



Distribution network operators
and other interested parties

*Promoting choice and value for
all gas and electricity customers*

Your Ref:
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Date: 11 March 2010

Dear Colleague,

Electricity Distribution Price Control: Regulatory Instructions and Guidance

On 17 December 2009¹ we published an open letter setting out our proposals for the Regulatory Instructions and Guidance (RIGs) documents which will allow us to collect the data we require to monitor compliance and assess the performance of the DNOs throughout the DPCR5 period and to inform future price controls.

Ofgem and the DNOs are making good progress towards developing the RIGs. We consider that it is important for DNOs to have the RIGs in place as soon as possible so that they understand what their reporting obligations are for the next price control period. We therefore plan to consult on draft RIGs by 31 March and intend to have the RIGs in place in May 2010. We envisage that the RIGs we will be consulting on in March will require some further development for the DPCR5 period to take into account the outcome of the RPI-X at 20 review, experience of completing the new RIGs using 2009-10 data and further consideration of the appropriate level of disaggregation for historical and forecast information. The further work on the reporting requirements will be incorporated as part of the RIGs for 2011.

We have been sharing our work-in-progress on the RIGs with the DNOs and have received regular feedback from them. We note that we have not had many comments back on areas such as the environmental data. We would be grateful if DNOs could check that they are satisfied with the information that we are seeking in these areas.

Timescales for reporting RIGs data

For the 2009-10 reporting year we will be requiring DNOs to report information both under the existing reporting packs and under the new reporting packs developed for DPCR5. This is to allow us to have continuity in terms of the data for DPCR4, to allow us to reconcile costs across the two frameworks for reporting and to provide a test run of the new reporting packs. We recognise that the 2009-10 data will have been collected using existing information systems and therefore the completion of data in the new packs will be on a best endeavours basis. Tables 1 and 2 in the attached Appendix sets out the information that will be required and the relevant dates for submitting the information.

In terms of collecting historical data we will be requiring the DNOs to report using the DPCR5 reporting pack for the full period of DPCR4 i.e. to report on each year commencing 2005-6. We are currently considering the level of detail that we require to report this

¹ Update on the regulatory instructions and guidance (RIGs) for DPCR5, 17 December 2009

historical data and will make a decision on this in 2011 after we have test run the new reporting packs. We will not be requiring any forecast data to be submitted in the new reporting packs this year except for Table F6 on future financing requirements where we will require a forecast until 31 March 2012. Again we will decide on the appropriate level of data for the 2010/11 reporting year.

Electricity Distribution Annual Report

We intend to publish an electricity distribution report covering both the 2008-09 and 2009-10 reporting data next year.

If you have comments or questions about any aspect of this letter please contact Chris Watts on 020 7901 7333.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Rachel Fletcher', is placed over a light grey rectangular background.

Rachel Fletcher
Partner, Distribution

Appendix 1

Table 1: Reporting of 2009-10 data using the DPCR4 reporting requirements

Reporting requirement	Information required	Submission of data
Cost RRP	Full workbook excluding the following tables: <ul style="list-style-type: none">• 3.1 Net Debt & Borrowings• 3.3 Tax Capital Allowances• 3.4 Tax computation• 2.8 -Detailed IT• 2.12 – Cost Mapping	31 July 2010
Revenue Reporting RIGS	Full workbook	31 July 2010
DG Reporting RIGs	Full workbook	31 July 2010
Connections Industry Review	Full workbook	31 July 2010
Interruptions	Full workbook	By end of April 2010
Medium-term performance reporting including disaggregation	Full workbooks	By end of May 2010
Existing Guaranteed Standards of Performance	Full workbook	14 May 2010

Table 2: Reporting of 2009-10 data using the DPCR5 packs

Reporting Requirements	Information required	Submission of data
Cost and Revenue Reporting	All financial tables prefixed F, except F8, F8.1, F8.2, F15, F17 and F18	31 July 2010
Cost and Revenue Reporting	Financial tables F8, F8.1, F8.2, F15, F17 and F18 Cost tables excluding the following: <ul style="list-style-type: none"> • Worst served customers (only commences in 2010/11) • Detailed connections tables by connection job. • Transmission connection point charges • Low carbon networks fund • High Value Projects (which relate to defined projects for the DPCR5 period) • Efficiency gains 2010 The new revenue tables will not need to be reported until 2010/11	31 October 2010
Network Asset Data and Performance Reporting	All tables excluding the following: <ul style="list-style-type: none"> • Output reporting workbook including fault rates (new reporting only commences in 2010/11) • LCNF tables in the asset register workbook. • Transmission connection point charges • Losses • Interruption and disaggregation data (which will be submitted using the DPCR4 templates as above) • Worst served customer schemes 	31 October 2010
Customer service	Only complaints data for 2009-10	31 October 2010