

**Independent Customer
Engagement Group
(CEG):
High Level Minutes**

Tuesday 15th January 2019

Attendees:

CEG Chair: Zoe McLeod

CEG Members: Helen Fleming
Mike Foster
Simon Griew
John Kolm-Murray
Dr Kerry Mashford
Victoria Pelka
Ian Rowson
Martin Silcock
Leslie Sopp
Janet Wood

Apologies: Rish Chandarana
Tony Diccico

Cadent Staff: Mark Belmega (Head of Customer Performance)
(not present for the Richard Court (Head of Regulation & External Affairs)
Ofgem update) Dave Moon (Head of RIIO-2)
Debbie Mitchell (Stakeholder Strategy Manager)

Technical Secretay:
Gemma Norton (Stakeholder Engagement Manager)

Cadent staff supporting specific agenda items:
Sarah Bradford (RIIO-2 Strategy)
Phil Burrows (Stakeholder Implementation Manager)
Jo Giles (Social Programmes Manager)
Stephen Hassall (RIIO-2 Framework Development Manager)
Jahir Kashem (RIIO-2 Outputs and Uncertainty Framework Manager)
Leigh Page (Commercial Services Manager)

Ofgem: Pete Wightman (Head of Gas Distribution)
(present for the Emma Christie (Senior Economist)
Ofgem update only) Rupika Madhura (Senior Advisor, RIIO-2 Policy) (via telephone)

Secretary: Anne-Marie Clarke

These high level minutes provide an overview of the fourth session held on the 15th January 2019 (the **Meeting**).

The use of the word Cadent and Company are used interchangeably and refer to Cadent Gas Limited.

Meeting Governance, Member Updates and Cadent Updates

The Meeting began with the Chair Zoe McLeod holding a private members session with members of the CEG, after which Cadent representatives joined the Meeting.

Governance matters were considered including updated declarations of interest, approval of the prior meeting minutes and a review of the status of actions and challenges recorded on the relevant logs.

Updated interests were recorded as follows:

- Mike Foster (MF) reconfirmed to the CEG his appointment as Chair of Affordable Warmth Solutions CIC (**AWS**), an organisation established in 2008 to address some of the issues caused by increasing energy prices and the growth of Fuel Poverty in the UK. AWS receives financial assistance from the Company to enable it to assist vulnerable households.
- Victoria Pelka (VP) confirmed to the CEG that Citizens Advice provided services through separate local Citizens Advice organisations, and confirmed she did not work for the Coventry organisation with which the Company worked.

The Meeting then received a number of updates covering:

- Chair updates on meetings attended in her role as Chair of the CEG, including attendance at the Company's presentation to the RIIO-2 Customer Challenge Group (**CCG**). The Chair also circulated an Ofgem document summarising areas identified in the RIIO-2 sector specific methodology consultation (the **Ofgem RIIO-2 consultation**) and RIIO GD-2 sector annex where the CEGs were particularly encouraged to provide views and challenge the Company's business plan. This was discussed further during the private members session held at the end of the Meeting.
- Member updates on meetings attended and matters of relevance to the CEG.
- CEG working group updates, groups which had been established to enable deeper dive of key aspects of the business plan: Research & Insights (previously named Research Methodology), Vulnerability, Finance & Investment and Future Role of Gas.
- Cadent update on the Company's response to the Ofgem RIIO-2 consultation and implications for the forward work plan.

Outputs: Approved minutes and status of actions and challenges.

Actions and challenges: A total of 10 actions and 2 challenges were raised during this section of the Meeting.

Ofgem – Update and discussion on sector specific consultation

The Chair welcomed to the Meeting Ofgem representatives Pete Wightman (Head of Gas Distribution), Emma Christie (Senior Economist) and Rupika Madhura (Senior Advisor, RIIO-2 Policy).

Ofgem representatives provided introductions followed by a brief presentation of a high level overview of the Ofgem RIIO-2 consultation, summarising the key aims and proposals against those aims, proposed outputs, the business plan minimum requirements and characteristics of a good and bad business plan.

The CEG raised a number of observations and questions during this session, including but not limited to around: the role of the CEG in challenging the business plan; the cost incentives and blended sharing factor; quality of engagement; benchmarks for a poor and good plan; Ofgem's approach to whole systems; focus on business consumers; capacity

constraints, environmental outputs, the timing of the changes to the innovation framework versus RIIO-2, the RIIO-2 output metrics and fuel poverty and responsible business and social contract thinking.

The Chair thanked the Ofgem representatives for their attendance, who then left the Meeting.

Providing a quality experience to all our customers, stakeholders & communities

The Meeting received a presentation from the Company providing an overview of the Company's customer strategy, a business chapter being brought to the CEG for the second time, with a focus on three different areas

Following this, the Meeting held breakout sessions considering three areas:

- Fuel poverty,
- CO awareness, and
- Vulnerability.

Presentations from the breakout sessions were made to the Meeting covering three key questions raised by the Company of:

- Do you believe that our strategy/approach is the right one?
- Do our RIIO-2 proposals help meet our strategy?
- If not, what would you expect to see in addition to our existing approach/plans?

Outputs:

Summaries of answers to the Company's questions covering the three areas.

Meeting review session

Chair updated how feedback from previous meetings had led to improvements in the current approach. The CEG members discussed the effectiveness of the Meeting to identify further improvements.

Outputs: Summary of points covering What had gone well and areas for improvement.

Cadent representatives left the Meeting.

Meeting conclusion

The Chair held a private members session to discuss the agenda matters covered during the day; Ofgem's proposed areas of scrutiny for CEGs identified in the Ofgem RIIO-2 consultation and key messages for the Cadent Board.

The Meeting then closed.

Outputs: Actions for the CEG.