

A woman in a blue and white striped shirt is cooking in a kitchen. She is holding a small white bowl and looking down at it. In the background, another woman in a blue shirt is also in the kitchen. The kitchen has white cabinets and a stainless steel stove. The lighting is bright and natural, suggesting a sunny day.

Your gas network, shaped by you

Our proposed plans for 2021 - 2026

**Help us set
standards
you love**

Cadent
Your Gas Network

Who we are

Your gas network

Cadent own, operate and maintain the largest gas distribution network across East of England, North London, North West, and West Midlands. If you haven't heard of us, it's probably because our name is quite new – we used to be part of National Grid.

Our network of pipes stretches over 80,000 miles to over 11 million homes and businesses. We own the pipes, but we don't own or sell the gas, this is the role of your gas supplier.

How we are funded

You pay for the work we do through your gas bill. Although it comes from your gas supplier our costs are included and make up about 20% of the overall bill.

We run the national gas emergency service on behalf of the gas industry. We're the people you call if you have a problem with your supply, or smell gas.

0800 111 999

All calls are recorded and may be monitored



How we are listening

We've spent the last 18 months understanding what you expect from us now and in the future.

You have told us what you would like us to deliver in our next five-year business plan. We have been busy finalising what this looks like and what the potential impact will be on your gas bill. This is our most ambitious plan and we acknowledge that there is no such thing as an 'average customer'. We will provide far more tailored services to meet the different needs of our customers and stakeholders.

100

feedback events

20,000

of you have given your views

1,000,000

separate bits of feedback

ways we are listening



Our vision

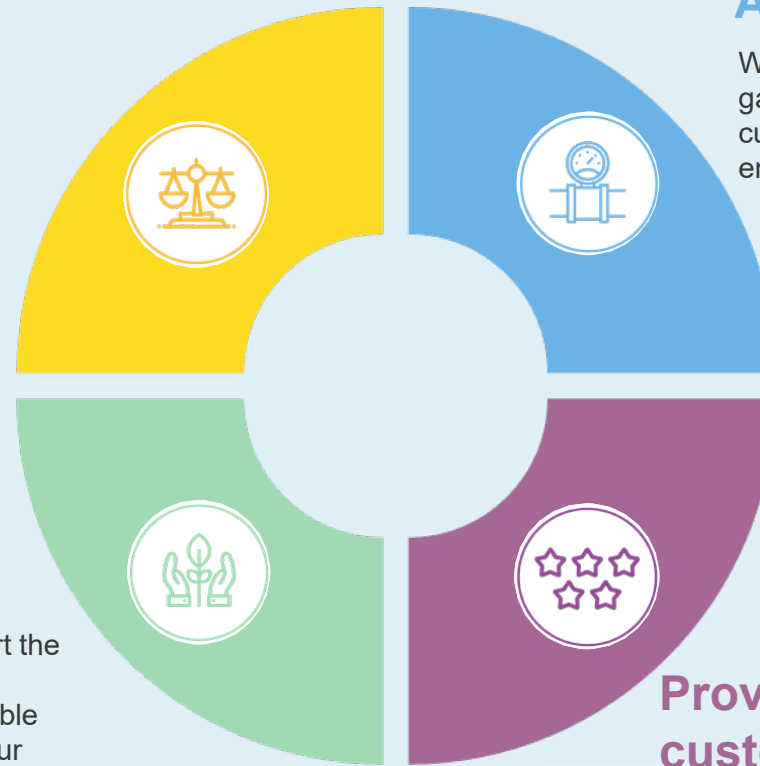
Our vision is **to set the standards that all of our customers love and others aspire to**. By bringing together our vision and your priorities, we are making commitments we believe can make a real difference.

Trusted to act for our communities

We understand that customers place trust in us and our work. We will focus on building trust through every action we take, giving back to our communities and ensuring transparency in how we operate.

Improving the environment

We will take a leading role to support the UK's decarbonisation challenge and transition to transport more sustainable sources of energy. We will reduce our carbon emission and our impact on the environment.



A resilient network

We will maintain a reliable gas supply that keeps our customers, communities and employees safe.

Providing a quality customer experience

We are committed to providing an outstanding customer experience and helping those most in need.



A snapshot of our plan

A snap shot of what we want to deliver

To help achieve our outcomes, we're making specific commitments to improve in certain ways.

These commitments not only help you hold us to the very highest standards, they also help us measure our performance. On the following pages, you can explore our commitments in more detail.



We will...

 <ul style="list-style-type: none"> • Become a carbon neutral business by 2026 and reduce our employees' emissions by 5,000 tonnes. • Demonstrate the use of hydrogen at scale by investing £200m into new technologies. 		<ul style="list-style-type: none"> • Send zero waste to landfill. • Play a leading role in supporting the UK's decarbonisation challenge transitioning to more sustainable sources of energy.
 	 <ul style="list-style-type: none"> • Regularly engage with customers and stakeholders to ensure that we are delivering the standards that they love. • Invest in our people, making Cadent a place where they are truly proud to work. 	
 <ul style="list-style-type: none"> • Raise the awareness of carbon monoxide and protect customers from the dangers associated with CO across our Networks. • Support over 30,000 customers out of fuel poverty and trial a pioneering new funding model. • Invest to understand the individual needs of our customers and join up support services to meet these needs. • Raise the bar on all of the services that we offer. • Minimise the disruption of our work through better roadwork information and by working closely with other utilities. • Offer 2-hour timed appointment slots for our planned work. • Never leave a customer vulnerable without gas. 	 <ul style="list-style-type: none"> • Maintain incredibly high levels of reliability and low levels of risk across our networks, whilst reducing our customer bill by 15% by 2026. 	 <ul style="list-style-type: none"> • Actively support the communities that we serve through our employee volunteering scheme and invest over 1% of our post-tax profits into a stakeholder informed community fund.
		
<p>Driving efficiency by building competition across our supply chain model that helps us to keep our bill impact low.</p>	<p>Continuing to invest to find innovative solutions and enable continual improvement.</p>	<p>Being clear to customers how our work impacts their gas bill, including how this may change due to factors that we cannot predict right now (uncertainty).</p>

This plan delivers over £1.1bn in value to our customers and communities¹



A Resilient Network

Keeping the energy flowing safely and reliably

You've told us that maintaining a safe gas network for our customers, communities and employees while ensuring a reliable gas supply is the most important part of what we do.

We have worked hard to establish world class safety performance and network reliability over 99.99%, which means our customers will only receive a gas interruption once every 40 years on average. But we want to do even better. We are investing to improve the health of our pipes and infrastructure and continue to evolve our data, cyber security and physical security provisions.



Your Priorities

What we've heard:

- Maintain our gas network to keep homes and businesses safe and warm, now and for future generations
- Complete our works to a quality standard as quickly as possible
- Provide reassurance that our data and pipes are safe from cyber or physical threats
- Work collaboratively with other utilities and industry bodies to minimise disruption
- Keep you informed about the impact and duration of our work when we are working on our network

Our Priorities

We will:

- Modernise our network, replacing old metal pipes across the country to continue to keep you safe and warm
- Continue to provide a 24/7 gas emergency service everyday
- Work in partnership with other utilities to plan work together
- Ensure communities, including those living in homes in multi storey buildings experience the shortest possible interruption to their gas supply
- Ensure we have the right capabilities across our operation to deliver outstanding customer experiences as our network evolves

What we will deliver

We will:

- Replace 1540km of iron pipe a year
- Replace 47km higher risk pipework a year
- Modernise 13km of large mains in London
- Investing £170m in pipework improvements to homes in multi storey buildings across our four networks, with 66% of this within North London
- Answer 90% of emergency calls within 30 seconds, in line with our licence obligation
- Find innovative ways to replace and repair pipe without digging the road, using robotics and other new technologies





A Quality Experience

For all our customers, stakeholders and communities



You'll probably never need to contact Cadent directly, but if you do, we're committed to providing an outstanding experience. That's why we're putting new standards in place to measure and significantly improve in this area over the next five years.

We've listened and worked to understand more about what you need and value. In particular, you've said you'd like us to do more to help people in vulnerable situations and educate those most at risk to the dangers of carbon monoxide (CO).

Your Priorities

What we've heard:

- Improve our customer service through offering flexible appointment times to fit in with your busy lives and make our services accessible and inclusive for all
- Champion the education of customers to raise awareness of carbon monoxide poisoning and the Priority Services Registry (PSR)
- Improve the experience for customers in vulnerable situations and those living in homes in multi storey buildings
- Do more to tackle fuel poverty
- Minimise traffic disruption and improve the way we communicate where our works are taking place

Our Priorities

We will:

- Transform our services for customers living in homes in multi storey buildings
- Create accessible and inclusive services for all
- Increase the awareness of the dangers of carbon monoxide poisoning
- Go beyond to never leave a customer vulnerable without gas
- Trial a pioneering new approach to fuel poverty funding in England
- Significantly grow our network of partnerships to support our communities
- Put new standards in place to measure all our customer facing services and ensure we respond to your enquiries and complaints rapidly
- Provide multiple methods of communication to keep you better informed about our roadworks, including use of social media, postal service and face to face

What we will deliver

We will:

- Improve the time taken to restore your gas supply if it is interrupted and reduce interruption times for customers living in homes in multi storey buildings year on year
- Issue 3 million carbon monoxide (CO) alarms across our network and educate 200,000 households most at risk about the dangers of CO
- Locate and isolate any appliance omitting carbon monoxide for 77,500 customers in vulnerable situations
- Promote the Priority Services Register (PSR) through 2 million targeted conversations with customers.
- Partner with emergency and health organisations to improve CO awareness and promote the PSR
- Offer customers in vulnerable situations personalised welfare provisions and repair or replace 15,000 dangerous appliances
- Make more than 35,000 interventions to help people in fuel poverty. This includes connecting 6,250 homes in fuel poverty to our gas network, 5,000 in-home interventions (including wall cavity insulation, double glazing, central heating and roof installation) and providing energy and income advice to 25,250 customers
- Improve our customer service by offering you the option of a 2-hour or 4-hour time slot appointment to restore your gas supply
- Work with partners and charities to go beyond our current responsibilities to provide additional services in customers' homes who need it most





Improving the Environment

Leading the transition to a sustainable energy system

It is vital we take action now to protect our planet for future generations by reducing carbon emissions and reducing our impact on the environment to support the UK's climate change targets. We are a major part of the UK energy industry. We want to lead the way and show how we can help support the removal of carbon from the gas that flows through our pipes, to be used to heat homes and support alternative fuel for transport. This means working with government and others as well as supporting innovative sustainable low carbon energy alternatives like hydrogen.

We're committed to taking action on protecting the environment and becoming a carbon-neutral business in what we do day in day out.

Your Priorities

What we've heard:

- Lead on reducing carbon emissions from our gas network
- Ensure we reduce our impact on the environment through our day to day operations
- Play a role in supporting the decarbonisation of gas flowing through our network
- Take a leading role in supporting the right energy solution for homes and businesses into the future



Our Priorities

We will:

- Reduce gas leakage from our network of pipes and equipment
- Become a carbon neutral business by 2026
- Be leading performers in the way we deal with waste
- Support our employees to reduce their carbon footprint
- Demonstrate how hydrogen gas can be used as a sustainable low carbon alternative fuel
- Encourage and support new lower carbon providers to connect to our gas network

What we will deliver

We will:

- Tackle gas leakage from our network, including the theft of gas
- Send zero waste to landfill and avoid using plastic in our offices and supply chain
- Increase the use of renewable energy in our offices and operational sites
- Provide our front-line engineers with zero emissions vehicles by 2026
- Further develop and innovate the use of hydrogen in our networks by demonstrating how to reduce carbon emissions at scale through our breakthrough projects
- Support communities without gas to connect to the network to help reduce carbon emissions
- Engage with customers and stakeholders to play a leading role in defining and preparing for the different solutions which will transform the UK's energy system from fossil fuels to sustainable low carbon sources





Trusted to act for our communities

Our community fund

Being trusted by our customers is extremely important to us. We're an essential public service provider so it's important that you trust us to act responsibly for our communities and always deliver on our promises.

Based on what we have heard, we will publish how we are performing against our commitments and will continue to publish our profits, tax and pay. We'll also set up a community fund to give over 1% of our annual post-tax profits back to our communities.

Your Priorities

What we've heard:

- Consistently deliver on our commitments
- Make a positive difference in the communities we serve
- Be an ethical employer
- Continue to seek your views on our services
- Be fair and transparent in how we operate



Our Priorities

We will:

- Make the most of every action
- Support and invest our communities
- Create a thriving environment for all of our people to thrive
- Continue to engage with our customers, stakeholders and employees so we can continue to deliver what you want from our outcomes and test our progress
- Continue to show transparency in how we operate

What we will deliver

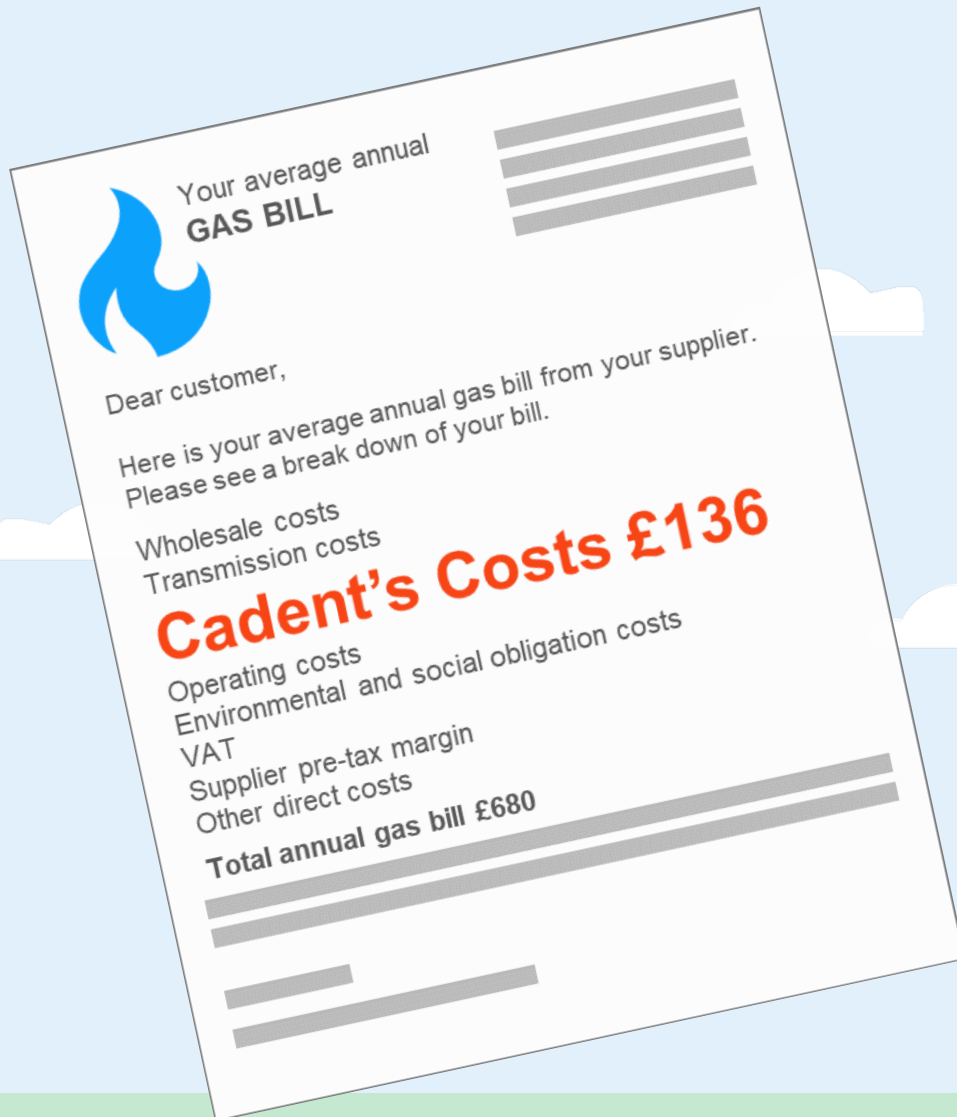
We will:

- Share how we are performing against our commitments and other obligations
- Publish information on our dividend policy, taxes, executive and leadership pay. We will continually assess opportunities to improve the way we publish this information so it is accessible to all
- Invest at least 1% of annual post-tax profits into a community fund
- Support at least 60% of our employees to volunteer in their communities
- Be an ethical employer and create an environment where our employees can thrive.
- Continue to support our employees with over 24,000 training days each year
- Develop and extent our current rewards and recognition programme
- Continue to work with our regional stakeholder groups and customer engagement group to carry out annual independent assessments on how we are performing against our commitments
- Continue to engage positively with our stakeholders and customers
- Link executive pay to delivering our customer commitments





Your current gas bill breakdown



You will receive a gas bill from your gas supplier which is on **average £680 per year**. Your bill is made up of different charges. Your supplier currently charges you on **average £136 per year** for the services Cadent provides. This is about 20% of your annual gas bill.

Cadent's cost impact on your bill

	You currently pay*	You would pay in the future**	Price Change
Funding previous investment in the network Cadent recover the cost of investment for their assets over 45 years, reflecting the assets economic life. This is to fairly allocate these costs between current and future customers.	£32	£23	-£9
Operating & maintaining the network Maintaining both old and new pipes, including 24 hour emergency response service.	£45	£36	-£9
Investing for future safety & reliability Cadent have been replacing their metal pipes with more durable plastic pipes. Cadent also connect new customers to their network.	£5	£16	+£11
Rates, taxes, licence fees & pensions Cadent pay all their business rates and taxes in the UK.	£25	£23	-£2
Innovation & output incentives Ofgem set Cadent targets for things such as customer satisfaction and their impact on the environment. This also includes funding for innovative projects that will deliver future benefits for their customers.	£3	£1	-£2
Financing costs Cadent finance their activities through a combination of debt and equity (shareholders).	£26	£23	-£3
Total costs	£136	£123	-£13
Total costs (including inflation)	£136	£138	+£2

£13 bill reduction

in Cadent's costs**

For 2021 to 2026 we will:

- Invest more into the safety of our network
- Improve our customer experience for all
- Reduce the impact on the environment our activities have
- Build our plan around being trusted to act for our communities.



*Assuming your average annual gas bill is £673

**Excluding inflation

Cadent

Your Gas Network

cadentgas.com