

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

**Monday 10th and Tuesday 11th
September 2018**

Attendees:

CEG Chair: Zoe McLeod

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

Cadent Staff: Richard Court (Head of Regulation & External Affairs)
Dave Moon (Head of RIIO-2)
Mark Belmega (Head of Customer Performance)
Debbie Mitchell (Stakeholder Strategy Manager)

Technical Secretaries:

Gemma Norton (Stakeholder Engagement Manager)
Amy Brooks (RIIO-2 Engagement Advisor)

Session Facilitators:

Kate Grant (Asset Strategy & Investment Manager)
John Duckworth (Head of Operations, Transformation)
Craig Neilson (Revenue & Pricing Manager)
Jahir Kashem (RIIO-2 Outputs and Uncertainty Framework Manager)
Phil Burrows (Corporate, Social Responsibility Manager and Smart Metering Lead)
Roseanne Thomas (Head of Communications and Stakeholder)
Stuart Easterbrook (Future Gas Strategy Manager)
Tina Hawke (Design Manager)
Dave Tilley (Gas Supply Network Manager)
Dan Adcock (Customer Centre Manager)

Ofgem: *Day 2 (11:00-12:30):*
Julie Black (Programme Director, Network Price Controls)
Rupika Madhura (Head of Gas Distribution Policy)

These high level minutes provide an overview of the first session held on the 10th and 11th September 2018 (the **Meeting**).

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

Day 1

1. Ways of working and our hopes and fears going forward:

Zoe McLeod, chair of Cadent's CEG started by covering the ground rules for the CEG. This was then followed by a hopes and fears session, where the members and Cadent staff were split into two groups and asked to write their hopes and fears for the CEG on post-it notes, before comments were fed back to the wider group.

2. Who we are?

Richard Court, Head of Regulation and External Affairs started by giving an introduction as to who Cadent are and what they do, which involved playing the new brand video. He described the beach-to-meter model, where Cadent sits within that, also touching on energy bills and how much is made up by the transportation charge. He then went on to describe the Cadent business, who their stakeholders are, highlights of 2017/18, a brief overview as to who makes up the Executive team and the three processes which Cadent operate across (Emergency Response and Repair, Operate and Maintain and Replace and Extend). Finally he went into more details about the new Cadent brand and the purpose, strategy and company values going forward as a new business.

3. Our obligations and how we are regulated:

Kate Grant, Asset Strategy and Investment Manager, presented on the the legislative framework Cadent has to abide by from the Health and Safety Executive (HSE). She gave details of the Health and Safety At Work Act and how their safety management system is structured to keep customers and employees safe, whilst the policies, procedures and standards sit at the core, detailing how they work. Kate then went on to talk about why Cadent are investing in the network, replacing metallic pipelines with plastic – focusing on the health and safety related reasons for doing this.

Dave Moon, Head of RIIO-2, gave an introduction to the RIIO regulatory framework. This included explaining the objectives of the framework, what it's aims are to achieve and how RIIO-2 is likely to evolve from RIIO-1. The members were split into smaller groups for a carousel session to find out more about Cadent's four draft outcomes, along with finance. The outcomes covered: safety and reliability, environment, social obligations and customer and connections.

The groups rotated around each of the topics in turn, where there were the relevant Cadent experts facilitating at each one. The discussions had were around the key questions Cadent are considering for RIIO-2 in relation to each outcome and the members had the opportunity to ask further questions they had in relation to that topic.

4. A strategic outlook:

Richard Court gave a presentation on the external focus, talking around the Political, Economic, Social, Technological (PEST) factors and how these areas are impacting on the business and their customers. The group took part in a post-it note activity where they were asked to write down any considerations Cadent should be paying attention to with regards to the PEST factors.

Next, Mike Foster gave his views on Cadent as head of their Stakeholder Advisory Panel. He spoke about Cadent being seen as strong in terms of safety and focussed on innovation.

Whilst he thought Cadent needed to be more visible and better at telling their story and getting a greater consumer buy in to the positive outcomes they deliver.

Mark Belmega, Head of Customer Performance, facilitated a session where he focussed on Cadent's Strengths, Weaknesses, Opportunities and Threats (SWOT) as a business, looking at what they are good at, where they can improve and how do they benchmark against others.

Day 2

1. Hinckley site visits (DNCC and Customer Centre):

Group members visited the Distribution Network Control Centre (DNCC) with Dave Tilley, Gas Supply Network Manager. Each group had the chance to go inside the control centre and find out about its function and importance when it comes to ensuring gas supply and demand is met within the network for customers.

Group members visited the Customer Centre with Dan Adcock, Customer Centre Manager. Dan gave an overview of the different teams, including complaints, enquiries, gas emergency telephone service and plant protection, Dan shared the specified standards and targets the teams work to. Each member also had the opportunity to sit with an advisor and listen to live emergency calls coming in.

2. The role of enhanced engagement:

Ofgem representatives Julie Black and Rupika Madhura spoke to the CEG about the role of enhanced engagement during RIIO-2. They gave an overview of the aims for RIIO-2, the role of the distribution CEG's, transmission user groups and the RIIO-2 Challenge Group in giving consumers a stronger voice and shared the indicative high-level milestones for developing the sectoral price controls. The CEG were then given the opportunity to ask Julie and Rupika any questions they had (the questions and answers have been captured in a separate document).

3. How are we going to work together for our customers:

Julie and Rupika from Ofgem and the members took part in a mapping session with regards to the scope and focus areas of the CEG. The groups were asked to consider whether the CEG scope was clear, whether anything was missing, whether anything explicitly out of scope should be detailed within the terms of reference and how the CEG might assess Cadent's approach in the areas of scope.

Zoe facilitated a discussion on the governance aspects of the CEG which covered areas such as the roles and duties of the group, members' conduct and responsibilities, independence, transparency, accountability and social media guidelines. (The questions asked and decisions made during this session have been captured in a separate document).

Dave Moon covered the high level work plan for Cadent which covered off the RIIO2 timeline and how the business plan timeline maps out against this. He also proposed the forward looking CEG agenda for future meetings.