

## Key points and summary of Customer Engagement Group (CEG) questions/discussion sessions. NB: Not verbatim.

RIIO-ED2 Customer Engagement Group – Meeting 8		
Tuesday 28 <sup>th</sup> July 2020	09:30 – 13:00	Virtual Conference
Meeting called by	John Howard	
Type of meeting	Customer Engagement Group	
Facilitator	SP Energy Networks	
Note takers	Clare Dawson	
Chair & Timekeeper	John Howard	
Attendees	John Howard (JH) Andy Billcliff (AB) Chris Clark (CC) Matt Cole (MC) Sam Ghibaldan (SG) Benny Talbot (TB) Jan Webb (JW) Kankana Dubey (KD) Gill Wood (GW)	Andrew Jardine (AJ) Gillian Hurding (GH) Clare Dawson (CD) Kendal Morris (KM) Iain Divers (ID) Martin Hill (MH) Tracy Joyce (TJ)

Agenda Topic: Welcome, agenda and minutes	
0930 - 0945	John Howard, CEG Chair
Discussion	<ul style="list-style-type: none"> <li>JH welcomed everyone to the eighth meeting of the CEG, asking if members had any further comments to make on the meeting minutes from the July meeting</li> <li>JH asked if there were any further additional conflicts of interest</li> <li>JH asked if there were any further amendments to the minutes</li> </ul>

Agenda topic: T2 Draft Determination	
0945 – 1010	Martin Hill, Head of RIIO-T2 Development
Discussion	<p>MH presented his views on Ofgem's RIIO-T2 Draft Determination. MH stated that the Totex reduction of 30% for SPT is very disappointing and that SPEN had highlighted a significant number of errors in Ofgem's cost assessment process. MH mentioned that the T2 stakeholder engagement was extensive, with customers, stakeholders and connected parties reviewing different parts of the plan, and that the lack of emphasis that Ofgem had put on stakeholder engagement within their determination in terms of the plan was very disappointing.</p> <p>Comments and discussion from the CEG focused on the following areas:</p> <ul style="list-style-type: none"> <li>How the Totex values has been calculated. SPEN explained that its T2 plan is 6% below what it had in T1 business plan per annum, placing greater reliance on uncertainty mechanisms which means SPEN is not eating into the baseline costs</li> </ul>

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Agenda Topic: T2 User Group Perspective	
1000 – 1045	Rt Hon Charles Hendry, Chair of SPEN User Group
Discussion	<p>CH outlined the RIIO-T2 User Group's response to Ofgem's Draft Determination. CH said that the User Group was disappointed by the T2 draft determination result. CH raised that SPEN had been asked achieve Net Zero, but the draft determination outcome will make it harder to achieve, making connections more difficult and will impact delivery and timelines.</p> <p>Comments and discussion from the CEG focused on the following areas:</p> <ul style="list-style-type: none"> <li>• If enough certainty is being provided by the Government to Ofgem</li> <li>• The democratisation of the process, if, as some stakeholders are implying, that the opinions of TO's User Groups were largely ignored in the Draft Determination</li> <li>• If the regulator is required to focus on short term planning rather than long term policy objectives, favouring an approach that minimises costs in the short term</li> <li>• Ofgem's regional view with regards to companies having the flexibility and support required to achieve differing Net Zero targets depending on what country (and city region) they operate in</li> </ul>

Agenda Topic: Customer Engagement Update	
1110 - 1150	Kendal Morris, General Manager – Customer & Social Delivery
Discussion	<p>KM gave an overview of SPEN's four-phase approach to Customer Engagement.</p> <p>Comments and discussion from the CEG focused on the following areas:</p> <ul style="list-style-type: none"> <li>• Ensuring SPEN's priorities are drawn from customer research and not pre-determined by the company, thereby limiting choice. SPEN said that the topics collated have been informed from customer feedback, policy and strategy documents</li> <li>• The CEG asked to see research that has been conducted on household income. SPEN said that the results of the different research phases will come back split by customer group then each customer group will be split by each customer segment. Then SPEN can assess the breadth of services customers want SPEN to offer and understand if there are any differences across the customer groups</li> <li>• If the percentage engagement was going to be relevant to the percentage volume of each group and asked if SPEN forecast revenue for the future. KM said that samples would be based on the size of each customer group and the statistical robustness of the sample size for each. Significant increases in future customer numbers in each group would be considered. The weighting and volume of groups and</li> </ul>

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	<p>segments relative to business decisions. SPEN said it wants to make sure that they are able to cater for everyone and for any differences</p> <ul style="list-style-type: none"> <li>• What consideration has been given to minority ethnic groups and whether the attitudes of ethnic groups will fit into the seven customer segmentation categories. SPEN said that while ethnic minorities and foreign language customers are a very small proportion of SPEN's customer base, the company does engage specifically with customers whose first language is not English to help reach these groups</li> </ul>
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Agenda Topic: Manweb	
1150 - 1210	Matt Cole
Discussion	<ul style="list-style-type: none"> <li>• MC met with other Manweb focused CEG members to consider how they could best represent the area on the group</li> <li>• The team which has so far presented to the CEG has been largely based in Glasgow so easier to have conversations on Scotland but highlighted that the CEG need to have more discussions on Manweb and that specific region. SPEN need to have a greater focus on Manweb and ensure they are giving both equal weighting</li> </ul>

Agenda Topic: AOB	
1210 - 1250	John Howard, CEG Chair
Discussion	<ul style="list-style-type: none"> <li>• The group felt it would be useful to distribute CEG materials a few days before the meeting to allow the CEG to submit questions prior to the meeting</li> <li>• If the CEG should be engaging with other stakeholder groups and having discussions with them as other companies such as SSE are inviting them along to their CEG meetings</li> <li>• The creation of sub groups to review the business plan so separate and relevant discussions can be had further down the line when creating the business plan</li> <li>• If the CEG could observe some customer research sessions</li> </ul>