DNO Group Name

August FBPQ
Commentary

DPCR5

Objectives

The objective of the commentary is to provide an explanation of the forecast costs reported in the August FBPQ to give Ofgem an understanding of initial forecasts of expenditure for the remainder of DPCR4 and for DPCR5.

General

To avoid duplication, one commentary document is required per DNO Group. Respondents should ensure that comments are clearly marked to show whether they relate to all the DNOs in the group or to which DNO they relate.

For each of the building blocks the DNO is to provide a description of how the forecast has been built up including all assumptions made.

In addition, commentary is required in response to specific questions included in this document. If the respondent wishes to include further comments to assist in our understanding of the data provided in the data tables this is welcomed.

DNOs should include supporting documentation where they consider it necessary to support their comments or where it may aid Ofgem's understanding. Please insert an appropriate chapter heading and commentary box in the body of this document where it is necessary to provide additional commentary.

Table T3
Total Business Costs

Please provide:
- Details of any numberical calculation used to determine the annual forecast figures in the table if they are populated using a model.
- Details of any increase in the annual forecast cost of Engineering Indirects or Network/Investment Support of £1m or more. To include a description of the cause(s) of the increase.
- Details of any increase in the annual forecast cost of any Activity (in the bottom table) of £0.5m or more.

Type commentary here

Table T4
Non-Operational Capex and Other Fault Costs

- Details of any numberical calculation used to determine the annual forecast figures in the table if they are populated using a model.
- Details of any increase in the annual forecast cost of any line (row) in the table of £0.5m or more.

Type commentary here

Table LR1:
Customer specific demand investment

Please provide:
- A description of how the forecast has been built up including all assumptions made.
- Details of how the number of connections has been forecast.
- Details of the make up of the number of new connections.
- Details of how load churn has been accounted for in the forecast.
- Details of significant load movement between BSPs/Primaries which is driving expenditure.
- An explanation of how the expenditure offset by DG and DSM has been calculated.
- Details of the forecast's sensitivity.
- Details of how the forecast has been influenced by stakeholder engagement.

Type commentary here

Please provide:

- Details of the outputs that the forecast investment will provide and how these outputs can be measured/quantified.

Type commentary here

Table LR2:
Generation investment

Please provide:
- A description of how the forecast has been built up including all assumptions made.
- Details of how the volumes of generation connections and split of generation by type have been forecast.
- Details of the forecast's sensitivity.
- Details of how the forecast has been influenced by stakeholder engagement.

Type commentary here

Please provide:
- Details of the outputs that the forecast investment will provide and how these outputs can be measured/quantified.

Type commentary here

Table LR3:
Diversions

Please provide:
- A description of how the forecast has been built up including all assumptions made.
- Explanation of any deviation from past levels of expenditure on diversions (e.g. significant projects).
- Details of the forecast's sensitivity.
- Details of how the forecast has been influenced by stakeholder engagement.

Type commentary here

Please provide:
- Details of the outputs that the forecast investment will provide and how these outputs can be measured/quantified.

Type commentary here

Tables LR4 and LR5:
General reinforcement

Please provide:
- A description of how the forecast has been built up including all assumptions made.
- Details of assumed drivers from which levels of expenditure have been inferred.
- An explanation of how the expenditure offset by DG and DSM has been calculated.
- A description of any intended change in levels of risk produced by the forecast expenditure.
- Details of the forecast's sensitivity.
- Details of how the forecast has been influenced by stakeholder engagement.

Type commentary here

Please provide:
- Details of the outputs that the forecast investment will provide and how these outputs can be measured/quantified.

Type commentary here

Table LR6:
Fault levels

Please provide:
- A description of how the forecast has been built up including all assumptions made.
- A description of any intended change in levels of risk produced by the forecast expenditure.
- Details of the forecast's sensitivity.
- Details of how the forecast has been influenced by stakeholder engagement.

Type commentary here

Please provide:
- Details of the outputs that the forecast investment will provide and how these outputs can be measured/quantified.

Type commentary here

Table LR7:
DNO discretionary

Please provide:

- A full description of all projects and programmes of work included in the table and justification of expenditure on these.
- A description of how the forecast expenditure has been built up for each row including all assumptions made.
- Details of the forecast's sensitivity.
- Details of how the forecast has been influenced by stakeholder engagement.

Type commentary here

Please provide:
- Details of the outputs that the forecast investment will provide and how these outputs can be measured/quantified.

Type commentary here

Non-Load Related Expenditure

Tables NL1 and NL2:
Asset replacement expenditure and risk

Please provide:
- A description of how the forecast has been built up including modelling carried out and all assumptions made.
- Details and justification of any replacement expenditure included beyond levels determined by age based modelling.
- Details of assumptions made regarding asset condition.
- Details of the forecast's sensitivity.
- Details of how the forecast has been influenced by stakeholder engagement.

Type commentary here

Please provide:
- Details of the outputs that the forecast investment will provide and how these outputs can be measured/quantified.

Type commentary here

Tables NL3:
Asset volume and disposals

Please provide:
- A description of how the asset register has been built up and the assumptions made.
- Details of how the volume of assets to be replaced and installed have been inferred.

- Explanation of any significant change in the asset register due to condition based replacement.
- Explanation of any assumptions made about age.
- Details of asset management strategies employed in condition based asset replacement.
- Details of the forecast's sensitivity.
- Details of how the forecast has been influenced by stakeholder engagement.

> *Type commentary here*

Please provide:
- Details of the outputs that the forecast investment will provide and how these outputs can be measured/quantified.

> *Type commentary here*

Table NL5:
Qos IIS

Please provide:
- A description of how the forecast has been built up including all assumptions made (e.g. assumed levels of willingness to pay).
- Descriptions of the schemes and projects listed.
- Details of the forecast's sensitivity.
- Details of how the forecast has been influenced by stakeholder engagement.

> *Type commentary here*

Please provide:
- Details of the outputs that the forecast investment will provide and how these outputs can be measured/quantified.

> *Type commentary here*

Table NL6:
QoS (non-IIS)

Please provide:
- A description of how the forecast has been built up including all assumptions made.
- Description of the schemes and projects listed.
- Details of the forecast's sensitivity.
- Details of how the forecast has been influenced by stakeholder engagement.

> *Type commentary here*

Please provide:
- Details of the outputs that the forecast investment will provide and how these outputs can be measured/quantified.

> *Type commentary here*

Table NL7:
Major system risks

Please provide:
- A description of how the forecasts have been built up including all assumptions made.
- Details of flood surveying that has been carried out and accuracy of information (including depth data).
- Details of the assumed criteria for HILP investment (e.g. assumed value of GVA rescued per £million remedial works expenditure at which investment is justified).
- Details of the forecast's sensitivity.
- Details of how the forecast has been influenced by stakeholder engagement.

> *Type commentary here*

Please provide:
- Details of the outputs that the forecast investment will provide and how these outputs can be measured/quantified.

> *Type commentary here*

Table NL8:
Operational IT and telecoms

Please provide:
- A description of how the forecast has been built up including all assumptions made.
- A description of all major IT and telecoms projects in the forecast.
- Details of circuits affected by BT21C and description of proposed solutions to BT21C issues.
- Details of the forecast's sensitivity.
- Details of how the forecast has been influenced by stakeholder engagement.

> *Type commentary here*

Please provide:

- Details of the outputs that the forecast investment will provide and how these outputs can be measured/quantified.

Type commentary here

Table NL9:
Legal and Safety

Please provide:
- A description of how the forecast has been built up including all assumptions made.
- Description of legal and safety issues listed.
- Details of the forecast's sensitivity.
- Details of how the forecast has been influenced by stakeholder engagement.

Type commentary here

Please provide:
- Details of the outputs that the forecast investment will provide and how these outputs can be measured/quantified.

Type commentary here

Table NL10:
Environmental

Please provide:
- A description of how the forecast has been built up including all assumptions made.
- Description of any projects proposed to address environmental issues.
- Details of the forecast's sensitivity.
- Details of how the forecast has been influenced by stakeholder engagement.

Type commentary here

Please provide:
- Details of the outputs that the forecast investment will provide and how these outputs can be measured/quantified.

Type commentary here

Table NOC1:
Inspections and maintenance

Please provide:
- A description of how the forecast has been built up including all assumptions made.
- Details of the forecast's sensitivity.
- Details of how the forecast has been influenced by stakeholder engagement.

Type commentary here

Please provide:
- Details of the outputs that the forecast investment will provide and how these outputs can be measured/quantified.

Type commentary here

Table NOC2:
Fault costs

Please provide:
- A description of how the forecast has been built up including all assumptions made.
- A description of how the number of unplanned incidents has been forecast.
- A description of how the estimated annual cost of exceptional events has been derived. If this is forecast to change over the period to 31st March 2015 please provide details.
- Details of the forecast's sensitivity.
- Details of how the forecast has been influenced by stakeholder engagement.

Type commentary here

Please provide:
- Details of the outputs that the forecast investment will provide and how these outputs can be measured/quantified.

Type commentary here

Table NOC3:
Tree Cutting

Please provide:
- A description of how the forecast has been built up including all assumptions made.
- Details of the forecast's sensitivity.
- Details of how the forecast has been influenced by stakeholder engagement.

Type commentary here

Please provide:
- Details of the outputs that the forecast investment will provide and how these outputs can be measured/quantified.

Type commentary here

Table C1:
Cost increase

Please provide:
- A description of how the forecast has been built up including all assumptions made.
- Details of indices used in forecasting cost increases.
- Explanation of any weightings applied to indices
- Details of the forecast's sensitivity.
- Details of how the forecast has been influenced by stakeholder engagement.

Type commentary here

Please provide:
- Details of the outputs that the forecast investment will provide and how these outputs can be measured/quantified.

Type commentary here

Table C2:
Unit costs

Please provide:
- Details of how new build and replacement costs have been derived.
- Details of how the forecast has been influenced by stakeholder engagement.

Type commentary here