

Report on Northern Powergrid's Customer Engagement Group discussions in October 2020

Summary

The Customer Engagement Group¹ held further discussions looking at Northern Powergrid's work on developing its business plan for Ofgem's RII0-ED2 price control process. This is the plan that will cover the 5 years 2023-2028.

The main items we discussed this month were Northern Powergrid's plans for **customer service and vulnerability**, and their plan for improving **workforce resilience**.

This month we have also published an **Interim Report** on all our work so far in scrutinising Northern Powergrid's development of its business plan. This report is available here: <https://ceg.northernpowergrid.com/wp-content/uploads/2020/10/Northern-Powergrid-Independent-Customer-Engagement-Group-Interim-report-October-2020.pdf>

Customer Service and Vulnerability

The CEG welcomed the comprehensive approach being pursued by Northern Powergrid and its ambition to be the number one distribution company on customer service. We asked the company to ensure that its plans take account of its planned transition from network to system operator, as we think this will significantly change the company's impacts on its customers.

On vulnerability we recognised that Ofgem has set out an ambitious agenda for ED2. It will be essential for Northern Powergrid to work with and through other organisations, such as local charities, in order to fully achieve its goals to protect people. We encouraged the company to adopt this approach as much as possible and, by paying these third sector organisations for their services, to strengthen them and also reinforce Northern Powergrid's role as a force for good in the communities it serves.

We recognised that fuel poverty is a large and complex issue, and is being affected in a big way by the COVID-19 pandemic. Research into it conducted earlier in the year by the company will need to be updated as the pandemic progresses, and will need to be extended to ensure it captures the impact on rural customers. We asked to be kept up to date with developments in this important area.

¹ If you want to find out more about the role of the Customer Engagement Group look here:

<https://ceg.northernpowergrid.com/>

Workforce Resilience

We previously discussed Northern Powergrid's plans for developing its workforce in April of this year, and at that time we reported:

"NPg has an ageing workforce and needs to keep attracting people with the right aptitude and skills to keep their network safe and reliable and to provide a good service to their customers. The company has a well established recruitment programme that has enabled them to recruit enough people over the last few years, and they work closely with local further and higher educational establishments. But they have been less successful in attracting a diverse range of applicants, or people from all the areas that they serve."

In this further discussion we were not fully convinced that the proposals presented to us adequately reflected the degree of aspiration and urgency needed to address the challenges of diversity the company (and wider industry) faces: we suggested that they engage a broader set of stakeholders and ask a greater range of questions than they have so far.

We emphasised that their plans need to take into account the changes in skills balance that will be required to deliver other aspects of the business plan, such as the transition to DSO.

We were pleased to hear that Northern Powergrid has identified the companies that are doing well in this area, and we asked to be given information about the benchmarks being achieved by these other companies.

We made the point that it will be important to set out clearly the company's purpose, values, and ethos as part of its proposition to potential employees (particularly young people): the company's purpose and its role in the community are powerful selling points.