



**Annual report
for infrastructure
developers
2017**



SGN
Your gas. Our network.

About this document

This document has been produced following a review by the UK Regulators Network (UKRN) of the experience of those involved in infrastructure installation, or otherwise undertaking work in proximity to a utility company's assets, including those of the rail network – so called 'cross-sector infrastructure interactions'.



The review found many examples of good practice in management relationships with clients, but also room for improvement. A need was identified for clearer contact information, greater clarity about process, service standards and the terms and conditions of asset protection agreements and related contracts. An annual report formed one part of the recommendations UKRN identified to improve the situation for both clients and incumbent networks.

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Our Annual Report draws on management information collected throughout the year and provides an opportunity to take stock of progress at meeting the good practice principles set out by UKRN and the performance of services supplied to clients, principally as set out in our Accessing our services document.

Contents

About us	4
How we've performed	6
Major projects - key highlights	12
Customer feedback	16
Meeting the good practice principles	19
Key changes to process	24

About us

We manage the network that distributes natural and green gas to 5.9 million homes and businesses across Scotland and the south of England. Whoever your supplier is, our pipes deliver gas safely, reliably and efficiently to every one of our customers. It's your gas, in our network.

We operate **3,100km** of high pressure pipelines known as the Local Transmission System (LTS) operating at pressures between **7 to 85barg** and **72,000km** of distribution pipes that transport gas to homes and businesses operating at pressures up to **7barg**.





We maintain and operate around **300** Pressure Reduction Stations, **1,000** above ground installations and **38,500** other assets which control pressure or allow inspection and maintenance of our pipelines. We also replace around **1,000km** of older metallic pipes each year with new polyethylene pipes as part of our mains replacement work. This ensures our network is fit for the future and can continue to deliver gas safely and reliably in the years to come.

Our vision and strategic priorities shape who we are. They ensure we employ the highest safety standards, strive for the best levels of service and put customers at the centre of everything we do. We also know we are expected to do our work in a way that causes minimum impact on our environment.

We serve communities and businesses across many local authorities and we have a well-established stakeholder engagement strategy which sets out the way in which we listen and respond to the needs and ideas of our stakeholders to improve our decision making and achieve better outcomes for all.

We share our network footprints with at least **15** other utility network companies. This includes electricity distribution companies such as Scottish & Southern Electricity Networks, UK Power Networks and SP Energy Networks as well as water supply companies such as Southern Water, Thames Water and Scottish Water. Many of our pipes cross bridges, rivers and railway lines as well as private land and we provide daily guidance and support to a range of organisations about how to work safely near our assets. We engage closely with those whose assets we may wish to interact with or are otherwise impacted by our operations. Similarly, we engage with infrastructure providers and other utility companies who may wish to work near to our pipes and network equipment. Whether you require access to our network maps, information on whether our pipes need to be diverted to accommodate your project, information on how to connect your development to our network or guidance and advice on your green gas development, we are dedicated to making access to our services quicker, easier and cheaper.

We are committed to excellent customer service and in addition to the significant level of informal interaction we undertake at a local level, we have, in the past year:

- Handled **191,463** calls to our Customer Service Centre, **over 500** a day
- Logged **123,574** enquires
- Resolved **1,939** complaints

Working on an annual cycle, we use our 'Moving Forward Together' workshops to engage with key stakeholders such as other utility network companies, infrastructure developers and local authorities to understand whether they believe we are focusing on the right priorities. At the workshops, we share the progress we have made in the year and we ask for stakeholders' input to help us to determine strategic priorities for the forthcoming year.



If you are interested in attending one of our workshops, please email us at lets.chat@sgn.co.uk

2017 strategic priorities and objectives



Keeping energy affordable

Deliver our revised target to connect low income and vulnerable households to our network

Aim to achieve a more flexible specification of natural gas in GB with a potential annual customer saving of **£325m**



Improving our service

Deliver industry leading customer service through our customer experience strategy

Embed our new tailored project delivery communication process

Further develop innovative technologies to reduce disruption



Keeping the gas flowing safely

Prevent damage to our network

Develop our resilience capabilities

Improve our planned work scheduling



Supporting our communities

Develop and increase the support we can provide to customers who need it most

Continue to highlight the dangers of Carbon Monoxide

Work in partnership with communities to maximise the benefits of our activities



Sustaining our future

Investigate emerging and innovative energy solutions

Invest in and demonstrate the sustainable future of our network

Encourage future generations to explore Science, Technology, Engineering and Mathematics (STEM) careers

As a regulated business, what we do is underpinned by legislation, our gas transportation licence and the regulatory framework. Safety, security and reliability of gas supplies are our top priorities and we adhere to strict legal obligations including the Gas Act (1986), the Pipeline Safety Regulations 1996, the Gas Safety (Management) Regulations 1996 and the Pressurised System Safety Regulations 2000. We work closely with our regulator Ofgem, the Health & Safety Executive and chartered professional bodies such as the Institution of Gas Engineers & Managers to drive and ensure effective and robust management of our critical infrastructure. Such engagement means we are at the forefront of energy delivery and are closely involved in developments that are shaping the future of the GB gas industry.

This report is designed to give a sense of the most frequent areas where customers have interacted with our networks and the service they have received from us in the process.

In defining what a cross-sector interaction is, we have adopted the definition provided by the UK Regulators Network; **‘Cross-sector infrastructure interactions’ are defined as the process and permissions needed from a utility or rail network operator when another person or business (termed ‘clients’) wishes to cross or work near the assets of that operator. This interaction will often involve the client or asset owner in one sector needing to cross assets of a different utility sector’.**

How we've performed

We are committed to keeping our customers safe and warm and to making cross-sector interactions with our network efficient and straightforward. We play a vital part in energy delivery and recognise the stewardship role we play in developing our national infrastructure.

Below is a selection of performance metrics relating to some of the key ways our customers interact with us such as large connections, biomethane enquiries, diversion requests and roadworks defects.

Our Accessing our services document provides practical information for anyone who wishes to cross or work near to our assets (an ‘interaction’). It covers the most frequent types of interaction requests we deal with and provides clear points of contact and other useful information on, for example, how to access our network maps.

Access to our network maps

Access

We regularly review the effectiveness of our service offerings and in the interests of ease, efficiency and economy have recently moved all our network maps access to an online portal:

linesearchbeforeudig.co.uk

Customers can now receive maps and safety information within minutes rather than days and can visit the site as often as they require. After following a very simple process, customers will have an immediate response allowing them to know if their site will affect our network or not. If the site they have searched is near our network, the customer will receive an email containing maps showing our gas pipes and related safety information. Their search will also supply information on other utility companies or third parties they should contact.

Initial reporting information shows the uptake of our online network maps service has been enormous. With over **42,000** enquires received in the first month alone which when compared to just **30,000** for the entire year in 2016, shows how popular our new online only service is.

SERVICE TYPE	2017 (NEW ONLINE PORTAL)	2016 (OLD PAPER-BASED SYSTEM)	VARIANCE
Average number of enquiries per month	47,300	2,500	+1.892%
Indicative enquiry response time	1.93 minutes	Up to 15 working days	Response within minutes instead of days
Highest number of enquiry responses in a single month	58,183	3,000	+1.939%

In 2018 we will continue to review the effectiveness of our service and will engage with cross-sector organisations as well as the gas shipper and gas supplier communities to understand how satisfied they are with the services we provide and what can be done to make their experience better.

Cost of access

In 2016, our plant protection team received an average of **2,500** enquiries per month for plant location and mapping information for work planned to take place around our network, with over **70%** being granted free of charge. Whilst we have seen an enormous increase in the number of enquiries received through our new online portal, with an average of **47,300** enquiries received each month since April 2017, we have continued to provide over **70%** free of charge.

In pursuing our desire to work collaboratively with other infrastructure providers, and to facilitate interactions, access to our maps is usually free. However, there are instances where we charge for the service we provide. Search companies, solicitors and some cross-sector organisations charge their customers for obtaining our maps on their behalf. For these third party requests, where a charge is likely to be made, we make a corresponding charge of **£70** per request, as we do not believe it is appropriate for our customers to incur these costs.

Moving our assets

Our diversions team provides advice, guidance and support for anyone who may need to divert our pipes to accommodate their works or developments. All customers who are planning works, whether on a public highway or on private land, should first check our network maps to identify which pipes and cables may be affected.

Once you have checked our network maps and provided us with information about the nature of your works, we will assess whether a diversion is required and, where we identify our pipes need to be moved, we can provide an estimate that outlines the likely cost of the diversion.



The duration of diversion projects varies considerably depending on the nature of the work and we strive to keep our customers informed every step of the way. We are conscious that no two projects are the same but understand all are subject to varying time constraints, costs and required outcomes. We look closely at requests for diversions to ensure the safest, quickest and most efficient solutions are proposed. Often a diversion is not required and we can simply issue advice and guidance for working safely near to our assets. The table below provides information on the number of diversion enquiries we dealt with in 2017.

SERVICE TYPE	SCOTLAND	SOUTHERN	SGN
Number of diversion enquiries	229	810	1,039
Number of enquiries passed to our connections team for quote on service pipe alteration	15	61	76
Estimates of costs issued	102	165	267
Detailed estimates of cost issued	102	165	267
Detailed estimates accepted	183	71	154
Detailed estimate acceptance rate	81%	43%	58%

Working in the highway

We regularly attend the Highway Authorities & Utilities Committee (HAUC) and are committed to working safely and smartly and to minimising the impact of street and roadworks on our customers.

Our local reinstatement managers work closely with highways authorities to identify synergies and new ways of working together. We collaborate with local authority inspectors to ensure that, where our works require occupation of the highway, our traffic management and the reinstatement of our excavations adhere to the standards set out in relevant legislation, regulation and codes of practice.

Occasionally however, issues do arise and where we are advised of defects relating to our roadworks or reinstatements, we take immediate action to mobilise our resources, make safe and inform the relevant highways authority. We work 24 hours a day, 365 days a year to ensure defects are rectified in a safe and timely manner.

DEFECT TYPE	STANDARD OF SERVICE	NO. RECEIVED	NO. COMPLETED	NO. OUTSTANDING AT YEAR END (2017)
Inadequacies in signing, lighting or guarding – higher risk	Two-hour response	438	438	0
Inadequacies in signing, lighting or guarding – lower risk	Four-hour response	731	731	0
Reinstatement defects causing danger	Two-hour response	62	62	0

Our engineers are trained in how best to set up their sites and to ensure compliance with the New Roads and Streetworks Act (NRSWA) 1991, the Traffic Management Act 2004 and the Code of Practice for the Co-ordination of Street Works and Works for Road Purposes and Related Matters.

We are full members of the National Joint Utilities Group (NJUG) Ltd; the UK's only cross-sector trade association representing gas, electricity, water, sewage and telecommunications utility companies. NJUG has an established record of working constructively with ministers, civil servants, policymakers, parliamentarians, business and campaign bodies in supporting the development of street and road work policies that minimise road occupation through promoting innovation and collaborative working. We also co-chair the Roads Authorities & Utilities Committee (Scotland) (RAUC(S)) which includes representatives of Transport Scotland and the Scottish Joint Utility Group together with representatives of the Scottish Government.

Reducing roadworks through innovation

The vast majority of the gas network's pipeline assets are below ground. Access for inspection, repair, replacement and extension of these below-ground assets requires the excavation of roads, paths, verges and fields in both urban and rural environments. The excavation and subsequent reinstatement of works sites represents one of the most significant costs for any utility and is also harmful to the environment. Disruption caused by roadworks is a primary concern to the public and result in significant social cost.

Damage to gas pipelines can pose significant hazards to operatives, road users, pedestrians and property and can result in fires, explosions or electrocution, not to mention supply disruption to utility customers and businesses. Safe digging practices are therefore unsurprisingly onerous, expensive and time-consuming. We continually seek to improve our excavation and reinstatement activities and reduce costs to customers by developing and implementing the latest technologies such as keyhole repair, trenchless techniques and robotic remediation.

We have a diverse portfolio of innovation projects funded through the Network Innovation Allowance (NIA) and Network Innovation Competition (NIC). With over 45 projects currently in progress, we're seeking to provide new or better solutions and best practice across the gas distribution sector. Collaboration and shared learning are key to driving innovation forward in our industry and around 30% of our projects are collaborative partnerships with other network licensees.

Our projects aim to make sure the tools and techniques we're developing to manage and upgrade our ageing infrastructure are effective and provide value for money. This includes reducing disruption to customers and reducing costs for infrastructure developers, as well as minimising the impact we have on the environment. Our award-winning trenchless technologies, robotics and Core & Vac, are now helping us to deliver effective work solutions on a daily basis. Such innovations are actively helping to reduce the size of excavations and the likelihood of defects in reinstatement occurring, thereby reducing and minimising the need for future interaction with the road network, highways and roads authorities and other utilities as well as reducing disruption to customers and communities.

Large connections

In 2017 we carried out more than **20,000** connections to our network, meeting and surpassing expectations in both our networks.



SERVICE TYPE	STANDARD OF SERVICE	2016/17 PERFORMANCE			POTENTIAL COMPENSATION TO CUSTOMER
		Scotland	Southern	SGN overall	
Provision of non-standard quotations (>275kWh per hour)	21 working days	100%	98.4%	98.96%	£20 followed by an additional £20 per working day thereafter up to the lesser of the contract sum or £500
Responses to land enquiries	5 working days	69%	81%	75%	£40 followed by an additional £40 per working day thereafter up to £250 for connections <275kWh or £500 for connections >275kWh
Provision of dates for the substantial completion of work (>275kWh)	20 working days	96.92%	99.29%	98.54%	£40 followed by an additional £40 per working day thereafter up to the lesser of the contract sum or £500
Completion of work on the agreed date	substantially complete connections on the date agreed with the customer	97.30%	98.33%	97.97%	Between £20 - £150 per working day depending on the contract value

2017 saw a marked increase in the volume of land enquiries submitted from power generation sites, particularly 'peaking power plants'; sites which only generate electricity during high or peak demand, and sell it at a premium. This increase has had a substantive impact on our ability to process land enquiries and we've found it challenging in 2017 to respond to all enquiries within the allotted time. We're striving to improve the situation, having taken on additional staff and resolving a backlog of enquiries. We expect a full resolution by February 2018.

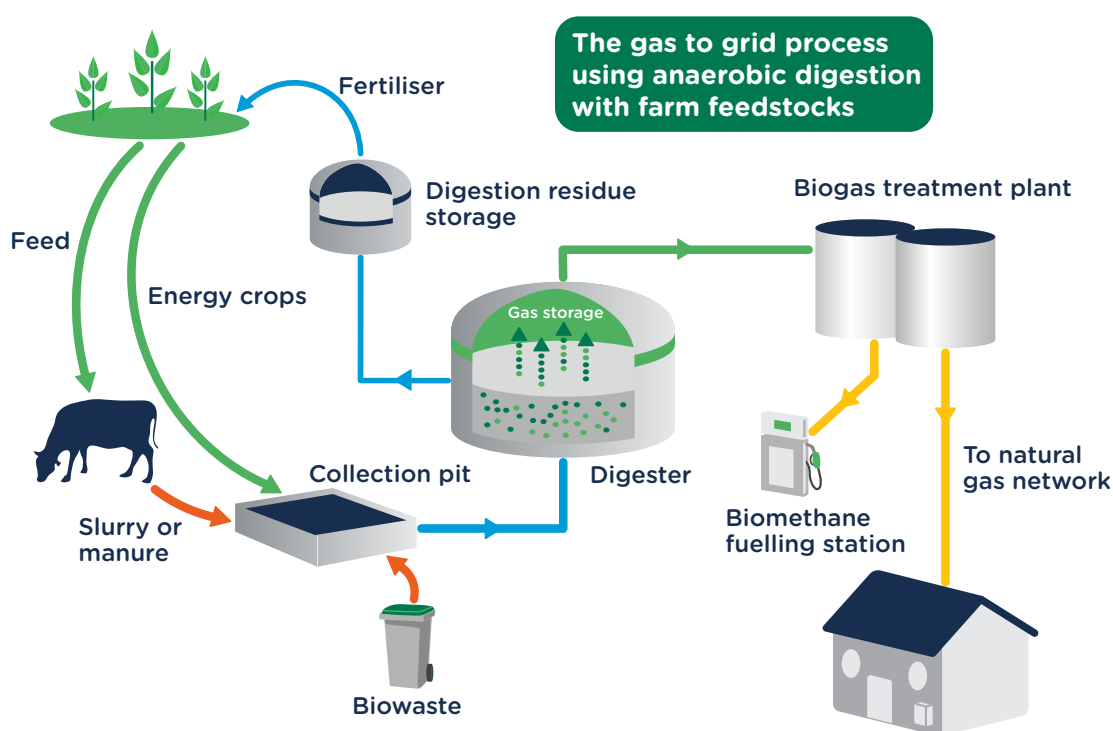
Biomethane connections

In 2017 we received **199** enquiries from organisations looking to connect a biomethane plant to our networks. We responded to **100%** of these enquiries, providing initial information on the suitability of our mains, within **15** working days.

SERVICE TYPE	VOLUNTARY STANDARD OF SERVICE	NO. RECEIVED OR CARRIED OUT IN 2016/17	2016/17 PERFORMANCE		
			Scotland	Southern	SGN Overall
Response to Initial Enquiry	15 working days	199	100%	100%	100%
Provision of Capacity Study	30 working days	132	100%	100%	100%
Implementation of Biomethane Connection	N/A	7	Sixteen per cent of enquiries went on to request a capacity study. Three per cent of those who requested a capacity study in 2017 went on to connect to our network.*		
Total volume of gas injected from bio-methane sites in 2017	N/A	N/A	5,450scmh**	11,2000scmh	16,650scmh

* Seven biomethane connections were made to the network in 2017, one of which followed a capacity study produced in 2017 and the remaining six followed capacity studies carried out in previous years. ** standard cubic meters per hour.

Our biomethane team, based at our Axis House office in Edinburgh, provides advice and support to producers of green gas and help guide them through the process of connecting to our network. We understand that producers are often managing complex projects with tight deadlines and we support such infrastructure providers in achieving their goals.



In 2017 we enabled **16,650scmh** of biomethane capacity to connect to our networks.

Further information on biomethane connections can be found in our *Distributed Gas Connections Guide*, available at: sgn.co.uk/Responsibility/Greening-the-gas

Major projects – key highlights

General information

Our pipes cross all manner of other infrastructure, from road and rail networks to watercourses and bridges. Similarly, our pipes are situated across a multitude of different geography including arable land, urban centres and government-owned land. Whether we're undertaking high pressure pipeline reinforcement or revalidating our bridge crossings under the Pressurised System Safety Regulations (2000), our major projects and network construction teams work closely with local planners, developers, landowners and other utilities to ensure stakeholders are involved and able to shape our decision-making and risk planning.



Our projects, by their nature, often involve unique and complex risks and we are frequently required to work in confined spaces, next to roads or railways, near to high voltage electrical cables or high pressure water pipes.

By targeting the right local infrastructure operators and providers, engaging them at the planning stage and holding regular discussions, we bring together wide-ranging views and make all impacted persons or organisations aware of our activities and of how we will manage and allocate risk.

We currently have over **500** major projects underway across both our networks with around **30** being on our intermediate and high pressure systems and over **470** on our medium and low pressure systems.

Overleaf are three examples of major projects that involved complex cross-sector interactions. The first was necessary to ensure the integrity and continued safe operation of our network and is an example of us needing to cross the assets of another utility operator. The second and third examples were necessary to facilitate an infrastructure provider's development and involved a developer needing to cross our assets.



Ensuring the integrity of our network

Reading Pipeline Crossing

In Reading, we recently completed works revalidating a pipe crossing that runs over a railway line. This involved complex cross-sector interactions as Network Rail was also in the process of electrifying the rail network near our crossing, and a full timetable of train services was still in operation. Our crossing also entered the secure car park of a local business.

Early identification and engagement with local stakeholders enabled us to accurately identify those impacted by these cross-sector works and a significant amount of pre-work, pre-design and pre-negotiation were required with many onsite and offsite meetings as well as teleconferences focused on identifying potential issues as early as possible.

During our meetings with Network Rail, we identified the need for us to subscribe to a Basic Asset Protection Agreement (BAPA). This delineated what risks we were responsible for managing and the method by which they would be controlled when working near to or crossing the railway line, therefore creating more certainty in the allocation of costs and risk. We worked very closely with Network Rail's asset teams as there was a requirement for them to validate every aspect of our planned interaction to ensure the safe functioning of the line. We provided transparency of our plans through the production of a detailed 'book of works' setting out in precise detail the interactions that would be required, how the work would be carried out and what controls were in place to ensure safety and minimise disruption on a busy section of the rail network.

One hundred and forty-eight tonnes of materials and equipment were required to be delivered to site and, to avoid any disruption to train services and remove the need for a costly shut down of the line, we arranged for a crane to lift the required materials into position. Similarly, to avoid a costly shut down, we completely encapsulated the scaffold structure erected over the live rail line that would provide our operatives with access to the pipe crossing. This ensured that a full timetable of trains could continue to run by controlling the risk of anything disturbing the track. We increased this control measure by arranging for a laser surveying device to monitor the track for any movement during our works, with track readings being taken every three minutes and emergency procedures being in place to halt trains should any movement occur.

We were working alongside third party contractors who were carrying out electrification of the section of line we were working over and this required complex negotiation and agreement over possession of the site, with us sharing possession and often working at the same time as the contractors. All staff working at the site were required to have Track Possession Certificates that, among other things, ensured our operatives were medically fit to work near the live rail network.

The project lasted around **18** months and success was marked by our willingness to engage with those impacted by the works and our collaboration with affected parties on risk management, works duration, emergency planning and alignment of legal and commercial goals. We are proud to have completed our works in a safe and efficient way with no disruption to train timetables.

Facilitating an infrastructure provider's development

Any organisation that is considering development of infrastructure should check our network maps before beginning works: linsearchbeforeudig.co.uk



Solar development

Solar farms represent an important emerging technology and energy source and often development of such sites involves the installation of solar panels near to gas pipelines or the crossing of such pipelines with cables egressing from the Solar Farm. Our high pressure pipelines are fabricated from high quality steel and there is a risk that electrical interference from solar panels or cable crossings may affect cathodic protection levels. Cathodic protection is a technique used to control the corrosion of a metal surface by making it the cathode of an electrochemical cell. Put simply, this connects the metal to be protected to a more easily corroded 'sacrificial metal' that acts as an anode. Electrical interference can reduce the cathodic protection of a metallic pipe, increase future maintenance or replacement costs and could ultimately lead to corrosion and failure of the pipe.

As a result, we have standardised our approach to solar farm developments by making available standard criteria and guidance to developers on the information we will require and by directing them to our online network maps where they can start the process of identifying potential impacts on the gas network and receive safety advice immediately.

Our online network mapping system enables us to identify where infrastructure developments are likely to impact or cross our network. Where we identify such impacts, we issue letters that provide advice and guidance on working near to our assets. In the case of any solar farm development that may impact our network, it is necessary the following is adhered to:

- The promoter of the new work shall advise SGN of the prospective fault current, the power loading and operating voltage on the new installation. The nature of the earthing system shall be advised.
- Details of the location of the solar farm in relation to the SGN pipeline shall be shown on the relevant drawings. All relevant drawings shall be provided for SGN review.
- No earthing electrodes or system associated with the new substation installation shall be located within 10m of any SGN pipeline system.
- The promoter of the new works shall indemnify SGN from any damage caused to any SGN asset by DC leakage current and AC interference.



Case Study - Pingewood

A recent solar farm development involved interactions relating to the installation of solar panels and a cable crossing across our Burghfield to Shinfield high pressure pipeline.

Having received information through our online network mapping tool, we collaborated with and supported the contractors undertaking the development. We sent out letters providing guidance and outlined the limitations of working within the vicinity of a high pressure gas pipeline. A site visit was carried out by a local pipeline engineer who marked out the pipeline and communicated to the contractors undertaking the work the requirement to carry out any interference testing prior to and following commissioning of the solar farm. Our letters also outlined that we may request a contribution to any permanent equipment needed to monitor these effects over time.

Infrastructure projects like these can be difficult to monitor and assistance onsite is usually essential. Negotiation is usually required between parties to ensure there is agreement on the allocation of risk and to ensure adherence to the highest standards of safety. The risk of interference damage to our network must be appropriately controlled and we work closely with infrastructure developers to ensure the highest standards are met and an appropriate balance achieved with varying time and cost pressures developers face in getting their developments up and running.

At the completion of the project, electrical interference testing showed that the new installation did not affect the pipeline.

Our high pressure pipelines are critical to ensuring the safe and reliable delivery of gas to homes and businesses. Therefore, all our site visits and other monitoring activities as part of this project were free of charge and the cost of interference testing was also covered.

Water network interaction

One of the most common instances of interaction we see is the crossing of our pipes and assets by the pipes and assets of a local water supply company. Our pipeline management procedures require full supervision is undertaken during such works.

Case Study - Manor Way, Banstead

Clancy Docwra, working on behalf of SES Water, recently installed a water pipe that crossed a high pressure gas pipeline in Surrey.

We received an initial enquiry via our online mapping tool (linesearchbeforeudig.co.uk) and important safety information and a local contact was provided.

One of our local engineers contacted the infrastructure developer and arranged a site visit to evaluate the works, which included the marking out of our pipeline. We were present during any excavation works to provide advice and support and ready to respond to any emergencies that arose.

Works like these can often be challenging in ensuring the contractor (and any sub-contractors) have received all the required information on safe systems of work and safe digging and that the correct correspondence and information has been forwarded to the owner of the works and any relevant parent companies. We strive to ensure all relevant parties receive the information they need to and have robust emergency procedures in place should any issues arise.

We closely support such infrastructure developers and in this instance helped to make their project a success by providing site visits, safety advice and full supervision of excavation works efficiently and free of charge.

Customer feedback

We are committed to continually reviewing our processes and their effectiveness and to listening to our customers and allowing their views to shape our decision-making. We understand the importance of ensuring that our interactions are efficient, easy and meet the needs of our customers. Our stakeholder engagement strategy shapes the way we engage with clients and ensures we are focussed on providing the best outcomes for all.



In addition to surveys and expert panels, we regularly hold stakeholder workshops at both a local and national level which enable us to gather views on the successes and challenges of meeting our customers' expectations. With a set structure and detailed agenda, our workshops provide a framework to focus views on what works well and what needs to be improved.

Our workshops are attended by a large variety of stakeholders, including electricity distribution networks, water supply companies and highways authorities; with over **65** attending our three national workshops held in London, Edinburgh and Portsmouth. We also hold several local workshops each year aimed at gathering feedback to enable us to define our strategy and continue to improve our service offerings at a local level. Additionally, our stakeholder expert panel draws upon the knowledge of independent industry experts who evaluate our stakeholder strategies using their experience and help us to refine and develop our approaches.

Our national 'Moving Forward Together' workshops allow us to gather opinions, views and feedback on our stakeholder strategies and we use a combination of presentations, round table discussions and voting to assist us in identifying whether we are focussing on the right areas.

Reducing damage

Attendees at our national workshop in September 2016 rated 'preventing damage to our network' as the most important objective in keeping the gas flowing safely. Preventing damage to our network is a key strategic objective and we do all we can to ensure cross-sector organisations have access to information and support to enable them to work safely near our assets and, in most cases, we provide this information and support free of charge.

Local authorities have told us they would like access to our online mapping system to view the most up to date information on our assets. Water companies such as Thames Water have asked that we share best practice, prevent incidents and liaise more closely to address impacts on our assets.

In listening to the views of such cross-sector stakeholders, and as described above, we have worked with LSBUD to develop our new online mapping system which provides targeted information to various stakeholder groups enabling an immediate response to enquiries.

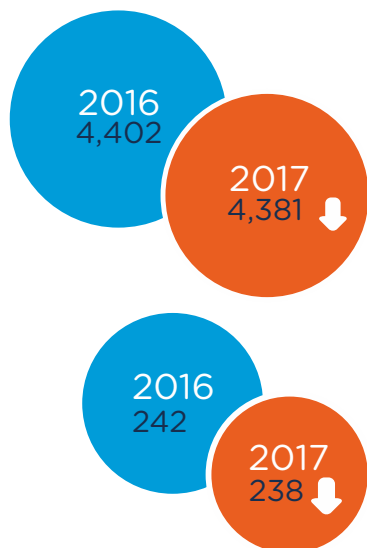
With Thames Water; we have held reciprocal visits to our control centres and agreed contact protocols in the event of an incident.

We are proud that our response to our clients' feedback has reduced the impact of network damage on customers. This is demonstrated by:

- A **0.5%** reduction in the number of damages caused to our network between 2016 and 2017



- A **1.7%** reduction in the damages we caused to other utilities for the same period



The improvements our efforts have made

In 2016 the number of damages caused to our network totalled **4,402**; in 2017 this dropped to **4,381**, approximately a **0.5%** improvement.

In 2016 we caused **242** damages to other utilities (electric, water, telecoms etc); in 2017 this dropped to **238**, approximately a **1.7%** improvement.

Better working with other utilities

Customers and stakeholders at our national workshops have told us to work together with other utilities to reduce disruption. Feedback included: ***'share engagement best practice with other utilities'***. We've held meetings with Thames Water focusing on both our companies' regulatory requirements, operational improvements, communications and increase support for vulnerable customers. Water ingress is the most disruptive and lengthy gas outage we face, so we've created direct links between our operational teams to improve response times from both parties. We've also joined up our communication efforts, establishing a protocol to provide updates to Thames Water which holds customer details so it can mass communicate with affected customers by text message providing updates on progress.

Access to local information

A corporate interest at one of our national workshops commented that ***'access to local contact details could be improved'***. In following our strategic objective to deliver industry leading customer service, we have listened to feedback such as this and now incorporate local contact details in the letters sent out to clients following their initial contact with us via our online network maps tool. This enables infrastructure developers to speak directly with local operatives who understand local idiosyncrasies.

We will continue to engage with local authorities and other cross-sector organisations to ensure they have access to the most relevant contact information and can speak with someone locally and we will continually review the effectiveness of our communications channels.

Communicating with local authorities

Our network footprint spans across dozens of local authorities who have told us that minimising disruption to road users and residents is the most important area for them and that early publishing of our planned works would assist. As part of our response to such feedback, we have appointed an engagement manager to give one point of contact to all **36** local authorities in our southern network area. Following initial contact so far, we have engaged with **13** authorities to understand the impact we have on their area, the things we do well, and areas for improvement. One early outcome from this was during engagement with Bracknell Forest Council; a concern was raised about how we were asking for permission to work in the highway. This was quickly picked up by the local manager who met with the council and agreed to change our process to suit.

Subsequent feedback from a local authority representative mentioned a perception that SGN does engage in two-way communication relating to highways and has been proactive in seeking to minimise disruption by, for example, working at night and hand digging rather than using mechanical excavation.

Engaging in the right ways

Further feedback from corporate interests has included the ‘...**benefits [of] having conversations with SGN face to face that little bit more...**’. We are proud that in most cases of cross-sector infrastructure interactions, we will attend site, meet our clients face to face and build relationships.

We also engage with cross-sector forums such as the Low Carbon Network Innovation Conference that aims to share innovations between energy networks and we regularly speak at industry forums and recently made a speech at the annual conference of the Energy Utility Alliance. As a direct result of our engagement in such forums, we arranged for a gas main in Edinburgh to be moved to accommodate flood protection works being undertaken by contractors on behalf of the local authority.

Innovative techniques

A local authority representative at our national workshops agreed smaller, neater excavations are more popular with their constituents as they are visually better, and people feel frustrated when newly resurfaced roads are dug up by utilities. We continue to support the minimisation of disruption caused by roadworks through our participation in roadworks groups such as the National Joint Utilities Group, Highways Authorities Utilities Committee and Roads Authorities & Utilities Committee(s) and by continuing to push the use of innovative technologies such as our latest keyhole drilling technique; ‘iCore’.

iCore is one of several projects which aim to deliver an end to end keyhole roadworks solution for current operational activities such as flowstopping, mains and service replacement and connection works. This technology helps to reduce our impact on the road network when working to maintain and repair our assets.

Feedback from our workshops has indicated that utilities and local authorities feel there would be a benefit to our hosting a showcase of such innovative technologies to allow other utilities and cross-sector organisations to consider innovations in their respective sectors.



Always more we can do

We are committed to continually reviewing our processes and their effectiveness and to listening to our customers and allowing their views to shape our decision-making. We understand the importance of ensuring that our interactions are efficient, easy and meet the needs of our customers.

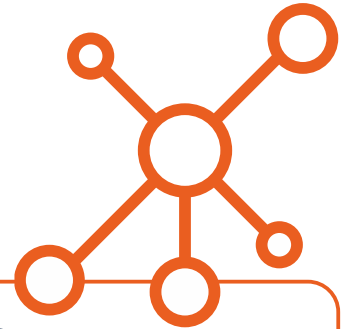
Our stakeholder engagement strategy will continue to shape our strategic priorities and the ways in which we incorporate our clients’ objectives into our everyday operations.



**If you are interested in attending one of our workshops,
please email us at lets.chat@sgn.co.uk**

Meeting the good practice principles

UKRN expects the below principles to guide network operators in how they work with clients:



Principle 1 - The role of infrastructure network operators

Infrastructure network operators recognise: the stewardship role they play in developing, owning and operating our national infrastructure; and that effective planning and delivery of new infrastructure, across all sectors, benefits everyone.

Biomethane - In June 2016, recognising the interests of future stakeholders, we gave oral and written evidence to the then Energy and Climate Change Committee of MPs as part of its inquiry into 2020 Renewable Heat and Transport Targets. Our evidence centred on the key role biomethane had to play in helping to meet the target to get **12%** of UK heat from renewable sources by 2020. We also met the Committee Chair, Stornoway MP Angus MacNeill. Our messages featured prominently in the Committee's final report; we were quoted and separately praised for our collaborative messaging with electricity distribution network operator Scottish and Southern Electricity Networks.

Contractor buy-in - In our southern network our contract partners deliver **95%** of our planned replacement works. Customer feedback told us we needed to work with our contractors to improve our service in this area. As a result, we hosted a workshop with contractors and new contracts were implemented with significant changes and a strong focus on project management, leading to improved service and efficiency. We're incentivising them to live insert gas mains reducing the number of planned interruptions our customers face, and to also deliver outstanding customer service. Since the introduction of the new contract in September 2016 an **8%** improvement has been seen in live insertion in 2017.

Innovative technologies reducing disruption - Over the last few years our stakeholders tell us we should focus on seeking out, trialling and implementing innovative techniques and technologies to continue to reduce disruption and become more efficient. We've led the way in innovative technologies including our robotic project, Core & Vac, Keyhole technology, long handled tooling, PE risers and the improvements each has delivered. Two new innovations are now being deployed across our networks, CISBOT and iSeal. CISBOT is a robotic tool that seals leaking joints in cast iron gas mains without interrupting the flow of gas. iSeal is a safe, versatile and innovative method for repairing leaking joints on metallic gas pipework systems, specifically risers on multi-occupancy buildings. Previously when leaks occur on a gas riser it would have to be disconnected and re-laid leaving occupants without gas for days or weeks at a time.



Reduction in damages
through better working
with other utilities

Principle 2 - Efficiency, economy and safety

Without prejudicing the needs of customers or funders, or its statutory duties including safety, network operators of in situ assets should act with efficiency and economy when interacting with clients.

Better working with other utilities - Customers and stakeholders at our national workshops have told us to work together with other utilities to reduce disruption. Feedback included: **'share engagement best practice with other utilities'**. We've held meetings with Thames Water focusing on both our companies' regulatory requirements, operational improvements, communications and increase support for vulnerable customers. Water ingress is the most disruptive and lengthy gas outage we face, so we've created direct links between our operational teams to improve response times from both parties. We've also joined up our communication efforts, establishing a protocol to provide updates to Thames Water which holds customer details so it can mass communicate with affected customers by text message providing updates on progress.

Reduction in damages - In 2016 we caused **242** damages to other utilities (electric, water, telecoms, etc); in 2017 this dropped to **238**, approximately a **1.7%** improvement .

In 2015 the number of damages caused to our network totalled **4,704**; in 2016 this dropped to **4,402**, approximately a **6%** improvement.



Principle 3 - Transparent processes and practice

Network operators should establish and follow a process to manage interactions that is transparent, easy to follow, appropriately resourced and commits to explicit service standards appropriate to the clients and projects concerned, supported by provision of accurate information about the operators' network, safety or process as necessary.

Our website - Our website sgn.co.uk contains a wealth of useful information on a very wide range of potential interactions. From our Distributed Gas Connections Guide that provides practical guidance on how to connect your green gas development to our network to information on how to make multiple or commercial connections to our network or how to work safely near our assets - our website should be the starting point for interactions with our network. Additionally, you can talk to us on the telephone via our Customer Service Enquiry Line on **0800 912 1700**.

Choosing the right communications methods - Our 'Moving Forward Together' workshops were well received by stakeholders with **100%** of our participants at the three events we held in March 2017 reporting they found the event to be beneficial or highly beneficial. **87%** felt they had sufficient opportunity to discuss their views and **88%** said they would like to engage with us in the future, either face to face or by email.

Gathering insights to meet local needs - Attendees at our national workshops included representatives from local councils and community groups where **81%** of participants said a tailored approach to working in communities would improve how we work. We introduced our tailored project delivery tool last year building on learning gained from our gas holder dismantling programme, our Oban 'Opening Up the Gas Market' project and learning from collaboration with other GDNs. The tool was piloted across projects in both our southern and Scotland networks and was integrated into our major work plan methodology. We will continue to embed this process across all our planned activities.

New online mapping tool - We tailored a self-service website 'Linesearch Before You Dig (LSBUD)' which provides targeted information to stakeholder groups who make online enquiries. We initially surveyed existing users of our system to determine the service they expected and the method of engagement they preferred. We also engaged with the other gas networks to find out what systems they were using and to learn from best practice. National Grid was using LSBUD for its high pressure pipelines. Following internal workshops the LSBUD system was determined to be the most efficient and cost effective system to meet our stakeholders' needs. We receive around **30,000** enquiries per year; our original process was taking on average **15** days to respond. The on-line solution ensures an immediate response to customers' enquiries. Previously **700** developers and local authorities held DVDs of our mapping data and were sent an update every three months. The new system provides immediate on line access to the most up-to-date and accurate information available, helping to minimise the possibility of damage to our network.

Appointment of southern engagement manager - In our southern network we have appointed an engagement manager to give one point of contact to all **36** local authorities in our area. Following initial contact, we have engaged with **13** authorities to understand the impact we have on their area, the things we do well, and areas for improvement. One early outcome from this was during engagement with Bracknell Forest Council, a concern was raised about how we were asking for permission to work in the highway; this was quickly picked up by the local manager who met with the council and agreed to change our process to suit.



Principle 4 - Clear, transparent and appropriate pricing

Any fees or charges to clients should be clearly explained, reflect reasonable and appropriate cost and risk, without exploiting unfair commercial advantage, and where reasonable facilitate efficient planning and delivery of infrastructure projects.

Access to our network maps – In recognising the crucial role we play in managing our critical gas infrastructure we often provide services for free. We attend over **200,000** reports of potential gas escapes every year and provide free and unlimited access to our network maps for those seeking to work near to our assets. Where we are providing maps to a private company that charges its customers to obtain networks maps on their behalf, we recharge the cost of this access to that private company. We have adopted a clear pricing structure that fairly reflects the costs of providing maps to those who are charging their customers for this information. For all other clients access to our maps is free.

Standards and charges – Our Accessing our services document will be reviewed and revised annually and, this year, included information on our standards of service for many different work types such as roadworks defects, large connections and biomethane connections. In the interests of maintaining and protecting our network we provide many of our services free of charge. For example, we often send pipeline technicians and other staff to site to monitor and assist in working near to our assets at no charge to our clients. We also respond swiftly to any interference damage incurred by our network, with a First Call Operative attending site within the hour where an uncontrolled gas escape occurs.





Principle 5 - Continuous learning and best practice

The lessons and experiences of best practice in managing interactions within the firm, based on measurable performance where possible, and outside are pro-actively gathered and applied, with a commitment to training and support of staff managing interactions.

Joined up governance - At the start of the year we had two legacy governance bodies operating; by the end of the year these were merged into one body. Our internal Stakeholder Steering Group was responsible for developing and embedding our stakeholder engagement processes, and included six members of the executive team. This year it has approved and provided funding for stakeholder activities which are beyond business as usual making decisions based on our initiative assessment tool.

Our external Stakeholder Advisory Panel was originally formed in 2013, and provided an expert review of our effectiveness as well as providing advice to help us improve and expand relationships with stakeholders. Existing external members of the panel had a diverse range of experience and expertise on which our team could draw. This year they constructively challenged decisions we made and offered alternative suggestions, all the time encouraging us to continually improve our understanding of the needs of our stakeholders and customers.

Future of engagement - At our 'Moving Forward Together' workshops in March 2017 **89%** of the attendees agreed that our strategic priorities should remain the same and we should continue to focus on them in the 2017/18 regulatory year. **Eighty-six per cent** of the attendees thought setting up expert panels on subjects such as fuel poverty, future of gas and support for vulnerable customers was the right thing to do, with several them putting themselves forward to participate in the panels.

Ninety-nine per cent of attendees felt their organisation could work in partnership with us in one way or another. The feedback from stakeholders at our March 2017 workshops was discussed by our Executive team at a strategy planning day in mid-April 2017 and will be incorporated in an updated corporate strategy which is under development. At a meeting of the combined Stakeholder Advisory Panel in early May 2017, external experts and members of the Executive team analysed the feedback and suggestions from the workshops and share outputs with relevant senior managers to inform future planning and decision-making. Our annual engagement plan for 2018 includes two 'Moving Forward Together' workshops in March 2018 at which we will report back to stakeholders on the actions we have taken in response to their feedback and ask for input for the following year's priorities and objectives.

As a result of the feedback we received in 2017, we are:

- incorporating stakeholder feedback on our priorities into our corporate strategy
- including expert panels within our annual stakeholder engagement plan
- focusing on enhancing existing partnerships and developing new ones

Key changes to process

In 2018, we plan to implement new processes aimed at further refining and improving relationships with our stakeholders and quantifying our engagement at a local level. We are also investigating initiatives aimed at better working with other utilities, raising the standard of roadworks in Scotland and examining gas demand forecasting with a view to creating long-term strategies with local agencies.

As part of business as usual, we will review our Accessing our services document, our standard indemnity agreements and our charges and ensure that infrastructure developers have the necessary information, guidance and support to make their developments a success.

The below examples are an indication of the key changes we have planned for the 2018 year:

Review of our Accessing our services document

Over the next year, we will review our Accessing our services document to ensure it contains the latest practical information necessary for customers who need to cross or work near to our assets as well as information on how to access our services, points of contact, a description of processes and the fees and charges customers may need to pay.

Review of indemnity agreements

We will review the clarity of the information provided our standard indemnity agreements to ensure risks and assets are described clearly, to better enable customers to appraise the impact of indemnity terms more easily.

Tailored project delivery

Last year, we introduced our tailored project delivery tool that assists in identifying everyone who, as part of planned works such as mains replacement and major projects, we need to engage with, when they should be engaged and defines what level of engagement is required. This enables us to have a structured approach to how we identify who our stakeholders are, how we engage and communicate and fundamentally manage our projects. Following our initial trial, we developed the concept further by incorporating it into our existing major work methodology (CDM) and have fully assessed 87 projects using the tool. In 2018 we will continue to develop this tool and integrate it into our services and believe it will make a big difference to how projects are developed when working together with local communities and other infrastructure providers.

Communication with stakeholders

As part of our tailored project delivery we engage with a variety of key stakeholders about our planned works. This year we have engaged the following stakeholder groups to inform and update them about work in our networks

Stakeholder	No. engaged
MP	37
MSP	173
Councillors	190
Emergency services	43
Public transport	15
Education	60
Other	2,368
utilities, businesses, residents', local authorities, highways agencies, associations etc	

Stakeholder Relationship Management System (SRM)

Building on the lessons learned for our previous methods of engaging with our stakeholders and in response to the fact that we engage with many different organisations at many different forums, we are developing our 'SRM' system to aid us in tracking engagement in a more holistic way. We believe this will lead to benefits such as fuller view of the opinions of our stakeholders which will in turn feed further improvements to our services in future.

Better working with other utilities

Following on from our engagement with Thames Water in developing protocols for dealing with emergencies and joint focus on increasing support for vulnerable customers during water ingress emergencies, we will continue to identify other infrastructure providers and network companies who may benefit from similar arrangements.



Further information



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sgn.co.uk



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