

Your Ref:  
Our Ref: RFA/QOS/RIGs  
Direct Dial: 020 7901 7333  
Email: chris.watts@ofgem.gov.uk

28 July 2004

Dear Colleague,

**Information and Incentives Project (IIP): Draft Regulatory Instructions and Guidance (RIGs) version 5**

**Introduction**

Please find enclosed an updated draft of the Regulatory Instructions and Guidance (RIGs) version 5. It is proposed that this version of the RIGs will take effect on and from 1 April 2005. In drawing up this draft, Ofgem has taken account of discussions at the 14 April 2004 Quality of Supply Working Group meeting and written responses to the March consultation. Ofgem has also addressed a number of areas of ambiguity which have been highlighted as part of the IIP audits currently being carried out by Mott MacDonald and British Power International.

Ofgem is proposing to make a number of changes to the RIGs to:

- ◆ improve their style and presentation;
- ◆ provide further guidance in a number of areas where the distribution businesses are seeking further clarification;
- ◆ introduce additional disaggregated reporting for the number and duration of interruptions;
- ◆ introduce 2 new connections outputs to replace the existing overall standards of performance requirements; and
- ◆ introduce environmental reporting and refine the approach to medium-term performance reporting.

This constitutes formal notice, in accordance with paragraph 9 of Standard Licence Condition 49 of the distribution licence of proposed changes to the RIGs. We would welcome any

representations or objections on the draft version of the revised RIGs by 8 September 2004.  
They should be sent to:

Chris Watts  
Head of the Quality of Supply Team,  
Ofgem  
9 Millbank  
London SW1P 3GE

E-mail [chris.watts@ofgem.gov.uk](mailto:chris.watts@ofgem.gov.uk)

Fax: 020 7901 7406

Tel: 020 7901 7333

Ofgem then intends to publish the final version of the revised RIGs taking any representations or objections into account.

Ofgem will be setting out draft and final Regulatory Impact Assessments (RIAs) for Quality of Service as part of the September and November Price Control papers and is not therefore, carrying out a separate RIA for the revised RIGs.

The annex to this letter sets out a summary of the key changes to the RIGs that Ofgem is proposing and an explanation of why we believe these are appropriate.

If you have any questions about the content of this letter or the RIGs please contact James Hope on 020 7901 7029 or Chris Watts on 020 7901 7333.

Yours sincerely

**Chris Watts**  
**Head of the Quality of Supply Team**

## **APPENDIX 1 Summary of changes to the RIGs**

This appendix sets out a summary of further revisions we are proposing to make in this draft of the RIGs, with a brief explanation of the reasons for these changes.

### **Executive Summary**

This section has been updated for minor drafting comments.

### **Section 1: Introduction**

This section has been updated to reflect comments at the 14 April working group and minor drafting comments in the DNOs' written responses.

### **Section 2: Detailed definitions, instructions and guidance for reporting the number and duration of interruptions to supply**

In response to suggestions from the DNOs, Ofgem has now introduced separate sections for definitions, instructions and guidance and outputs reporting. Ofgem has also made minor definitional and drafting changes throughout this section. The main changes are set out below:

#### ***Definition of IIP voltages/systems (paragraph 2.5 to 2.7)***

This section now states the IIP system voltages. The definition of the voltage boundaries has been split out into a separate appendix. For the purpose of IIP reporting only, the definition of Extra High Voltage has been amended to include 22kV, taking into account comments made by a number of DNOs.

#### ***Definition of higher voltages (paragraph 2.8)***

Ofgem has included a definition of higher voltages as requested by the DNOs.

#### ***Definition of incidents and occurrences (paragraphs 2.11 and 2.27)***

These sections have been amended to distinguish more clearly between incidents and occurrences as suggested by some of the DNOs.

#### ***Definition of temporary connections (paragraph 2.21)***

Based on discussions during one of the recent audit visits, Ofgem is proposing to amend the definition of temporary connections to include the use of backfeeds.

#### ***Guidance on customers (paragraph 2.26)***

Ofgem is proposing to amend this paragraph to reflect the fact that the MPAN methodologies have been agreed. However, to ensure consistency of reporting DNOs should agree any changes to this methodology with Ofgem in advance.

### ***Definition of pre-arranged incidents (paragraph 2.30)***

Ofgem is proposing to amend the treatment of planned interruption so that any over-run is treated as part of the original incident rather than being treated as a new incident. This mitigates any incentive to overestimate restoration times for planned incidents.

Ofgem is also proposing that companies should keep a record of any over-runs in the restoration times.

### ***Short interruptions (paragraph 2.32)***

The text has been amended so that estimates of the number of customers affected by short interruptions identified from counter readings, can take into account abnormal running conditions.

### ***Interruption sequences (paragraph 2.34)***

Ofgem has amended the drafting to make clear that interruptions of less than 3 minutes during an incident should be reported as part of the incident rather than as a short interruption.

### ***Incident completion (paragraph 2.45)***

One of the DNOs provided some alternative wording to clarify the definition of incident completion. This has been incorporated in the RIGs.

Ofgem has introduced a new paragraph (2.45) to make clear that where it is necessary to interrupt additional customers during an incident to enable restoration of supplies to customers already affected by that incident, they should be counted as interruptions and included in the same incident report.

### ***Clock stopping (paragraph 2.58)***

Ofgem has given this issue further consideration and proposes that clock stopping should not be allowed if DNOs are asked by a customer to delay restoration or if the DNO delays restoration with the agreement of the customer. Ofgem considers that such a provision would create additional complexity and may create a perverse incentive to seek customers' agreement to unnecessary delays in restoration.

However, Ofgem proposes to amend the RIGs to allow clock stopping where access necessary to restore supplies is explicitly prevented by the emergency services or other government authorities.

### ***Disaggregation of HV circuits (paragraphs 2.67)***

Ofgem considers that the network related data (i.e. the number of connected customers and the length of overhead and underground circuit) should be reported as at 31 March in the reporting year so that the latest available information is used.

### ***Disaggregation of HV circuits (paragraphs 2.67)***

Ofgem is proposing to amend this section to reflect 22kV being included in EHV as discussed above. One of the DNOs commented that the existing drafting on the treatment of HV circuits with zero length and/or zero connected customers did not cover all eventualities. It suggested alternative drafting which has been incorporated as part of the draft RIGs.

### ***Disaggregation of HV circuits (paragraphs 2.69)***

Ofgem has amended the requirement for providing disaggregated HV information excluding exceptional events so that all customer interruptions and customer minutes lost arising during the period of the event are excluded. This revision is based on comments from the DNOs.

### ***Disaggregation of HV circuits (paragraphs 2.68)***

Ofgem is proposing to introduce an additional requirement to group the types of unattributable HV incidents.

## **Section 3: Definitions, instructions and guidance for reporting on speed and quality of telephone response**

This section is unchanged from the version of the RIGs published on 25 March 2004. However, Ofgem is currently reviewing potential technical constraints to expanding the scope of the quality of telephone response survey to cover customers whose calls are answered by automated messaging. Subject to this issue being resolved satisfactorily, Ofgem proposes the survey will be expanded to include consumers who have their calls answered by an automated message in the next price control period. Ofgem intends to consult on changes to this section of the RIGs in due course to incorporate provision of information with respect to these customers.

## **Section 4: Definitions, instructions and guidance for monitoring connections performance**

Ofgem has amended the text to clarify that the connection measures should be reported on an annual as well as a monthly basis. Further significant changes are summarised below.

### ***Definition of output measures (paragraph 4.3)***

One DNO queried whether it was appropriate for the output measures to refer to connections which require the installation of an "appropriate meter." Under distribution Licence Condition 36B distributors are required to provide and install metering equipment on request. They effectively provide a last resort service in-area where the supplier has decided not to appoint an alternative meter operator. On this basis Ofgem considers that it is still appropriate to make reference to meters.

### ***Further definitions and guidance (paragraph 4.5 and 4.7)***

Ofgem has clarified that for the purposes of reporting the connections outputs in the RIGs "service line" means any low voltage electric line or electrical plant which provides a supply only to one premise. This is in line with the current overall standards of performance requirements.

Ofgem has separated out the exemption for being denied access to improve clarity. Ofgem has also made clear that where the exemptions apply the company should include the connections within the output measures as having been provided within the specified time.

## **Section 5: Definitions, instructions and guidance for monitoring medium term performance**

Ofgem has carried out extensive re-ordering and re-drafting of this section in the light of comments from the companies. Ofgem has also corrected the text on the calculation of fault rates and made clear that all network lengths should be reported using circuit lengths. Other significant changes to this section are summarised below:

### ***Reporting requirements for 132 kV, 66kV, 33kV and 22kV networks (paragraphs 5.6 to 5.10)***

Ofgem has removed any differentiation between double and single circuit overhead lines.

### ***Reporting requirement for the High Voltage networks (paragraphs 5.14 and 5.18)***

Ofgem is proposing to introducing an additional requirement for reporting the number of busbars and the number of bus incidents.

### ***Reporting requirement for the Low Voltage networks (paragraph 5.25)***

Ofgem has included a category for CONSAC cables as part of the disaggregated LV fault reporting.

### ***Reporting requirements for Overhead and Underground Services (5.28 to 5.29)***

Ofgem has included a category for CONSAC cables as part of the disaggregated LV services fault reporting.

Ofgem is also considering introduction additional definitions/guidance to ensure that asset quantities are measured on a consistent basis. This will be discussed further with the DNOs in due course.

## **Section 6: Environmental reporting**

Ofgem has amended the reportable measures to take the DNOs' comments into account. The changes are discussed further below:

### ***Loss of SF<sub>6</sub>.***

Further correspondence with the DNOs suggests that all companies already monitor, by weight, the amount of SF<sub>6</sub> used. The proposed KPIs are therefore:

- Weight of SF<sub>6</sub> in use (kg)
- Weight of SF<sub>6</sub> lost (kg) – as measured by weight of SF<sub>6</sub> used to top-up equipment

Some of the DNOs argued that their use of SF<sub>6</sub> was small and not worth monitoring. Ofgem considers that the:

- current use of SF<sub>6</sub> is small, but it is likely to increase and is being installed in assets with long lives; and
- SF<sub>6</sub> has significant, long-term environmental impacts and it is appropriate to ensure that emissions are minimised.

### ***Loss of insulating oil***

This indicator received very few comments. The main point made was on 'Length of oil-filled cable in circuits' and whether this referred to cable length or circuit length. Some circuits consist of three single core cables, so the cable length is three times longer than the circuit length. Ofgem therefore proposes the following KPIs:

- Volume of oil used to top-up cables (l)
- Length of fluid-filled cable in service (km of cable)
- Number of reportable incidents
- Number of prosecutions

### ***Management of amenity issues***

One DNO referred to Ofgem's decision document of March 2003 'Electricity Act Schedule 9 Statement' in which Ofgem said that it does not have a role in the monitoring of Schedule 9 statements. The March 2003 document states:

Pg 12: "Ofgem does not have a remit to monitor or enforce compliance with Schedule 9 matters ... Ofgem invites licensees to submit copies of their Schedule 9 statements to Ofgem for information."

Pg 14: "Ofgem will continue to take an interest in Schedule 9 matters as part of its wider environmental functions under the Electricity Act (as amended), and is keen to promote best practice... "

Pg 14: "Ofgem would encourage companies to send Ofgem copies of their statements, for instance after a review or update"

Ofgem has amended the draft RIGs so there is no requirement to provide the date of the last review of the schedule 9 statement. However, in line with the March decision document Ofgem would encourage DNOs to send Ofgem copies of their statements.

### **Sections 7 and 8**

These sections have been updated for minor drafting comments.

### **Appendix 1: Purpose of IIP information**

These sections have been updated for minor drafting comments.

#### **Appendix 4: Definition of voltage boundaries**

This is a new appendix separating out the definition of voltage boundaries from section 2 of the document.