

Well connected

CSC client National Grid faces huge challenges in constantly seeking to drive down costs and maintain service levels. CIO **Kathy Lane** explains how the company is rising to the supply challenge.

As one of the world's largest utilities, and a household name, National Grid has a responsibility not only to deliver energy safely, reliably and efficiently, but to lead the way in terms of innovation and progress.

Keeping the lights on

“While we continue to focus heavily in our strategic plan on the key areas of safety, service and reliability, it is security of energy supply and reduction of our carbon footprint that have grown most as issues in recent years. In addition, distribution networks in the UK and US are characterised by aging infrastructure; our focus at National Grid is very much on asset replacement.

“In tandem, our business reliability programme aims to reduce the duration and frequency of costly and disruptive power outages. This comprises everything from carrying out major asset replacement, assessment and maintenance of our substations to managing the vegetation that surrounds the power lines. We are also investing billions of pounds in large-scale projects, including new lines and connectors, and replacement of gas mains in the UK.”

Planning ahead

“There is a growing emphasis in the industry on the need to ensure secure energy supplies for the future, whether that be derived from oil, clean coal or renewable sources. In the UK, for example, about 20 per cent of electricity currently comes from nuclear power stations. However, much of this will be taken offline in the coming years as they come to the end of their natural lives.

“It's important that as a company we can demonstrate our commitment to addressing this issue – whether that means becoming a net importer of natural gas, increasing the number of storage facilities we have, or helping our customers to better manage their

consumption. We have also increased energy efficiency in our own infrastructure and facilities.

“It takes a certain balance to ensure that, while we continue to provide sufficient growth and a return for our shareholders, we also address the needs of our customers. That means being able to both meet demand and help to manage that demand.

“To achieve this, we're already investigating ways that National Grid can work with regulatory agencies to offer incentives that will reward greater energy efficiency. These can then be shared with our customers and shareholders. This is a significant change in the way the industry looks at earning profits.”

Tools of the trade

“We are focusing more on technology and innovation than ever before and on how we can manage it more holistically across the company – from addressing climate change and environmental issues to safety and asset management technologies. We now have the corporate structure and senior responsibility in place to manage that more effectively within National Grid.

“New technology impacts our business in a number of areas, but one of the most important is in our operation of critical national infrastructure for the UK's gas and electricity networks. We have continued to invest in this vital service, focusing on better design of systems, reliability and availability, as well as ways to improve our support processes.

“Emergency call handling has become a particular challenge, especially in the UK following the recent sale of four of our gas distribution networks. We've put a lot of focus and some quality methodology into ensuring we have the process capability to deal with that effectively.

“We have also carried out considerable work with our significant field force, using mobile technologies to enable more efficient scheduling, reporting and dispatch of workers. That



has had a knock-on effect on our safety record, improving our ability to deal with emergency calls quickly and to provide a high level of customer service.

“Within the industry itself, National Grid has in place some very large and complex systems, and we are relied upon to provide information to balance supply and demand on a daily basis. We are constantly adapting to support the competitive energy markets and play our role. For example, we now publish near real-time gas terminal supply information for the industry in the UK, which helps transparency across the market.”

Goals and objectives

“Following the appointment of Steve Holliday as our CEO, National Grid produced a new strategy in autumn 2006, outlining our principal objectives for the coming years. As well as maximising the value we bring to our shareholders, we want to ensure that we continue to meet customer service requirements and to operate our assets as effectively and efficiently as we possibly can.

“In terms of growth, our strategy is very much regionally focused. It is predicted that over the next 20 years, around £10 trillion will be invested in our areas of business, 20 per cent of which will be in the US. At National Grid, we see this as a great opportunity to better integrate our lines of business and functions to drive efficiencies within the company. We will re-apply best practices across the enterprise to drive operational excellence and develop a platform for future growth.” ■

The CSC connection

Constantly seeking greater efficiencies, National Grid took the decision in 2003 to outsource its IT infrastructure. CSC was awarded the seven-year, £280 million contract, supporting National Grid's mission-critical gas and electricity transmission systems and infrastructure throughout Great Britain, in addition to providing back office IT infrastructure and desktop support.



“WE ARE FOCUSING
MORE ON
TECHNOLOGY AND
INNOVATION THAN
EVER BEFORE AND ON
HOW WE CAN MANAGE
IT MORE
HOLISTICALLY
ACROSS THE
COMPANY”