

YOUR NGN NEWS UPDATE

DECEMBER 2020

2020 highlights and look ahead

In this last e-bulletin of the year we reflect on 2020 and take a look at our achievements and challenges, as well as looking forward to 2021. Keeping the North of England cooking on gas is an extremely varied and complex job – one that’s as much about people as it is about pipes. It’s certainly been an eventful year, and one that wouldn’t have been possible without you, so we want to say a huge thank you. We hope you find this e-bulletin interesting and informative.

A word from Mark

First and foremost, I would like to say that I hope you are all keeping well as we near the end of 2020. When I wrote my message to you in the last e-bulletin of 2019, our focus was very much around our latest Business Plan and the RIIO-GD2 price control. No one of us could have foreseen the challenges that 2020 would bring, or what would be demanded of our business as we adapted to a completely new and fast-changing work environment.

As a customer-facing organisation, our



In terms of positives within the Final Determination, there are a number I would like to highlight, and Ofgem has changed its position in several key areas. We have:

priority at NGN was to keep our communities and colleagues safe. We developed new ways of working to protect all of our people, while keeping the gas supply flowing. I want to personally thank all of my NGN colleagues, who worked so hard to keep us operational throughout this year's lockdowns and restrictions.

So many went above and beyond their daily role: supporting communities across our region by volunteering their time, donating essential items to care homes, hospices and customers, raising money for local good causes, and in one case even creating a new garden for the residents of a care home to enjoy during the first lockdown. I am immensely proud of our people.

Despite the challenges of 2020, we have continued to provide our customers with excellent service: we replaced 399km of ageing metal pipes with new plastic ones, responded to more than 25,000 emergency call-outs, and attended 99.9% of gas escapes within two hours.

As the vaccine begins to be rolled out, there is now some light at the end of the tunnel. But we are very aware that, as we rebuild our communities post-pandemic, our region will continue to face economic and social challenges, particularly around low incomes, job opportunities and stable employment. That is why we will continue to support the communities we serve through a variety of long-term programmes.

In October, NGN signed up to the Social Mobility Pledge, alongside former government minister Justine Greening. Our Opportunity Action Plan is now ready to be delivered, and alongside other partners in our region will open up access to opportunity, by improving our mentoring and work experience programmes to encourage people

- Retained our position as the **most efficient GDN in the sector**, receiving commensurate unit cost allowances;

- Received a small **increase in our financial reward for the overall quality of our submitted Business Plan**;

- **Secured improvements in Customer Service incentives** which means that there is an increased opportunity for reward if we can further improve our service levels. It will still be extremely difficult to maximise the incentive available, but the improvements mean it will be less likely that we are penalised for our performance, and

- **Received increased allowances for the delivery of projects that will contribute to the delivery of the UK's Net Zero objectives** and allow us to continue progressing our work on Hydrogen and other green gases as part of the long-term energy mix.

I am also delighted to see within the Final Determination the £132m available to support customers in vulnerable situations. This will be crucial in supporting those most in need in our communities during the continuing pandemic. As we examine the detail over the coming weeks and months, we will be able to tell you more about how we are meeting the challenges of RIIO-GD2 and delivering on our customer promises.

Looking to a Net Zero carbon future

Along with many others in the sector, I welcomed the Government's recent publication of its Ten-point Plan for a Green Industrial Revolution, underpinned by this month's Energy White Paper.

It's particularly pleasing to see hydrogen has formed such a key part of this bold plan,

from different backgrounds into our industry.

I was also delighted to launch our 2020 apprenticeship programme, which aimed to improve the diversity of applicants, but also to inspire young people to pursue a career in the gas industry during an exciting time for the sector.

This generation will be the first to work directly with the green energy of the future, trained and equipped with skills to flourish in a greener economy.

Delivering our Business Plan 2021-26

At the start of December, we received our Final Determination for RIIO-GD2 from Ofgem. While the outcome remains financially very challenging, we now have clarity on what we need to deliver over the next five years. and the outcome is in line with expectations.

All the forward planning we have carried out over the last three years means we are in a good place to start turning our Business Plan commitments into business as usual.

There are still some points of principle on which we disagree with Ofgem, and we may choose to challenge the regulator on these over the coming weeks. But these points of discussion will not impact on our transition from RIIO 1 into RIIO 2.

which demonstrates the ambition there is for the UK to lead on climate change strategy and to ensure those plans support Green Recovery and job creation. The plan has given the industry a direction of travel as we move towards a green energy future and our Net Zero carbon target in 2050.

Our flagship H21 and HyDeploy hydrogen projects continue to place us at the forefront of enabling the transition to a greener energy future. In 2021, HyDeploy will supply a 20% blend of hydrogen to 670 homes in Winlaton, Gateshead for 10 months.

It's the first public network demonstration of hydrogen for heating, helping to deliver essential evidence on which policy can be formed, to ensure customers continue to have choice in their future energy without disruptive change in their homes and highways. We will continue to work closely with the Government and partners to support their plans and will keep you regularly updated on our progress.

I wish you and your families a healthy and Happy New Year as we all look forward to 2021.

Mark Horsley

CEO Northern Gas Networks

Best wishes for the festive season and a Happy New Year!

2020 has been a tough year for everyone, and that's why we want to raise more than just a smile this Christmas. We are supporting three fantastic charities this year:

Mind, The Samaritans, and The Children's Heart Surgery Fund

All you have to do is click on the images below (before 31st December 2020) to choose which charity you'd like us make a donation to on your behalf.



GET INVOLVED

Join us at our online Customers in Vulnerable Situations Workshop on Tuesday January 26.

Following feedback from our workshop in October 2020, the first workshop of 2021 will be focused on our **Fuel Poverty Network Extension Scheme**. This received the highest number of votes as a hot topic for our next discussion, which is about connecting customers in fuel poverty to the gas network.

We would be delighted if you could attend a virtual workshop to discuss our plans and feed in your views on Tuesday January 26, 10.00am - 12.00pm.

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Get in touch...

If you have any feedback about this e-bulletin or any questions about our work, we'd love to hear from you. Just email stakeholder@northerngas.co.uk

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