

## **Cadent Chair Statement**

In the spring of 2023, Cadent decided to re-establish a Customer Challenge Group (CCG), having had one in place as a requirement from Ofgem for the RIIO2 Business Plan development process. Following a thorough recruitment process in the summer of 2023, I was delighted to be appointed by Cadent, as the Independent Chair of their CCG. I commenced working with them in September 2023 and started to recruit other CCG members to establish the group.

It has been a pleasure to undertake this role, having spent a large part of my career working for and representing a large number of Shippers/Suppliers in the gas market – these companies are ultimately Cadent’s customers and key stakeholders, with a keen interest in how Cadent does business and how they interface with and serve end consumers.

I was pleased to see that Cadent had taken the initiative to set up the CCG, ahead of Ofgem requiring the network companies to set up what Ofgem proceeded to call the Independent Stakeholder Groups (ISGs). I was advised that Cadent’s impetus to set up the CCG had come from the Board and I have seen first-hand, through my many meetings with the Board and with the Cadent CEO, Steve Fraser, that the Board welcomes the challenge and insight that a CCG can bring. From the outset, Cadent advised me that they were looking for the CCG to challenge them. This is why they wanted to establish the group, and they wanted the challenge to be around the business plan process and how they carry out their business, helping them to think differently and more widely about the challenges that the company faces.

In assembling the group, I was clear that I would like to “bring the outside in”, by assembling experts from within and outside the energy sector to constructively challenge Cadent’s thinking and ways of working. To that end, Cadent and I worked together to identify the areas where the group’s challenge would be most effective.

To determine the focus areas for the group, Cadent mapped out the different policy areas that feature in their business and together we mapped these to Cadent’s four pillars – safe, secure and resilient supplies, infrastructure fit for a transition to Net Zero, high quality of service, and system efficiency and long term value for money. For each of these areas (noted below) we considered the impact on the bill, how much influence/optionality there was for the area of the plan and ultimately, with these factors in mind, what level of scrutiny and challenge the CCG should have around them. This allowed us to determine high, medium and low areas of priority between the topics and helped me identify the experts that would be beneficial to have in the CCG Group.

### **Safe, secure and resilient supplies**

- Iron mains replacement programme
- Asset health (NARMS)
- Climate resilience
- Physical security and cyber resilience
- Workforce and supply chain resilience
- Emergency service

### **Infrastructure fit for a transition to Net Zero**

- Climate and carbon commitment
- Sustainable use of resources
- Biodiversity and natural capital
- Reducing operational environmental impact
- Net zero transition/hydrogen/biomethane

### **High quality of service**

- Customer satisfaction
- Complaints handling
- Guaranteed standards of service (GSoP)

- Customer vulnerability strategy
- Unplanned interruptions
- Collaborative streetworks

### **System efficiency and long-term value for money**

- Digitalisation
- Innovation
- Stakeholder engagement programme

In considering the factors above we were able to tailor the work of the CCG and determine what expertise we would need around the table to substantially and robustly challenge the company (and we subsequently confirmed that the group has been established in line with Ofgem's business plan guidelines for ISGs). In October 2023 the group was formed comprising the members below:

Adam Scorer	CEO, National Energy Action
Ashleye Gunn	Expert Customer Advocate
David Flynn	Professor Cyber Physical Systems, University of Glasgow
Geraldine Buckland	Chief People Officer, Elexon
Janet Wood	Editor, New Power Report
Leanne Case	Sustainability and Innovation Strategist, CEO, Vzir Consulting
Liz Tinlin	Purpose and Positive Action Strategy Consultant, Bluebabel
Stephen Barrett	Director of Strategic Accounts, Energy and Utility Skills



Cadent and I agreed that it would be beneficial to establish a sustainability group to work alongside the CCG to cover environmental issues and challenges in detail. Therefore, a group for sustainability was created and has been chaired by Leanne Case from the CCG. The members of the Sustainability sub-group are:

- Bunmi Adefajo, Energy Systems Innovation Expert
- Laura Hoang, Human Factors Engineer, Sustainability Advocate

- Professor Paul Dodds, Professor of Energy Systems, University College London (UCL)

When Ofgem determined that the network companies should establish ISGs, the CCG members, Cadent and I agreed that the CCG would become the Cadent ISG and we have been operating in that way since. Since October 2023 we have had monthly meetings of the CCG/ISG, part of which is a members-only session; we also have held mid-month catch-ups and I have had at least monthly meetings with the company to plan the CCG meetings and agree on discussion topics. In all meetings the members come together and cover topics that are pertinent to the challenges the company is facing and that they need to consider as part of their plan.

Some of the topics that we have covered jointly as a group are:

- Future role of gas
- The customer insights process
- Hydrogen strategy
- Innovation and operations
- Workforce resilience
- Customer service and satisfaction
- Customer vulnerability strategy
- Shrinkage and leakage
- Net Zero collaboration
- Stakeholder engagement
- Digitalisation strategy
- Cadent's culture

Whilst these topics came to the whole group for discussion, we initiated, and are continuing to develop, a system of "buddies", where members of the group were paired to particular topics (depending on their expertise and experience) to have 1-2-1 meetings with Cadent's teams and consider in detail the proposals that Cadent were looking to put into the Business Plan, for example around customer vulnerability and workforce.

As part of the ISG arrangements, Ofgem requires that I, as Chair of Cadent's ISG, warrant several things around the business plan. As such I can confirm that:

- I was recruited by Cadent and operate in an independent capacity as Chair of their ISG.
- We have published and agreed on clear Terms of Reference for the ISG, which includes how the group is governed.
- There has been support provided to me and the ISG in carrying out our duties and we have been given adequate information and induction to be able to understand Cadent's business, the challenges they face and the wider environment in which they operate.
- We have had in-depth sessions on stakeholder engagement and detail on how Cadent has drawn insight from customers, as well as an understanding of how this insight has influenced and shaped Cadent's plans.
- We have had information about the value for money for customers that Cadent's plans have, including details on bill impact.
- The ISG has had access to relevant data, information and evidence, both through the monthly ISG meetings, but also in in-depth discussions about particular topics, which has allowed the ISG to provide meaningful input and constructive challenge.
- The Sustainability sub-group of the ISG has also considered and challenged the development of initiatives and proposals around the business carbon footprint (BCF) targets.
- We have been provided with comparative data from other gas network companies (including RIIO-2 performance data) and from companies in other relevant sectors.

- As mentioned above I have met with the Board on a number of occasions to ensure that they were fully up to speed on the work of the ISG and explained any challenges the ISG had in relation to the Business Plan development process and operation of the company.

A handwritten signature in black ink that reads "Angela Love" with a stylized flourish at the end.

**Angela Love**  
Chair of the Cadent Independent Stakeholder Group