



Enabling Infrastructure Investment in the North



Cross-sector Infrastructure Interactions
Annual Report 2016

Introduction

With the launch of the Infrastructure Commission in late 2015, the renewed commitment to the Northern Powerhouse, the growing interest in alternative gases and emerging devolution deals, it's an interesting time for infrastructure in the North of England. Now, more than ever, cross-sector organisations need to work together to make the most of the opportunities in our region.

At Northern Gas Networks (NGN) we understand the challenges of dealing with large organisations when coordinating works and we're working hard to make sure that every contact with us is as straightforward as possible. We believe that by getting the basics right we can build a continued and trusted dialogue with cross-sector stakeholders. After all, we want organisations to engage with us, not just to avoid damage to our network and potential delays to their projects, but ultimately to keep everyone safe.

Each day we deliver gas to

2.7 million

homes and businesses



About Northern Gas Networks

As the North of England's gas distributor we own and maintain the vast underground pipe network which keeps homes and businesses in the North East, Northern Cumbria and much of Yorkshire warm and cooking on gas. Each day we deliver gas to 2.7 million homes and businesses in large cities such as Newcastle, Sunderland, Leeds, York, Hull, Bradford and rural areas such as North Yorkshire, Northumberland and Cumbria.

Our network flows through 36 local authority areas and six Local Enterprise Partnerships, each of which has its own plans to drive local growth. We share much

of our network footprint with other utilities including Northern Powergrid, Northumbrian Water, Yorkshire Water, Electricity North West and United Utilities, and a number of our pipes cross or are near to railway lines, rivers and bridges, as well as private land.

It's therefore not surprising that during the past 12 months we've regularly provided guidance to a range of organisations about how to work safely near our pipelines and other assets. We have also helped to enable a number of key infrastructure projects by moving in-situ assets in line with our stakeholders' plans.

About this report

Our Access Statement, first published in 2015, clearly provides the practical information necessary for anyone planning activities that may impact our assets. Reflecting the good practice principles, it contains the contact details, pricing information and service standards for our most common types of interactions: working safely near and moving our assets.

A year on, we want to take this opportunity to report back on how we've performed against the commitments made and to reaffirm these promises for the year ahead.

As we use a variety of channels to update stakeholders on our performance, you may already be familiar with some of the information contained within this report. However, by pulling all of the relevant information together here, we hope that you'll have what you need, when you need it.

We have tried to be clear and transparent throughout, highlighting areas for improvement and explaining how we plan to address these.

Who is this report for?

You, us, everyone!

We're keen to share this report widely to encourage early contact and regular feedback, let you know what to expect from NGN, and share examples of our good practice against the five principles.

By taking a broad interpretation of cross-sector infrastructure interactions we have been able to reflect upon our relationships with a range of key stakeholders including but not limited to:

- Other utility companies
- Rail road network operators
- Highways authorities
- Local authorities
- Developers and construction companies
- Landowners
- Major energy users
- Biomethane producers
- Domestic consumer representative bodies

So, if you represent one of these organisations, a regulator or infrastructure investor, we've created this report with you in mind.

Meeting your needs

As well as engaging stakeholders around key cross-sector interactions, we also invited a number of them to help shape this report.

Key stakeholders invited to help shape our first report:

- Durham County Council
- Leeds City Council
- Major Energy Users Council
- Newcastle City Council
- Northern Powergrid
- Northumbrian Water
- Yorkshire Highways Authorities & Utilities Committee
- Yorkshire Water

We're very grateful to the stakeholders who have already provided feedback and we would love your input too. If you have any comments or suggestions about the content, layout or format please get in touch:

Email: stakeholder@northerngas.co.uk

Visit: northerngasnetworks.co.uk

Our approach

At NGN we place the customer at the heart of everything we do, so when we received feedback from stakeholders including the UK Regulators Network (UKRN), about the types of problems encountered when wanting to cross or work near in-situ assets (cross-sector infrastructure interactions) we were ready to listen, learn and act on their guidance.

In particular we continue to work with key stakeholders to ensure that their experiences of NGN consistently reflect the good practice principles for managing infrastructure interactions:

- Principle 1:** The stewardship role of infrastructure network operators
- Principle 2:** Efficiency, economy and safety
- Principle 3:** Transparent processes and practice
- Principle 4:** Clear, transparent and appropriate pricing
- Principle 5:** Continuous learning and best practice

You said

'Act with efficiency and economy when interacting with clients.'
(Principle 2)

2016

In 2016 we have: Worked hard to identify, understand and improve specific cross-sector relationships. At NGN, one size doesn't fit all and our culture of local ownership and autonomy to do the right thing empowers colleagues at all levels to put the customer, large or small, at the heart of every decision.

2017

In 2017 we will: Continue this tailored approach, reviewing our processes and practices around cross-sector interactions to ensure they are fit for purpose.

You said

'Follow a process that is transparent, easy to follow, appropriately resourced and commits to explicit service standards.'
(Principle 3)

2016

In 2016 we have: Introduced a single point of contact for biomethane connection enquiries and we offer clear information about our easy to follow five stage process on our dedicated website: biomethane.northerngasnetworks.co.uk, which received 1,800 visits in 2015/16.

You said

'Fees or charges should be clearly explained, reflect reasonable and appropriate cost and risk.'
(Principle 4)

2016

In 2016 we have: Revised our Access Statement to include biomethane enquiries and our standards and pricing around accessing our network maps.

You said

'Ensure lessons and experience of best practice are proactively gathered and applied.'
(Principle 5)

2016

In 2016 we have: Surveyed more than 1,800 users who regularly access our maps to understand more about their experience of NGN. Whilst we averaged 8 out of 10 for both customer service and quality of information, we have also identified opportunities for continuous improvement and are considering ways to make our maps even more accessible.

2017

In 2017 we will: Look for opportunities to work with our Infrastructure North partners to jointly seek stakeholders' views on how we can improve cross-sector interactions.

You said

'Recognise the stewardship role you play and that effective planning and delivery of new infrastructure, across all sectors, benefits everyone.'
(Principle 1)

2016

In 2016 we have: Focused on building key relationships and worked with our Stakeholder Panel (including representatives from cross-sector organisations) to identify opportunities for NGN to support the roll out of smart meters.

2017

In 2017 we will: Continue to support Network Rail's project to electrify the Manchester to York TransPennine line, by taking the opportunity to engage wider stakeholders in our plans to divert two high pressure gas pipelines. This will help us to identify how we can best utilise our investment to greater benefit the local gas transmission system.

You said

'Demonstrate commitment to training and support of staff managing interactions.'
(Principle 5)

2017

In 2017 we will: Use the insights from our in-depth shipper and supplier research to inform colleague training and improve relevant cross-sector interactions.

How we measured up in 2016

Every day we help cross-sector organisations to connect to, work safely near and understand more about our network. The following pages focus on the key services we provide and detail our performance during the past year.

Land enquiries response for connection >275kWh **100%**

Making the right connection

In 2015/16 we assisted organisations, large and small, with new connection requests; meeting and often exceeding their expectations.

NGN team	Enquiry type / service	Standard of service	Regulatory / voluntary	Target	2015/16 performance	Potential compensation to customer
Connections	Non-standard quotations for connections >275kWh issued	21 working days	Regulatory	99.6%	100%	£20 followed by an additional £20 per working day thereafter up to the quotation sum or £500 whichever is lowest.
Connections	Land enquiries response for connection >275kWh	5 working days	Regulatory	99.6%	100%	£40 followed by an additional £40 per working day thereafter up to £500.
Connections	Commencement and completion dates provided for connections >275kWh	20 days	Regulatory	100%	97.6%	£40 followed by an additional £40 per working day thereafter up to the quotation sum or £500 whichever is lowest.
Connections	% of connection jobs substantially completed on date agreed with customer	4-8 weeks	Regulatory	95%	98.4%	From £20 to £9,000 depending upon contract value.

A tailored approach

In 2015/16, our Plant Protection Team received more than 5,400 individual requests for access to our network maps, over 75% of these were granted free of charge.

NGN team	Enquiry type / service	Standard of service	Regulatory / voluntary	Cost of service of customer
Plant Protection	Initial enquiry including access to NGN map(s)	10 working days	Voluntary but public	FREE – except in the following circumstances £25+VAT for companies who charge their customers for the service £65+VAT for Deed of Grant of Easement

Reflecting our desire to support cross-sector infrastructure projects, we do not normally charge these organisations for access to our maps and, in the interest of efficiency and economy we encourage use of our online portal. Whenever a request is received, the team proactively checks whether the organisation already has a licence to access NGN maps and if so, automatically extends it to cover the new enquirer.

Regular map users who responded to our recent survey highlighted the importance of accessibility and suggested it'd be helpful to access multiple organisations' maps from a single search. That's why, in 2017, we'll be reviewing all of their feedback and considering ways to further improve our online service offering.

What regular users said they like about NGN's online map service:

"Easy to use and you don't charge"
(Construction company)

"Easy to log in, easy to access the site(s) I am interested in"
(Local authority)

However, there are occasions when, for the right reasons, we are unable to accommodate a request or need to charge for the service we provide.

Search companies, solicitors and some cross-sector organisations charge their customers for obtaining NGN maps on their behalf. In these circumstances we do not believe it is appropriate for our customers to bear the costs associated with NGN accommodating these third party data enquiries and we therefore charge a reasonable fee of £25.00 per request.

Also, to ensure there is no competitive advantage, we do not automatically grant suppliers access to our network maps but we do carefully consider any request we receive. These enquiries are made via varying routes and whilst there are no quantitative standards around how we handle them, we are interested in developing some qualitative ones, starting with publishing a single point of contact and ensuring we always explain our decision clearly.

In 2017 we'll be conducting in-depth research with our shipper and supplier communities, from established organisations to new market entrants, to understand how satisfied they are with the services we provide and what more we could do to improve their experience.

A bird's eye view on safety

We're working hard to let people know when and how to contact NGN so we can support their works and have now expanded our Access Statement to include standards and pricing around accessing our network maps. However, with safety as our number one priority we will never just rely on other organisations contacting us about planned work.

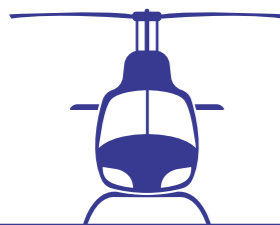
That's why, in conjunction with specialist company Heli Air, we proactively conduct aerial surveys of our high pressure network, regularly hiring a helicopter to undertake approximately 64 sightings per flight. Our on board engineer is specially trained to identify potentially dangerous works and make decisions about how to respond.

The table below shows how we responded to 1,680 potentially dangerous sightings last year:

NGN team	Enquiry type / service	Standard of service	Regulatory / voluntary	Estimated number in 2015/16	Performance
Plant Protection	Heli Air sighting – Direct threat	Immediate intervention	Voluntary but public – member of UKOPA	130 (7.74%)	100%
Plant Protection	Heli Air sighting – works within 3m of NGN assets	Site visit within 24 hours of sighting	Voluntary but public – member of UKOPA	832 (49.52%)	100%
Plant Protection	Heli Air sighting – works approaching 3m of NGN assets	NGN aware but site visit not required. Completed by desk top study.	Voluntary but public – member of UKOPA	718 (42.74%)	100%

Each plant protection enquiry is individually considered and a team member assigned to manage the end to end process for more complex requests, including those prioritised via Heli Air. This approach helps us to build strong relationships with those cross-sector organisations who make multiple requests throughout the year by providing them with a direct contact within NGN.

Whilst it would not be economically viable or efficient to take this approach for every enquiry, we are reviewing our Before You Dig process and suite of communications including literature and letters to ensure that it is transparent and easy to follow for all.



Moving our assets

During 2016, we have received 594 enquiries from customers (individuals and organisations) asking us to move our assets to enable their projects. Of these, 278 progressed to quotation stage, with approximately 34% receiving a quote within 45 days.

We've found this voluntary standard a stretch this year, with our small team developing our monitoring systems at the same time as delivering the service. However, we have recently appointed a new programme manager who, in 2017, will review the existing processes and systems to ensure the standards we offer are appropriate to our stakeholders' needs, including those of cross-sector infrastructure organisations.

NGN team	Enquiry type / service	Standard of service	Regulatory / voluntary	Performance
Diversions	Paper based form issued	24 hours	Voluntary but public	N/A – all 2016 customer requests received via online enquiry form
Diversions	Acknowledgement and guidelines for working near our assets sent	5 working days	Voluntary but public	Not currently available but will be monitored from 2017 onwards
Diversions	Quotation issued	45 days	Voluntary but public	Approx 34%

Addressing defects

It's been a challenge to meet stakeholders' expectations for reinstatement defects this year but we've worked hard to improve our performance and ensure it does not impact our relationship with highways authorities.

NGN team	Enquiry type / service	Regulatory / voluntary	No received YTD	No completed YTD	No outstanding at end of period (2015/16)	Charges received in period (2015/16)
NRSWA	2 Hr Dangerous defects	Non statutory code	232	232	0	N/A
NRSWA	4 Hr Dangerous defects	Non statutory code	124	124	0	N/A

Our reinstatement manager continues to work closely with local highways teams to identify new ways of working together. This year, we commenced a 'coring trial' with two highways authorities, which has resulted in extending warranties on a key element of our reinstatement works, from two to four years.

This along with our own internal quality audits, which we proactively share with local planners, is helping to drive service improvements, benefiting all who rely on our road infrastructure.

The right information at the right time

Our operational teams continue to speak with local authority planners and highways agencies on a daily basis, feeding their views into our short and medium term decision making processes.

From regular discussions with Durham County Council, our team understood the impact that public reported gas escapes were having at Neville's Cross Bank and therefore adapted our local investment plans to bring forward the replacement of this pipeline.

The success of this project was down to collaboration across both organisations. By issuing joint media communications customers received clear information before, during and after the works; keeping complaints to a minimum and developing a best practice approach for working together.

Each year we publish our Long Term Development Statement (LTDS), which provides a ten year forecast of transportation system usage and likely system developments. This is readily available on our website to cross-sector organisations contemplating connecting to the gas network, entering into transport arrangements, or wishing to identify and evaluate opportunities.

Local authority plans are requested and managed by our distribution network analysts who reflect these longer-term plans in our network modelling process. This helps us to establish potential future loads and identify any pipe reinforcements that may be needed in preparation for future demand.

"The A690 Neville's Cross Bank is an important strategic route but Northern Gas Networks' Engineers worked closely with Durham County Council's Network Management Team to mitigate the impact of their replacement works and minimise disruption to the travelling public."

Roger Culpin, Network Operations Manager, Durham County Council



Adapting to new markets

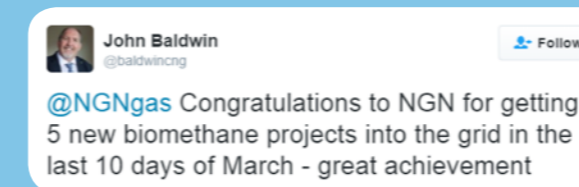
This year we have received 45 enquiries about connecting new biomethane projects to our network. Our key account managers provide a tailored service to each producer and where requested, we complete a full capacity study within 30 working days.

NGN team	Enquiry type / service	Standard of service (working days)	Regulatory / voluntary	Performance
Biomethane	Capacity Study < 7 bar (Medium and Intermediate pressure)	15	Voluntary but public	76%
Biomethane	Capacity Study > 7 bar (High pressure)	30	Voluntary but public	100%
Biomethane	Project implementation	N/A	N/A	18% of initial enquiries

Our specialist account managers guide producers through our five stage process to meet tight deadlines on complex projects and help them achieve their goals. In early 2016 we successfully connected a further eight plants to our network, including Northumbrian Water's second plant at Ridge Road.

As this sector continues to grow, we are adapting our processes and procedures to meet stakeholders' needs. This year we have introduced a single point of contact for new enquiries and are currently reviewing the information on our dedicated website: biomethane.northerngasnetworks.co.uk, which received around 1,800 visits this in 2015/16.

From our experience of getting biomethane to grid we understand that no two projects are the same, especially when working with alternative fuels. That's why we're keen to understand the needs of those enquiring about gas to power generation. Whilst we initially found it challenging to respond to the volume of enquiries received, we're working hard to manage expectations and build a process through which we can set the standards for these types of interactions in the future.



156 Gas to power generation enquiries received

The changing environment

We have always considered requests for environmental information on a practical and fair basis but the recent advice from the Information Commissioner's Office, that we are a public authority under the Environmental Information Regulations: 2004, prompted us to review our existing practice. We've therefore updated our website to proactively provide the sort of information stakeholders are interested in. We also suggest the other types of information that can be made available, how to contact us with a specific enquiry, the timeframes in which we will respond and why we may need to charge a fee.

Investing in everyone's future

Smart Meters

We've met with EDF Energy, British Gas and Smarty Energy GB to better understand the roll-out process and opportunities to minimise the impact on customers.

A1 Leeming to Barton Improvement Scheme

We've worked with Highways England to divert a high pressure gas pipeline, helping enable their project to widen this key stretch of the A1.

TransPennine Rail Electrification

We're working with Network Rail to plan the diversion of two high pressure gas pipelines to help enable electrification of the Manchester to York line. In line with the project plan, the diversion is scheduled for 2018.

Oil & Gas Production

We continue to work with the APPG for Shale Gas Regulation & Planning to help shape operators' plans to eventually get gas to grid.



"Thank you very much for attending and giving evidence at the recent APPG on Shale Gas Regulation and Planning. Your contribution was much appreciated and will certainly help inform the final report."

Kevin Hollinrake MP

Member of Parliament for Thirsk and Malton
Chair of the APPG on Shale Regulation and Planning

Setting the service standards

In addition to measuring standards set through regulation and other codes of practice, we are constantly challenging ourselves to make improvements. We measure and benchmark our business against the best within and outside our industry to ensure we are continually improving.

Council of European Energy Regulators (CEER)

In order to deliver the best service possible we voluntarily achieved the 12 CEER service standards in 2015, which will apply to us from 2021. The standards include; time taken to respond to a customer request for a new grid connection, provision of information to customers on connection, activation and disconnection and customer communication channels.

ISO 55001

We were successfully accredited against the ISO 55001 standard in June 2015 and again in 2016.

ISO 55001 is a framework for asset management systems that help us to pro-actively manage the lifecycle of our assets, from acquisition to decommission. The system helps us to manage the risks and costs associated with owning assets, in a structured, efficient manner that supports continual improvement and on-going value creation.

ISO 14001:2004

We are assured against the environmental management standard; helping us to become more environmentally friendly, reduce our consumption, waste and costs. In 2017 we will be audited against the updated 2015 standard, a key part of which is 'understanding the needs and expectations of interested parties', including other cross-sector organisations.

AA1000SES

We have been externally assuring our engagement against the AA1000 Stakeholder Engagement Standard (SES) since 2012. We're using the 2016 audit recommendations to strengthen the risk management aspects of our engagement to match the emphasis in the revised AA1000SES standard and ensure continual improvement.

Institute in Customer Service (ICS)

Following a rigorous six-day assessment we achieved a ServiceMark from the Institute in Customer Service (ICS) in 2014. With a score of 83.1 we also ranked strongly in the ICS Customer Satisfaction Index. Earlier this year we conducted our mid-point review with ICS, achieving an improved customer score of 85.6. We remain among the highest ranking companies in the UK, outperforming John Lewis and only one point behind Amazon.

2015/16
successfully accredited
against the ISO 55001
standard

Building networks

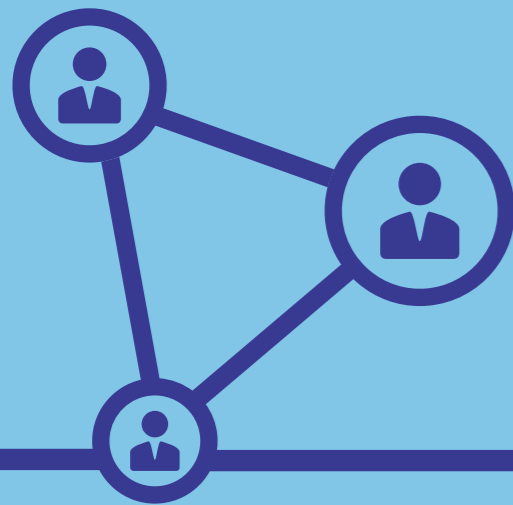
We recognise that no business is ever the finished article and are continuously looking for ways to improve what we do and how we do it. Best-practice sharing is at the heart of this and as a founding member of Infrastructure North, we work closely with Northern Powergrid, Northumbrian Water and Yorkshire Water to make the most of the opportunities within our region.

In December 2015 we launched our joint report 'Growth. Investment. Potential' to encourage cross-sector organisations to share their development plans with us and provide a route for them to engage all four companies as a collective.

Continuing this thinking, we're beginning to consider whether we could:

- Commit to joint standards for interactions between the four partners
- Agree shared standards for interactions with other cross-sector organisations
- Standardise the format of future annual reports

Therefore, during 2017 we will seek stakeholders' views on this idea and the potential standards, review the data currently available within each company and where necessary, make arrangements to collect relevant data.



Next steps

In early 2017 we will review the access statements and annual reports of other cross-sector organisations to identify opportunities to learn from and work better with them.

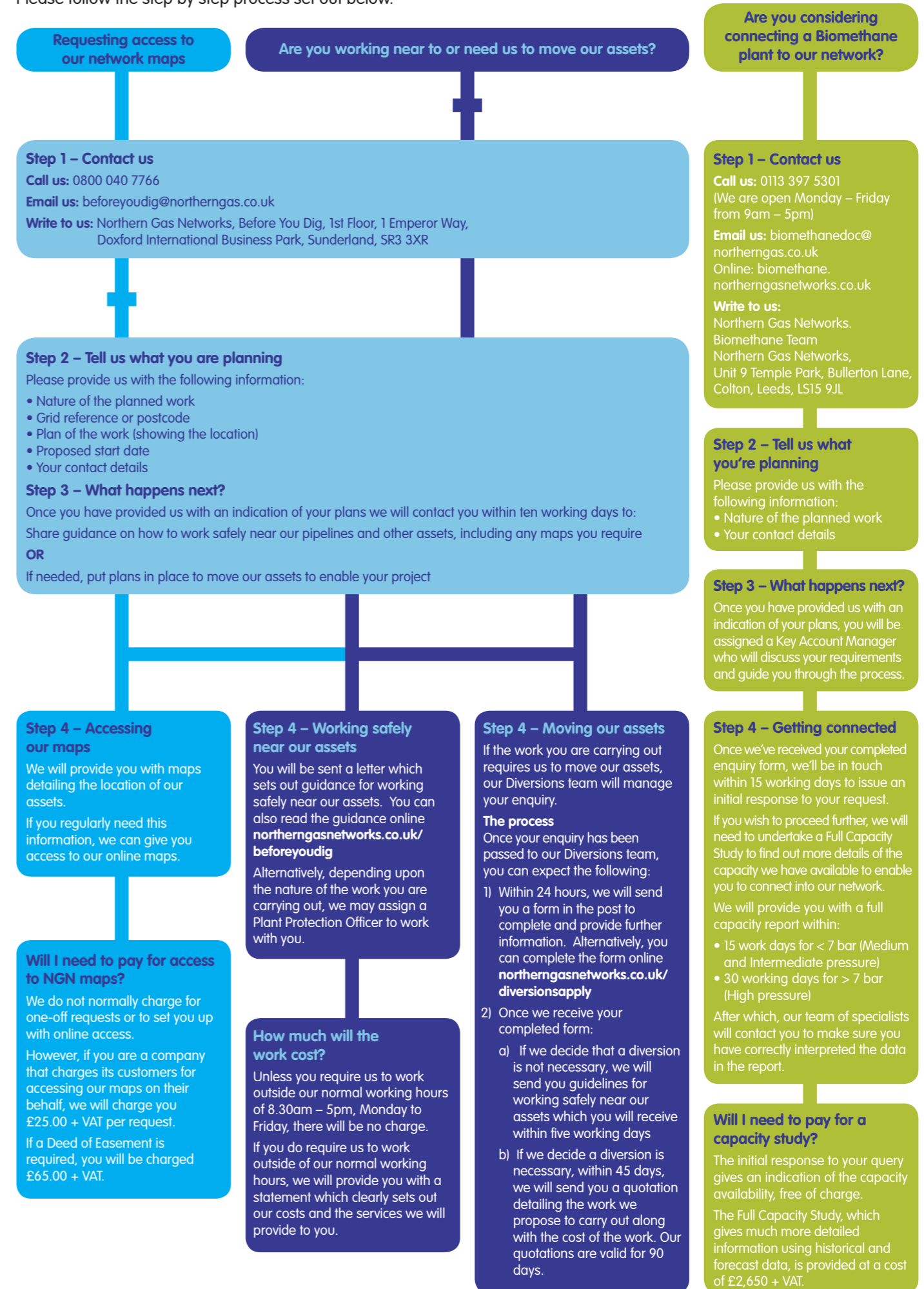
If you'd like to share a copy of your organisation's report or provide feedback about anything contained within ours, please get in touch.

Email: stakeholder@northerngas.co.uk

Visit: northerngasnetworks.co.uk

Are you planning activities which may have an impact on our network?

Please follow the step by step process set out below.



If you'd like to know more:

Email: stakeholder@northerngas.co.uk

Website: northerngasnetworks.co.uk

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**Smell gas? The National Gas
Emergency Service is available
24 hours a day. Call 0800 111 999***

*All calls are recorded and may be monitored.