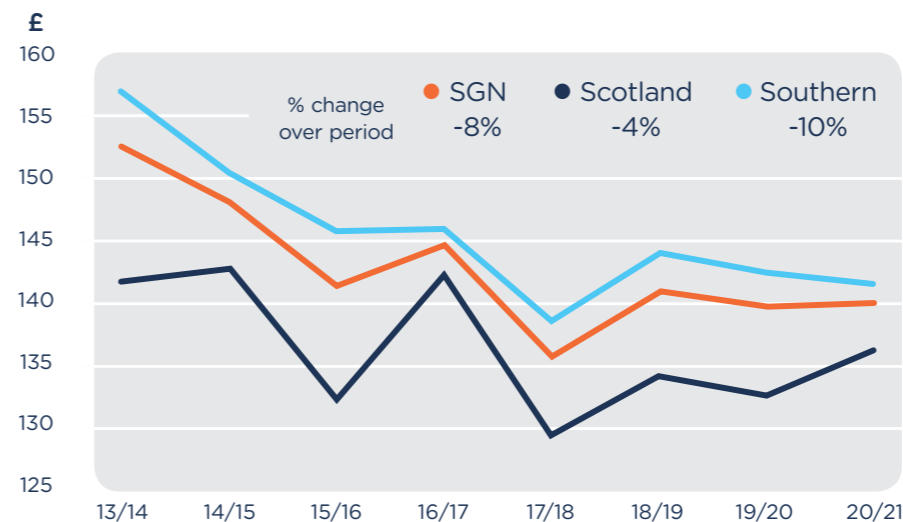
Customers living in flats tell us providing access and interruptions to their gas supply when we replace pipes in their buildings causes significant inconvenience.

We've introduced a solution called Microstop which enables our engineers to isolate a section of the pipe, without turning off the gas to the individual flats, avoiding the need for customers to be at home before and after the gas supply is turned off. We trialed this in Glasgow in 40 blocks of flats decreasing the time on site from an average of **three weeks** to just **one day** and benefitting **320** customers. We're now starting to introduce this technology across the rest of our footprint.

CISBOT projects 2017/18	Reduction in cost	Reduction in duration	Reduction in excavations
15.9 km of main	£4.4m	56%	531



Keeping costs down



The customer bill impacts are presented in real terms and include the impact of tax changes during GD1.

Customer research told us that keeping costs down is the priority our customers would most like us to focus on. We listened carefully to the concerns raised by stakeholders about fair value for customers and in November 2017, we returned a voluntary contribution of **£145m** to consumers in response to those concerns. We also continue to deliver efficiencies with our ongoing drive to use innovative techniques underpinning our performance as well as a more efficient use of resources and reduced reliance on contractors.

The fifth year of RIIO-GD1 provides improved visibility of the expected impact on customer prices over the remainder of the RIIO-GD1 price control period.

Widening the specification of gas

In 2013/14 we proposed our Opening Up the Gas Market project to test the wider specification of gas on a discrete network in Oban. This was to enable us to explore how we could use gas from new sources reducing the need for expensive processing and potentially saving GB customers money. By 2016/17 new specification gas was being distributed in Oban and our other Scottish Independent Undertakings at Wick, Thurso and Campbeltown. All appliances have been checked, repaired or replaced and a carbon monoxide alarm installed in **7,000** homes.

In October 2016 we held an event in London to share our learnings from the Oban project. We helped form the Institution of Gas Engineers and Managers (IGEM) Gas Quality Group made up of representatives of the entire gas supply chain. The group is assessing the impacts of gas quality including up to **20%** hydrogen on industrial and commercial users, to facilitate a revision to the permitted specification of gas.

We know from customer research, that keeping costs down is the priority customers would most like us to focus on. Concern about energy costs is most acute for those living in fuel poverty and at our MFT workshops in 2017, 85% of our stakeholders agreed we should support those living in fuel poverty.



Tackling fuel poverty

Help to heat scheme

Our Help to Heat scheme helps tackle fuel poverty by delivering free or assisted gas connections. In 2015, based on feedback, we increased our target overall by **35%** to **27,497** of which we'd completed **22,118** by March 2018.

We initiated specialist fuel poverty panels in 2017. Panel members advised us to work with partners and use our central heating grant scheme as seed funding to reach as many fuel poor households as possible.

As part of our **£145m** contribution returned to customers, we established a **£10m** SGN Central Heating Grant Fund in April 2017 to provide extra funding for gas central heating systems and enable eligible households to benefit from existing schemes. So far, we've committed **£2m** and offered a further **£2.1m** to social housing partners to help over **2,000** fuel poor households.

Expert members of our specialist panels said we should extend our reach partnering organisations and trusted delivery agents using data to prioritise areas where our support would deliver the most valuable outcomes.

We're reaching out in several ways – supporting local authorities to secure funding from the Warm Homes fund, extending our reach to private renters and to off-grid households by partnering with a housing association and Utility Infrastructure Provider (UIP). We've also piloted a project in Selsey, Chichester working with Groundworks Green Doctor and donated **£10,000** to Warmworks, which delivers the Scottish Government's energy saving measures to support funding for vulnerable customers to have lofts cleared or remedial works to allow them to benefit from funded energy saving measures.



Supporting communities

Safeguarding vulnerable customers

Stakeholders told us at our MFT workshops we should work collaboratively with partners to reach more vulnerable people. We therefore organised two specialist panels to provide significant advice to support this work.

We visit around **500,000** customers in their homes every year and our frontline engineers are trained to identify if they need extra help from us.

Working together to help you care at home

We understand when you care for a vulnerable person, such as someone with Alzheimer's or Autism, you need extra safeguarding in place. Our **free locking cooker valve** is a gas safety device which allows gas to be turned off at the cooker. This simple device can help a vulnerable person stay safe in their home, retaining their independence and providing reassurance to family, friends and carers.

In 2014/15 we began piloting the installation of the device in three of our depot areas. The pilots showed the concept worked and we shared our findings with the other gas distribution networks and instigated a national promotional campaign to make this free safety advice available across the UK. We are fully committed to promoting this award-winning device to all individuals and organisations who could benefit.

We accept referrals from the emergency services and health care providers, as well as carers and family members. We have now fitted **353** locking cooker valves.

Lack of funds for repair or service

We piloted a support scheme called the Voucher Scheme for customers recognised as vulnerable by our engineers when visiting a home to disconnect an appliance on safety grounds. The scheme gives our engineers the ability to refer a customer in need to a trusted third party to be assessed and provided with a **£200** repair voucher. If the cost of repairing the disconnected appliance exceeded this sum then additional funding would be provided by us, the local Council or through ECO funding. We were also able to refer customers to the local Royal Voluntary Service for any additional support needs.

Care is only a call away

We introduced our **Customer Careline** to give customers additional assistance and access to services available through the Priority Service Register (PSR). The PSR is free to join, so if you have very young children, a disability, a long-term illness, are a bit older, or live with someone who is, we can refer our customers for additional help. So far over **800** customers have used this service with **54%** registering for PSR. Our customers have also had the opportunity to register on the doorstep through our 10/10 app with over **3,400** customers registering their interest.

Stakeholders expressed concern about carbon monoxide (CO) and asked us to work collaboratively to raise awareness through education.

Carbon monoxide awareness and education

Data we collected on appliance health and CO alarm use, as part of our Oban Opening Up the Gas Market project and our gas quality project in three other remote Scottish towns, has now formed the basis of a report 'Driving awareness of CO; a data-driven strategy. Launched at a Scottish Parliament reception by Clare Adamson MSP, Chair of the Cross-party Safety Group, the report informs our strategy to focus on appliance health and how CO alarms are installed and used. It also supports our ongoing partnerships with Fire and Rescue divisions and other partners to whom we have donated **884** CO alarms to be fitted for vulnerable customers during Home Safety visits.

We've also promoted the awareness of carbon monoxide in the community by working with several community safety partner organisations, including the Edinburgh Risk Factory, LV Streetwise in Poole and Hazard Alley in Milton Keynes.

Dementia friendly organisation

In 2014/15 we trained **500** of our frontline engineers in a Care Commission accredited dementia awareness module. We then extended this to **19** charity partners. By 2016/17 we had **90%** of our frontline staff trained and a further **11** partners. We've now signed up with the Alzheimer's Society to become a dementia friendly organisation, rolling-out a training package encouraging our staff to become 'Dementia Friends' – we now have over **1,300** registered.

Future energy solutions

Energy is increasingly becoming a key issue for both householders and policy-makers. The UK needs a future energy system which is not only clean, but also affordable for customers and one which provides a continuous and secure supply; this is known as the energy trilemma. We take a collaborative approach, considering how our future energy innovation projects and expertise can contribute to an evidence base for the policy decisions that must be made.

We passionately believe gas has a vital role to play in the energy mix beyond 2050. We all embrace the challenges the future brings working to be responsive to the changing needs of our stakeholders and the opportunities that innovative technology brings.

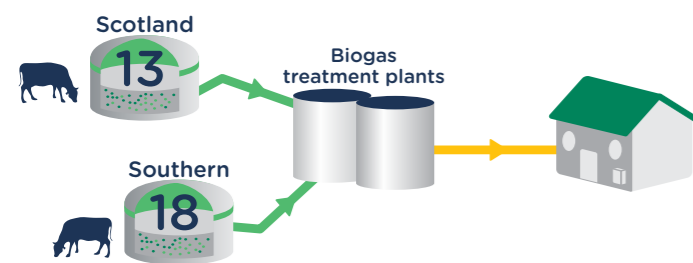
At our MFT workshops, 98% of delegates thought it was important that we address the energy trilemma.

Stakeholders, including politicians and policy makers across both our networks have expressed interest in exploring 100% hydrogen as an alternative to natural gas to provide energy for heat. In our research with customers, investment in future energy solutions was the second highest priority.

Key for our stakeholders is also sharing data and plans, understanding the demand for future use of the gas network working with local councils and other utilities to deliver in local communities.

Biomethane update

We've set a target of supplying the equivalent of **250,000** homes with green gas by 2021. We were the first gas distribution network company to inject biomethane into our network at Didcot and a partner at the first commercial bio-methane project at Poundbury in Dorset. We now have **33** biomethane plants currently supplying the equivalent of **177,754** homes.



By 2050 we need to reduce carbon emissions by **80%**. We'll do this by decarbonising heat and introducing alternatives. This avoids needless cost in alternative infrastructure while realising the enormous value and convenience of a gas mains connection. Therefore, to build on the idea of using decarbonised gas, we have a number of projects underway.

Hydrogen 100

We've started work on our project which seeks to explore if hydrogen can be distributed piped safely through a piped network to people's homes. We've identified three potential sites in Scotland for our feasibility study and have produced publicity materials including a leaflet, web-page and short film as part of our overall engagement.

Support for NGN H21 strategic modelling

We're working with the other gas distribution network companies to consider potential future conversion of natural gas networks in major urban centres to hydrogen. We've provided the project with information on reinforcement requirements, costs and detailed plans to facilitate conversion of our network in Edinburgh and Bournemouth.

Fast assessment drives efficient response to gas safety concerns

We continue to lead the way in supporting the delivery of the smart meter roll-out with customer safety as a top priority. In 2017 we introduced an innovative triage process for customers. This process filters customers' calls to help understand their issues and respond appropriately ensuring customers' safety and the continuity of our emergency service.

We further analysed the reasons why gas escapes were being reported to us following a smart meter install and used this to create a guidance document for installers identifying the top five reasons for an escape and how to avoid them. Additionally, an advice leaflet produced for our own staff has been approved by the HSE and Gas Safe and is now being used by other gas network companies and promoted to suppliers through Energy UK. In its first six months in operation, defects from installs have reduced from **4%** to **2.2%** and the number of interventions is down **67%**.

Conclusion



Our standards of service, safety and operational excellence will continue to improve as we challenge ourselves to keep pace with stakeholder expectations and innovative technologies. We are very proud of the culture we continue to build which puts customers at the heart of our operations, listening to their feedback, acting on any concerns and improving our performance.

We believe we make better decisions in the interests of customers and all our stakeholders when we understand their requirements, needs and priorities and invite you to voice your views about how we can become even better at listening to, understanding and responding to your needs.

Contact us

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



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