

Electricity Distribution Price Control Cost and Revenue Reporting - Regulatory Instructions and Guidance: Version 1

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Target audience: Electricity Distribution Network Operators, Independent Distribution Network Operators, Electricity Suppliers, consumers and consumer representatives

Overview:

This document provides instructions and guidance to Electricity Distribution Network Operators to enable them to complete the reporting requirements associated with the new price control arrangements (DPCR5) which run from 1 April 2010 to 31 March 2015.

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Context

This document contains the Electricity Distribution Price Control Cost and Revenue Reporting Regulatory Instructions and Guidance (RIGs).

The purpose of this document is to provide a framework to allow Ofgem to collect accurate and consistent cost and revenue information from the Electricity Distribution Network Operators (DNOs). A number of licence conditions require the DNOs to provide us with this information. The key licence conditions for the purposes of this document are standard conditions 15A (Connection Policy and Connection Performance), 44B (Distribution Losses Reporting Regime), 44C, (Low Carbon Networks Fund Reporting), 45A (Incentive Scheme for Transmission Connection Point Charges), 46 (Incentive schemes for innovation funding and Distributed Generation), 47 (Reporting of Price Control Revenue Information) and 48 (Reporting of Price Control Cost Information) in the electricity distribution licence.

This version of the guidance will apply for reporting for the year ending 31 March 2011. Revised versions of the guidance may apply for subsequent years.

This document is one of four which together form the entire RIGs associated with DPCR5. The three further documents cover:

- Electricity Distribution Price Control Network Asset Data and Performance Reporting RIGs,
- Electricity Distribution Price Control Customer Service Reporting RIGs, and
- Glossary of terms.

Associated Documents

- Electricity Distribution Price Control Review Final Proposals (144/09)

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Summary

The Electricity Distribution Price Control Review¹ (DPCR5) sets the maximum amount of revenue that Distribution Network Operators (DNOs) can recover from customers over a five-year period from 1 April 2010 and places a number of incentives and obligations on the DNOs. We collect data annually to allow us to monitor DNO performance against their incentives, monitor compliance with their price control obligations and to allow analysis between price controls and at the subsequent price control review. Annual data collection also allows Ofgem to identify issues of performance ahead of the next price control review and provide us with a more robust understanding of the DNO business.

The Regulatory Instructions and Guidance (RIGs) provide a framework that enables Ofgem to collect data from DNOs in a consistent format. The RIGs inform DNOs about the information we plan to collect, guide them on how to provide this information and enable the DNOs to put the systems in place to collect the data to the detail we require.

Since we introduced the annual regulatory reporting arrangements in 2005 there have been significant improvements in the quality of data DNOs have provided to us annually and as part of their Forecast Business Plan Questionnaire (FBPQ) submissions. These improvements allowed us to carry out more robust cost comparisons and cost assessments at DPCR5. However, there are still inconsistencies in the data provided to us by DNOs and we will be looking for further improvements in the lead up to the next price control review.

As part of DPCR5 we introduced a number of new incentives and obligations, many of which require us to collect new data from the DNOs. In designing the RIGs associated with DPCR5 we have looked to streamline the approach to collecting the data to avoid duplication and overlaps between data requests.

Rather than establish new RIGs for each of the new price control mechanisms, which would lead to a proliferation of RIGs and a risk of duplication of data requests, we have grouped the data collection according to whether it relates to financial data (i.e. cost or revenue data), data on network assets and outputs and activity volumes, such as connection, quality of service and environmental volumes, or data related to quality of service including the guaranteed standards of service reporting.

For each of these three areas we have established separate RIGs documents. This means we will collect data on areas such as connections through returns relating to all three RIGs documents depending on whether it is cost, volume or service related.

In our annual reports on DNO performance, we will bring together data from across all three areas to provide stakeholders with a complete view of performance against

¹ Electricity Distribution Price Control Review Final Proposals, December 2009. Ref: 114/09

each of the DPCR5 mechanisms. We intend to widen the scope of our annual reports to include information on DNOs' costs and revenues, an overview of financial issues, an update on delivery against agreed network outputs and performance against environmental targets, connections and quality of service standards.

There are a number of conditions in the electricity distribution licences that require the DNOs to provide the information set out in the RIGs. These licence conditions also provide a procedure by which we can amend the RIGs. We intend to keep the RIGs reporting obligations under review and may seek to change them in light of the recommendations arising from the RPI-X@20 review, experience of reporting and analysing data from the new RIGs and where we identify duplication or gaps in the RIGs data.

1. Introduction

Background

1.1. As part of DPCR5 we introduced a number of incentives and obligations on the DNOs. These include a requirement on the DNOs to commit to deliver a predetermined set of network investment outputs, new standards of performance in providing connections, a requirement to report on the company's business carbon footprint and new incentives related to customer satisfaction with the DNOs' performance.

1.2. We need to collect data to allow us to monitor DNO performance against these additional incentives and obligations and to ensure compliance against the overall price control. The Regulatory Instructions and Guidance (RIGs) provide a framework that enables Ofgem to collect data from DNOs in a consistent format. The RIGs inform DNOs about the information we plan to collect, guide them on how to provide this information and enable the DNOs to put the systems in place to collect the data to the detail we require.

1.3. Towards the end of 2009 we commenced a review of our information reporting arrangements to ensure we could collect the information we need without placing an undue burden on the DNOs or introducing duplication in the data we request. We also considered that there was merit in bringing all the information that we collect from the DNOs into the RIGs framework such as the data requirements for conducting the annual Connections Industry Review.

1.4. Instead of creating a separate RIGs document for each price control mechanism we have grouped the reporting obligations depending on whether the data is financially related, volume related or performance related. We have decided to create RIGs for each of the following areas:

- Cost and revenue reporting - this includes all data of a financial nature including: DNO performance against the cost baselines we have set as part of the price control review process (looking separately at costs associated with network investment, other direct and indirect expenditure and spending on connections, quality of service and environmental obligations); DNO performance against the revenue allowance we have set as part of DPCR5; and DNO costs associated with pensions, tax and other financial commitments,
- Network asset data and performance reporting - this includes data associated with the type, scale and performance of the physical network. It covers reporting on the new network investment output measures that we have introduced as part of DPCR5 and also covers data on asset volumes, activity volumes and the number and types of connections, environmental and quality of service outputs, and
- Customer service reporting - this includes performance against the new broad measure of community satisfaction that we have introduced as part of DPCR5 and

against the telephony standards. We have also included guidance for the guaranteed standards of service to ensure that all DNO reporting obligations are in one place. Currently this guidance does not extend to standards related to connection services. We will include this guidance in the customer service reporting RIGs in 2011.

1.5. Structuring the RIGs in this way means that data relating to a number of different areas (such as connections) appears in all three RIGs. For example, connection costs will be reported under the cost and revenue reporting RIGs, connection volumes under the network asset data and performance reporting RIGs and connection performance reporting will be in the customer service reporting RIGs. While this approach means that the scope for duplication is minimised, we recognise that the full picture on any aspect of DPCR5 will involve bringing data together from across the three areas. We will address this in the way that we report on DNO performance.

Legal framework

1.6. There are a number of different licence obligations that require the DNOs to provide Ofgem with information. For the cost and revenue reporting RIG the following legal framework applies:

- Standard licence condition (SLC) 15A (Connection Policy and Connection Performance places obligations for connections reporting as set out in chapter 7,
- SLC 44B (Distribution Losses Reporting Regime) places obligations on reporting losses as set out in chapter 5,
- SLC 44C, (Low Carbon Networks Fund Reporting) places obligations on reporting against the low carbon networks fund as set out in chapter 2,
- SLC 45A (Incentive Scheme for Transmission Connection Point Charges) sets out the reporting obligations for transmission connection point charges as set out in chapter 2,
- SLC 46 (Incentive schemes for innovation funding and Distributed Generation) sets out the reporting obligations for distributed generation and innovation funding as set out in chapter 2,
- SLC 47 (Reporting of Price Control Revenue Information) sets out the reporting obligations for revenue reporting as set out in chapter 5, and
- SLC 48 (Reporting of Price Control Cost Information) sets out the reporting obligations for cost reporting as set out in chapter 2.

1.7. The RIGs include definitions and related instructions and guidance for preparing the annual information submissions. For the avoidance of doubt, these RIGs are subordinate to the licence conditions. Consequently, the RIGs will not change any definitions or obligations contained within the electricity distribution licences applicable to the DNOs and, in the event of any dispute, the licence conditions will always take precedence.

Timescales for reporting under the RIGs

Reporting year

1.8. The relevant reporting year for the provision of information required under SLCs 15A, 44B, 44C, 45A, 46 and 47 and 48 runs from 1 April to 31 March of the following calendar year.

Submission dates

1.9. DNOs must provide the information required under SLCs 15A, 44B, 44C, 45A, 46 and 48 as soon as reasonably practicable and in any event, not later than 31 July following the end of the relevant reporting year to which such information relates. This is the latest date that DNOs can submit the information unless the Authority has previously consented otherwise in writing.

1.10. The submission must be accompanied by a letter signed by a director on behalf of the licensee confirming that the data has been provided in accordance with the RIGs.

1.11. SLC 47 requires licensees to make the following returns to Ofgem in relation to each Regulatory Year:

- in the case of information specified in Template A ('the detailed return') of the Revenue Reporting RIGs, by no later than 31 July in the next Regulatory Year following the Regulatory Year under report, and
- in the case of information specified in Template B ('the forecast return') of the Revenue Reporting RIGs, by no later than 31 October of the relevant Regulatory Year in respect of the licensee's estimates of those specified items made after 31 July of that year.

Resubmissions

1.12. Ofgem's agreement is required before any resubmission of information set out in a report produced in accordance with these RIGs can be made and in any such instance the report concerned must be resubmitted in full. The resubmission must only be accompanied by a letter signed by a director where significant changes have been made and Ofgem or the licensee decide such a letter is required.

1.13. In addition for each resubmission a separate explanation must be provided listing each and every cell that has been amended and sufficient commentary to explain the reasons.

1.14. The detailed return required under SLC 47 must only be resubmitted where a restatement is necessary in the opinion of the appropriate auditor (in accordance with SLC 47.15).

Review

1.15. Once the DNOs have submitted the cost information to the Authority, Ofgem or a person nominated by the Authority ('a reviewer') will undertake a detailed review of the information. Such a review may include a review visit to each DNO for discussion of the information submitted. Such visits will be agreed with the licensees in advance.

1.16. Where a reviewer has been nominated, then in accordance with SLC 48.10, the reviewer will enter into an agreement with the licensee to maintain confidentiality on reasonable terms.

Appointing an examiner

1.17. In accordance with SLC 46.8 the licensee must permit a person nominated by the Authority to examine the systems, processes and procedures for measuring the specified information, the specified information collected by the licensee and the extent to which the systems, process and procedures and the specified information complies with the RIGs

Audit requirements in relation to revenue reporting

1.18. In accordance with SLC 47.8 to 47.12, Ofgem will issue Agreed Upon Audit Procedures (AUP) for use by an appropriate auditor.

1.19. SLC47 requires the licensee to ensure that the submission of Template A is accompanied by a report addressed to the Authority from the auditor stating that he has completed the AUPs in accordance with relevant auditing standards and giving his findings. SLC 47 also requires the licensee to cooperate with the auditor in this respect.

1.20. The Authority must be noted as an interested party in the letter of engagement/contract between the licensee and the auditor which should normally provide for the auditor to send an additional copy of his report direct to Ofgem for the attention of the Costs and Outputs team.

1.21. It is acceptable for copies of the auditor's report to be sent to Ofgem in electronic form only (scanned as a pdf file) providing that the electronic copy submitted is a scan of the original, signed report.

1.22. There is no formal audit requirement in respect of Template B (the forecast return) but the licensee is expected to take reasonable care and use a systematic

approach in estimating values to be reported and to keep a record of the approach which has been used.

The RIGs workbooks

1.23. There are six workbooks for the cost and revenue RIGs. Below is a summary of these workbooks, and the worksheets that are contained within them where relevant:

- Cost reporting workbook (C1-C63) – for reporting on costs specified in chapter 2,
- High level connections reporting workbook (CC1-CC24) – for reporting on high level connections costs specified in chapter 3,
- Memo and disaggregated cost reporting workbook (CM1-CM20) – for completing the memo tables and reporting on disaggregated costs as specified in chapter 4,
- Revenue reporting workbook (R1-R19)– for reporting on revenues specified in chapter 5,
- Financial issues reporting workbook (F1-F21) – for reporting on financial issues specified in chapter 6, and
- Detailed connections reporting workbook (incorporating data for the Connections Industry Review (CIR)) – for reporting on connections specified in chapter 7.

1.24. In chapters 2 to 6 we refer to the worksheets when providing guidance on how to complete the workbooks, for example in chapter 5 we refer to worksheets R1 to R19 in the revenue reporting workbook, and in chapter 7 we refer to the detailed connections reporting workbook itself.

Completing the RIGs workbooks

Linked workbooks

1.25. Some of the workbooks in these RIGs have been designed to link to other workbooks (e.g. the High-Level Connections workbook links to the Main Cost workbook and vice versa). The DNO must save the workbooks on their own systems and re-establish the links for the workbooks to operate correctly.

1.26. The links between workbooks in the RIGs must be retained by the DNO in the version submitted to Ofgem. Ofgem will save the submitted versions and again re-establish the links. Where these links have been broken by the DNO, the submission will not be considered compliant with the requirements of these RIGs.

1.27. All other links to the DNO's own systems must be broken before submission to Ofgem. Failure to do so will also be considered non-compliant with the RIGs.

Template

1.28. In the RIGs workbooks all the cells that DNOs are required to complete are coloured yellow. Cells with pre inputted values and checking cells are coloured orange and cells which have auto calculations or are totals are coloured green. Cells which are linked to other sheets are coloured blue.

1.29. Values must be entered in the column corresponding to the Regulatory Year under report. For example, values reported in respect of Regulatory Year 2010-11 must be entered in the column headed "2011".

1.30. Instructions for the electronic submission of the workbooks will be circulated to the licensee regulation managers in advance of each submission deadline. However, if there is any doubt about the method of submission, the licensee must contact the Costs and Outputs team at Ofgem.

Accuracy of reporting

1.31. In the RIGs worksheets the numbers will be displayed to two decimal places. However, the DNOs are required to provide this data to the highest level of accuracy available with the minimum being two decimal places, unless otherwise indicated in the worksheets or the guidance.

1.32. For the revenue reporting workbook only where a reportable value is zero or not applicable to the licensee then a zero must be input rather than the cell being left blank.

1.33. For the cost reporting workbooks where a reportable value is zero or not applicable to the licensee, the cell can either be left blank or input as a zero. All links to DNO's own workbooks must be removed prior to submission. However the links between RIGs workbooks must be retained in the submitted version (see above).

Provision of historic data

1.34. For each reporting year DNOs will be required to report a complete set of historic reporting data using this version of the workbooks for the full period of DPCR4 i.e. for each year commencing 2005-6. The open letter that accompanies these RIGs clarifies that historic data is not required for the 2009-10 submission².

² Electricity Distribution Price Control Review 5 (DPCR5): Version 1 of the regulatory instructions and guidance, 26 May 2010.

Provision of forecast data

1.35. In each reporting year DNOs are also required to provide a full set of forecast reporting data for the subsequent five years. Therefore, for example, by 31 July 2011 DNOs will be required to submit a full set of reporting data for 2010-11 and also forecast data for 2011-12 to 2015-16 unless the Authority has previously consented otherwise in writing. This requirement does not apply to the revenue reporting workbook. Paragraph 3.15 refers to revenue forecast reporting requirements. The open letter that accompanies these RIGs clarifies that forecast data is not required for the 2009-10 submission³.

Commentaries

1.36. Where a licensee (and any affiliate or related undertaking of the licensee) does not capture data on the same basis as the cost reporting definitions, and in completing the tables the licensee has to apportion costs across one or more activities, the basis of apportionment must be provided in the cost commentary document. The licensee will also give an indication of their assessment of the robustness of those assumptions.

1.37. Where a modification of the RIGs results in a requirement to provide:

- (a) Data for a new cost category or activity, or
- (b) An existing cost category or activity to a greater level of detail,

and in either case such information has not previously been collected by the licensee (under the provisions of these RIGs or otherwise), the licensee must provide estimates in respect of that category or activity, for the year in which the modification is made and for any preceding year, derived from such other information available to the licensee as may be appropriate for that purpose. In this case the licensee must set out the basis and methodology for deriving the estimated amounts in detail in the commentary.

1.38. The cost commentary provides the opportunity for DNOs to explain why costs have been incurred and the annual movements in cost levels. It will be used in conjunction with the data tables, to understand the structures and operations of each DNO, to inform DPCR6 and to monitor DNOs' performance against Ofgem's assumptions for costs included in the DPCR5 Final Proposals document.

³ Electricity Distribution Price Control Review 5 (DPCR5): Version 1 of the regulatory instructions and guidance, 26 May 2010.

Glossary

1.39. The glossary of terms is the fourth document in the RIGs pack and provides a definitive list of definitions for all three RIGs documents but excludes terms defined in the licence conditions. Where a term is defined in a RIGs document, it can also be found in the glossary of terms.

1.40. For the avoidance of doubt the glossary of terms are subordinate to the licence conditions. Therefore, if a term is defined in both the licence and the glossary, the licence takes precedence.

Document Structure

1.41. This document contains the following chapters:

- Chapter 2 - sets out the instructions for completing cost reporting,
- Chapter 3 - sets out the instructions for completing the high-level connections workbook,
- Chapter 4 - sets out the instructions for completing the memo and disaggregated cost workbook,
- Chapter 5 - sets out the instructions for completing revenue reporting,
- Chapter 6 - sets out the instructions for completing financial issues reporting, and
- Chapter 7 - sets out the instructions for completing connections cost reporting.

1.42. The appendices are as follows:

- Appendix 1 - sets out the Authorities powers and duties, and
- Appendix 2 - sets out the feedback questionnaire.

2. Instructions for completing cost reporting

Introduction

2.1. The purpose of the instructions and guidance in this chapter is to provide a framework for the collection and provision of accurate and consistent cost data from the DNOs.

2.2. This chapter deals with the network investment and operating expenditure cost reporting information that will be used to monitor performance in the DPCR4, DPCR5 and future periods, and inform forthcoming price control reviews.

2.3. All costs are to be entered on a Cash Basis (see Glossary) and exclusive of atypical items except where specifically instructed to report data. Cash means exclusive of all provisions and all accruals and prepayments that are not incurred as part of the ordinary level of business.

Cost type definitions

2.4. The costs reported are differentiated into Cost Types. The following lists the costs types used in the Costs Reporting part of the Cost and Revenue Reporting RIGs. Definitions of each of the Cost Types are to be found in the Glossary to this document.

- Labour,
- Pensions,
- Contractors,
- Materials,
- Wayleaves (including Easements/Servitudes),
- Road Charges,
- Rent,
- Subscriptions,
- Related Party Margins,
- Allocation – Non-Operational Capex,
- Allocation – Closely Associated indirects,
- Allocation – Business Support Costs,
- Income (including Customer Contributions) relating to Directs and Closely Associated Indirects, and
- Income (including Customer Contributions) relating to Non-Operational Capex and Business Support Costs.
- Cost Recoveries

2.5. All numbers must be entered as positive, except for Income which must be entered as negative.

2.6. The income must be that which is shown in the Profit and Loss Account (Income Statement), and itself would represent the income on a WIP basis. Any values not shown on a WIP basis must be highlighted in the commentary showing the financial impact of the divergence from that policy.

2.7. The Cost and Revenue reporting document has been split into three separate excel workbooks to ensure stability on DNO's computer systems. The workbooks are:

- Main Tables
- Connections Tables
- Disaggregated and Memo Tables

Worksheets C1 to C3 - Admin

Worksheet C1 – Cover

2.8. This sheet is used for the DNO to enter key data including the DNO name, the reporting year and the names of related parties.

2.9. DNOs should maintain the same naming convention for related parties across reporting periods where possible and ensure that the related parties are entered in the same cells across reporting periods to avoid confusion comparing different packs.

Worksheet C2 – Index

2.10. This worksheet details what tables are contained within the workbook, and provides hyperlinks to all the tabs

Worksheet C3 – Check Sheet

2.11. This worksheet collects together the results of all the checks included within the workbook to provide an easy reference to determine whether there are any clear errors in the pack. The DNO is not required to input any data on this worksheet.

Worksheets C4 and C5 – Total Costs

- C4 – Summary – Total Costs by Cost Type
- C5 – Summary – Total Costs by Related Party

Worksheet C4 - Total Costs before allocations by Cost Type

2.12. The tables in this worksheet allow Ofgem to monitor the total DNO expenditure by high level activity and cost type.

2.13. The tables populate automatically from data contained elsewhere in the workbook.

Worksheet C5 – Total Costs by Related Party

2.14. This worksheet is for reporting the split of costs between those incurred by the DNO directly and those incurred by related parties. This data will be used to provide Ofgem with a better understanding of the operation of the DNO business.

2.15. The DNO must enter the costs incurred by the DNO and each related party for each of the cost areas identified in the table.

2.16. The cells for connections will autopopulate from the Connections workbook.

2.17. The check cell at the bottom of the worksheet ensures the totals included in the table equals that included in the Total Cost worksheet.

Worksheets C6 to C8 –RAV, Tax & Segmental Analysis and Total Costs to Allowances

2.18. The worksheets in this section of the Cost Reporting Workbook collates data provided by the DNO for the specific purposes of determining the RAV Additions for the year, collecting data by tax pool, comparing actual expenditure with allowances and collecting total cost data on a cost type basis. The following lists the worksheets included in this section of the RIGs.

- C6 - RAV Additions,
- C7 - Tax Pool Data and Segmental Reporting, and
- C8 - Comparison to Allowances.

Worksheet C6 - RAV Additions

2.19. The tables in this worksheet calculate the RAV additions for the DPCR5 period.

2.20. The tables populate automatically from data contained elsewhere in the workbook.

Worksheet C7 - Tax Pool Data and Segmental Reporting

2.21. The tables in this worksheet collate data in a format required by the Financial Issues Team at Ofgem to calculate expenditure for the separate tax pools for pensions analysis and for comparison to the segmental reporting provided by the DNOs' Regulatory Accounts.

2.22. The tables populate automatically from data contained elsewhere in the workbook.

Worksheet C8 - Comparison to Allowances

2.23. This worksheet allows Ofgem to compare actual expenditure performance against to the baseline allowances set as part of the DPCR5 review to determine overall allowances.

2.24. The tables populate automatically from data contained elsewhere in the workbook.

Worksheets C9 to C11 – Related Parties

2.25. The worksheets in this section collect related party information to allow Ofgem a better understanding of the DNO business, identify any potential cross-subsidy issues and calculate any related party margin adjustments for RAV purposes.

2.26. The following lists the worksheets in this section of the Cost Reporting workbook.

- Worksheet C9 - Related Party Analysis,
- Worksheet C10 - Related Party Cross Subsidy Analysis,
- Worksheet C11 - Related Party disallowed Margin,

Worksheet C9 - Related Party Analysis

2.27. The purpose of this table is to calculate whether each Related Party passes the 75% related party margin test. This worksheet collects costs according to the following categories:

- Turnover - DNO,
- Turnover - Related DNO(s),
- Turnover - Other related parties, and
- Turnover - External customers.

2.28. There is a check for each related party to indicate whether there should be a related party margin adjustment.

Worksheet C10 - Related Party Cross Subsidy Analysis

2.29. This worksheet collects information to enable Ofgem to identify potential related cross subsidy issues with related party charging.. The turnover and margin is to be entered for each related party split between the activity with other related parties and external parties.

Worksheet C11 - Calculation of allowable Related Party Margins

2.30. This worksheet determines allowable Related Party Margins to enable the RAV Additions calculation for the year.

2.31. The table allows DNOs to report data for up to fifteen related parties that transact with the DNO. Where the DNO transacts with more than fifteen related parties the tables in the worksheet must be completed for those related parties that have the highest turnover from the DNO. Other related parties must be reported in the commentary to this worksheet with the details required in this worksheet.

2.32. The DNO must include the turnover of the related parties split between: turnover from the DNO, other related parties and external bodies. The DNO must also include the total turnover with the DNO which will be checked against other related party data included in the submission.

2.33. The related party margin costs which should be included within this table are:

- Network Investment (as defined in the Glossary)
- Network Operating Costs
- Closely Associated Indirects (after reallocation to non-distribution activities, sole use connections and shared connections – customer funded)

2.34. The tables in the worksheet will determine whether the related party achieves the requirements for allowing Related Party Margins into the RAV.

Worksheets C12 - Network Investment

2.35. This worksheet summarises the Network Investment expenditure to enable Ofgem to monitor overall spend in these areas.

2.36. Network investment expenditure has been divided into core and non-core activities, with further differentiation depending on whether the funding is ex ante, re-opener/logged up or stand-alone such as Low Carbon Networks or Worst served Customers.

2.37. This table populates automatically from other tables within the workbook.

Worksheets C13 to C27 - Core (ex-ante)

2.38. This section collects the costs and income relating to core network investment activities that are funded by an ex-ante allowance and are allowable for RAV purposes in DPCR5. The following worksheets are included in this group:

- C13 - Summary Core ex ante by Cost Type,

- C14 - Diversions - Wayleave Terminations,
- C15 - Diversions - Highways,
- C16 - Diversions - Conversion of Wayleaves,
- C17 - Reinforcement - General,
- C18 - Reinforcement - DSM Payments to avoid Reinforcement,
- C19 - Fault Level Reinforcement,
- C20 - ESQCR,
- C21 - Asset Replacement by Category,
- C22 - Asset Replacement by Cost Type,
- C23 - Information Technology (Operational),
- C24 - Legal and Safety
- C25 - Quality of Service
- C26 - High Value Projects (scheme)
- C27 - High Value Projects (cost type)

Worksheets C13

2.39. Summary table will populate automatically from data contained elsewhere within the workbook.

Worksheet C14 - Diversions - Wayleave Terminations

2.40. This table is for the input of the cost of diversions due to Wayleave Terminations. The costs are to be reported by voltage level and separately by cost type.

2.41. The data reported in this workbook will be compared with that reported in workbook A22 of the NADPR to assess the comparative costs across the DNOs.

Worksheet C15 - Diversions - Highways

2.42. This table is for the input of the cost of diversions due to highways. The costs are to be reported by voltage level and separately by cost type. Where work covers more than one voltage level, an entry should be made at each applicable voltage level

2.43. The data reported in this workbook will be compared with that reported in workbook A22 of the NADPR to assess the comparative costs across the DNOs.

Worksheet C16 - Diversions - Conversion of Wayleaves and Claims for Injurious Affection

2.44. This table is for the input of costs relating to the conversion of Wayleaves to Easements (servitudes) and payment of Injurious Affection claims.

2.45. The costs for conversion of wayleaves are to be reported by voltage. The full cost type split has not been included in this table since the direct costs prior to

allocations are all reported under the Wayleaves (inc Easements/Servitudes) cost type.

2.46. Claims for Injurious Affection in this table only include those resolved by Easements (servitudes) relating to assets that were already in situ. Easements (servitudes) relating to new assets are reported in the relevant tables for the work undertaken (e.g. an injurious affection claim relating to a new connection would be reported with the costs of that connection).

2.47. The data reported in this workbook will be compared with that reported in workbook A22 of the NADPR to assess the comparative costs across the DNOs.

2.48. Only easements (servitudes) should be included in this worksheet. Wayleaves must be included within EMCS.

Worksheet C17 - Reinforcement General

2.49. Input costs of general reinforcement by cost type and three voltage level categories.

2.50. Key terms for this table are defined in the Glossary and include:

- N-1 and
- N-2.

Worksheet C18 - Reinforcement - DSM Payments to avoid Reinforcement

2.51. –This worksheet is for the input of Demand Side Management (DSM) payments the DNO has made by way of limiting peak load on the system to avoid the need to reinforce the network.

2.52. Input costs of demand side management payments for general reinforcement avoidance by voltage level (LV, HV, EHV and 132kV).

2.53. When a DSM payment avoids reinforcement at more than one voltage level, the costs should be split across the relevant voltage levels.

Worksheet C19 - Fault Level Reinforcement

2.54. Input costs by cost type and for each cost type category by three voltage levels (HV, EHV and 132kV).

Worksheet C20 - ESQCR

2.55. This worksheet collects costs for ESQCR by Category for both Horizontal and Vertical Clearances, and also by voltage level.

2.56. This worksheet requires costs to be reported in accordance with the following terms (see Glossary for definitions):

- Horizontal Clearance,
- Vertical Clearance,
- Shrouding,
- Diversions,
- Undergrounding,
- Covered conductors,
- Rebuild, and
- ESQCR Other.

2.57. The workbook will be used to compare the costs to the activity reported in workbook A23 of the NADPR and to undertake comparative analysis across the DNOs.

Worksheet C21 - Asset Replacement by Category

2.58. The purpose of this worksheet is to determine the total direct costs of Asset Replacement by detailed category. The data will be compared to the asset data reported in workbooks A9 to A11 of the NADPR.

2.59. The data provided will also be compared to other costs (e.g. I&M) to compare total asset costs over time for the assets.

2.60. The DNO will input costs by voltage levels and further disaggregated by asset categories as shown.

Worksheet C22 - Asset Replacement by Cost Type

2.61. The purpose of this worksheet is to allow comparative analysis of the direct costs of Asset Replacement by asset categories and to determine the impact on performance of the different level of Non-Op Capex and Indirect costs allocated to the activities. The data will be compared to the asset data reported in workbooks A9 to A11 of the NADPR.

2.62. The asset categories are not as disaggregated as for Worksheet C38. The matching of the categories in each of the worksheets is shown in the following table.

Table 2.1: Matching of asset categories across Worksheet C38 and C39.

Analysis by Category - Asset Descriptors				Analysis by Cost Type - Asset Descriptors		
Modelling Assets	LV	Overhead Pole Line	LV Main (OHL) Conductor	LV	Overhead Pole Line	LV Overhead Lines
Modelling Assets	LV	Overhead Pole Line	LV Service (OHL)	LV	Overhead Pole Line	LV Service (OHL)
Modelling Assets	LV	Overhead Pole Line	LV Poles	LV	Overhead Pole Line	LV Overhead Lines
Modelling Assets	LV	Cable	LV Main (UG Consac)	LV	Cable	LV Underground Main Cable
Modelling Assets	LV	Cable	LV Main (UG Plastic)	LV	Cable	LV Underground Main Cable
Modelling Assets	LV	Cable	LV Main (UG Paper)	LV	Cable	LV Underground Main Cable
Modelling Assets	LV	Cable	Rising Mains & Lateral	LV	Cable	Rising Mains & Lateral (inc assoc services)
Modelling Assets	LV	Cable	LV Service (UG)	LV	Cable	LV Service (UG)
Modelling Assets	LV	Cable	LV Service associated with RLM	LV	Cable	Rising Mains & Lateral (inc assoc services)
Modelling Assets	LV	Switchgear	LV Circuit Breaker	LV	Switchgear	LV Switchgear
Modelling Assets	LV	Switchgear	LV Pillar (ID)	LV	Switchgear	LV Switchgear
Modelling Assets	LV	Switchgear	LV Pillar (OD)	LV	Switchgear	LV Switchgear
Modelling Assets	LV	Switchgear	LV Board (WM)	LV	Switchgear	LV Switchgear
Modelling Assets	LV	Switchgear	LV UGB	LV	Switchgear	LV Switchgear
Modelling Assets	LV	Switchgear	Metered Cutout	LV	Switchgear	Metered Cutout
Modelling Assets	LV	Switchgear	LV Board (X-type network) (WM)	LV	Switchgear	LV Switchgear
Modelling Assets	HV	Overhead Pole Line	6.6/11 kV OHL (Conventional Conductor)	HV	Overhead Pole Line	HV Overhead Lines
Modelling Assets	HV	Overhead Pole Line	6.6/11 kV OHL (BLX or similar Conductor)	HV	Overhead Pole Line	HV Overhead Lines
Modelling Assets	HV	Overhead Pole Line	20kV OHL (Conventional Conductor)	HV	Overhead Pole Line	HV Overhead Lines
Modelling Assets	HV	Overhead Pole Line	20kV OHL (BLX or similar)	HV	Overhead Pole Line	HV Overhead Lines

			Conductor)			
Modelling Assets	HV	Overhead Pole Line	6.6/11 kV Poles	HV	Overhead Pole Line	HV Overhead Lines
Modelling Assets	HV	Overhead Pole Line	20 kV Poles	HV	Overhead Pole Line	HV Overhead Lines
Modelling Assets	HV	Cable	6.6/11kV UG Cable	HV	Cable	HV Underground Cable
Modelling Assets	HV	Cable	20kV UG Cable	HV	Cable	HV Underground Cable
Modelling Assets	HV	Cable	HV Sub Cable	HV	Cable	Submarine cable
Modelling Assets	HV	Switchgear	6.6/11kV CB (PM)	HV	Switchgear	6.6/11kV CB (PM)
Modelling Assets	HV	Switchgear	6.6/11kV CB (GM) Primary	HV	Switchgear	6.6/11kV CB (GM) Primary
Modelling Assets	HV	Switchgear	6.6/11kV CB (GM) Secondary	HV	Switchgear	6.6/11kV (GM) All Secondary Switchgear
Modelling Assets	HV	Switchgear	6.6/11kV Switch (PM)	HV	Switchgear	6.6/11kV CB (PM)
Modelling Assets	HV	Switchgear	6.6/11kV Switch (GM)	HV	Switchgear	6.6/11kV (GM) All Secondary Switchgear
Modelling Assets	HV	Switchgear	6.6/11kV RMU	HV	Switchgear	6.6/11kV (GM) All Secondary Switchgear
Modelling Assets	HV	Switchgear	6.6/11kV X type RMU	HV	Switchgear	6.6/11kV (GM) All Secondary Switchgear
Modelling Assets	HV	Switchgear	20kV CB (PM)	HV	Switchgear	20kV CB (PM)
Modelling Assets	HV	Switchgear	20kV Switch (GM)	HV	Switchgear	20kV (GM) Other Secondary Switchgear
Modelling Assets	HV	Switchgear	20kV Switch (PM)	HV	Switchgear	20kV CB (PM)
Modelling Assets	HV	Switchgear	20kV Switch (GM) Primary	HV	Switchgear	20kV CB (GM) Primary & Secondary
Modelling Assets	HV	Switchgear	20kV CB (GM) Secondary	HV	Switchgear	20kV CB (GM) Primary & Secondary
Modelling Assets	HV	Switchgear	20kV RMU	HV	Switchgear	20kV (GM) Other Secondary

						Switchgear
Modelling Assets	HV	Transformer	6.6/11kV Transformer (PM)	HV	Transformer	6.6/11kV Transformer (PM)
Modelling Assets	HV	Transformer	6.6/11kV Transformer (GM)	HV	Transformer	6.6/11kV Transformer (GM)
Modelling Assets	HV	Transformer	20kV Transformer (PM)	HV	Transformer	20kV Transformer (PM)
Modelling Assets	HV	Transformer	20kV Transformer (GM)	HV	Transformer	20kV Transformer (GM)
Modelling Assets	EHV	Overhead Pole Line	33kV OHL (Pole Line) Conductor	EHV	Overhead Pole Line	EHV Wood Pole Overhead Lines
Modelling Assets	EHV	Overhead Pole Line	33kV Pole	EHV	Overhead Pole Line	EHV Wood Pole Overhead Lines
Modelling Assets	EHV	Overhead Pole Line	66kV OHL (Pole Line) Conductor	EHV	Overhead Pole Line	EHV Wood Pole Overhead Lines
Modelling Assets	EHV	Overhead Pole Line	66kV Pole	EHV	Overhead Pole Line	EHV Wood Pole Overhead Lines
Modelling Assets	EHV	Overhead Tower Line	33kV OHL conductor	EHV	Overhead Tower Line	EHV Steel Tower Overhead Lines
Modelling Assets	EHV	Overhead Tower Line	33kV Tower	EHV	Overhead Tower Line	EHV Steel Tower Overhead Lines
Modelling Assets	EHV	Overhead Tower Line	33kV Fittings	EHV	Overhead Tower Line	EHV Steel Tower Overhead Lines
Modelling Assets	EHV	Overhead Tower Line	66kV OHL conductor	EHV	Overhead Tower Line	EHV Steel Tower Overhead Lines
Modelling Assets	EHV	Overhead Tower Line	66kV Tower	EHV	Overhead Tower Line	EHV Steel Tower Overhead Lines
Modelling Assets	EHV	Overhead Tower Line	66kV Fittings	EHV	Overhead Tower Line	EHV Steel Tower

						Overhead Lines
Modelling Assets	EHV	Cable	33kV UG Cable (Non Pressurised)	EHV	Cable	33 kV Underground Cable
Modelling Assets	EHV	Cable	33kV UG Cable (Oil)	EHV	Cable	33 kV Underground Cable
Modelling Assets	EHV	Cable	33kV UG Cable (Gas)	EHV	Cable	33 kV Underground Cable
Modelling Assets	EHV	Cable	66kV UG Cable (Non Pressurised)	EHV	Cable	66 kV Underground Cable
Modelling Assets	EHV	Cable	66kV UG Cable (Oil)	EHV	Cable	66 kV Underground Cable
Modelling Assets	EHV	Cable	66kV UG Cable (Gas)	EHV	Cable	66 kV Underground Cable
Modelling Assets	EHV	Cable	EHV Sub Cable	HV	Cable	Submarine cable
Modelling Assets	EHV	Switchgear	33kV CB (Air Insulated Busbars)(ID)	EHV	Switchgear	33 kV Switchgear
Modelling Assets	EHV	Switchgear	33kV CB (Air Insulated Busbars)(OD)	EHV	Switchgear	33 kV Switchgear
Modelling Assets	EHV	Switchgear	33kV CB (Gas Insulated Busbars)(ID)	EHV	Switchgear	33 kV Switchgear
Modelling Assets	EHV	Switchgear	33kV CB (Gas Insulated Busbars)(OD)	EHV	Switchgear	33 kV Switchgear
Modelling Assets	EHV	Switchgear	33kV Switch (GM)	EHV	Switchgear	33 kV Switchgear
Modelling Assets	EHV	Switchgear	33kV Switch (PM)	EHV	Switchgear	33 kV Switchgear
Modelling Assets	EHV	Switchgear	33kV RMU	EHV	Switchgear	33 kV Switchgear
Modelling Assets	EHV	Switchgear	66kV CB (Air Insulated Busbars)(ID)	EHV	Switchgear	66 kV Switchgear
Modelling Assets	EHV	Switchgear	66kV CB (Air Insulated Busbars)(OD)	EHV	Switchgear	66 kV Switchgear
Modelling Assets	EHV	Switchgear	66kV CB (Gas Insulated Busbars)(ID)	EHV	Switchgear	66 kV Switchgear
Modelling Assets	EHV	Switchgear	66kV CB (Gas Insulated	EHV	Switchgear	66 kV Switchgear

			Busbars)(OD)			
Modelling Assets	EHV	Transformer	33kV Transformer (PM)	EHV	Transformer	33kV Transformer (PM)
Modelling Assets	EHV	Transformer	33kV Transformer (GM)	EHV	Transformer	33kV Transformer (GM)
Modelling Assets	EHV	Transformer	66kV Transformer	EHV	Transformer	66kV Transformer
Modelling Assets	132kV	Overhead Pole Line	132kV OHL Conductor (Pole Line)	132kV	Overhead Pole Line	132 kV Wood Pole Overhead Line
Modelling Assets	132kV	Overhead Pole Line	132kV Pole	132kV	Overhead Pole Line	132 kV Wood Pole Overhead Line
Modelling Assets	132kV	Overhead Tower Line	132kV OHL Conductor (Tower Line)	132kV	Overhead Tower Line	132 kV Steel Tower Overhead Lines
Modelling Assets	132kV	Overhead Tower Line	132kV Tower	132kV	Overhead Tower Line	132 kV Steel Tower Overhead Lines
Modelling Assets	132kV	Overhead Tower Line	132kV Fittings (Tower Line)	132kV	Overhead Tower Line	132 kV Steel Tower Overhead Lines
Modelling Assets	132kV	Cable	132kV UG Cable (Non Pressurised)	132kV	Cable	132 kV Underground Cable
Modelling Assets	132kV	Cable	132kV UG Cable (Oil)	132kV	Cable	132 kV Underground Cable
Modelling Assets	132kV	Cable	132kV UG Cable (Gas)	132kV	Cable	132 kV Underground Cable
Modelling Assets	132kV	Cable	132kV Sub Cable	HV	Cable	Submarine cable
Modelling Assets	132kV	Switchgear	132kV CB (Air Insulated Busbars)(ID)	132kV	Switchgear	132kV CB (Air Insulated Busbars)(ID & OD)
Modelling Assets	132kV	Switchgear	132kV CB (Air Insulated Busbars)(OD)	132kV	Switchgear	132kV CB (Air Insulated Busbars)(ID & OD)
Modelling Assets	132kV	Switchgear	132kV CB (Gas Insulated Busbars)(ID)	132kV	Switchgear	132kV CB (Gas Insulated)

						Busbars)(ID & OD)
Modelling Assets	132kV	Switchgear	132kV CB (Gas Insulated Busbars)(OD)	132kV	Switchgear	132kV CB (Gas Insulated Busbars)(ID & OD)
Modelling Assets	132kV	Transformer	132kV Transformer	132kV	Transformer	132kV Transformer
Other Assets	LV	Switchgear	LV Fuses (PM)			
Other Assets	LV	Switchgear	LV Fuses (GM) (TM)			
Other Assets	HV	Switchgear	6.6/11 kV Switchgear - Other (PM)	HV	Switchgear	6.6/11kV CB (PM)
Other Assets	HV	Switchgear	20 kV Switchgear - Other (PM)	HV	Switchgear	20kV CB (PM)
Other Assets	Other	Protection	Pilot Wire Overhead	Other	Protection	Pilot Wire Overhead & Underground
Other Assets	Other	Protection	Pilot Wire Underground	Other	Protection	Pilot Wire Overhead & Underground
Other Assets	HV	Protection	Batteries at GM HV Substations	HV	Protection	Batteries at GM HV Substations
Other Assets	EHV	Protection	Batteries at EHV Substations	EHV	Protection	Batteries at EHV Substations
Other Assets	HV	Civils	GM Indoor Substation	HV	Civils	GM Indoor Substation
Other Assets	HV	Civils	GM Outdoor Substation	HV	Civils	GM Outdoor Substation
Other Assets	HV	Civils	GM Mixed Substation	HV	Civils	GM Mixed Substation
Other Assets	HV	Civils	GM Third Party Substation	HV	Civils	GM Third Party Substation
Other Assets	HV	Civils	Total HV Substations			
Other Assets	EHV	Civils	Total EHV Substations	EHV	Civils	Total EHV Substations
Other Assets	132kV	Civils	Total 132kV Substations	132kV	Civils	Total 132kV Substations
Other Assets	Other	Civils	Cable Tunnels (DNO owned)	Other	Civils	Cable Tunnels (DNO owned)
Other Assets	Other	Civils	Cable Bridges (DNO owned)	Other	Civils	Cable Bridges (DNO owned)
Other Assets	33 kV	Cable	Decommissioned 33kV -			

			pressurised			
Other Assets	66 kV	Cable	Decommissioned 66kV - pressurised			
Other Assets	132kV	Cable	Decommissioned 132kV - pressurised			
No Disposal/Addition	LV	Pole refurbishment	LV Poles	LV	Overhead Pole Line	LV Overhead Lines
No Disposal/Addition	HV	Pole refurbishment	6.6/11 kV Poles	HV	Overhead Pole Line	HV Overhead Lines
No Disposal/Addition	HV	Pole refurbishment	20 kV Poles	HV	Overhead Pole Line	HV Overhead Lines
No Disposal/Addition	EHV	Pole refurbishment	33kV Pole	EHV	Overhead Pole Line	EHV Wood Pole Overhead Lines
No Disposal/Addition	EHV	Pole refurbishment	66kV Pole	EHV	Overhead Pole Line	EHV Wood Pole Overhead Lines
No Disposal/Addition	132kV	Pole refurbishment	132kV Pole	132kV	Overhead Pole Line	132 kV Wood Pole Overhead Line
No Disposal/Addition	EHV	Tower refurbishment	33kV Tower	EHV	Overhead Tower Line	EHV Steel Tower Overhead Lines
No Disposal/Addition	EHV	Tower painting	33kV Tower	EHV	Overhead Tower Line	EHV Tower Painting & Foundation Strengthening
No Disposal/Addition	EHV	Foundation strengthening	33kV Tower	EHV	Overhead Tower Line	EHV Tower Painting & Foundation Strengthening
No Disposal/Addition	EHV	Tower refurbishment	66kV Tower	EHV	Overhead Tower Line	EHV Steel Tower Overhead Lines
No Disposal/Addition	EHV	Tower painting	66kV Tower	EHV	Overhead Tower Line	EHV Tower Painting & Foundation Strengthening
No Disposal/Addition	EHV	Foundation strengthening	66kV Tower	EHV	Overhead Tower Line	EHV Tower Painting & Foundation Strengthening
No Disposal/Addition	132kV	Tower refurbishment	132kV Tower	132kV	Overhead Tower Line	132 kV Steel Tower

						Overhead Lines
No Disposal/Addition	132kV	Tower painting	132kV Tower	132kV	Overhead Tower Line	132 kV Tower Painting & Foundation Strengthening
No Disposal/Addition	132kV	Foundation strengthening	132kV Tower	132kV	Overhead Tower Line	132 kV Tower Painting & Foundation Strengthening
No Disposal/Addition	LV	LV Underground service transfers	Cable overlays	LV	Cable	LV Underground Main Cable
No Disposal/Addition	HV	Civils Refurbishment	GM Indoor Substation	HV	Civils	GM Indoor Substation
No Disposal/Addition	HV	Civils Refurbishment	GM Outdoor Substation	HV	Civils	GM Outdoor Substation
No Disposal/Addition	HV	Civils Refurbishment	GM Mixed Substation	HV	Civils	GM Mixed Substation
No Disposal/Addition	HV	Civils Refurbishment	GM Third Party Substation	HV	Civils	GM Third Party Substation
No Disposal/Addition	HV	Civils Refurbishment	Total HV Substations			
No Disposal/Addition	EHV	Civils Refurbishment	Total EHV Substations	EHV	Civils	Total EHV Substations
No Disposal/Addition	132kV	Civils Refurbishment	Total 132kV Substations	132kV	Civils	Total 132kV Substations
No Disposal/Addition	Other	Civils Refurbishment	Cable Tunnels (DNO owned)	Other	Civils	Cable Tunnels (DNO owned)
No Disposal/Addition	Other	Civils Refurbishment	Cable Bridges (DNO owned)	Other	Civils	Cable Bridges (DNO owned)

Worksheet C23 - Information Technology - Operational

2.63. DNOs must input costs for Operational Information Technology by cost type and for each of the following categories:

- Substation RTU, Marshalling kiosk and receivers
- Switching and Monitoring communication equipment,
- Control centre hardware, and
- Control centre software.

2.64. Refer to the Glossary for definitions of these categories.

Worksheet C24 - Legal and safety

2.65. For each cost type report costs as per the listed activities. The activities are defined in the Glossary and cover:

- Site security,
- Asbestos clearance – substations,
- Asbestos clearance – Meter Boards,
- Safety climbing fixtures,
- Substation fire protection, and
- Earthing upgrades.

2.66. The worksheet allows for the DNO to add up to three further categories of Legal and Safety work. A full explanation of any additional categories added by the DNO must be included in the Commentary.

2.67. The data in this workbook will be compared to the asset data included within workbook A24 of the NADPR and used for comparative analysis of costs across the DNOs.

Worksheet C25 - Quality of Service Expenditure

2.68. This table is for the reporting of costs where the prime driver relates to Quality of Service. The table will be used to confirm the scheme costs reported in workbook A41 of the NADPR and in relation to both A41 and A42 of the NADPR to allow for comparative analysis across the DNOs.

Worksheet C26 - High Value Projects by Scheme

2.69. This worksheet collects High Value Project Data by scheme name, project/scheme ID and building block. The categories at the bottom of this worksheet populates automatically from data contained above.

Worksheet C27 - High Value Projects by Cost Type – Excluding BT 21st Century

2.70. Expenditure on this table must be reported by each cost type category for each of the following areas:

- Asset Replacement,
- General Reinforcement,
- Fault Level Reinforcement, and
- Legal and Safety

Worksheets C28 to C31 - Non Core (ex-ante)

2.71. A number of network costs associated with non-core investment activities are also funded through the ex ante allowances. These are:

- C28 - Summary - Non-Core ex ante by Cost Type,
- C29 - BT 21st Century,
- C30 - Flooding by Cost Type, and
- C31 - Environmental – Other.

Worksheet C28 – Non Core ex Ante – Summary Cost Type

2.72. Summary table will populate automatically from data contained elsewhere within the workbook

Worksheet C29 - BT 21st Century

2.73. This table captures the costs which relate to a series of proposed changes to BT's communication network. This table is for reporting costs of providing replacement protection communication circuits and costs of operational measures associated with BT 21st Century. Input costs of these two categories for each cost type.

2.74. The DNO must include all the costs of High Value Projects relating to BT 21st Century in this worksheet and not the High Value Projects worksheet.

2.75. The costs will be compared to the activity data reported in workbook A25 of the NADPR to allow some comparative analysis across the DNOs.

Worksheet C30 - Flooding by Cost Type

2.76. In the top half of the worksheet, input costs associated with mitigating flooding at key substation sites (primary, bulk supply points and supergrids). For each site report costs by three levels of risk probability. These categories are defined in the Glossary.

2.77. In the bottom half of the worksheet, input costs by each cost type category.

Worksheet C31 - Environmental - Other

2.78. This table collects the costs of complying with environmental legislation or guidelines by cost type category for each of the following categories:

- Visual amenity,
- Oil Pollution,

- SF6 Leakage, and
- Noise Pollution.

2.79. These categories are defined in the Glossary.

2.80. This table excludes Undergrounding in and around national parks and AONBs which are reported on a separate table.

Worksheets C32 to C36- Non Core (Reopener/logging up)

2.81. The costs of non-core activities which will be funded through "Reopener" or "Logging Up" mechanisms are captured within the following worksheets:

- C32 - Summary - Non Core Reopener/Logging Up by Cost Type,
- C33 - High Impact Low Probability (HILP) - Central Business Districts,
- C34 - CNI,
- C35 - Black Start, and
- C36 - Rising and Lateral Mains.

Worksheet C32 – Summary – Non Core Reopener/Logging Up by Cost Type

2.82. The Summary table will populate automatically from data contained elsewhere within the workbook

Worksheet C33 - High Impact Low Probability (HILP) - Central Business Districts

2.83. This worksheet provides Ofgem with the costs and other data relating to schemes designed to enhance security on electricity networks, particularly Central Business Districts (CBD) of major cities. The total costs are to be entered for each cost type. These costs will be 'logged up' and added to the RAV in accordance with other costs. There will be a true up as part of DPCR6.

Worksheet C34 - CNI

2.84. This worksheet provides Ofgem with the names of schemes along with the expenditure and data which will be used in conjunction with the Centre for Protection of National Infrastructure (CPNI) review of key DNO sites for physical security provisions. The total costs are reported for each cost type. These costs will be 'logged up' and added to the RAV in accordance with other costs. There will be a true up as part of DPCR6.

Worksheet C35 - Black Start

2.85. This worksheet provides Ofgem with the names of schemes and expenditure for Black Start and emergency batteries, and will be reviewed in light of the recommendations of the Electricity Task Group to the Energy Emergency Executive Committee (E3C). The total costs are reported for each cost type category. These costs will be 'logged up' and added to the RAV in accordance with other costs. There will be a true up as part of DPCR6.

Worksheet C36 - Rising and Lateral Mains

2.86. The rising and lateral electricity mains in large scale housing estates built by local authorities/developers during the 1950s and 1960s are reaching the end of their lifespan and require regular inspections and maintenance. The total costs are reported for each cost type category.

Worksheets C37 to C39 - Stand Alone Funding - RAV

2.87. These worksheets collect data on undergrounding in areas of outstanding natural beauty and worst served customers which are not funded through allowed revenues during DPCR5 but are logged up and funded as part of DPCR6. 85% of these logged up costs will be included in the indicative RAV and there will be then be a true-up as part of DPCR6. The worksheets within this sections are:

- C37 - Summary - Stand Alone Funding - RAV by Cost Type,
- C38 - Undergrounding in National Parks/ Areas of Outstanding Natural Beauty (AONBs), and
- C39 - Worst Served Customers.

Worksheet C37

2.88. Summary table will populate automatically from data contained elsewhere within the workbook

Worksheet C38 - Undergrounding in National Parks/Areas of Outstanding Natural Beauty (AONBs)

2.89. In the top half of this table, expenditure on this table is to be reported by voltage level, and by double or single circuit.

2.90. In the bottom half of this table, expenditure on this table is reported by Overhead Line (OHL) removed and Underground (UG) cables together installed for each cost type category.

Worksheet C39 - Worst Served Customers

2.91. Expenditure for this table must be reported by cost type category and must only relate to the cost of Worst Served Customer schemes, as detailed in worksheet A44- WSC schemes of the NADPR RIGs.

Worksheets C40 to C43- Stand Alone Funding - Not RAV

2.92. These worksheets collect data on costs associated with the Innovation Funding Incentive (IFI), Low Carbon Networks Fund (LCNF) and Relevant Distributed Generation which are not funded through the main distribution RAV or base demand revenue during DPCR5 but through separate incentive revenue. The worksheets within this sections are:

- C40 - Summary - Stand Alone Funding - Not RAV by Cost Type,
- C41 - IFI,
- C42 - Low Carbon Networks (LCN) Fund by Project, and
- C43 - Low Carbon Networks (LCN) Fund by Cost Type.

Worksheet C40

2.93. Summary table will populate automatically from data contained elsewhere within the workbook.

Worksheet C41 - IFI

2.94. This data is collected in order to monitor the operation of the Innovation Funding Incentive scheme, which was introduced in DPCR4.

2.95. Eligible IFI Expenditure is to be reported according to the standard cost categories as listed in the table.

2.96. IFI Carry Forward and Eligible IFI Internal Expenditure are to be reported in the same table.

Worksheet C42 and C43- LCN Fund by Project and LCN Fund by Cost Type

2.97. These tables will report the amounts spent under the Low Carbon Networks (LCN) Fund First Tier Funding Mechanism.

2.98. Costs reported in these tables must be incurred in accordance with the most recent version of the LCN Fund Governance Document, as published by Ofgem. In the description below, capitalised terms are defined in the LCN Fund Governance Document.

2.99. No expenditure should have been incurred (and therefore reported) prior to 1 April 2010.

2.100. The two worksheets require the same data broken down by different categories. The LCN Fund (Proj) worksheet requires detailed cost data to be reported as either Set-Up Expenditure, or against each (named) project, whilst the LCN Fund (CT) worksheet requires the cost data broken down by the standard cost categories.

2.101. The DNO First Tier Expenditure must be the same for both worksheets. This is the total amount spent by the DNO under the First Tier Funding Mechanism. However, it should be noted that this is not equal to the total Allowable First Tier Expenditure, since the DNO First Tier Expenditure includes the DNO contribution, Unrecoverable First Tier Project Expenditure and Revenue allowed for within the DPCR5 settlement.

2.102. The DNO First Tier Expenditure is required to monitor the total amount spent by the DNO in order to align with the statutory accounts. Allowable First Tier Expenditure is required to monitor the amounts being claimed through the LCN Fund First Tier Funding Mechanism.

2.103. The Allowable First Tier Expenditure is calculated as the total of Allowable Set-up Expenditure and Allowable First Tier Project Expenditure, and as per CRC 13, must not exceed the licensee's First Tier LCN Allowance as set out in Appendix 1 of CRC 13. This is verified by a check line in the table.

2.104. Similarly, according to CRC 13, the Allowable Set-up Expenditure must not exceed 20 per cent of the licensee's First Tier LCN Allowance as set out in Appendix 1 of CRC 13. This is verified by a check line in the table.

2.105. Costs must be reported against each LCN First Tier Project. The project name must be entered, with the data described in the figure below:

Data Item	Description
Total LCN Project Costs	Total costs of the project, including the total funding from External Collaborators, third parties and other funding sources.
Total funding from External Collaborators, third parties and other funding sources	The total funding from External Collaborators, third parties and other funding sources for this project, irrespective of whether it qualifies as eligible.
Eligible First Tier Project Expenditure	As defined in the LCN Fund Governance Document
Unrecoverable First Tier Project Expenditure	As defined in the LCN Fund Governance Document
External First Tier Funding	As defined in the LCN Fund Governance Document
Eligible First Tier DNO Expenditure	Calculated from the elements above, according to the LCN Fund Governance Document

Revenue allowed for within DPCR5 settlement	As defined in the LCN Fund Governance Document
Allowable First Tier Project Expenditure	Calculated from the elements above, according to the LCN Fund Governance Document

Worksheets C44 to C49 - Network Operating Costs (NOCs)

2.106. These worksheets include costs associated with the activities of fault repairs, inspections and maintenance, tree cutting, atypical 1 in 20 year severe weather events and dismantlement of network assets.

- C44 - Summary - Network Operating Costs,
- C45 - Trouble Call occurrences (including Faults),
- C46 - Atypicals - Severe Weather one-in-twenty events,
- C47 - Inspections and Maintenance,
- C48 - Tree Cutting, and
- C49 - Network Operating Costs - Other.

Worksheets C44

2.107. The summary table will populate automatically from data contained elsewhere within the workbook

Worksheet C45 - Trouble Call occurrences (including Faults)

2.108. This is the key input table for reporting fault and other trouble call incidents costs. Includes all costs excluding those classed as Severe Weather 1 in 20 year events (reported on a separate table) by cost type and further disaggregated by voltage level and classification of asset requiring the repairs (underground cables, overhead lines, switchgear, pole-mounted plant, ground-mounted plant, etc.).

2.109. For incidents affecting assets not covered by Quality of Service reporting the costs are recorded in two categories: No Unplanned Incident and Other. Within the No Unplanned Incident section of the tables, it is further disaggregated into:

- Emergency Disconnections (e.g. at request of emergency services),
- Streetlights/Street Furniture/Unmetered Services,
- Cut Outs,
- Cut Out Fuses Only, and
- Asset repairs instigated by trouble calls.

2.110. Within the Other section, the categories are:

- Abortive Calls,
- Meters,

- Responding to critical safety calls (e.g. substations door open or intruder alarm), and
- Pilot Wire Failures.

2.111. Refer to the Glossary for the definition of any term or category covered within this section.

Worksheet C46 - Atypicals - Severe Weather 1 in 20 events

2.112. Costs reported here follow the same disaggregations as the Trouble Calls table. These fault costs relate to severe weather 1 in 20 year events, that is events that have a 5 per cent chance of occurring in any given year.

2.113. Refer to the Glossary for definitions of the terms in the atypical 1 in 20 events table.

Worksheet C47 - Inspections and Maintenance

2.114. This table reports costs of inspections, repairs and maintenance by cost type, with further disaggregation by asset type.

2.115. Repairs and maintenance costs to be reported according the following categories:

- (a) Civil works for buildings (LV/HV and 132kV/EHV)
- (b) Civil works for other substation assets (LV/HV and 132kV/EHV)
- (c) Overhead line by different four voltage levels (LV, HV, 132kV & EHV)
- (d) Underground cable by three voltage levels (HV, 132kV & EHV)
- (e) Various plant equipment by voltage level
- (f) LV switchgear & UG cable (all voltages)
- (g) Cable tunnels, cable bridges and 3rd party substations (all voltages)

2.116. Inspections to be reported according to the following categories:

- (a) Overhead line (all voltages)
- (b) Underground cables (HV, 132 kV & EHV)
- (c) LV switchgear and UG cable (all voltages)
- (d) Cable tunnels, cable bridges and 3rd party substations (all voltages)
- (e) Substations (all voltages)

2.117. Shrouding of overhead conductors is also to be reported on this table.

2.118. Refer to the Glossary for definitions of the terms in the Inspection and Maintenance table.

Worksheet C48 - Tree Cutting

2.119. These are costs of physically felling or trimming vegetation from network assets in complying with the requirements of ENATS 43-8 (horizontal and vertical clearances) and ETR 132 (network resilience) of the ESQCR 2006. It is disaggregated further for each cost type and each requirement by voltage level.

Worksheet C49 - Network Operating Costs - Other

2.120. This table records costs associated with items previously reported within the Inspections and Maintenance table of the old RIGs. These are dismantlement and remote location generation.

2.121. Dismantlement refers to the physical activity of de-energising, disconnecting and removing (where appropriate) network assets where the cost of dismantlement is not chargeable to a third party and no new assets are to be installed.

2.122. Remote location generation are costs of providing diesel fuel to run or test generators situated on offshore islands or other remote locations where it is not economical to improve security of supply by constructing an additional feed. These costs must be reported on the "materials" row.

2.123. Refer to the Glossary for definitions of the terms in this table.

Worksheets C50 to C55 - Non Price Control Costs

2.124. The worksheets contained within this section are:

- C50 - Summary Non Price Control Costs by Cost Type,
- C51 - Excluded Services (excluding Connections),
- C52 - Legacy Metering,
- C53 - Out of Area Networks,
- C54 - De Minimis, and
- C55 - Other (consented) Activities.

Worksheet C50

2.125. Summary table will populate automatically from data contained elsewhere within the workbook.

Worksheet C51 - Excluded Services (excluding Connections)

2.126. Expenditure for this table must be reported for each Excluded Services license condition by cost type category. The Excluded Services (ES) conditions are as follows:

- ES2: Diversion Works Under an Obligation,
- ES3: Works Required by Alteration to Premises - Service Alterations Only,
- ES3: Works Required by Alteration to Premises - Excluding Service Alterations,
- ES4: Top-Up, Standby and Enhanced System Security,
- ES5: Revenue Protection Services,
- ES6: Metering Services (Other than legacy meter equipment provision), and
- ES7: Miscellaneous

2.127. For segmental reporting purposes the reporting of these costs by cost type have been split between:

- ES2 to ES5,
- ES6, and
- ES7.

2.128. DNOs must populate the ES7 Miscellaneous line with the same values reported in the Revenue RIGs.

2.129. DNOs must populate the ES7 Forecast Excluded Services Revenue line with the values reported in the FBPQ submission.

2.130. For a complete definition of each Excluded Service license condition, please refer to the Glossary or relevant section of the Licence.

Worksheet C52 - Legacy Metering

2.131. Expenditure must be reported for Basic Meter Asset Provision and Data Services (MPAS and data transfer) for each cost type category.

Worksheet C53 - Out of Area Networks

2.132. Expenditure for this table must be reported for Out of Area Networks - Use of System, and for Out of Area Networks – Other, for each cost type category.

Worksheet C54 - De Minimis

2.133. Expenditure for this table must be reported for each cost type category.

Worksheet C55 – Other (consented) Activities

2.134. This worksheet collects costs for those activities identified by the DNO and approved by Ofgem for inclusion within this table.

2.135. The expenditure must be reported by Category and Cost Type.

Worksheets C56 to C60- Indirect Activities

2.136. Indirect activities are those activities which do not involve physical contact with system assets. However, some of these can be considered closely associated with network investment and operational activities involving physical contact with system assets and are grouped together as Closely Associated Indirects. The remainder of the indirect costs are grouped together as "Business Cost" activities.

- C56 - Summary Indirects,
- C57 – Indirects,
- C58 – Indirect Allocation – Non Operational Capex
- C59 – Indirect Allocation – Closely Associated Indirects
- C60 – Indirect Allocation – Business Support Costs

2.137. Closely Associated Indirects includes the following activities:

- Network design and engineering,
- Project management,
- Engineering management and clerical support (EMCS),
- System mapping,
- Control centre,
- Call centre,
- Stores,
- Health and safety,
- Operational training, and
- Vehicles and transport.

2.138. Business Support includes the following activities:

- Network policy,
- Human resources (HR) and non-operational training,
- Finance and regulation,
- CEO etc,
- IT and Telecoms, and
- Property management.

2.139. The cost type classification in this section includes Cost Recoveries for reporting revenue relating to these activities only. These exclude income relating to

other activities that may include a contribution towards indirects and non-operational capex.

2.140. Refer to the Glossary for definitions and clarifications of what costs should be included in or excluded from each of these indirect activities.

Worksheet C56 – Indirects by Cost Type

2.141. The summary table will populate automatically from data contained elsewhere within the workbook.

Worksheet C57 - Indirects

2.142. This worksheet collects costs by cost type category and is totalled for "Closely Associated Indirects" and "Business Support Costs".

Worksheets C58 to C60 - Cost Allocations

2.143. This section of the cost and revenue RIGs require DNOs to show how Indirect costs are attributed to connections and other activities.

2.144. The purpose of the tables is to provide Ofgem with assurance that costs have been allocated in a systematic and fair manner, to ensure that an appropriate level of indirects have been included within DUoS funded activities for RAV additions and that connections margins can be calculated. The table also provides Ofgem with an assurance that non operational capex and indirects have been allocated consistently over time.

2.145. There are three tables within this section:

- C58 - Indirect Allocation - Non Operational Capex,
- C59 - Indirect Allocation - Closely Associated Indirects, and
- C60 - Indirect Allocation - Business Support Costs.

2.146. The Cost Allocation worksheets require the DNOs to attribute and allocate all of the Non-Operational Capex and Indirect costs across other activities and to provide a split of the cost attributed/allocated by the Cost Types of Labour, Pensions, Related Party Margins, Cost Recoveries and Other. No allocation of Indirects are made to Non-Operational Capex and there is no allocation to Non-Activity Based Costs.

2.147. The tables require the attribution/allocation in three steps

- Step One: Activities undertaken in the field which, for regulatory reporting are reported as indirect costs, are attributed back to the activities in which the DNO

reports those costs for its internal reporting (e.g. on site supervision of staff working on connections reported as Engineering Management and Clerical Support are attributed back to Connections).

- Step Two: Activities directly related to specific direct activities, by way of organisation or by the use of timesheets or other primary records, are attributed to those direct activities (e.g. Indirect activities undertaken within a stand-alone connections business). This step excludes allocation in accordance with any allocation model used by the DNOs.
- Step Three: The remaining indirect costs are allocated using a driver derived by the DNO and transformed into a metric included in the table. The basis for, and the exact calculation of the metric must be documented in the Commentary provided with the cost workbooks. If the DNOs use a cost allocation model for internal purposes the results should be replicated in this table by calculating the appropriate metric and including it in the table.

2.148. DNOs must specify the split of attributed/allocated costs for each destination split by the Cost Types allocated. The total for each of the Cost Types must equal the totals for those Cost Types in worksheet C57 Indirects and C63 Non-Operational Capex.

Worksheet C58 - Indirect Allocation - Non-Operational Capex

2.149. The 'Indirects to be allocated' figures populate automatically.

2.150. This first allocation is not to be populated for Non-Operational Capex.

2.151. The second step of allocations, 'Allocation by DNO own systems for allocating costs', is for costs that are directly related to particular activities.

2.152. The final allocation is done pro rata in accordance with a driver input by the DNO. The commentary to these tables will require the DNOs to specify exactly what costs they have allocated using step one and step two above and the calculation of the driver for the allocation in step three

2.153. The 'Total Allocation of Closely Associated Indirects' table of this worksheet populates automatically from data above.

2.154. The final sections of this worksheet require the DNO to specify the costs reallocated broken down by some cost types required for RAV and other analysis.

2.155. The check line at the bottom of the worksheet ensures that the total reallocations equal the total entered by cost type.

Worksheet C59 - Indirect Allocation - Closely Associated Indirects

2.156. The 'Indirects to be allocated' figures populate automatically.

2.157. The first step of allocations, 'Allocation by reversal of DNO Reallocatons', are for those costs the DNO considers to be direct that are recorded in the DNO's own recording system and are included within a direct activity but which, for the purposes of completing the RIGs, are reported as indirect.

2.158. The second step of allocations, 'Allocation by DNO own systems for allocating costs', is for costs that are directly related to particular activities.

2.159. The final allocation is done pro rata in accordance with a driver input by the DNO. The commentary to these tables will require the DNOs to specify exactly what costs they have allocated using step one and step two above and the calculation of the driver for the allocation in step three

2.160. The 'Total Allocation of Closely Associated Indirects' table of this worksheet populates automatically from data above.

2.161. The final sections of this worksheet require the DNO to specify the costs reallocated broken down by some cost types required for RAV and other analysis.

2.162. The check line at the bottom of the worksheet ensures that the total reallocations equal the total entered by cost type.

Worksheet C60 - Indirect Allocation - Business Support Costs

2.163. The 'Indirects to be allocated' figures populate automatically.

2.164. The first step of allocations, 'Allocation by reversal of DNO Reallocatons', are for those costs the DNO considers to be direct that are recorded in the DNO's own recording system are included within a direct activity but which, for the purposes of completing the RIGs, are reported as indirect.

2.165. The second step of allocations, 'Allocation by DNO own systems for allocating costs', is for costs that are directly related to particular activities.

2.166. The final allocation is done pro rata in accordance with a driver input by the DNO. The commentary to these tables will require the DNOs to specify exactly what costs they have allocated using step one and step two above and the calculation of the driver for the allocation in step three.

2.167. The 'Total Allocation of Closely Associated Indirects' table of this worksheet populates automatically from data above.

2.168. The final sections of this worksheet require the DNO to specify the costs reallocated broken down by some cost types required for RAV and other analysis.

2.169. The check line at the bottom of the worksheet ensures that the total reallocations equal the total entered by cost type.

Worksheets C61 to C63 - Non Direct Costs - Other

2.170. Management charges from affiliates of a general non-specific nature. The worksheets in this section of the workbook collect costs that are not included within the definitions of the activities elsewhere in the workbook. The worksheets are:

- Worksheet C61 - Atypicals - Excluding Severe Weather, and
- Worksheet C62 - Non Activity Based Costs, and
- Worksheet C63 - Non Operation Capex - Reallocation by Cost Type

Worksheet C61 - Atypicals Excluding Severe Weather

2.171. This worksheet collects data on atypical events excluding severe weather atypicals for each cost type category. Tables are included for the reporting of the costs of:

- Severance,
- Early Retirement Deficiency Contributions (ERDCs),
- Non Severance Related Restructuring/Merger,
- Rebranding, and
- Other (to be overwritten by DNO).

Worksheet C62 - Non Activity Based Costs

2.172. This worksheet collects data on Non Activity Based Costs and should be reported by each category listed within the sheet. These include:

- Pass Through Costs
- Other
- Bad Debt Expense
- Profit/Loss on sale of Fixed Assets and Scrap
- Transmission Connection Point Charges
- Substation Electricity

2.173. The definitions for each of these categories can be found in the Glossary.

2.174. Pre-2010 Transmission Connection Point Charges are those amounts (where relevant) of the total Transmission Connection Point Charges that refer to assets installed before 1 April 2010.

2.175. Post-2010 Unincentivised Transmission Connection Point Charges are those amounts (where relevant) of the total Transmission Connection Point Charges that refer to assets installed on or after 1 April 2010 but that do not qualify as New Transmission Capacity Charges.

2.176. Substation electricity is the electricity consumed in the licensee's substations. DNOs must register their substation usage with a supplier. The Substation Electricity records the amount (£) paid to suppliers for electricity usage (whether metered or unmetered) at the substations on the DNO's network and the units consumed. The unit cost is automatically calculated.

2.177. The second half of this sheet collects these costs by cost type.

2.178. All Non Activity Based costs should be classified as Subscriptions, this should include only actual costs and not depreciation.

2.179. All Income must be entered as a negative number.

Worksheet C63 - Non-Operational Capex Review

2.180. This worksheet is the prime data entry point for Non-Operational Capex.

2.181. The DNO must enter costs against the cost types as defined earlier in this chapter and not against the type of Non-Operational Capex that is produced.

2.182. The second table is for the entry of the type of non-operational assets that the expenditure has produced. There is a check row to ensure that the costs agree.

2.183. This worksheet provides the prime data entry for all Non-Operational Capex expenditure by cost type and category. The costs are reallocated to other activities on worksheet C58.

3. Instructions for completing the High-Level Connections Workbook

Introduction

3.1. The purpose of the instructions and guidance in this chapter is to provide a framework for the collection and provision of accurate and consistent high-level connections cost and other data from DNOs.

3.2. This chapter deals with the high-level cost reporting for connections reporting. Much of the data should be reconcileable to the detailed connections workbook. The allocation of indirect costs to connections are linked to the main costs workbook which also links to the connections workbook for total cost reporting.

3.3. All costs are to be entered on a Cash Basis (see Glossary) and exclusive of atypical items except where specifically instructed to report data. Cash means exclusive of all provisions and all accruals and prepayments that are not incurred as part of the ordinary level of business.

3.4. All numbers must be entered as positive, except for Income which must be entered as negative.

3.5. The income must be that which is shown in the Profit and Loss Account (Income Statement), and itself would represent the income on a WIP basis. Any values not shown on a WIP basis must be highlighted in the commentary showing the financial impact of the divergence from that policy.

3.6. The Cost and Revenue reporting document has been split into three separate excel workbooks to ensure stability on DNO's computer systems. The workbooks are:

- Main Tables
- Connections Tables
- Disaggregated and Memo Tables

Worksheets CC1 to CC3 – Admin

- CC1 – Cover Sheet
- CC2 – Index
- CC3 – Check Sheet

Worksheet CC1 – Cover

3.7. This sheet is used for the DNO to enter key data including the DNO name, the reporting year and the names of related parties. This information will autopopulate for the main cost workbook.

3.8. DNOs should maintain the same naming convention for related parties across reporting periods where possible and ensure that the related parties are entered in the same cells across reporting periods to avoid confusion comparing different packs.

Worksheet CC2 – Index

3.9. This worksheet details what tables are contained within the workbook, and provides hyperlinks to all tabs.

Worksheet CC3 – Check Sheet

3.10. This worksheet collects together the results of all the checks included within the pack to provide an easy reference to determine whether there are any clear errors in the pack. The DNO is not required to input any data on this worksheet.

Worksheets CC4 to CC21

3.11. The worksheets in this section of the Costs Reporting workbook collect data on Excluded Service Connections comprising Demand and Pre-2005 DG metered connections and unmetered connections. Other worksheets in this section allow for the reporting of brought forward and carried forward costs and income relating to connections and the calculation of margins on those connections by market segment.

3.12. Ofgem will compare the data provided in these workbooks to that reported in workbook A21 Connections, A30 DG of the Asset Data and Performance RIGs (NADPR) and the Detailed Connections workbooks. This is so that we can assess the level of expenditure reported and also to monitor compliance with the allowed margin for connections.

3.13. The following lists the worksheets in this section of the Cost Reporting workbook.

- CC4 - Summary - Total Costs by Related Party,
- CC5 - Summary - Total Costs,
- CC6 - Summary - Demand and Pre 2005 DG Connections – Customer Funded,
- CC7 - Demand and Pre 2005 DG Connections - Sole Use,
- CC8 - Demand and Pre 2005 DG Connections - Customer Funded – Sole Use Assets - Contestable,
- CC9 - Demand and Pre 2005 DG Connections - Customer Funded – Sole Use Assets – Non Contestable,

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- CC10 - Demand and Pre 2005 DG Connections -Customer Funded via the Apportionment Rule,
 - CC11 - Demand and Pre 2005 DG Connections - Brought forward, Carried forward and Margin Calculation - Customer Funded – Sole Use Assets - Contestable,
 - CC12- Demand and Pre 2005 DG Connections - Brought forward, Carried forward and Margin Calculation - Customer Funded – Sole Use Assets - Non Contestable,
 - CC13 - Demand and Pre 2005 DG Connections - Brought forward, Carried forward and Margin Calculation - Customer Funded via the Apportionment Rule,
 - CC14 - Summary - Unmetered Connections by Cost Type,
 - CC15 - Unmetered Connections – Contestable,
 - CC16 - Unmetered Connections - Non Contestable,
 - CC17 - Unmetered Connections - Brought forward, work in year and Carried forward - Margin Calculation – Contestable,
 - CC18 - Unmetered Connections - Brought forward, work in year and Carried forward - Margin Calculation - Non Contestable,
 - CC19 – Demand and Pre 2005 Connections – DuoS Funded – Assets subject to apportionment rule,
 - CC20 – Demand and Pre 2005 Connections – Brought forward, Carried Forward and Margin Calculation – DuoS Funded – Assets subject to apportionment rule
 - CC21 – Post 2005 Distributed Generation by Cost Type

3.14. In the tables within these worksheets, we require DNOs to report costs and income by market segments. There are 32 different market segments including 8 relating to DPCR4 work and 4 relating to Pre-2005 DG. Definitions of each of the market segments are included in the Glossary to this document.

3.15. Other key terms within this section of tables which are defined in the Glossary are:

- Demand Connections,
- Pre-2005 DG Connections,
- Customer Funded via the Apportionment Rule,
- Contestable,
- Non Contestable,
- Sole Use,
- Shared Use, and
- DUoS Funded.

Worksheet CC4 – Summary Total Costs by Related Party

3.16. This worksheet is for reporting the split of costs between those incurred by the DNO directly and those incurred by related parties. This data will be used to provide Ofgem with a better understanding of the operation of the DNO business.

3.17. The DNO must enter the costs incurred by the DNO and each related party for each of the cost areas identified in the table.

3.18. The check cells at the bottom of the worksheet ensures the totals included in the table equals that included in the Total Cost worksheet.

Worksheets CC5 to CC7

3.19. Summary tables will populate automatically from data contained elsewhere within the workbook.

Worksheet CC8 - Demand and Pre-2005 DG Connections: Sole Use Assets - Contestable

3.20. The tables in this worksheet collect cost data for all contestable works for sole use connection assets including the sole use element of connections requiring upstream reinforcement. Only pre-2005 DG costs must be included.

Worksheet CC9 - Demand and Pre-2005 DG Connections: Sole Use Assets - Non Contestable

3.21. The tables in this worksheet collect cost data for all non-contestable works for sole use demand and Pre-2005 DG connections assets including the sole use element of connections requiring upstream reinforcement.

Worksheet CC10 - Demand and Pre-2005 DG Connections: Customer Funded via the Apportionment Rule

3.22. The tables in this worksheet collect cost data for all shared use assets provided as part of demand or Pre-2005 DG connections that are funded by customers under the apportionment rules.

Worksheet CC11 - Demand and DG Connections Brought Forward, Carried forward and Margin Calculation – Customer Funded - Sole Use Assets - Contestable

3.23. The tables in this worksheet collect data on the brought forward and carried forward costs and income and the activity of Sole Use Contestable Demand and Pre-2005 DG connections within the year.

3.24. The purpose of this table is to monitor the ongoing reporting of connections and to determine the actual margins achieved on a market segment basis.

3.25. The table introduces the following terms, each is defined in the Glossary:

- Brought Forward,
- Costs incurred in prior years,
- Work completed in reporting year,

- Work still open at reporting year end,
- Revenues in P&L in prior years,
- Balance Sheet Values,
- In Year Activity,
- Cost incurred on b/f work,
- Cost incurred on 'new work',
- Receipts from customers to P&L,
- Receipts from customers to BS,
- Draw down from BS to P&L,
- Carried Forward,
- Cost incurred in prior and reporting years,
- Revenues in P&L,
- Margin Calculation,
- Total Cost of jobs completed in the year,
- Total Revenues for jobs completed in the year, and
- Margin.

3.26. The cost data in the tab includes direct costs and indirect costs allocated to connections.

3.27. The tab is split into four sections:

- Brought Forward: the costs and revenues for connections not financially complete at the start of the reporting period,
- In Year Activity: the costs and revenues relating to the reporting period,
- Carried Forward: the costs and revenues for connections not financially complete at the end of the reporting period, and
- Margin Calculation: the calculation of margins for connections that were financially completed in the reporting period.

3.28. For the purposes of this table the market segments has been limited to 13 from 32 in the previous tables by combining the DPCR4 Projects and by combining work done for Third Party Connections with DNO Connections.

Brought Forward

3.29. The DNO will enter details of Costs Incurred in Prior Years split between work that is financially completed in the period being reported and work that is incomplete at the end of the reporting year. Those costs will include indirect costs allocated to connections in prior periods. Where indirects have not been formally allocated to connections in prior periods reasonable endeavours must be taken to determine the appropriate allocation brought forward.

3.30. The DNO will enter details of revenues taken to the Profit and Loss Account (Income Statement) and the Balance Sheet values for connections split in the same way as costs.

In Year Activity

3.31. The DNO will enter costs incurred on connections during the reporting period including indirect costs allocated to connections in the period. The costs must be split between:

- Connections brought forward from the previous reporting period and financially completed in the reporting period,
- Connections brought forward from the previous reporting period but not financially completed in the reporting period,
- New connections financially completed in the reporting period split, and
- New connections not financially completed in the reporting period.

3.32. The DNO will report receipts from customers recorded in the Profit and Loss Account (Income Statement) split between connections that are financially complete in the reporting period and those that are not completed.

3.33. The DNO will report receipts from customers that remain on the Balance Sheet in their accounts at the reporting period end. These should only relate to connections that are not financially complete in the year.

3.34. The DNO will report the values drawn down from the Balance Sheet to the Profit and Loss Account (Income Statement) in the financial year.

Carried Forward

3.35. The DNO will report the costs, including allocated indirects, for connections that are not financially complete at the end of the reporting period.

3.36. The DNO will report revenues taken to the Profit and Loss Account (income statement) in the current or previous reporting periods for connections that are not financially complete at the end of the reporting period.

3.37. The DNO will report revenues held on the Balance Sheet at the end of the reporting period. These should only relate to connections not financially complete at the end of the reporting period.

Margin Calculation

3.38. Using the data provided by the DNO the table will calculate the margins for each of market segments in the table.

3.39. Checks at the bottom of the table will ensure that the brought forward figures for the reporting year agree with the carried forward in the prior year. There are also checks to ensure that the costs reported in this table agree with the figures reported in the main activity reporting tab.

Worksheet CC12 - Demand and DG Connections Brought Forward, Carried forward and Margin Calculation – Customer Funded - Sole Use Assets - Non Contestable

3.40. The tables in this worksheet collect data on the brought forward and carried forward costs along with the revenues and in-year activity of Sole Use Non-Contestable Demand and DG connections. This is to monitor the ongoing reporting of connections and for margins on a market segment basis.

3.41. The instructions for this table are the same as for the Sole Use Contestable Connections worksheet [C13] above.

Worksheet CC13 - Demand and DG Connections Brought Forward, Carried forward and Margin Calculation - Customer Funded via the Apportionment Rule

3.42. The tables in this worksheet collect data on the brought forward and carried forward costs and revenues and the in-year activity of Customer Funded Demand and DG connections funded via the Apportionment Rule to monitor the ongoing reporting of connections and for reporting margins on a market segment basis.

3.43. The instructions for this table are the same as for the Sole Use Contestable Connections worksheet [C13] above.

Worksheet CC14 – Summary Unmetered Connections

3.44. Summary tables will populate automatically from data contained elsewhere within the workbook

Worksheet CC15 - Unmetered Connections Contestable

3.45. This table collects the total in-year costs which was incurred by the DNO across all unmetered demand connection works, both completed and ongoing, by cost type. These costs relate to the contestable element of the connections and which are 100% sole use.

Worksheet CC16 - Unmetered Connections - Non Contestable

3.46. This table collects the total in year costs split out by cost type which was incurred by the DNO across all unmetered demand connection works, both completed and ongoing, which relate to the non contestable element of the connections.

Worksheet CC17 - Unmetered Connections - Brought forward, work in year and Carried forward - Margin Calculation - Contestable

3.47. This table collects data on brought forward and carried forward costs, income and activity within the year to monitor the ongoing reporting of unmetered connections for reporting margins on a market segment basis.

3.48. The instructions for this table are the same as for the Sole Use Contestable Connections worksheet C13 above.

Worksheet CC18 - Unmetered Connections - Brought forward, work in year and Carried forward - Margin Calculation - Non Contestable

3.49. This table collects data on the brought forward and carried forward costs, and the income and activity within the year to monitor the ongoing reporting of Unmetered Connections for reporting margins on a market segment basis.

3.50. The instructions for this table are the same as for the Sole Use Contestable Connections worksheet C13 above.

Worksheets CC19 and CC20 - Demand and Pre-2005 DG Connections DUoS Funded via the Apportionment Rule

3.51. These worksheets collect data on demand and Pre-2005 DG connections costs in the same format as the customer funded connections in an earlier section of the workbook.

Worksheet CC19 - Demand and Pre-2005 DG Connections - DUoS Funded via the Apportionment Rule

3.52. This worksheet is the prime entry for data relating to DUoS funded connections via the Apportionment Rule by market segment. The worksheet allows Ofgem the opportunity to undertake analysis on those costs and compare to the other connection activities reported.

Worksheet CC20 - Demand and Pre-2005 DG Connections - Brought Forward, Carried Forward and Margin Calculation - DUoS Funded via the Apportionment Rule

3.53. This worksheet allows Ofgem to identify the activity undertaken and to calculate the margin the DNO has made by market segment.

Worksheet CC21 - Distributed Generation by Cost Type

3.54. This table collects the same cost data as the DG (category) worksheet. However, rather than breaking the costs down by technology type, the costs are broken down by cost type. Total costs must be the same across the two tables.

Worksheets CC22 to CC24 - Cost Allocations

3.55. These worksheets link to the main cost workbooks to show the allocations and cost type breakdown of Non-Operational Capex and Indirects to Connections.

3.56. The purpose of these workbooks is to enable the further disaggregation of allocating costs across the different connection activities.

3.57. There are three tables within this section:

- CC22 - Indirect Allocation - Non Operational Capex,
- CC23 - Indirect Allocation - Closely Associated Indirects, and
- CC24 - Indirect Allocation - Business Support Costs.

3.58. No input is required by the DNO

4. Instructions for completing the Memo and Disaggregated Cost Workbook

Introduction

4.1. The purpose of the instructions and guidance in this chapter is to provide a framework for the collection and provision of accurate and consistent cost and other data from the DNOs.

4.2. This chapter deals with additional cost data useful to Ofgem in the form of memorandum tables, containing data on a different basis to that collected in the main worksheets, and disaggregated data to allow us a better understanding of the costs reported.

4.3. All costs are to be entered on a Cash Basis (see Glossary) and exclusive of atypical items except where specifically instructed to report data. Cash means exclusive of all provisions and all accruals and prepayments that are not incurred as part of the ordinary level of business.

4.4. All numbers must be entered as positive, except for Income which must be entered as negative.

4.5. The income must be that which is shown in the Profit and Loss Account (Income Statement), and itself would represent the income on a WIP basis. Any values not shown on a WIP basis must be highlighted in the commentary showing the financial impact of the divergence from that policy.

4.6. The Cost and Revenue reporting document has been split into three separate excel workbooks to ensure stability on DNO's computer systems. The workbooks are:

- Main Tables
- Connections Tables
- Disaggregated and Memo Tables

Worksheets CM1 to CM3 - Admin

Worksheet CM1 – Cover

4.7. This sheet is used for key DNO data including the DNO name, the reporting year and the names of related parties. This information will autopopulate for the main cost workbook.

Worksheet CM2 – Index

4.8. This worksheet details what tables are contained within the workbook, and provides hyperlinks to all the tabs.

Worksheet CM3 – Check Sheet

4.9. This worksheet collects together the results of all the checks included within the pack to provide an easy reference to determine whether there are any clear errors in the pack. The DNO is not required to input any data on this worksheet.

Worksheets CM4 to CM9 Disaggregated Cost Data Workbooks

4.10. The following workbooks provide disaggregated cost data to allow a better understanding of the costs incurred by the DNOs. The worksheets consist of:

- CM4 - Engineering Management and Clerical Support,
- CM5 - Property Management,
- CM6 - Operational Training (Costs),
- CM7 - Operational TRaining (non-Costs),
- CM8 - Finance and Regulation, and
- CM9 - CEO etc.

Worksheet CM4 - Engineering Management and Clerical Support

4.11. This worksheet provides a further disaggregation of Engineering Management and Clerical Support (EMCS) costs to allow Ofgem a better understanding of the costs incurred. The tables split the EMCS costs into:

- Strategic Network Plan Development and Implementation,
- Work Planning, Budgeting, Allocation and Control,
- Health & Safety,
- Streetworks Admin: Customer Funded,
- Streetworks Admin: DUoS Funded,
- Wayleaves Payments,
- Wayleaves and Easements/Servitudes: Admin Costs,
- Clerical Support: Data Input, and
- Clerical Support: Other.

4.12. Once the total costs of each sub-activity have been entered the check cells must ensure that the total costs reconcile with the costs included for EMCS etc in the Indirects table.

Worksheet CM5 - Property Management

4.13. This worksheet provides a further disaggregation of Property Management costs to allow Ofgem a better understanding of the costs incurred.

4.14. Property Management excludes the costs of Operational Training Centres. Those costs are included in the Operational Training activity.

4.15. The Property Management costs are split between the following categories:

- Buildings,
- Grounds,
- Repairs and maintenance,
- Front of house (including security, reception, porters),
- Catering,
- Cleaning, and
- other (including postage, reprographics).

4.16. There is a check to ensure that the totals by cost type add to the totals by category.

Worksheet CM6 - Operational Training (Costs)

4.17. This worksheet is the prime data input for Operational Training costs. The table includes the costs defined as Workforce Renewal (WFR) and other Operational Training costs.

4.18. The purpose of this worksheet is to collect data on operational training (including workforce renewal) to enable the DNOs to demonstrate that they are using their workforce renewal allowance appropriately and ensure the DNOs do not gain undue benefits by deferring expenditure in this area. The workforce renewal element of operational training has been treated on a 'use-it-or-lose-it' basis in DPCR5.

4.19. The tables in this worksheet require costs to be split between the class of staff undertaking the training and between the types of training being provided.

4.20. The classes of staff are split between:

- Craftperson L2,
- Craftperson L3,
- Incorporated Engineers L4/5,
- Professional Engineers L6/8, and
- Non-Engineering Roles.

4.21. The types of training are split between:

- Learners,
- Upskilling, and
- Refresher.

4.22. Operational refresher costs are considered non-WFR costs and must be reported according to the five levels of skills.

4.23. Any open learning course costs should be reported as part of classroom training. Any materials costs etc should be reported within Training and Course Material costs

4.24. DNOs must identify each skill level cost according to whether the training is conducted within a classroom setting or "on the job", as well as training centre and training administration costs.

4.25. Trainer and course material costs associated with classroom training must be reported separately for each of the three categories of operational training.

4.26. Recruitment costs must be reported separately for each of the three categories.

4.27. Total operational training costs i.e. WFR plus non-WFR must be reported by cost type. There is a check to ensure that the totals of the disaggregated WFR and non-WFR costs add to the total costs by cost type. These costs will automatically populate the indirect table

Worksheet CM7 - Operational training (Non Costs)

4.28. This table reports non-cost statistics of employees undertaking WFR and non-WFR operational training, as well as numbers of employees leaving the DNO. The data will be used to assist Ofgem to monitor the need, extent and efficiency of training provided. To achieve this we require data relating to the training required, as indicated by the leavers data, the number of training days and the number of attendees for training.

4.29. For the five skill levels reported in the operational training sheet, record the number of employees as head count (HC) undertaking operational training who are:

- New recruits recruited in the year,
- New recruits recruited in previous years but still undergoing initial training programme,
- Up-skilling,
- Up-skilling Continuation of upskilling training from prior reporting period, and
- Undertaking operational refresher training.

4.30. For the five skill levels, record the number of FTEs associated with:

- Leavers - due to retirement and
- Leavers - due to reasons other than retirement.

Worksheet CM8 - Finance and Regulation

4.31. The worksheet collects disaggregated data on the Finance and Regulation activity to provide Ofgem with a better understanding of the costs and to help identify where inconsistency of reporting may be occurring.

4.32. The key terms used in this worksheet are sub activities of Finance and Regulation, are defined in the Glossary and are:

- Finance (excluding taxation and audit),
- Taxation (compliance and planning - internal & external),
- Audit (external and internal),
- Connections Management,
- Regulation,
- Subscriptions to trade associations,
- Procurement,
- Fines & Penalties (other than in Streetworks),
- Insurance Premiums,
- Insurance – Management,
- Insurance - Claims paid out,
- Insurance - Claims management, and
- Other (e.g. income management, transmission exit charges administration, tariff formulation, revenue forecasting).

4.33. The Insurance Premiums row will be automatically populated from the – information contained within the Insurance sections of this worksheet .

4.34. Once the total costs of each sub-activity have been entered, the check cells must ensure that the total costs reconcile with the costs included for Finance and Regulation in the Indirects table.

4.35. The second part of this worksheet includes a range of commonly purchased insurance policy types. Input the annual premium costs of the policies listed where appropriate, adding any other insurance type(s) to the list if not adequately covered by the existing set.

4.36. In the last section of this worksheet, the Insurance Policy Payouts (to the DNO) are payments which the DNO receives.

Worksheet CM9 - CEO etc

4.37. This is the prime cost data for CEO etc and related costs. The costs are disaggregated to allow Ofgem a better understanding of the costs and to help identify where inconsistency of reporting may be happening.

4.38. The key terms used in this worksheet are sub activities of CEO etc, are:

- Non-executive & group directors labour costs & board meeting costs,
- Management charges from affiliates of a general non-specific nature,
- Provision of corporate communications/community awareness,
- Provision of Legal Services,
- Provision of company secretarial services, and
- Other CEO etc.

4.39. Refer to the Glossary for clarification or definitions of each of these activities

4.40. Once the total costs of each sub-activity have been entered the check cells must ensure that the total costs reconcile with the costs included for CEO etc in the Indirects table.

Worksheets CM10 to CM20 - MEMO Tables

4.41. These worksheets provide alternative analysis of costs reported elsewhere within the RIGs for specific analysis and to allow a better understanding of these costs by Ofgem. The worksheets included in this section of the workbook are:

- CM10 – Distributed Generation,
- CM11 – IT & Telecoms Systems,
- CM12 - Efficiency Gains (2010),
- CM13 - Contractor Type Analysis,
- CM14 – Materials provided by Contractors
- CM15 – Indirects within Contractors
- CM16 - Training Centre Costs,
- CM17 - Non-Operational Property Analysis,
- CM18 - Streetworks by Category,
- CM19 - Streetworks by Cost Type, and
- CM20 – Full Time Equivalent by Category.

Worksheet CM10 - Distributed Generation by Category

4.42. This table collects costs for Distributed Generation by each of the following categories:

- Onshore Wind,
- Offshore Wind,
- Tidal Stream and Wave Power,
- Biomass and Energy Crops (Not CHP),
- Hydro,
- Landfill gas, sewage gas and biogas (Not CHP),
- Waste Incineration (Not CHP),
- Photovoltaic,
- Micro CHP (domestic),

- Mini CHP (<1MW),
- Small CHP (\geq 1MW, <5MW),
- Medium CHP (\geq 5MW, <50MW),
- Large CHP (\geq 50MW), and
- Other Generation.

4.43. These categories are defined within the Glossary.

DG network unavailability rebate payment

4.44. This is the total sum for all Charged DG, paid by the DNO when any DG's network interruption duration exceeds the baseline network interruption duration during the Regulatory year. This costs data forms part of the DG Incentive Scheme.

Operations & maintenance costs for DG

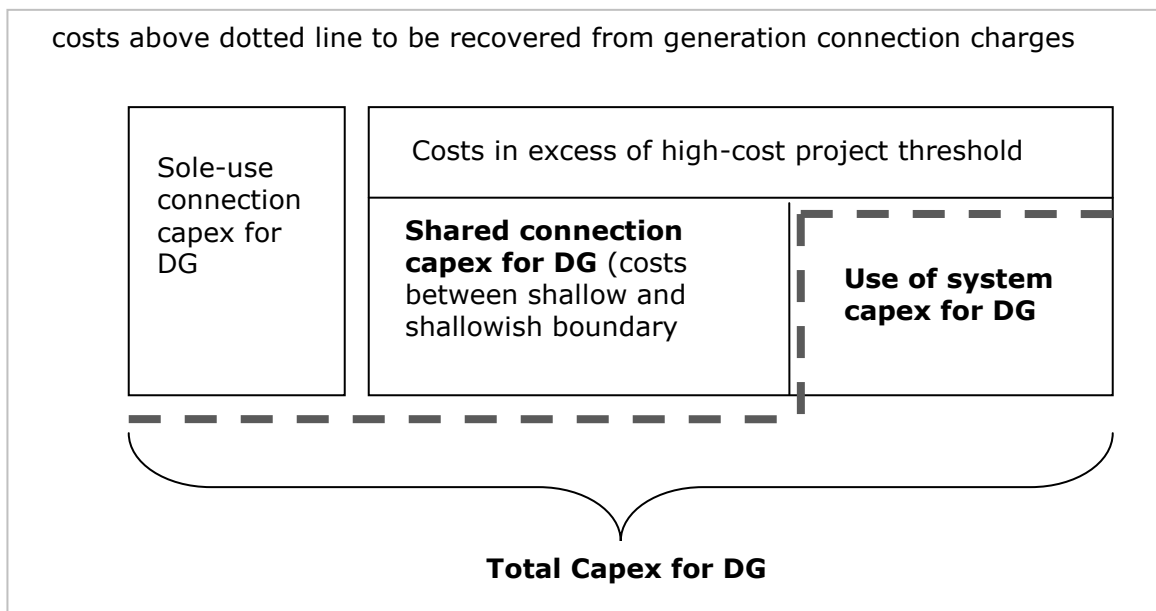
4.45. This cost data is collected in order to assess the actual costs incurred by the licensee for operations and maintenance for Charged DG, in comparison to the amount generated through the O&M element of the DG Incentive.

4.46. These costs include:

- directly attributable costs associated with the operation (i.e. directly attributable costs) and maintenance of the assets that have been included in the total capex for DG in the Regulatory Year, and
- A relevant portion of the indirect overhead costs incurred in the Regulatory Year on, or in support of, constructing, maintaining and operating the whole distribution infrastructure required to facilitate network access to all distribution customers.

Post 2005 DG capex costs by technology type and voltage level

4.47. For clarification, the relationship between the total capex for DG, Sole use connection capex for DG, shared connection capex for DG and Use of system capex for DG is set out in a schematic diagram below.



4.48. In this diagram, Sole use connection capex means that part of total capex for DG that is to be recovered from distributed generation connection charges in respect of assets required primarily for an individual customer, and "costs in excess of high-cost project threshold" means the amount by which total capex, exceeds £200/kW.

4.49. Costs for Use of system capex for DG; Shared connection capex for DG; and Sole use connection capex for DG is reported by technology type and DG voltage level and are reported for Post-2005 DG only.

Worksheet CM11 - Information Technology Systems Overview

4.50. This table collects information about the costs and functionality of the IT systems utilised by DNOs.

4.51. Costs must be reported across the key business sectors listed in the table. Statutory depreciation can be included within these costs only if it cannot be differentiated in the charges into the DNO. This is the only table within the cost workbooks where statutory depreciation is to be included. Where depreciation is included this must be highlighted in the commentary.

4.52. Within each business sector there are common system objectives identified such as payroll, quotations management and office telephony. The five most relevant objectives should be listed on the table, however, if there are more that needs to be listed additional lines may be added at the DNOs discretion. Objectives not listed here in the systems table can be entered in the relevant business sector.

4.53. A brief description or name of each system must also be entered on the sheet, e.g. SAP, Enmac, GIS, Oracle e-Business Suite.

Worksheet CM12 - Efficiency Gains (2010)

4.54. This worksheet provides the opportunity for the DNO to show the costs and expected benefits of efficiency gains within their business in the reporting year.

4.55. The key terms used in this worksheet are defined in the Glossary and are:

- Savings, and
- Cost of Savings.

4.56. The reporting in this worksheet is for efficiency gains achieved and expected because of operating changes within the business during the year. The expected changes in costs in the reporting and future years. The data must not include the costs and economies made in prior years.

4.57. The costs and savings must be reported against the high level categories of costs included in the tables.

4.58. The DNO must provide details explaining each of the individual initiatives included in the tables and show the actual and forecasts of the costs and savings of each. The explanation must be included in the commentary to the RIGs.

4.59. An example for illustration purposes only: A DNO reorganised the geographic teams for undertaking Inspections and expects this to result in a saving of £0.5m per year from the year following implementation. The implementation costs in the reporting year are expected to be £1m with additional costs of £0.1m per year thereafter because of additional supervision costs. The reporting in the Savings table would be £0.5m in each year after the reporting year. The reporting in the Cost of Savings table would be £1m in the reporting year and £0.1m in each of the subsequent years.

Worksheets CM13 to CM15 - Contractors

4.60. These worksheets collect additional data relating to the Contractors cost type data provided in the main Cost RIGs. The purpose of collecting this data is to better understand the nature of the contracts let by the DNOs over time and compared to other DNOs and to allow Ofgem to carry out a contractor normalisation adjustment on both direct and indirect costs.

4.61. The key terms used in this worksheet are defined in the Glossary and are:

- Contractor Type 1 to Type 4, and

- Assumed Materials.

4.62. Ofgem accepts that the DNOs may not have the systems or access data in order to report data in these tables accurately. Reporting should therefore be on a reasonable endeavours basis. Ofgem expects that where DNOs let new contracts the terms will include a requirement for the reporting of the data required in these tables.

4.63. There will be no RAV adjustment made on the basis of the data provided within these tables.

4.64. For each table the DNO must provide comprehensive commentary on how the figures have been calculated including an indication (including overall values) of the extent the costs reported have been obtained from the contractors themselves and how much has been assumed by the DNO.

Worksheet CM13 - Contractor Type Analysis

4.65. This worksheet collects data on the total Contractors costs reported split between the types of contract (Type 1 to Type 4) as defined in the glossary. This provides the base data for comparison of the types of outsourcing undertaken by the DNO.

Worksheet CM14 – Materials provided by Contractors

4.66. This worksheet collects data on the materials included within costs either included within the Contractors cost type or provided by the contractor but reported as materials, depending on the type of contract arrangement entered into by the DNO. This data allows Ofgem to adjust for any differences in procurement practices before making any adjustments to costs.

Worksheet CM15 – Indirects within Contractors

4.67. This worksheet collects the cost of indirect activities undertaken by the contractor. This data provides Ofgem with a comparison of the outsourcing of indirect activities to contractors for normalisation purposes.

Worksheet CM16 - Training Centre Costs

4.68. This table identifies the cumulative total costs for Training Centres which are collected in both Operation and Non-Operational Training costs elsewhere in this workbook. The costs are to be entered for each cost type for the following categories:

- Training Centre Building & Grounds,

- Trainers,
- Admin Support (including 'Front-of-House'),
- Apprentices while undertaking classroom training,
- Non Apprentice Trainees (crafts),
- Engineer Trainees, and
- Refresher Trainees.

4.69. Refer to the Glossary for definitions of the individual categories listed above.

Worksheet CM17 - Property Analysis

4.70. This worksheet collects details of the costs of each of the prime buildings used by the DNO and related parties. The costs will not reconcile to the costs included within the property management activity because:

- Only those properties with total costs in excess of £0.5m should be included in this worksheet.
- Operational Training Centre costs must be included if they meet the £0.5m figure.
- The costs required include some that are excluded from the definition of Property Management.

4.71. Non-operational properties to be individually identified by name and address, as well as the legal title (freehold, leasehold, etc) and space details (gross and usable office space). For each property enter total costs of annual lease/rent costs, labour/pension costs and other costs as stated. Only enter property details for buildings where annual costs are £500,000 or more.

4.72. Within each of the first two cost categories indicate whether the various services listed are included or not. If the property management costs are shared by more than one DNO indicate this in the "allocation of property costs" part of the table.

4.73. If needed, add in additional columns to list more buildings.

Worksheet CM18 - Streetworks by Category

4.74. These are costs associated with complying with traffic management legislation designed to tackle congestion and disruption to the road network during DNO Streetworks activities. These costs to be reported in terms of whether the activity is driven by customer funded demand connections, DUoS funded demand connections, network investment or network operating expenditure.

4.75. For the purposes of this table Network Investment includes:

- Core Network Investment

- Non-Core (ex ante)
- Non-Core (reopener/logging up)
- Stand Alone Funding (RAV)
- Stand Alone Funding (not RAV)
- High Value Projects

4.76. Costs charged initially to the DNOs must be reported separately from those incurred by contractors working for the DNO.

4.77. Related party costs should be reported as if incurred by the DNO.

4.78. Costs recovered from the contractors must also be separately reported.

Worksheet CM19 - Streetworks by Cost Type

4.79. This table should be used to report total Streetworks costs by cost type.

Worksheet CM20– Full Time Equivalent by Category

4.80. This worksheet collects the number of FTEs (Full Time Equivalent) by category. Enter the number of FTEs for DNO Own and also for Related Parties.

4.81. For Indirect FTEs, this worksheet should be consistent with headcount before reallocation to non-distribution activities.

4.82. The labour and pension costs will populate automatically from data contained elsewhere within the workbook. This will then give the information needed to calculate the unit cost for labour, and the unit cost for labour and pensions.

4.83. Refer to the Glossary for the definition of any category listed within this section.

5. Instructions for completing revenue reporting

Introduction

5.1. The purpose of the instructions and guidance in this chapter is to facilitate the collection of information on a common basis, and to an appropriate degree of accuracy, by each Electricity Distribution Network Operator (DNO) to enable Ofgem to effectively monitor compliance with the Charge Restriction Conditions of the distribution licence (CRCs).

5.2. This chapter sets out instructions and guidance for the collection and reporting of Price Control Revenue Information as scheduled at Appendix 1 of SLC 47. This includes items relating to Use of System Charges and other matters.

5.3. The charge restriction conditions comprise the special conditions contained in Part 4 of the electricity distribution licence. Their main purpose is to restrict the total amount of revenue which each DNO can recover from charges for the use of its distribution system and they reflect the price control review final proposals for the DPCR5 period (1 April 2010 to 31 March 2015).

5.4. The total amount of revenue that a DNO can recover from charges subject to the main charge restriction conditions is termed Combined Allowed Distribution Network Revenue ('ARt'). It is calculated as the sum of the following sub-categories of allowed revenue:

- Base Demand Revenue ('BRt'),
- Allowed Pass-Through items ('PTt'),
- Non-generation Incentive adjustments ('IPt'),
- Low carbon networks revenue ('LCNt'), and
- Distributed generation incentive revenue ('IGt'), and
- Connection Activities adjustments.

5.5. Any difference between ARt for a particular Regulatory Year and actual revenue (Regulated Combined Distribution Network Revenue, termed 'RDt') is carried forward to the calculation of ARt for the next following Regulatory Year.

5.6. In addition, DNOs can derive revenue from the following categories of activity/service:

- Legacy Metering Equipment provision
- Data Services associated with meter point administration
- Excluded Services:
 - ES1 - Connection services
 - ES2 - Diversionary works under an obligation
 - ES3 - Works required by any alteration of premises
 - ES4 - Top-up, standby and enhanced system security

- ES5 - Revenue protection services
- ES6 - Metering services
- ES7 - Miscellaneous
- Out of area networks:
 - Demand Use of System Charges
 - Other charges
- De Minimis Business.

5.7. All of these categories of revenue (except De Minimis Business) are referred to in the special conditions and further information is provided as appropriate below.

5.8. In order to calculate allowed amounts of revenue and to monitor compliance with the charge restriction conditions Ofgem needs the following data/information:

- The price control formulae and fixed values set out in the charge restriction conditions,
- Values for RPI inflation and the Bank of England's Official Bank Rate of interest,
- Out turn values from DNOs pertaining to the variable terms in the price control formulae in the special conditions, and
- Supporting information in accordance with the schedule given at Appendix 1 of SLC 47.

5.9. The revenue reporting requirements contained in these RIGs relate to the second, third and fourth of these categories.

5.10. The forecast return provides an early indication of expected revenue allowances, incentive performances and over/under recovery positions both to Ofgem and DNO managers.

5.11. Some information from revenue returns (and forecast returns) may also be published for use by external stakeholders including electricity suppliers, where the basis for such publication has been agreed between Ofgem and DNOs.

Reporting Templates and the approved Excel reporting workbook

5.12. Templates A (detailed return) and B (forecast return) are illustrated as screenshots at the end of this chapter.

5.13. These templates have been incorporated into an Excel workbook which performs all required calculations automatically and which will facilitate efficient delivery and management of the required information. A copy of this workbook will be provided by Ofgem to each DNO in time for each reporting requirement. Fixed licence values will be pre-completed as appropriate to each DNO and the DNO is required to input its out-turn (variable) values in the yellow input cells on worksheets R5 to R8 for the relevant Regulatory Year. Detailed instructions for these input values are given below.

5.14. Worksheets R5 to R8 of the workbook provided by Ofgem constitute the detailed return template referred to at SLC 47 A6(a) and must be submitted electronically within the Excel workbook to Ofgem by 31 July following the end of the Regulatory Year under report.

5.15. Worksheet R19 of the workbook provided by Ofgem constitutes the forecast return template referred to at SLC 47 A6(b) and must be submitted electronically to Ofgem by 31 October during the Regulatory Year under report. To facilitate completion of the forecast return, the information cells on worksheet R19 are set to auto-populate if the input cells on worksheets R5 to R8 are completed. However, the information cells on worksheet R19 are unlocked and can be over-written if the DNO prefers to complete the forecast return manually.

Accompanying information

5.16. The reporting workbook does not include any commentary sections. Any additional information which the licensee considers should be provided to explain or describe information included in the workbook must be included in a covering email or letter, submitted electronically to Ofgem before or at the same time as the submission of the workbook.

5.17. However, where a licensee becomes aware of any query or concern regarding revenue reporting requirements, whether of specific or general relevance, the matter must be referred to Ofgem at the earliest opportunity.

Instructions and guidance for reporting Price Control Revenue Information

General

5.18. The following sections contain instructions and guidance for completing the four Template A input sheets (R5 to R8) in the reporting workbook.

5.19. In respect of Regulatory Year 2010-11 some values need to be reported which relate to Regulatory Year 2009-10 and these must be entered against the relevant descriptors in the column headed "2010" in accordance with the instructions below.

5.20. Licensees must only make entries in yellow input cells and other cells (except data cells on worksheet R19 - see paragraph 3.15) will be locked to prevent inadvertent changes to values and formulae.

5.21. All amounts relating to revenue and expenditure must be entered on an accruals (as opposed to cash) basis unless otherwise stated.

5.22. Terms within this section of tables for which a definition can be found in the Glossary are:

- Agreed Upon Procedures
- De Minimis
- Distribution System
- Eligible IFI Expenditure
- Eligible LCN Fund Project
- New Transmission Capacity Charges
- Out of area networks
- Registered Power Zone

R5 - Input Page

5.23. This worksheet collects the principal out-turn values needed to calculate the licensee's Combined Allowed Distribution Network Revenue. It also obtains the licensee's Regulated Combined Distribution Network Revenue figure for comparison to that number. In addition it collects information on revenue from Excluded Services, out of area networks and De Minimis Business and provides for input of RPI and interest rate values.

Regulatory Year under report

5.24. The Regulatory Year will normally be entered by Ofgem before the workbook is issued to the licensee, in which case the cell will have been coloured orange and locked.

5.25. If the year has not been entered by Ofgem, then it must be entered by the licensee as, for example "2010-11".

Basic information

RPI

5.26. The value for the Regulatory Year under report will normally be entered by Ofgem before the workbook is issued to the licensee, in which case the cell will have been coloured orange and locked.

5.27. If the value has not been pre-entered by Ofgem then it must be ascertained by the licensee in accordance with the definition given in CRC 2. For this purpose Retail Prices Index numbers must be obtained from the Office for National Statistics website referring to the 'All Items (CHAW)' index.

Average Specified Rate (It)

5.28. The value for the Regulatory Year under report will normally be entered by Ofgem before the workbook is issued to the licensee, in which case the cell will have been coloured orange and locked.

5.29. If the value has not been pre-entered by Ofgem then it must be ascertained by the licensee in accordance with the definition given in CRC2. For this purpose data for the Official Bank Rate must be obtained from the Bank of England website and the Average Specified Rate must be calculated using daily values from 1 April to 31 March of the Regulatory Year under report. The Bank of England Data leaves out Saturdays and Sundays and these must not be reinserted for the purpose of calculating the average of the daily rates.

Incentive metrics

System Entry Volumes in year t-2

5.30. This figure must be the value ascertained and reported for System Entry Volumes under chapter 5 of the Network Asset Data and Performance Reporting RIGs.

5.31. This value does not have to be reported in respect of Regulatory Years 2010-11 or 2011-12.

Units Distributed in year t-2 (UDt)

5.32. This figure must be the value ascertained and reported for Units Distributed under chapter 5 of the Network Asset Data and Performance Reporting RIGs.

5.33. This value does not have to be reported in respect of Regulatory Years 2010-11 or 2011-12.

Incentive Payments - Quality of Service (IQ_t)

5.34. This figure must be the value for the total quality of service incentive term for the Regulatory Year under report ascertained in accordance with the provisions of CRC 8.

Connection Activities Adjustments

Adjustment for clawback direction sums unpaid after 12 months (AUM_t)

5.35. This figure must be the aggregate amount of any sums remaining unpaid after 12 months in respect of any Clawback Direction issued under the provisions of Part F of CRC 12.

Adjustment re. failure to provide connection performance systems verification (CGSSP_t)

5.36. This figure must be the amount ascertained in accordance with the formula and requirements in Appendix 2 of CRC 12, being the adjustment to Combined Allowed

Distribution Network Revenue for any failure by the licensee to provide the Authority with the verification referred to in paragraph A2.1 of that licence condition.

Adjustment re performance standards payments in excess of exposure cap (CGSRAt)

5.37. This figure must be the amount ascertained in accordance with the formula and requirements in Appendix 3 of CRC 12, being the adjustment to Combined Allowed Distribution Network Revenue in respect of payments made under the specified performance standard requirements which are in excess of the licensee's revenue exposure cap.

New Transmission Capacity Charges payable (NTCt)

5.38. This figure must be the actual amount of New Transmission Capacity Charges paid by the licensee for the year under report.

Eligible Innovation Funding Incentive Expenditure (IFIET)

5.39. This figure must be the amount of Eligible IFI expenditure incurred by the licensee during the Regulatory Year under report.

Eligible Innovation Funding Incentive Expenditure (IFIET) in 2009-10

5.40. This figure must be the amount of Eligible IFI Expenditure incurred by the licensee during Regulatory Year 2009-10 as defined in special condition C3 of the distribution licence in the form it was in force at 31 March 2010 and as reported as the IFIET value by the licensee in its regulatory revenue return to Ofgem for that Regulatory Year.

Low Carbon Networks Fund

Allowable First Tier Expenditure (LCN1)

5.41. This figure must be the allowable expenditure incurred by the licensee on Eligible LCN Fund Projects during the Regulatory Year under report.

5.42. Allowable expenditure reported for any Regulatory Year must not be more than the annual allowance set against the licensee's name at Appendix 1 to CRC13. A caution message appears on worksheet R13 LCN if the reported figure exceeds the licensee's First Tier LCN Allowance and the formula in row 17 of that worksheet limits the LCN1 value in the LCN total accordingly.

First Tier non-recoverable deduction (LCN3)

5.43. This figure must be the amount of any first tier non-recoverable expenditure referred to in a direction given to the licensee by the Authority under CRC 13.20. It must be entered as a positive value.

5.44. If no direction has been received with reference to the Regulatory Year under report, a zero should be entered.

Second Tier - Amount to be collected under Authority Direction (LCN2)

5.45. This figure must be the amount specified in the direction given by the Authority under CRC 13.16 during the Regulatory Year under report as being the amount to be added to the licensee's allowed revenue as an element of the LCN2 term amount to facilitate the second tier and reward funding mechanism of the Low Carbon Networks Fund.

5.46. The amount will normally be a positive value. If, exceptionally, the directed amount is a negative value then it must be entered in the worksheet as a negative value.

Second Tier - Net amount (paid to)/received from other DNOs in accordance with Authority's direction

5.47. This figure must be the overall net amount paid (entered as a negative figure) or received (entered as a positive figure) as a result of directions given by the Authority during the year under report with regard to the Second Tier and Reward Funding Mechanism of the Low Carbon Networks Fund. The amount must be reported on a cash basis.

Pass-Through Items*Licence fee payments (LPt)*

5.48. This figure must be the total amount of licence fee payments made by the licensee to the Authority during the Regulatory Year under report in accordance with SLC 5.2. This will normally be the sum of two payments made by 30 June and 31 January in the Regulatory Year under report. In any case, however, the figure reported must be the total of actual payments made during the Regulatory Year – i.e. this item is to be reported on a cash basis.

Business rates payments (RPt)

5.49. This figure must be the amount payable by the licensee in respect of business rates for the Regulatory Year under report.

Miscellaneous pass-through items (MPct)

5.50. This figure must be the amount referred to in any direction given to the licensee by the Authority in accordance with CRC4.13. If no such direction has been given in respect of the Regulatory Year under report, a zero should be entered.

Uncertain costs (UNct)

5.51. The figure to be entered is the amount of any adjustment notified to the licensee by the Authority in accordance with CRC 18 in respect of the Regulatory Year under report. If no such adjustment has been notified, a zero should be entered.

High cost distribution areas (HBt)

5.52. This term is only relevant to Scottish Hydro Electric Power Distribution plc as at 1 April 2010. The amount to be entered is the 'Assistance Amount' as defined in Statutory Instrument 2005 No. 528 - The Energy Act 2004 (Assistance for Areas with High Distribution Costs) Order 2005. All other licensees should enter a zero in this cell.

Non-incentivised Transmission Connection Point Charges (TPt)

5.53. This figure must be the amount payable by the licensee in respect of those Transmission Connection Point Charges for the Regulatory Year under report that do not qualify as New Transmission Capacity Charges.

5.54. For the purposes of this input value, non-incentivised Transmission Connection Point Charges includes:

- all charges payable by the licensee to a transmission licensee relating to the number or nature of connections between the licensee's distribution system and the transmission licensee's system,
- all charges payable by the licensee to a transmission licensee for use of the transmission system or for remote transmission asset rental,
- all charges payable by the licensee to another distribution licensee for the transportation of units to an entry point on the licensee's system, for onward distribution to premises connected to the licensee's system ('wheeled unit' charges), but
- not including any capacity charges payable to a transmission licensee in relation to capacity added during the Regulatory Year under report which must be reported against 'New Transmission Capacity Charges'.

Shetland balancing (Scottish Hydro Electric Power Distribution plc only)*Annual cost of contracts with third party generators (TPCt)*

5.55. This figure must be the cost of contracts with unrelated third party generators for supplying demand customers in Shetland in respect of the Regulatory Year under report as notified to the licensee.

Costs of fuel for Lerwick power station (LPSFt)

5.56. This figure must be the cost of fuel purchased for use by Lerwick power station in respect of the Regulatory Year under report as notified to the licensee.

Costs of environmental permits for generation in Shetland (EPt)

5.57. This figure must be the cost of environmental permits for generation in Shetland as notified to the licensee.

Income from suppliers for units of electricity generated in Shetland (SHt)

5.58. The figure entered must be the amount paid by electricity suppliers for units of electricity in Shetland during the Regulatory Year under settlement arrangements as notified to the licensee.

Correction factor*Regulated Combined Distribution Network Revenue (RDt)*

5.59. The figure entered must be the licensee's total revenue from Use of System Charges for the Regulatory Year under report as defined in CRC2.

5.60. This figure must not include any amounts received from other DNOs under the Low Carbon Networks Second Tier Funding Mechanism.

5.61. Revenue from any charges to other distributors for the 'wheeling' of units must be included in Regulated Combined Distribution Network Revenue.

5.62. No deduction must be made from the reported value of Regulated Combined Distribution Network Revenue in respect of 'wheeling' charges paid to another distributor, since in DPCR5 these costs are included in Transmission Connection Point Charges.

Inset Electricity Distributor Revenue (IEDt)

5.63. As at 1 April 2010, this term is only applicable to EDF Energy Networks (LPN) plc.

5.64. The figure entered must be the amount of revenue received by any Inset Electricity Distributor (as defined in CRC2) in accordance with the definition at CRC4.4.

Balance of revenue provision accounts

5.65. This figure must be entered as the total closing balance on any account(s) in which the licensee records differences between Use of System Charges for any Regulatory Year and Regulated Combined Distribution Network Revenue for any Regulatory Year as recognised in its price control returns, even if such accounts are not used on an ongoing basis.

Net movement on revenue provisions

5.66. This figure must be entered as the net amount taken to (positive) or released from (negative) any account(s) in which the licensee records differences between Use of System Charges for any Regulatory Year and Regulated Combined Distribution Network Revenue for any Regulatory Year as recognised in its price control returns. If no such accounts are used, then a nil value must be entered in the field.

5.67. Provision accounts referred to in paragraphs 3.65 and 3.66 include any accounts used in relation to the 'trend analysis' of settlement data whether referred to as under/over billing accounts or otherwise.

Regulated Demand Revenue 2009-10

5.68. This figure must be the amount of the licensee's Regulated Demand Revenue from Use of System Charges for Regulatory Year 2009-10, as defined in special condition A1 of the distribution licence which was in force at 31 March 2010 and as reported against that term in the licensee's detailed revenue return for Regulatory Year 2009-10.

5.69. This input is only required for the first detailed return submission in the DPCR5 period unless revised as a result of a restatement in accordance with the provisions of SLC 47.15.

Network Generation Revenue 2009-10

5.70. This figure must be the amount of the licensee's Network Generation Revenue from Use of System Charges for Regulatory Year 2009-10, as defined in special condition A1 of the distribution licence which was in force at 31 March 2010 and as

reported against that term in the licensees detailed revenue return for Regulatory Year 2009-10.

5.71. This input is only required for the first detailed return submission in the DPCR5 period unless revised as a result of a restatement in accordance with the provisions of SLC 47.15.

Allowed Demand Revenue 2009-10

5.72. This figure must be the amount of the licensee's Allowed Demand Revenue for Regulatory Year 2009-10 as defined in special condition A1 of the distribution licence which was in force at 31 March 2010 and as reported in the licensees detailed revenue return for Regulatory Year 2009-10.

5.73. This input is only required for the first detailed return submission in the DPCR5 period unless revised as a result of a restatement in accordance with the provisions of SLC 47.15.

Allowed Network Generation Revenue 2009-10

5.74. This figure must be the amount of the licensee's Allowed Network Generation Revenue for Regulatory Year 2009-10 as defined in special condition A1 of the distribution licence which was in force at 31 March 2010 and as reported in the licensee's detailed revenue return for Regulatory Year 2009-10.

5.75. This input is only required for the first detailed return submission in the DPCR5 period.

Distributed Generation revenue

Total Incentivised DG Capacity (Gct)

5.76. The figure entered must be the Total Incentivised DG Capacity directly or indirectly connected to the licensee's distribution system as at 31 March (the last day) of the Regulatory Year under report, as referred to at CRC 11.5.

5.77. The capacity reported must be consistent with the definitions of Total Incentivised DG Capacity and Relevant DG given in part L of CRC 11 and any instructions and guidance given in the Network Asset Data and Performance Reporting RIGs.

5.78. It should be noted that the capacity reported must:

- only relate to Relevant DG with a connection date on or after 1 April 2010 - DG with an earlier start date is catered for in the adjustment term for DG with a connection date on or before 31 March 2010 (the GLt term), and

- be reported on a cumulative basis – e.g. if there is 50 MW of Relevant DG capacity with a connection start during Regulatory Year 2010-11 and a further 30 MW of Relevant DG capacity with a connection start during Regulatory Year 2011-12, then the figure to be reported for 2011-12 will be 80 MW.

Amount of Capex transferred from the DG incentive scheme (GTj)

5.79. The figure entered must be the amount of Capex which has been excluded from the DG incentive scheme and transferred to the licensee's RAV (regulatory asset value) under CRC 11.7 and Part K of CRC 11.

5.80. An amount must only be entered where the licensee has received formal consent from the Authority for a transfer; otherwise the amount entered should be zero.

Amount of Use of System Capex for DG (GPSj)

5.81. The figure entered must be the amount of Use of System Capex for DG for the Regulatory Year under report as defined in Part L of CRC 11 with reference also to the definition of Total Capex for DG in that Part.

5.82. The figure must correspond to the figure for DG capex costs net of customer contributions in the licensee's cost reporting return for the same Regulatory Year.

RPZ DG capacity (GCZt)

5.83. The figure entered must be RPZ DG Capacity as defined in Part L of CRC 11, with reference to the definition of Registered Power Zone (RPZ) in CRC 2.

5.84. This means that all of the capacity included in the figure must:

- be connected in an area registered as an RPZ by the Authority on or before 31 March 2010,
- relate to generating units commissioned less than five years before the date of the return, and
- relate to generating units commissioned on or before 31 March 2012

Inset Electricity Distributor DG revenue (IEDAt)

5.85. As at 1 April 2010, this term is only applicable to EDF Energy Networks (LPN) plc.

5.86. The figure entered must be the amount to be included in the licensee's incentive revenue for distributed generation calculated in accordance with Part F of CRC 11.

5.87. Revenue collected by an Inset Electricity Distributor counts towards the licensee's allowed revenue (via the pass through term IEDt) so it is important that appropriate amounts feed through to Combined Allowed Distribution Network Revenue. The licensee's Base Demand Revenue allowance already includes an amount relating to any Inset Electricity Distributor.

Excluded services

5.88. Services to be treated as Excluded Services are covered under CRC 15 and the specific categories of excluded service are set out at Appendix 1 to that condition.

Connection services (ES1)

5.89. The three figures to be input are respectively:

- Revenue from connection charges which did not include a margin of profit, either because they related to an Excluded Market Segment or because the licence requirements relating to the charging of a margin had not been met,
- Revenue from connection charges which included (only) a regulated margin of profit in relation to which the licensee had given the Authority a Regulated Margin Notice, and
- Revenue from charges which included an unregulated margin of profit in relation to which the licensee had satisfied the Legal Requirements Test and the Competition Test.

5.90. The three categories are exclusive so that the sum of the three figures must correspond to the licensee's total revenue from connection charges for the Regulatory Year under report.

5.91. Amounts collected in respect of connection charges must be:

- included, even where the licensee does not categorise the sums as revenue in its financial accounts – in such cases, a reconciling entry must be made in the row provided on the Reconciliation Inputs worksheet,
- net of any amounts repaid to customers under a Clawback Direction if applicable, and
- consistent with equivalent amounts reported under any other RIGs requirement.

Diversionsary works under an obligation (ES2)

5.92. The figure entered must be the total of revenue from charges for the relocation of electric lines or plant pursuant to a statutory obligation (other than under sections 9(1)(general duties of licence holders or 16(duty to connect on request) of the Electricity Act 1989).

5.93. Since CRC 15.9 stipulates that charges for this service are to be set on a cost recovery basis, total revenue must be in line with the total costs figure for this service in the licensee's cost reporting return. To the extent that there is a difference between total costs and revenues (because estimates of cost or activity levels have been used to set elements of charges) the licensee is expected to use this information to refine its charges for subsequent periods.

Works required by any alteration of premises (ES3)

5.94. The figure entered must be the total of revenue from charges for the relocation of electric lines or plant or electricity meters to accommodate the extension, redesign or redevelopment of premises.

5.95. Since CRC 15.9 stipulates that charges for this service are to be set on a cost recovery basis, total revenue must be in line with the total costs figure for this service in the licensee's cost reporting return. To the extent that there is a difference between total costs and revenues (because estimates of cost or activity levels have been used to set elements of charges) the licensee is expected to use this information to refine its charges for subsequent periods.

Top-up, standby, and enhanced system security (ES4)

5.96. The figure entered must be the total of revenue from charges for Top-up, standby and enhanced system security.

5.97. Charges made, and revenue received in this category should normally be referable to a written agreement with a use of system customer.

5.98. Since CRC 15.9 stipulates that charges for this service are to be set on a cost recovery basis, total revenue must be in line with the total costs figure for this service in the licensee's cost reporting return. To the extent that there is a difference between total costs and revenues (because estimates of cost or activity levels have been used to set elements of charges) the licensee is expected to use this information to refine its charges for subsequent periods.

Revenue protection services (ES5)

5.99. The figure entered must be the licensee's total revenue from charges for Revenue protection services.

5.100. CRC 15.9 stipulates that charges for this service are to be set on a basis which allows the licensee to recover its reasonable costs and a reasonable margin. The difference between the figure reported here and the total costs figure for this service in the licensee's cost reporting return will constitute the margin of profit on this service for the Regulatory Year under report.

5.101. Revenue reported in this figure must relate to contractual arrangements with a third party (which could be an affiliate of the licensee) for revenue protection services over and above those required of the licensee under licence conditions or the DCUSA⁴.

Metering excluded services (ES6)

5.102. No input is required as this row reports the total for metering excluded services from the Metering Inputs worksheet.

Miscellaneous (ES7)

5.103. The figures to be entered here are for revenue from Miscellaneous excluded services as defined in CRC 15.

5.104. A descriptor must be entered for each type of Miscellaneous excluded service under the definition. Services from which the revenue for the Regulatory Year concerned is less than £0.1m may be grouped together under a single descriptor of "Other". However, services must not be artificially disaggregated to take them below this threshold.

5.105. Monies recovered from third parties in respect of liability for damage to the licensee's Distribution System must not be reported in this category. These sums must be reported as cost recoveries in the licensee's cost reporting returns. Where appropriate, a reconciling entry must be made on worksheet R8 in respect of the aggregate value for the Regulatory Year under report.

5.106. CRC 15.9 stipulates that charges for this service are to be set on a basis which allows the licensee to recover its reasonable costs and a reasonable margin. The difference between the figure reported here and the total costs figure for this service in the licensee's cost reporting return will constitute the margin of profit on this service for the Regulatory Year under report.

⁴ The Distribution Connection and Use of System Agreement

Out of Area Networks*Out of area networks (Use of System)*

5.107. This figure must be the total amount of revenue received by the licensee from Demand Use of System Charges relating to distribution networks which are owned or operated under its distribution licence but which are situated outside its Distribution Services Area.

Out of area networks (Other)

5.108. This figure must be the total amount of revenue received by the licensee from all charges other than Demand Use of System Charges relating to distribution networks which are owned or operated under its distribution licence but which are situated outside its Distribution Services Area.

De Minimis Business

5.109. The figures to be entered here are for revenue from De Minimis Business activities as defined in SLC 1 and SLC 29. Revenue relating to activities referred to at SLC 29.4 (Activities not prevented by the general prohibitions) must also be reported in this section, even though they are not De Minimis Business activities per se.

5.110. A descriptor must be entered for each type of De Minimis Business activity. Activities from which the revenue for the Regulatory Year concerned is less than £0.1m may be grouped together under a single descriptor of "Other". However, activities must not be artificially disaggregated to take them below this threshold.

R6 - DG Losses Input

5.111. This worksheet collects information on generation sites with Entry Points whose loss adjustment factor is less than 0.997. It also obtains the actual loss adjustment factor and number of units entering the licensee's Distribution System for each of the sites concerned.

Site (entry point 'i') name

5.112. The licensee must enter the name of any site whose annual loss adjustment factor (as applied for settlement purposes and ascertained in accordance with the definition at CRC 7.11) is less than 0.997. All qualifying sites must be reported – i.e. claiming of the adverse effect adjustment is not optional.

Annual loss adjustment factor for site (LAGit)

5.113. The figure entered for each site must be its annual loss adjustment factor for the Regulatory Year under report. Entered values must by definition be lower than 0.997 - the workbook calculation sheets neutralise any higher values.

Total number of units entering at entry point 'i'

5.114. The figure entered for each site must be the number of units entering the licensee's distribution system at that entry point ascertained in accordance with the instructions in chapter 7 of the Network Asset Data and Performance Reporting RIGs.

R7 - Metering Inputs**Legacy Metering Equipment provision**

5.115. This worksheet gathers information for monitoring compliance with the price cap charge restrictions for Legacy Metering Equipment as set out in CRC 6. Requirements and definitions relating to Legacy Metering Equipment are also contained in standard conditions 1 and 34 of the distribution licence.

Total revenue for each meter type

5.116. For each meter type (including 'other types of meter' and sub-categories thereof), the total revenue for the Regulatory Year under report must be entered.

Maximum charge levied for each meter type

5.117. For each meter type (including 'other types of meter' and sub-categories thereof), the highest charge levied per meter at any point during the Regulatory Year under report must be entered.

Other types of electricity meter

5.118. For 'other types of meter', the licensee must enter two additional values to allow the price cap amount to be calculated:

- Modern Equivalent Asset Purchase Price, and
- Expected economic life

Modern Equivalent Asset Purchase Price (MEAPi)

5.119. The Modern Equivalent Asset Purchase Price for each 'other type of meter' must be entered. This is defined as the price of the meter type concerned as at 1 June 2003 or the nearest determinable date thereafter and values should be entered

in the nominal price of that time. Indexation is applied through the PIT term in the formula for the maximum amount which may be charged for each 'other type of meter' (MAPPct).

Expected economic life (ELAi)

5.120. The expected economic life for each 'other type of meter' must be entered.

Descriptor (for each sub category 'i')

5.121. A descriptor must be entered for each sub category of 'other types of meter' reported by the licensee. These meter types must be sub-divisions of the types specified at CRC 6.13.

Adjustment factor

5.122. The value of any extant adjustment factor applicable under Part H of CRC 6 must be entered. If there is no applicable adjustment factor the value should be entered as zero.

Metering Excluded Services

5.123. The licensee must enter a descriptor for each type of metering excluded service which it carries out and the revenue received. This covers all type of metering activity carried out by the licensee except Legacy Metering Equipment provision. The total is automatically included against ES6 on the Input worksheet.

5.124. Although there are no charge restrictions associated with metering excluded services, this information is required because they fall within the scope of the overall price control regime.

Revenue from Data Services

5.125. The figure entered must be the licensees revenue from Data Services (data transfer services and metering point administration services) as defined in SLC 1.

R8 - Reconciliation Inputs

5.126. This worksheet requires the licensee to report the turnover/revenue total figure included in its Regulatory Accounts for the Regulatory Year under report. It also requires the licensee to list any reconciling adjustments necessary to bring that figure into line with its total revenue as reported in the workbook.

Connections contributions not treated as revenue

5.127. For regulatory reporting purposes, customer contributions towards connection costs are considered to be excluded services revenue and so are included in the figure for 'total revenue from excluded services'. However, DNOs may not account for these sums as revenue in the year of receipt in their financial accounts, for example where it is treated as deferred revenue.

5.128. Therefore, any difference between the amount reported as revenue under excluded services category 'ES1' and the amount of connections contributions recognised by the DNO as revenue for the Regulatory Year under report must be entered in this pre-labelled row.

Other reconciling items

5.129. Any other reconciling items must be entered against an appropriate descriptor.

Turnover/revenue total from Regulatory Accounts

5.130. The figure entered must be the licensee's turnover/revenue total as reported in its regulatory accounts for the same Regulatory Year. An error message is shown on the worksheet if the reconciled totals do not match.

Information on calculation and output sheets**R9 - Base Demand Revenue**

5.131. This worksheet calculates Base Demand Revenue (BRt) in accordance with the formula at CRC 3.5.

R10 - Pass-Throughs

5.132. This worksheet calculates the value of the allowed pass-through term (PTt) as the sum of:

- a licence fee adjustment (LFt),
- a business rates adjustment (RBt),
- a deduction of the amount received in relation to assistance for areas with high distribution costs, only applicable to Scottish Hydro Electric Power Distribution plc as at 1 April 2010 (HBt),
- a deduction representing use of system revenue received by an Inset Electricity Distributor, only applicable to EDF Energy Networks (LPN) plc as at 1 April 2010),

- an adjustment for any other pass-through items (MPT) made up of miscellaneous pass-through items, where applicable and Shetland balancing costs, the latter only applicable to Scottish Hydro Electric Power Distribution plc,
- a transmission connection point charges adjustment, and
- any relevant adjustment in relation to the recovery of uncertain costs.

R11 - DG Losses Adj

5.133. This worksheet calculates the amount in MWh representing the excess adverse effect on losses of units entering the licensee's system at entry points with a loss adjustment factor lower than 0.997 (DGAt).

5.134. The amount is calculated as a negative value to be summed into the main losses calculation. The calculation neutralises any loss adjustment factor equal to or higher than 0.997.

R12 - Incentives

5.135. This worksheet calculates the value of the non-generation incentive term (IPt) as the sum of:

- the distribution losses incentive adjustment (ILt),
- the total quality of service incentive adjustment (IQt),
- the transmission exit charges incentive adjustment (ITt), and
- the innovation funding incentive adjustment (IFIt).

R13 - LCN

5.136. This worksheet calculates the value of the low carbon networks adjustment as the sum of:

- allowable expenditure under the First Tier Funding Mechanism (LCN1t),
- any deduction for First Tier Funding Mechanism non-recoverable amounts (LCN3t), and
- the amount to be collected in respect of the Second Tier Funding Mechanism (LCN2t).

5.137. A caution message is shown if the Allowable First Tier Expenditure figure reported exceeds the licensee's LCN Allowance and the formula in row 17 limits the LCN1 value in the LCN total accordingly.

R14 - Distributed Generation

5.138. This worksheet calculates the value of the incentive revenue for Distributed Generation term (IGt) as the sum of:

- the total incentive payment in the Regulatory Year (GI_t),
- the pass through (return on capex) term (GP_t),
- the operational and maintenance costs term (GO_t),
- allowed revenue in respect of DG connected prior to 31 March 2010 (GL_t),
- allowed revenue in respect of DG connected to the network of an Inset Electricity Distributor (as at 1 April 2010, this term is only applicable to EDF Energy Networks (LPN) plc), and
- incentive revenue in relation to Registered Power Zones.

R15 - Correction Factor

5.139. This worksheet calculates the correction factor (brought forward over/under recovery). A brought forward under recovery is expressed as a negative value.

5.140. The correction factor is calculated as Regulated Combined Distribution Network Revenue minus Combined Allowed Distribution Network Revenue for the preceding year adjusted by an interest rate factor which is determined in accordance with CRC 14.

R16 - Combined Allowed Revenue

5.141. This worksheet calculates Combined Allowed Distribution Network Revenue (AR_t) as the sum of:

- base demand revenue (BR_t),
- allowed pass-through items (PT_t),
- non-generation incentive adjustments (IP_t),
- low carbon networks revenue (LCN_t),
- distributed generation incentive revenue (IG_t),
- connection activities adjustments, and
- the correction factor (K_t)

R17 - Metering

5.142. This worksheet calculates the maximum allowed charge for each type of legacy meter and compares it to the charge level reported by the licensee. It also provides an overall total for revenue from the provision of Legacy Metering Equipment.

R18 - Output Summary

5.143. This worksheet displays each item comprising Combined Allowed Distribution Network Revenue with the constituent term values.

5.144. It also displays summary revenue information in relation to:

- Legacy Metering Equipment provision,
- Data Services,
- Excluded Services,
- out of area networks, and
- De-Minimis Business activities.

Process for dealing with an event with a material impact on the consistency or accuracy of information

5.145. Paragraphs 11 to 14 of SLC 47 set out the process to be followed when a change in the processes or procedures of the licensee or the industry mean that the guidance in this section is inadequate/insufficient, having a 'significant effect' on charge restriction calculations. Paragraph 47.13 requires the licensee to request guidance from the Authority where it identifies such a situation.

5.146. Requests for guidance must be addressed to the Authority and marked for the attention of the Costs and Outputs team within the Local Grids and RPI-X@20 Directorate of Ofgem. The title of any letter or email in this respect must include the wording "Request for guidance under SLC 47.13". Requests for guidance will be handled in accordance with SLC 47.14 and a response provided as quickly as possible.

Illustrations of electronic templates for the detailed and forecast returns - Detailed Return Template A

R5 Input Page		Units	2010	2011	2012	2013	2014	2015	Range Name
DNO Name									
[REPORTING YEAR]									
Basic Information									
Company Name			DNO Name						COMPNAME
Regulatory Year under report			[REPORTING YEAR]						Reporting_year
RPI	%		-0.39%						RPI
Average Specified Rate	%								Int_rate
Incentive Payments - Losses									
System entry volumes in year t-2	GWh		←						SEV
Units distributed in year t-2	GWh		←						UD
Incentive Payments - Quality of Service									
IQ _t	£m								IQ
Incentive Payments - New Transmission Capacity Charges									
New transmission capacity charges payable	£m								NTC
Incentive Payments - IFI									
IFI _t	£m								IFI
IFI _t in 2009-10	£m								
Low Carbon Networks Fund									
First Tier Allowable Expenditure	£m								LCN1_exp
First Tier non-recoverable deduction (enter amount in any Authority Direction as a negative value)	£m								LCN3_unrec
Second Tier - Amount to be collected under Authority Direction	£m								LCN2_collect
Second Tier - Net amount (paid to)/received from other DNOs law Authority's direction	£m								LCN2_cash_trf
Pass through items									
Licence fee payments	£m	LP _t							LP
Business rates payments	£m	RP _t							RP
Miscellaneous pass through	£m	MPC _t							MPC
Uncertain costs	£m	UNC _t							UNC
Assistance for high-cost distributors	£m	HB _t							HB
Transmission connection point charges	£m	TP _t							TP
TPC _t (SHEPD only)	£m								TPC
LPSF _t (SHEPD only)	£m								LPSF
EP _t (SHEPD only)	£m								EP
SH _t (SHEPD only)	£m								SH
Correction Factor									
Regulated Combined Distribution Network Revenue	£m								RD
Inset Electricity Distributor Revenue	£m								IED
Balance of Revenue Provision Accounts	£m								
Net Movement on Revenue Provisions	£m								
Regulated demand revenue 2009-10	£m								
Network Generation Revenue 2009-10	£m								
RD _{t-1} in relation to 2010-11	£m								RDt_1_2010-11
Allowed demand revenue 2009-10	£m								
Allowed network generation revenue 2009-10	£m								
AD _{t-1} in relation to 2010-11	£m								Adt_1_2010-11
Generation									
Incentive Revenue									
GC (Total Incentivised Capacity of Relevant DG)	MW								GC
GT	£m								GT
GPS	£m								GPS
GCZ	MW								GCZ
Inset Electricity Distributor Amount IEDA _t	£m								IEDA
Excluded Services									
Connection services									
Revenue from works where no margin was allowable	£m	ES1							
Revenue from works where a regulated margin was allowed	£m								
Revenue from works where an unregulated margin was allowed	£m								
	£m								
	£m								
Connections sub total	£m								ES_1
Diversionary works under an obligation	£m	ES2							ES_2
Works required by any alteration of premises	£m	ES3							ES_3
Top-up, standby, and enhanced system security	£m	ES4							ES_4
Revenue protection services	£m	ES5							ES_5
Metering Excluded Services (per breakdown on Sheet RR7)	£m	ES6							ES_6
Miscellaneous	£m	ES7							ES_7
[Miscellaneous Excluded Service 1]	£m								
[Miscellaneous Excluded Service 2]	£m								
[Miscellaneous Excluded Service 3]	£m								
[Miscellaneous Excluded Service 4]	£m								
[Miscellaneous Excluded Service 5]	£m								
[Miscellaneous Excluded Service 6]	£m								
[Miscellaneous Excluded Service 7]	£m								
[Miscellaneous Excluded Service 8]	£m								
Total Miscellaneous	£m								ES_7
Total excluded services	£m								ES_Total
Out of Area Networks									
Out of Area Networks (Use of system)	£m								Out_Area_UoS
Out of Area Networks (Other)	£m								Out_Area
De Minimis									
[Activity - 1]	£m								
[Activity - 2]	£m								
[Activity - 3]	£m								
[Activity - 4]	£m								
[Activity - 5]	£m								
[Activity - 6]	£m								
[Activity - 7]	£m								
[Activity - 8]	£m								
[Activity - 9]	£m								
[Activity - 10]	£m								
Total de minimis revenue	£m								De-minimis

R6 DG Loss Adjuster Input							
DNO Name							
[REPORTING YEAR]							
	Site	2012/13		2013/14		2014/15	
		Values for Year t-2		Values for Year t-2		Values for Year t-2	
		LAG	DGV	LAG	DGV	LAG	DGV
		(should not exceed 0.997)	GWh	(should not exceed 0.997)	GWh	(should not exceed 0.997)	GWh
1							
2							
3							
4							
5							
6							
7							
8							
9							
10							
11							
12							
13							
14							
15							
16							
17							
18							
19							
20							
21							
22							
23							
24							
25							
		Number of sites	Total DGV	Number of sites	Total DGV	Number of sites	Total DGV
		0.00	0.00	0.00	0.00	0.00	0.00

R7 Metering Inputs								
DNO Name								
[REPORTING YEAR]								
Legacy Basic Meter Asset Provision		Units	2011	2012	2013	2014	2015	Range Name
Total MAP Revenue & Maximum Charge Levied per Meter Type								
Single-phase single-rate credit meters	£m							Rev_SRCM
Maximum Charge levied per SRCM	£							Chg_SRCM
Single-rate token prepayment meters	£m							Rev_TPPM
Maximum Charge levied per TPPM	£							Chg_TPPM
Single-rate key prepayment meters	£m							Rev_KPPM
Maximum Charge levied per KPPM	£							Chg_LPPM
Single-rate smartcard prepayment meters	£m							Rev_SPPM
Maximum Charge levied per SPPM	£							Chg_SPPM
sub-total of revenue	£m		-	-	-	-	-	
Other types of meter								
Multi-rate single-phase credit meter	£m							Rev_MRSPCM
Maximum Charge levied per MRSPCM	£							Chg_MRSPCM
Multi-rate single-phase prepayment meters	£m							Rev_MRSPPM
Maximum Charge levied per MRSPPM	£							Chg_MRSPPM
Poly-phase single rate whole current meters	£m							Rev_PPSRWCM
Maximum Charge levied per PPSRWCM	£							Chg_PPSRWCM
Poly-phase multi rate whole current meters	£m							Rev_PPMRWCM
Maximum Charge levied per PPMRWCM	£							Chg_PPMRWCM
Non-half hourly current transformer meters	£m							Rev_NHHCTM
Maximum Charge levied per NHHCTM	£							Chg_NHHCTM
Purchase price MEAP_i								
Multi-rate single-phase credit meter	£							MEAP_MRSPCM
Multi-rate single-phase prepayment meters	£							MEAP_MRSPPM
Poly-phase single rate whole current meters	£							MEAP_PPSRWCM
Poly-phase multi rate whole current meters	£							MEAP_PPMRWCM
Non-half hourly current transformer meters	£							MEAP_NNHCTM
Current expected life ELA_i								
Multi-rate single-phase credit meter	yrs							ELA_MRSPCM
Multi-rate single-phase prepayment meters	yrs							ELA_MRSPPM
Poly-phase single rate whole current meters	yrs							ELA_PPSRWCM
Poly-phase multi rate whole current meters	yrs							ELA_PPMRWCM
Non-half hourly current transformer meters	yrs							ELA_NNHCTM
[Sub-category 1]	MEAP _i Value	£						
	ELA _i Value	yrs						
	Max charge	£						
	Total revenue	£m						
	MAPPC _t	£						
[Sub-category 2]	MEAP _i Value	£						
	ELA _i Value	yrs						
	Max charge	£						
	Total revenue	£m						
	MAPPC _t	£						
[Sub-category 3]	MEAP _i Value	£						
	ELA _i Value	yrs						
	Max charge	£						
	Total revenue	£m						
	MAPPC _t	£						
Sub-total of revenue - other types of meter	£m		-	-	-	-	-	Rev_OtherMeters
Adjustment Factor	£							
Metering Excluded Services Breakdown								
Additional Appointment Charges	£m							Act_1
Supplier Warrant Assistance	£m							Act_2
Other	£m							Act_3
Basic Meter Operation	£m							Act_4
New MAP	£m							Act_5
[Descriptor 6]	£m							Act_6
[Descriptor 7]	£m							Act_7
[Descriptor 8]	£m							Act_8
Sub-total	£m		-	-	-	-	-	MeterES
Revenue from Data Services								
MPAS and Data Transfer	£m							DS

R8 Reconciliation of Turnover to Regulatory Accounts							
DNO Name							
	Units	2011	2012	2013	2014	2015	
Regulated Combined Distribution Network Revenue	£m	-	-	-	-	-	RDt
Total Revenue from Charges for Legacy Metering Equipment	£m	-	-	-	-	-	MAP
Total Revenue from Data Services	£m	-	-	-	-	-	DS
Total Revenue from Excluded Services	£m	-	-	-	-	-	ES_total
Revenue from Out of Area Networks	£m	-	-	-	-	-	Out_Area
De Minimis Activity Revenue	£m	-	-	-	-	-	De-minimis
Revenue Return Total	£m	-	-	-	-	-	
Reconciling Items:							
Connections Contributions not treated as revenue	£m						
	£m						
	£m						
	£m						
	£m						
	£m						
	£m						
	£m						
	£m						
	£m						
Reconciled total revenue	£m	-	-	-	-	-	
Turnover/Revenue Total from Regulatory Accounts	£m						
Difference	£m	-	-	-	-	-	
Check reconciliation reconciles		ok	ok	ok	ok	ok	

Forecast Return Template B

R19 Forecast Return due by 31 October:

DNO Name

[REPORTING YEAR]

	Units	2011	2012	2013	2014	2015
RPI	%	0.00%	0.00%	0.00%	0.00%	0.00%
Average Specified Rate	%	0.00%	0.00%	0.00%	0.00%	0.00%
Base Demand Revenue						
BR _t	£m	-	-	-	-	-
Allowed Pass-Through Items						
Licence fee adjustment	£m	-	-	-	-	-
Business rates adjustment	£m	-	-	-	-	-
High cost distribution areas assistance (negative term for SHEPD only)	£m	-	-	-	-	-
Inset electricity distributor adjustment	£m	-	-	-	-	-
Other pass through items (includes Shetland balancing adjustment)	£m	-	-	-	-	-
Transmission connection point charges adjustment	£m	-	-	-	-	-
Uncertain costs	£m	-	-	-	-	-
PT _t	£m	-	-	-	-	-
Incentive Adjustments						
Distribution losses	£m	-	-	-	-	-
Quality of service	£m	-	-	-	-	-
New transmission capacity charges	£m	-	-	-	-	-
Innovation funding	£m	-	-	-	-	-
IP _t	£m	-	-	-	-	-
Low Carbon Networks Revenue						
First tier allowable expenditure	£m	-	-	-	-	-
Second tier (net adjustment to facilitate projects and awards)	£m	-	-	-	-	-
LCN _t	£m	-	-	-	-	-
Distributed Generation Incentive Revenue						
Relevant DG connected	MW	0.00	0.00	0.00	0.00	0.00
Incentive amount	£m	-	-	-	-	-
Return on passed through capex	£m	-	-	-	-	-
Operation and maintenance amount	£m	-	-	-	-	-
Previous price control period adjustment	£m	-	-	-	-	-
RPZ adjustment	£m	-	-	-	-	-
IEDA term	£m	-	-	-	-	-
IG _t	£m	-	-	-	-	-
Correction Factor (under recovery in previous year shown as negative value)	£m	-	-	-	-	-
Combined Allowed Distribution Network Revenue						
AD _t	£m	-	-	-	-	-
Regulated Combined Distribution Network Revenue	£m	-	-	-	-	-
Over/(Under) Recovery to be carried forward	£m	-	-	-	-	-
Metering						
Total Revenue from Charges for Legacy Metering Equipment	£m	-	-	-	-	-
Excluded Services						
ES1 Connections	£m	-	-	-	-	-
ES2 Diversionary works under an obligation	£m	-	-	-	-	-
ES3 Works required by any alteration of premises	£m	-	-	-	-	-
ES4 Top-up, standby, and enhanced system security	£m	-	-	-	-	-
ES5 Revenue protection services	£m	-	-	-	-	-
ES6 Metering Excluded Services	£m	-	-	-	-	-
ES7 Miscellaneous	£m	-	-	-	-	-
Total excluded services revenue	£m	-	-	-	-	-
Outside Price Control						
Out of Area Networks (Use of system)	£m	-	-	-	-	-
Out of Area Networks (Other)	£m	-	-	-	-	-
De Minimis Activity Revenue	£m	-	-	-	-	-

6. Instructions for completing financial issues reporting

Introduction

6.1. The purpose of the instructions and guidance in this chapter is to facilitate the collection of information on a common basis, and to an appropriate degree of accuracy, by each DNO to enable Ofgem to effectively monitor outturn against the appropriate cost allowances, assess future allowances and quantify ex post adjustments as required in the Final Proposals⁵.

6.2. This chapter deals with the financial issues information that will be used to derive inputs to populate the price control model, along with detailed pension, debt and tax information. It also provides for the reconciliation of the cost data to the audited regulatory accounts.

6.3. The data collected will be used to compare licensees over these areas, monitor outturn against the appropriate cost allowances to facilitate calculation of tax clawback and pension true up adjustments and to provide the basis for setting allowances at the next price control period. The pension information will provide the panel data on a consistent basis across licensees for the efficiency reviews of pension costs.

General

6.4. With the exception of table F6, forecast data is not required for any of the financial tables.

6.5. On the version control table enter the number next to the DNO name in cell C31 on the left. This will automatically populate the DNO name in all tables at cell A2 and where required bring in that DNO's historic data or allowances from a lookup table on the 'Ofgem data input' worksheet.

6.6. The 'version control' sheet must be updated each time the pack is resubmitted.

6.7. The following additional information is also required:

- Corporation Tax return and computation, for the Licensee's preceding statutory accounting year,
- Tax provision workings for the year under review to support Table F14,

⁵<http://www.ofgem.gov.uk/Pages/MoreInformation.aspx?docid=346&refer=Networks/ElecDist/PriceCtrls/DPCR5>

- Reconciliation of changes to opening capital allowance pools from prior year submission(s) with documentation to support Table F14,
- Audited Annual Pension Scheme accounts,
- Triennial actuarial valuation reports (or any that might be provided more frequently), and
- Copy of the Certification by senior accounting officer that is prescribed in FA2009, which certifies annually that the accounting systems for the company and its subsidiaries are adequate for the purpose of accurate reporting of 'taxes and duties". This may be for the group in which the licensee is a subsidiary.

Terms defined within the Financial Tables

6.8. The following terms which appear in the financial tables have been defined in the Glossary to this document.

- Accounting standards
- (Actual) pension contributions
- CT600
- Currency Swaps
- Deferred revenue expenditure
- Defined Benefit pension scheme (DB)
- Defined Contribution pension scheme (DC)
- Early Retirement Deficiency Contributions (ERDCs)
- Easements
- ESPS
- Fair value
- Free Cashflow
- Funds from Operations
- International financial reporting standards (IFRS)
- Interest Rate Swaps
- Long life assets (>25yrs) Pool
- Net Debt
- Net Interest
- Pension deficit repair payments
- Pension Protection Fund (PPF)
- Pension Scheme Administration Costs
- PPF levy
- Profit and Loss / Statement of comprehensive income
- Regulatory fraction
- Regulatory Tax Losses
- Salary sacrifice scheme
- Stakeholder pension & Personal Accounts
- Statement of cashflows
- Tax Clawback Calculation
- Triennial valuation (pensions)

F1 - Profit & Loss/Statement of comprehensive income

Purpose

6.9. This table is designed to obtain a standard format of each DNO's profit & loss/statement of comprehensive income, consistent with the regulatory accounts. It will be used to provide the data in this statement in the regulatory accounts on a consistent and comparable basis across DNOs and time; and to populate the financial model. It is the reference point for the reconciliation of certain audited amounts to costs reported elsewhere within the suite of cost, financial issues and revenue workbooks.

6.10. The segmental analysis is included to aid reconciliation between tables and the Cost And Revenue reporting RIGs, particularly as all segmental data except distribution DUoS are outside the price control cost allowances.

Guidance on completing the worksheet

6.11. This table must be populated from and agree to the entity's audited Regulatory accounts for the relevant year. Whilst there are more categories than in the Profit & Loss/Statement of consolidated income in audited regulatory accounts the additional detail is required to facilitate reconciliation/agreement with other tables.

6.12. Row 6: Indicate whether accounts are prepared under UK GAAP or IFRS accounting standards.

6.13. Row 8: Insert total revenue as shown in the regulatory accounts. The breakdown of revenue and the reconciliation to the regulatory accounts is included in table R8 of the revenue reporting tables.

6.14. Rows 8 to 50: These rows cover the licensed entity and must agree to the audited Regulatory Accounts.

6.15. Rows 27 and 29 are populated from the detailed analysis of these amounts which are input in table F5 Financing Costs.

6.16. Row 31: "Other finance income/Investment income" on the P&L account must include non-distribution related items, financial movements on pension schemes and all movements on derivative financial instruments.

6.17. Rows 56 to 180: These rows must be completed with the split of the total position (down to operating profit before finance costs and tax) into the segmental elements shown. The distribution element is calculated by deducting all other segments from the total.

6.18. Rows 184 to 203: Where the entity has reported under IFRS for the first time, this section must be completed to identify the differences between reporting under UK GAAP and IFRS. This will aid understanding of the changes and implications for the tax charge once all DNOs report under IFRS (currently mandated for 2013).

F2 - Balance Sheet/Statement of financial position

Purpose

6.19. This table is designed to obtain a standard form of each DNO's balance sheet/statement of financial position, consistent with the regulatory accounts.

6.20. It will be used to provide the data from regulatory accounts on a consistent and comparable basis across DNOs and time; and to populate the financial model.

6.21. It will also be used to check the level of total debt reported elsewhere, the other liabilities the DNO has and to populate the financial model.

6.22. In addition it will be used to identify differences in reporting when DNOs switch from UK GAAP to IFRS during the price control period.

Guidance on completing the worksheet

6.23. This table must be populated from and agree to the audited regulatory accounts for the relevant year. Whilst there are more categories than in the balance sheet/statement of financial position in the entity's audited regulatory accounts the additional detail is required to facilitate reconciliation/agreement with other tables.

6.24. Row 64: The "Hedging Reserve" on the balance sheet is only to be used by companies reporting under IFRS.

6.25. Row 71: The net debt shown is calculated based on the definition of net debt issued in the open letter of 31 July 2009 "Clawback of tax benefit due to excess gearing"⁶.

6.26. Rows 73 to 90: Where the entity has reported under IFRS for the first time, and for subsequent years in DPCR5, this section must be completed to identify the differences between the two approaches.

⁶ <http://www.ofgem.gov.uk/Pages/MoreInformation.aspx?docid=49&refer=Network>⁵

6.27. Rows 97 to 118: These rows summarise the capex additions by segmental type and are required to facilitate the reconciliation of audited costs to the data in the RIGs.

6.28. Rows 125 to 130: Enter details of the book values of the disposal of tangible and intangible assets. Enter the corresponding cash proceeds split for tangible assets into operational and non-operational assets. The cash proceeds must be entered as a negative value, except where the disposal is to an affiliate where market values must be entered (in accordance with the Final Proposals - Financial methodologies document 148/09 chapter paragraph 1.15) again as a negative value.

6.29. Rows 135 to 142: Enter details of additional customer contributions in the year by segment to agree with those in the Cost RIGs.

F3- Cashflow

Purpose

6.30. This table is designed to obtain a standard format of each DNO's cashflow position consistent with the regulatory accounts.

6.31. It will be used to provide the data in this statement in the regulatory accounts on a consistent and comparable basis across DNOs and time; and to sense check the financial model.

Guidance on completing the worksheet

6.32. This sheet is linked to movements implied by the P&L and balance sheet as far as practicable.

6.33. Inputs are required to replicate the cashflow in the regulatory accounts.

6.34. Rows 58 to 64: Reconciliation is required between opening debt and the closing debt implied by the decrease/increase in net cash.

F4- Net Debt

Purpose

6.35. This table collects details of all borrowing, guarantees and financial derivatives, interest rates on debt, repayment dates and cash and short term investments.

6.36. This information is used to compare gearing levels to the regulatory modelling data; and to enable the calculation of the tax benefit of excess gearing. It is also

used to provide details of future refinancing requirements where DNOs have loans falling due for repayment.

6.37. The table provides information on derivative financial instruments to facilitate understanding of existing debt structures.

6.38. The table is designed to enable different types of borrowing and lending to be identified and any derivative products relating to the debt to be linked to it.

Guidance on completing the worksheet

6.39. Where debt is of a short term nature (and can therefore be replaced several times in a year) the year end balance must be shown in the debt statement. The interest rate for the year must be that relating to the year end debt and must be shown on the financing costs statement.

6.40. Rows 6 to 10 summarises net debt and gearing and are auto-populated, no data entry is required in these rows.

6.41. For Sections A to F, income statement debits and cash out flows must be entered as positive values, and credits as negative values.

6.42. Rows 279 to 283 require no data entry as they are auto-populated.

6.43. Rows 292 to 738: Detail all derivatives and values together with what exposure is hedged against. The description box must include the reference number of the loan(s) to which the derivative relates.

6.44. Input in Table A: "Schedule of cash, short term deposits and overdrafts" under the prescribed headings the balance per the regulatory accounts at the regulatory financial year end.

6.45. Input in Table B: "Analysis of External borrowings, bonds, loans and finance leases" the name of the lender and the nature and a description of the instrument, the redemption date, the rate of interest, and the balance at the regulatory financial year end.

6.46. Input in Table C: "Analysis of loans from other group companies" the legal entity providing the financing and the nature and a description of the instrument, the redemption date, the rate of interest, and the balance at the regulatory financial year end.

6.47. Input in Table D: "Analysis of loans to other group companies" the name of the borrower and the nature and a description of the instrument, the redemption date, the rate of interest, and the balance at the regulatory financial year end.

6.48. Input in Table E: "Analysis of other amounts due to (from) group companies (memorandum)" showing the name of each affiliate, the nature of the balance (e.g. the trading balance, cash on deposit) and separately the amounts payable and receivable. Balances with each individual affiliate must be shown separately, it is not acceptable to show group balances. Note: Table E is a memorandum table as inter-company trading balances are not usually part of net debt.

6.49. Input in Table F: "Guarantees given on behalf of other group companies" any guarantees (including joint and several) given on behalf of any other group companies/related parties, listing the name of the company guaranteed, entity to whom the guarantee was given, the amount guaranteed and the date of the consent or derogation in respect thereof from the Authority.

6.50. Table G: Summarises the value of derivatives as detailed in tables H to K. No input is required.

6.51. Input in Tables H to L: "Derivative financial instruments at year end (per Balance Sheet)" any derivative financial instruments as defined in accounting standards) extant at the year end relating to or in respect of any loan or balance disclosed under the prescribed headings. Only the value of cross currency swaps (used in the gearing calculation) is linked into the summary table. Additional hidden rows are available and may be unhidden.

F5 - Financing costs

Purpose

6.52. This information is used to compare finance costs to the regulatory modelling data and to facilitate the calculation of the clawback of the tax benefit of excess gearing on Table F19.

Guidance on completing the worksheet

6.53. The description of the debt instrument in this sheet is drawn from table F3. The interest that is entered must correspond with the loan referenced from table F3.

6.54. Column D contains a drop down box, where appropriate, to enable the choice of type of interest terms.

6.55. For sections B to E, the interest paid (or received) must be shown on a P&L basis and on a cash basis. The values for each basis must be entered on the line with the corresponding reference number.

6.56. Rows 6 and 333: These rows collect an analysis of interest on both normal accruals (accounting) and a cash basis. Additional hidden rows are available and may be unhidden.

F6 - Financing requirements

Purpose

6.57. This table will be used to inform consideration of the DNO's short term financial stability. It requires provision of a high level cashflow for the succeeding two regulatory years and the financing requirements over the same period.

Guidance on completing the worksheet

6.58. Rows 6 to 8, 10, 12, 14, 20 to 25, 29, 33 and 34: The inputs must only be made for the next two full regulatory financial years.

6.59. Row 29: This line requires completion for the current year. Insert the value of any undrawn facilities which will be available to meet the financing requirements.

6.60. Rows 33 to 34: Enter the value of forecast fixed and floating interest costs.

6.61. Where the DNO has concerns about refinancing, these must be expressed in the commentary, except to the extent that such issues have been separately notified to Ofgem.

F7 - Pension Defined Benefits costs

Purpose

6.62. This table collects data relating to the licensee's pension costs for the defined benefit scheme(s), the cash payments to pension schemes for the purposes of comparison against the DPCR5 pensions allowance and for informing DPCR6 on pension costs and liabilities.

6.63. The data will also form part of the panel data for the efficiency reviews in accordance with our approach to pensions costs and set out in our pension principles.

Guidance on completing the worksheet

6.64. All pension costs must be consistently reported across the CRIGGS tables, i.e. on a cash basis.

6.65. This table collects information about the DNO's pension costs rather than the total DB scheme as a whole.

6.66. All data must be entered in nominal prices each year.

6.67. Data is to be provided for each DB pension scheme where there is an element relating to the distribution business.

6.68. Any payments related to EASL or EATL pension liabilities are to be excluded. These are not pension costs of the distribution business, but atypical operating costs and must be reported as such in the main Cost RIG tables.

6.69. Row 6: Insert pensionable pay relating to this scheme only. This is not necessarily the same as labour costs in the Cost RIGs.

6.70. Row 7: The salary sacrifice element of salaries by the employers relates solely to sacrifice for additional DB pension contributions made under an arrangement with the sponsoring employer.

6.71. Row 12: In so far as pension scheme administration costs and PPF levy are included in normal contributions for this scheme, these must be included in the percentage of pensionable pay calculation.

6.72. Row 14: Enter the employers' pension contributions net of salary sacrifice.

6.73. Rows 16-28: These lines are populated automatically from other pension tables.

6.74. Row 29: Provide the cash cost of funding of any pension related severance costs.

6.75. Row 33: Provide the period over which the existing deficit as at the last triennial valuation is being funded as agreed with the Trustees and accepted by The Pension Regulator (TPR) in the deficit recovery plan and state in the commentary which triennial valuation this refers to.

6.76. Row 34: Provide the date from which the current deficit funding payments commenced.

6.77. Row 35: Enter this defined benefit scheme's deficit funding on a cash basis.

6.78. Row 36: For 2009-10 only, enter the percentage allocation of the group scheme to the distribution business, i.e. the percentage must be that number which will enable the calculation to produce the same result as the table 4.3 in the DPCR4 2009/10 RRP. Rows 41 to 48: Provide the attribution of meeting current pension service cost for Defined Benefit schemes over the various segments. Row 40 will show the balance of total ongoing pension costs from row 26.

6.79. Rows 53 to 58: Attribution of total scheme deficit repair payments (if necessary) by the constituent elements. The method of attribution is to be detailed in the Commentary. Where any deficit repair is allocated to other licence holders, the

attribution must be reflected in the RRP of that DNO. Row 58 is a check row and will show an unattributed balance if the amounts do not agree to the deficit repair payments in row 35. This amount should be zero. Note: any unattributed balance may be deducted from the DNO's amount.

6.80. Lines 61 to 176: Repeat the above for any further defined benefit schemes.

F8 - Pensions data for primary defined benefit scheme

Purpose

6.81. This table collects data relating to defined benefit scheme pension costs, assets and liabilities, deficits and ancillary data. Table F8 collects data relating to the primary defined benefit (DB) pension scheme whilst tables F8.1 and F8.2 must be completed (where necessary) for additional DB schemes.

6.82. They also collect information on all membership data and scheme data for the purposes of informing DPCR6 on pension costs and liabilities.

6.83. The data will also form a part of the panel data for the efficiency reviews in accordance with our approach to pensions costs and set out in our pension principles.

Guidance on completing the worksheet

6.84. All data must be entered in nominal prices each year.

6.85. Data is to be provided for each DB pension scheme where there is an element relating to the distribution business.

6.86. The RRP must be completed and returned by 31 July each year. This table must be returned once the data is finalised, but no later than 30 September in that year.

Section A

6.87. This section collects information on the total group scheme for which the DNO is the sponsoring employer.

6.88. This data should not be repeated from that for the previous triennial valuation between such valuations, but be that for the latest updated s.224 valuation or latest full triennial valuation.

6.89. Rows 9 to 14: Enter the attribution of total scheme deficit or surplus by the constituent sponsoring affiliates, i.e. the total for non-distribution businesses and the amounts attributable to each affiliated DNO, including the DNO. The method of

attribution is to be detailed in the Commentary. Where any deficit is allocated to other licence holders, the attribution must be reflected in that DNO's cost reporting submission. This information will be used to inform the regulatory fraction at subsequent price controls and for the ex post adjustments.

6.90. Row 17: State the basis of the scheme valuation used (e.g. full triennial, Pension Act 2004 section 224 update).

6.91. Cell F26: Enter the opening value of pension scheme assets as at 1 April 2005.

6.92. Rows 28 to 49: Enter details on the movements in assets held in the scheme. The balance brought forward must be the gross value of assets in the scheme. If opening balances are revised, the previous year's data should be restated rather than an adjustment being made in the current year. Where any changes are made to prior year data, these must be detailed in the commentary.

6.93. Sign Convention: Enter any contributions into the scheme as positive numbers. Benefit payments made by the scheme and other withdrawals must be shown as a negative. Investment profits must be entered as a positive, whereas investment losses must be entered as a negative.

6.94. Rows 55 to 73: Enter detail of assets held by the scheme. Where other assets are identified, enter these in rows 71 to 73 and provide description in the commentary.

6.95. Cell F26: Enter the opening value of pension scheme liabilities as at 1 April 2005.

6.96. Rows 80 to 89: Enter details of the movements in pension scheme liabilities by category. Additional categories must be entered in rows 84 to 89.

6.97. Rows 94 to 107: Bulk transfers from corporate transactions post 31 March 2010 (which are to be excluded from regulatory fraction in accordance with the DPCR5 settlement): Enter the year end value of the assets and liabilities from each bulk transfers arising from a corporate transaction post 31 March 2010 and detail in the commentary.

6.98. Explain in the commentary how the valuations of assets and liabilities have been determined, e.g. actuarial assessment of assets and liabilities relating to relevant members. On the basis that the assets of a scheme may not be hypothecated or identifiable to any sub group of members, then the assets may be apportioned based on the ratio that the liabilities of these members bear to the total liabilities. The liabilities must be separately computed based on each member transferred in.

6.99. Enter details of total assets for each bulk transfer in, which must be shown as positive (+ve).

6.100. Enter details of total liabilities for each bulk transfer in, which must be shown as negative (-ve).

6.101. Explanations of each bulk transfer in or out must be provided in the commentary.

Section B Membership data

6.102. This section seeks information on the membership of the total group scheme except for rows 176 to 185 which is restricted to the DNO. It is accepted that this data may need to be revised in subsequent years. If opening balances are revised, correct the previous year's data rather than adjusting in the current year. Where any changes are made to prior year data, these must be detailed in the commentary.

6.103. Rows 120 & 138: These rows are for members who became deceased during the financial year.

6.104. Row 145: New dependents must be populated with any dependent members created on the death of a member in one of the other categories.

6.105. Rows 160 -163: Enter membership totals split between those with protected rights under the Protected Persons legislation and the remainder of the scheme.

6.106. Rows 166 to 169 are auto populated, no data entry is required.

6.107. Rows 176 to 185: Split the membership associated with the DNO between those with protected rights under the Protected Persons legislation and the remainder of the scheme.

6.108. Provide explanation in the commentary, including if any amounts have been accepted where assets do not cover the liabilities.

Section C Scheme mergers

6.109. This section provides details of any mergers into this DB scheme, collecting incoming scheme data to compare to scheme data populated from other sections.

6.110. Rows 204 to 205: The regulatory fractions must be as used in the preceding price control. Where there is no previous regulatory fraction, or the position is uncertain, the cell should be left blank and a note included in the Commentary.

Section D Actuarial valuation results

6.111. This section collects information on the actuarial valuation results for the total scheme. This refers to scheme funding valuations rather than valuations for other purposes (for example, company accounting valuations or PPF levy valuations).

6.112. Where necessary answers should be expanded upon in the commentary.

6.113. Rows 248-249: Average remaining active service life must be provided for the scheme membership as a whole, however if there is a significant difference in the remaining service life between non-distribution and distribution members, please provide both numbers in the commentary.

6.114. Rows 262 and 263: Specify the mortality table used, including any age ratings: e.g. "PMA/PFA92 U=2004 x-1 with medium cohort improvement factors subject to a 1% underpin". Expand in Commentary as necessary.

6.115. Rows 266 and 267: Specify the mortality table used, including any age ratings: e.g. "PMA/PFA92 U=2004 x-1" with medium cohort improvement factors subject to a 1% underpin. Expand in Commentary as necessary.

6.116. Rows 276, 288, 308 and 324: The rows headed "normal retirement age" are to be completed with the earliest age at which unreduced benefits are payable on age retirement (which might strictly be different to the scheme's "normal retirement age").

6.117. Rows 337 to 341: Information on AVC facilities is required only to the extent that employees can purchase additional service in the defined benefit scheme or the employer contributes in some way. Information is not required for defined contribution AVC schemes.

6.118. AVC information is required for the scheme as a whole.

6.119. Rows 348 to 380: Enter names of all sponsoring employers within the group participating in the DB scheme.

F8.1 and F8.2 - Pensions data**Purpose**

6.120. These tables collect data relating to pensions costs, deficits, and ancillary data. F8 collects data relating to the primary scheme and these tables F8.1 and F8.2 must be completed (where necessary) for additional schemes.

6.121. They also collect information on all pension costs (normal and deficit), cash payments to pension schemes, membership data and scheme data for the purposes of comparison against the DPCR5 pensions allowance and for informing DPCR6 on pension costs and liabilities.

Guidance on completing the worksheet

6.122. These tables must be completed following the guidance as for table F8.

F9 - Pensions Defined Contribution schemes

Purpose

6.123. This section collects data on the DNO's defined contribution scheme(s), personal accounts and stakeholder schemes (if any). These form part of total pension costs and will be used to inform any ex post true up and the next price control.

Guidance on completing the worksheet

6.124. Information is to be reported at the DNO level only.

6.125. Row 6: Enter the cash contribution for the primary defined contribution scheme.

6.126. Rows 8 to 9: Where different contribution rates exist, enter an average percentage and explain in the commentary.

6.127. Row 12: Enter the cash contribution for the secondary defined contribution scheme (if any).

6.128. Rows 14 to 15: Where different contribution rates exist, enter an average percentage and explain the composition in the Commentary.

6.129. Row 18 - 19: Enter the cash contribution to all stakeholder schemes and personal accounts.

6.130. Rows 24 to 34: Enter the attribution of the defined contribution/stakeholder costs across the segments shown.

F10 - Pension Protection Fund levies

Purpose

6.131. This section collects data on a cash basis on the Pension Protection Fund (PPF) levies for each scheme and shows the allocation of these costs between sponsoring entities. This enables reconciliation at the scheme level (not the DNO) to the RIG cost reporting pack and allocation to RAV where appropriate.

6.132. These costs form part of ongoing service costs and will be used to inform the ex post true up.

Guidance on completing the worksheet

6.133. Row 7: Enter the total fixed PPF levy for the primary DB scheme (including the levy for PPF administration charge) paid (in cash) in the year.

6.134. Rows 9 to 13: Enter the allocation of fixed PPF levies paid direct by the employer (not collected through the scheme contributions) split by non-distribution and distribution business segments.

6.135. Rows 15 to 19: Enter the allocation of fixed PPF levies collected through the scheme contributions (not paid direct by the employer) split by non-distribution and distribution business elements.

6.136. Row 22: Enter the cash payment for the total risk based PPF levy for the primary DB scheme.

6.137. Rows 24 to 28: Enter the allocation of risk based PPF levies paid direct by the employer (not collected through the scheme contributions) split by non-distribution and distribution business elements.

6.138. Rows 30 to 34: Enter the allocation of risk based PPF levies collected through the scheme contributions (not paid direct by the employer) split by non-distribution and distribution business elements.

6.139. Rows 37 to 96: Repeat for any further DB pension schemes.

6.140. Rows 116 to 130: Enter the values of PPF levy that are included in the cost tables elsewhere within the RIG cost reporting pack. The total must reconcile to the total PPF levies paid in rows 104 and 110.

6.141. Rows 134-135: Provide latest Dun & Bradstreet PPF score for the risk-based element of the levy and the date it was scored for the DB pension scheme. If the

score is based on multi-company data, enter the weighted average score (as used by the PPF) and detail the constituent scores in the Commentary.

F11 - Pension Scheme Administration costs

Purpose

6.142. This section collects data on a cash basis on each pension scheme's administration costs (that is the costs incurred by the trustees in the running of the pension scheme and includes investment management fees) for each scheme and shows the allocation of these costs between entities. These do not include costs incurred by the DNO or other sponsoring employers in collecting employee contributions or managing their interface with the scheme. This enables reconciliation to the RIG cost reporting pack and allocation to RAV where appropriate.

6.143. These costs form part of ongoing service costs and will be used to inform the ex post true up.

Guidance on completing the worksheet

6.144. Rows 7 and 8: Enter the total pension administration costs for each scheme, showing pure administration costs on row 7 and investment management fees on row 8.

6.145. Rows 11 to 15: Enter the allocation of administration costs paid direct by the employer (not collected through the scheme contributions) split by non distribution and distribution business elements.

6.146. Rows 17 to 21: Enter the allocation of administration costs collected through the scheme contributions (not paid direct by the employer) split by non distribution and distribution business elements.

6.147. Rows 25 to 39 and 43 to 57: Repeat for any further pension DB schemes.

6.148. Rows 77 to 90: Enter the values of scheme administration costs that are included in the cost tables elsewhere within the RIG cost reporting pack. The total must reconcile to the total scheme contributions in rows 64 and 70.

F12 - Tax allocations to capital allowance pools

Purpose

6.149. This table is used to report the allocation of capex and opex spend to tax pools for the DNO consistent with the numbers in the Regulatory Accounts for the

year. It obtains an analysis of the DNO's tangible fixed asset additions and ensures allocation to the capital allowance pools on a consistent and comparable format across DNOs.

6.150. It enables monitoring and comparison of allocations to capital allowance pools across DNOs, and across time, which will inform future price controls.

Guidance on completing the worksheet

6.151. The table requires DNOs to enter the allocation of expenditure across tax categories for the various types of expenditure. These allocations must reflect the basis on which the tax charge for the regulatory accounts has been based.

6.152. Enter the analysis of the DUoS expenditure in each area for tax purposes (£m) by each of the capital allowance pools. All expenditure on easements must be entered in row 25. The total expenditure must agree to that reflected in the Cost RIGs tables.

6.153. Rows 95 to 108: Enter the allocation of indirect costs between capitalised and non capitalised separately for closely associated indirects and business support costs capitalised.

6.154. Rows 190 to 220: Enter the allocation of indirect costs to pools with the total allocation matching the total of business support and closely associated indirects in rows 100 and 109.

6.155. Enter Non DUoS expenditure in rows 237 to 251.

6.156. Profiles are calculated for each expenditure type in the bottom half of the sheet.

F12a - Tax allocations to capital allowance pools on a CT600 basis

Purpose

6.157. This table is used to report the allocation of capex and opex spend to tax pools for the DNO consistent with the CT600 tax return submitted (normally for the preceding statutory accounting financial reporting year. It obtains an analysis of the DNO's tangible fixed asset additions and ensures allocation to the capital allowance pools on a consistent and comparable basis across DNOs.

6.158. It enables monitoring and comparison of allocations to capital allowance pools across DNOs, and across time, which will inform future price controls.

Guidance on completing the worksheet

6.159. Enter the year end to which the CT600 refers in the closest column to the regulatory year end (e.g. a 31/12/08 CT600 return would be entered in the column for regulatory year end 31/03/09).

6.160. The table requires DNOs to insert the allocation of expenditure across tax categories for the various types of expenditure. The completion is consistent with the guidance for Table F12 although there is no check to the Cost RIGs reporting pack since the two are not necessarily aligned.

6.161. The total additions by pool must agree to the additions stated in the CT600.

6.162. The final section provides an analysis of the capital additions for non distribution activities. Entries must be made in each appropriate section where pool additions do not relate to the distribution (DUOS) business.

F13 - Tax capital allowance pools**Purpose**

6.163. This table is used to track the annual additions in the regulatory financial year and movements in capital allowances for the DNO, and by the individual business segments.

6.164. It will capture the movements on capital allowances in total for the DNO and for the distribution business and other activities; and reconcile the total to the DNO's own tax provision workings for its regulatory accounts and/or draft corporation tax computation.

6.165. It is also used to identify prior year adjustments arising in the individual capital allowance pools from the closing and settlement of open tax years.

6.166. The closing pool balances will be used to populate the financial model at the next price control, subject to review.

Guidance on completing the worksheet

6.167. This table must be prepared on the same basis as the DNO's corporation tax returns and in accordance with extant tax legislation. For entities which do not have a 31 March statutory year end it is not acceptable that additions to pools are derived by apportionment of the last actual corporation return additions over time. The additions should instead be ascertained from underlying records.

6.168. The table requires limited input as most of the cells are completed by calculation.

6.169. Where the opening balances are different to that in the prior years' cost submission and revision amounts have been input, then a reconciliation is to be provided explaining and analysing the reasons for each change. Where the change arises from agreement of previously open years' tax computations by the tax authorities this must be identified by individual year; and the reasons for any change to previous estimates must be provided in the Commentary.

6.170. Rows 6, 15, 24 and 33: These rows are to be used to show the opening balance of the capital allowance pool in the opening year only.

6.171. Rows 7, 16, 25 and 34: These rows are to be used for any revisions to numbers submitted in previous cost returns. Details of revisions that have been made and why they are necessary are required in the Commentary.

6.172. Rows 9, 18, 27 and 36: These rows are included for the additions to each pool within the year.

6.173. Where a DNO disclaims allowances in a year, the formula in rows 11, 20 and 29 may be overwritten and an explanation must be provided in the Commentary.

6.174. Row 38: Enter any IBA allowances.

6.175. Row 60: The value of fixed asset additions not qualifying for tax relief must be entered here.

6.176. Row 62: Input the rate of writing down allowances claimed for deferred revenue in the year.

6.177. Rows 65, 66, and 68: Input the rate of writing down allowances applicable in the year.

6.178. Rows 134 to 167: The inputs are repeated for the non DUoS values.

6.179. Rows 75 to 108: The residue which relates to the distribution business is calculated within these rows and no data input is required.

F14 - Tax computation

Purpose

6.180. This table is used to show how the DNO arrives at the tax charge on a total basis and then split the data into the constituent segments to show that solely relating to distribution (DUoS) activities.

6.181. It provides the data in a consistent and comparable format across all DNOs for the regulatory financial year to enable comparisons to be made.

6.182. This and the CA pool table are used to monitor outturn against allowances and to inform the next price control.

Guidance on completing the worksheet

6.183. This table must be prepared on the same basis as the DNO's corporation tax returns for each regulatory financial year end 31 March and in accordance with extant tax legislation.

6.184. The table is populated automatically from sheet F1 where appropriate.

6.185. Row 6: The rate of corporation tax appropriate to the current regulatory financial year is an Ofgem input.

6.186. Row 14: The pensions charge in the regulatory accounts must be the adjustment to eliminate all pension contributions provisions or accruals. The amount of cash pension contribution paid and deductible for tax purposes must be input under "Deduct" (row 31).

6.187. Row 15: Capital charged to revenue must be the amount of capex which has been expensed in the regulatory accounts but for tax purposes is capitalised and must be equal to the amount of additions in Table "Tax: Capital Allowances of the DNO".

6.188. Row 16: Enter any amounts of operating expenditure that, in accordance with tax legislation, is disallowed as a deduction in computing taxable profits. These costs must therefore be added back and must be the same as in the DNO's own tax computation or tax provision workings.

6.189. Rows 21 to 22: Any other add backs must be disclosed and described separately for individual items over £500,000. Do not add additional rows where the individual analysis exceeds two, but include an analysis in the commentary.

6.190. Row 31: Pension contributions paid is the amount of pension contributions actually cash paid to the pension scheme. Where these are not the same as disclosed in Table F17 an explanation must be provided in the commentary. Where the DNO does not incur any or all the pension costs directly then to whom, or by whom, they are paid and how they are treated in the DNOs or that of the affiliate paying them in their own accounts must be provided in the commentary.

6.191. Rows 39 to 42: The capital allowances inputs are populated automatically from Table F13.

6.192. Rows 43 to 48: Input the amount of any other allowances.

6.193. Where amounts reported in previous years are different to that in the prior year's CRIGGS, provide a reconciliation in the commentary explaining and analysing the reasons for each change.

6.194. Rows 66 to 69: Input the amounts of corporation tax paid or refunded and amount of group relief received or surrendered. These must be the actual amounts paid in the regulatory financial year and must include any payments to affiliates where the CT is paid under a group payment arrangement.

6.195. Rows 73 to 79: Input any additional reconciling items with a description for all individual items over £500,000.

6.196. Row 83: Input the date (day, month year format) that the corporation tax return has been agreed with HMRC. Where no date exists the returns will still be open.

6.197. Rows 86 to 89: Enter details of regulatory tax losses. These will be offset against any tax funding at future price reviews.

F15 - Reconciliation of total costs to accounts

Purpose

6.198. This table is used to reconcile the values reported in the RIG cost reporting packs with the audited regulatory accounts. This ensures that costs are not omitted or duplicated and provides an assurance to the overall consistency of the pack.

Guidance on completing the worksheet

6.199. The table requires DNOs to input the relevant costs from the regulatory accounts profit and loss (or income statement under IFRS), and fixed asset additions as reported in tables F1 and F2 respectively.

6.200. Row 15: Enter customer contributions, where not reported in net fixed asset additions.

6.201. Row 16: Enter any interest capitalised in the year.

6.202. Row 17: Enter the amount of any revaluation of tangible fixed assets reported in the balance sheet in the year.

6.203. Rows 23 to 43: Input any reconciling items, which are adjustments to costs or recoveries for items not in the Regulatory Accounts or where offsetting of costs and revenues/recoveries is not allowed under these RIGs for presentation of amounts in the CRIGGS, or for IFRS adjustments. Items included here must include a brief description of the item. Where further detail is necessary this must be added to the Commentary.

6.204. Rows 6 to 20: These rows summarise the total opex and capex as reported in the regulatory accounts. Note that capitalised interest and asset revaluation amounts are not to be included on other tables in the CRIGGS and must be deducted here as they are not allowed in regulatory costs.

6.205. A check and balance will be automatically performed to ensure the regulatory accounts totals agree to the CRIGGS data tables; this check must say 'OK' for the CRIGGS to have been completed correctly.

6.206. Where revenues are netted against costs in the regulatory accounts and thus not reported as revenue then a reconciling item will be required to gross up costs.

6.207. Rows 71 to 399: Following the instructions above repeat the process and entry for each segment.

F16 - Net Debt Reconciliation F3 to Regulatory Accounts

Purpose

6.208. This table is used to reconcile the net debt reported in the Regulatory Accounts with that shown in table F3 and inform the accuracy of the values used in the excess gearing computation.

Guidance on completing the worksheet

6.209. The table takes data from table F3 and requires any differences to the regulatory accounts to be explained.

6.210. Row 16: Input amount of preference shares reported in equity which are treated as debt.

6.211. Rows 17 to 22: Input any reconciling items together with a brief description of the item. Where necessary, expand the explanation in the commentary.

F17 - Reconciliation of pension costs

Purpose

6.212. This table is used to reconcile the value of pension costs shown in the cost reporting tables with the pension costs shown in tables F7, F8, F8, F8.1, F8.2, F9, F10 and F11; with pension costs reported in tables F1 Profit & Loss and F2 Balance Sheet.

6.213. It operates as a consistency check across the tables and also shows the total pension costs for comparison to price control allowances.

Guidance on completing the worksheet

6.214. The table automatically collects data from the RIG cost reporting pack and from the pension tables in the financial issues pack.

6.215. Rows 22 to 27: Input is required for any reconciling items between the total in the cost tables and the pension table totals (row 37).

6.216. Rows 48 to 61: A reconciliation is required between the total in the cost tables and to the reported P&L and balance sheet movement figures in the Regulatory Accounts (which must be entered in rows 65 & 66).

6.217. Where the reported amounts in the Cost RIGs does not reconcile to the amounts reported in the Financial Issues RIGs on row 29 then the necessary tables must be reworked until the reconciling balance is nil. Any reconciling items may be deducted from distribution (DUoS) costs reported in the financial issues tables for the ex post true up adjustment.

F18 - DPCR5 Pension normal service cost true up

Purpose

6.218. This table is used to show the computation of the normal service cost contributions true up and calculate what sums are required to be adjusted at the next price review. The format and methodology is that published in the DPCR5 Final Proposals.

Guidance on completing the worksheet

6.219. The table requires no inputs as all data is populated automatically from other tables in the Financial Issues pack.

6.220. The true up adjustments to be made at the next price review are shown in rows 66 and 68.

F19 - Tax clawback calculation of excess gearing

Purpose

6.221. This table is used to show the calculation of the clawback of the tax benefit due to excess gearing as specified in the relevant price control (DPCR4 and DPCR5). Where companies have gearing levels in excess of that assumed in the relevant price control, and also a higher level of interest than modelled, the value of this relevant interest as a tax shield is adjusted at the next price control.

Guidance on completing the worksheet

6.222. The table uses data taken from other tables where appropriate. The only inputs required are where the net debt (as sourced from table F3) or the interest charge (as picked up from table F4) do not meet the definitions given in the open letter dated 31 July 2009⁷; these must be entered in rows 11 to 15 and 27 to 29.

6.223. The tax benefit shown in row 46 will be adjusted in the next review on an NPV neutral basis.

F20 - RAV roll forward and depreciation

Purpose

6.224. This table computes the annual depreciation on RAV in 2007/08 price base. It will be used to determine closing RAV and populate the financial model. It is included as a source of information for all parties.

Guidance on completing the worksheet

6.225. This table requires no inputs, additions are linked to the previous table and all historic data is linked to Historic RAV additions table which is populated by Ofgem

⁷ <http://www.ofgem.gov.uk/Pages/MoreInformation.aspx?docid=49&refer=Networks>

from published data and up-dated annually for RPI. No data entry is required or permitted.

F21 - Historic RAV additions table

Purpose

6.226. This table maintains all the historic RAV additions and depreciation data and is populated by Ofgem.

Guidance on completing the worksheet

6.227. No data entry is required or permitted.

7. Instructions for completing detailed connections reporting

Introduction

7.1. The purpose of the instructions and guidance in this chapter is to provide a framework for the collection and provision of accurate and consistent connections data from DNOs.

7.2. All costs included in the sheets that include a project-by-project breakdown (CN2, CN3 and CN12) are to be provided in pounds and pence whilst those sheets that are completed on an aggregate basis (CN4-CN11 and CN13-CN14) must be completed in pounds million.

7.3. The detailed connection tables are designed to monitor connection margins in accordance with the Charge Restriction Condition (CRC) 12 (Licensee's connection activities: Margins and the development of competition). The tables also collect costs and volumes data in order to assess performance against the connection volume driver and the data will assist in an ex post assessment of DNO performance. These tables, along with tables CN13 and CN14 will also be used to inform the analysis within the Connections Industry Review (CIR) and will mean that DNOs will no longer be required to provide a stand alone CIR data submission.

General principles

7.4. Within the reporting for DPCR5, the term 'connection' refers to the provision of metered exit points and Unmetered connection activities. All provisions of new exit points or upgrades of existing exit points must be referred to as connections within the annual reporting for connections.

Detailed Connections Reporting Workbook

CN 1 - Margin dates summary

7.5. This table must be completed with the dates on which the relevant margin levels (zero per cent, 4 per cent regulated and unregulated) have been applied to the different market segments.

7.6. The full period within the year must be covered by the table for each market segment, the earliest date to be put in one of the "from" columns must be the 1st April of the relevant reporting year whilst the latest input in the "to" column must be the 31st March of the reporting year. The first date of any new margin period starting within the year must be the date referred to in any notice given to Ofgem explaining the DNO's intention to change margin level. Dates must be selected from the drop down menu to ensure that they are entered in Excel recognised date format and shifts between zero margin and regulated margin must occur in all relevant

segments at the same time. The dates for market segments that are excluded from the earning of any level of margin must not be changed at all by the DNO.

CN2 – DPCR5 Completed mtd cons

7.7. This table must be completed for each DPCR5 demand connection project that is completed within the reporting year in question. As defined in the glossary, a demand connection refers to any connection where the primary purpose of the connection is to enable premises to receive a supply of electricity from an electricity distributor's distribution system. To this end, connections involving G83-related Distributed Generation must be counted as a demand connection and included in table CN2.

Reference number/ job id

7.8. DNOs must provide a unique reference number or name to each individual project on a project-by-project basis. Where possible this reference must follow a logical pattern and when projects are re-opened across reporting years, the project reference must remain constant. However, it is understood that this reference is likely to differ from the original quote reference if this has been included in table CN12 in a previous year.

Connection / Customer type

7.9. All connection projects must be categorised into one of the connection types listed below with the corresponding Code entered in the relevant column;

Code	Category
LVSSA	Single service LV connection
LVSSB	Small project demand connection (LV)
LVAL	All other LV (with only LV work)
LVHV	LV end connections involving HV work
HVHV	HV end connections involving only HV work
LVEHV	LV end connections involving EHV work
HVEHV	HV end connections involving EHV work
EHV	EHV end connections involving only EHV work
HV132	HV or EHV connections involving 132kV work
132kV	132kV end connections involving only 132kV work

Provider of connection work

7.10. This column must reference the majority provider of the contestable works within each individual connections project. The majority provider must be determined as the party or parties that will undertake/have undertaken the greater value of contestable connection work, as prescribed by the details of the relevant DNO's charging methodology. Where a third-party connection has subsequently been

adopted by the host DNO it must be referred to as an ICP connection. Where the third party retains ownership of the asset for an independent network it must be referred to as an IDNO connection. Where an ICP operates as the connecting agent for an IDNO, this connection project must be referenced as an IDNO connection. Where an IDNO company operates as an ICP, this connection project must be recorded as an ICP connection.

Offer date

7.11. This column must be completed with the date on which the DNO dispatched the first quotation that was subsequently accepted by the connecting party. This must be assigned to the nearest working day with quotations offered after 5pm rolling into the next working day.

Margin included in quote

7.12. This column must be completed with the margin (as allowed and defined in CRC12) in per cent above the DNO cost of completing the contestable sole use element of a connection placed on the customer quotation.

Completion date

7.13. This column must be completed with the date on which the project is completed. The completion date is defined as the financial completion of a project and is the later of the following dates:

- energisation of the cut-out,
- all cost transactions completed, or
- all invoices raised.

Previously closed job

7.14. This column must remain blank for all projects except those that have been reopened, either from a physical or financial point of view, having met the completion date criteria above in a previous DPCR5 reporting year. Projects that are marked as reopened against this column must always hold the same reference number as when they were previously closed off.

Number of exit points

7.15. These three columns must be completed for each connections project with the number of energised cut outs at exit points by voltage level (LV, HV, EHV). These columns must be populated with all exit points connected to the DNO network through a connection project i.e. values must include exit points resulting from ICP connections. Where a connection project connects an independent network (categorised as "IDNO") one exit point must be logged, against the voltage at which the independent network is connected to the DNO network.

UMS

7.16. This column must be completed with the number of unmetered connection activities (joints to the main, transfers or disconnections) provided as part of a metered demand quotation. Unmetered numbers should only be included here where there are accompanying metered volumes and costs within the quoted project.

Involving onsite diversionary works as part of project

7.17. This column must be completed with a capital "D" where the connection project on that line involves any diversion work wrapped up within the quote, within the sole-use contestable category. Where a project has no diversionary work involved, or if this work is separately quoted as a separate service, this column should be left blank.

Type of Generation connected

7.18. This information will provide information on the relevant costs of connecting different types of DG. This information will inform the development of the DG incentive, as referred to in SLC 46, for future Price Controls.

7.19. Where a demand connection project involves the installation of any DG, this column must be completed with the type of generation plant that is to be connected to the Distribution network as part of the DG connection project. One (and only one) option from the following list (provided in a drop-down list in the relevant column of the sheet and defined in the Glossary) should be selected for each DG connection project,

Onshore wind
Offshore wind
Tidal stream & wave power
Biomass & energy crops (not CHP)
Hydro
Landfill gas, sewage gas, biogas (not CHP)
Waste incineration (not CHP)
Photovoltaic
Micro CHP (domestic)
Mini CHP (<1MW)
Small CHP (>=1MW, <5MW)
Medium CHP (>=5MW, <50MW)
Large CHP (>=50MW)
Other generation

7.20. Where more than one of the above types of generation plant are being connected as part of a DG connections project, the generation type that has the

highest individual MW capability, as defined in the "DG MW connected" column should be selected.

DG MW connected

7.21. This must be completed with the highest active electrical power that can be generated (or the relevant incremental change of this amount in cases of the expansion of existing DG plant) as a result of the DG installed within the particular demand connection project for the reporting year. Where applicable, this column must be completed in accordance with the connection and use of system agreement(s) in force on 31 March of the relevant year, or notification in cases of generation covered by Engineering Recommendation G83/1. For projects that do not involve any installation of DG, the relevant cell in this column should remain blank.

Final Quote Value

7.22. The final quote value must relate to the full and final amount quoted for the cost of completing each element of a connection project, including additional charges.

Sole use element of connection

7.23. This is defined as the element of a connection that will only be used by the connecting party after completion of the work, and is therefore fully funded by this party. All connection jobs/projects must have a sole use element.

Connection subject to the apportionment rule

7.24. Where a connection project requires the reinforcement of existing assets or involves the installation of new assets that will not be used solely by the connecting party, the funding will be split between the new connectee and the wider customer base through DUoS funding. This funding is split using the apportionment rules as detailed in DNO connections charging methodologies.

7.25. The portion funded by the connecting customer is referred to as the Customer funded via the apportionment rule. Note that this funding refers only to the element funded by the customer under the apportionment rule, rather than the total connecting customer contribution.

7.26. The portion that is funded by the wider customer base through DUoS is referred to as the DUoS funded via the apportionment rule.

Contestable

7.27. Contestable refers to contestable connections work; work that can be carried out by a non-affiliated 3rd party with the relevant accreditation.

Non-contestable

7.28. Non-contestable refers to non-contestable connection work; work that can only be carried out by the host DNO/licence holder.

Direct costs

7.29. The costs associated with direct activities; those which involve physical contact with system assets.

Indirect costs

7.30. The costs associated with indirect activities; those which do not involve physical contact with system assets.

Final Quote value - Sole Use element of connection – Contestable - Direct cost (£)

7.31. This column must be completed with the direct cost quoted by the DNO for completing all direct contestable work that forms part of the sole-use element of each connection project. The value entered in this column must only relate to the bare cost of the works, without any margin applied.

7.32. NB: where a connection project involves any diversionary works, the costs for these works must be included in this category.

Final Quote value - Sole Use element of connection – Contestable - Indirect cost (£)

7.33. This column must be completed with the indirect cost quoted by the DNO for completing all indirect contestable work that forms part of the sole-use element of each connection project. As this value is to be estimated, we would expect it to be derived from overall indirect allowances and direct costs. DNOs must explain the general assumptions and calculations that have been used in setting these quoted values. The value entered in this column must only relate to the bare cost of the works, without any margin applied.

Final Quote value - Sole Use element of connection – Non-contestable - Direct cost (£)

7.34. This column must be completed with the cost quoted by the DNO for completing all direct non-contestable work that forms part of the sole-use element of each connection project. The value entered in this column must only relate to the bare cost of the works, without any margin applied.

Final Quote value - Sole Use element of connection – Non-contestable - Indirect cost (£)

7.35. This column must be completed with the indirect cost quoted by the DNO for completing all indirect non-contestable work that forms part of the sole-use element of each connection project. As this value is to be estimated, we would expect it to be derived from overall indirect allowances and direct costs. DNOs must explain the general assumptions and calculations that have been used in setting these quoted values. The value entered in this column must only relate to the bare cost of the works, without any margin applied.

7.36. NB: Costs assigned to indirect activity such as ICP design approval must be included here.

Final Quote value – Customer funded via the apportionment rule – Contestable - Direct cost (£)

7.37. This column must be completed with the direct cost quoted by the DNO for completing all direct contestable work that forms part of the customer funded element of works that are subject to the apportionment rules. The value entered in this column must only relate to the bare cost of the works, without any margin applied.

Final Quote value – Customer funded via the apportionment rule – Contestable - Indirect cost (£)

7.38. This column must be completed with the indirect cost quoted and assigned by the DNO as associated with the completion of all indirect contestable work that forms part of the customer funded element of works that are subject to the apportionment rules. The value entered in this column must only relate to the bare cost of the works, without any margin applied.

Final Quote value – Customer funded via the apportionment rule – Non-contestable - Direct cost (£)

7.39. This column must be completed with the direct cost quoted by the DNO for completing all direct non-contestable work that forms part of the customer funded element of works that are subject to the apportionment rules. The value entered in this column must only relate to the bare cost of the works, without any margin applied.

7.40. N.B. DG high cost charges must be categorized here with relevant indirects included below.

Final Quote value – Customer funded via the apportionment rule – Non-contestable - Indirect cost (£)

7.41. This column must be completed with the indirect cost quoted and assigned by the DNO as associated with the completion of all indirect non-contestable work that forms part of the customer funded element of works that are subject to the

apportionment rules. The value entered in this column must only relate to the bare cost of the works, without any margin applied.

Final Quote value – DUoS funded via the apportionment rule – Contestable - Direct cost (£)

7.42. This column must be completed with the direct cost quoted by the DNO for completing all direct contestable work that forms part of the DUoS funded element of works that are subject to the apportionment rules. The value entered in this column must only relate to the bare cost of the works, without any margin applied

Final Quote value – DUoS funded via the apportionment rule – Contestable - Indirect cost (£)

7.43. This column must be completed with the indirect cost quoted and assigned by the DNO as associated with the completion of all indirect contestable work that forms part of the DUoS funded element of works that are subject to the apportionment rules. The value entered in this column must only relate to the bare cost of the works, without any margin applied.

Final Quote value – DUoS funded via the apportionment rule – Non-contestable - Direct cost (£)

7.44. This column must be completed with the direct cost quoted by the DNO for completing all direct non-contestable work that forms part of the DUoS funded element of works that are subject to the apportionment rules. The value entered in this column must only relate to the bare cost of the works, without any margin applied.

Final Quote value – DUoS funded via the apportionment rule – Non-contestable - Indirect cost (£)

7.45. This column must be completed with the indirect cost quoted and assigned by the DNO as associated with the completion of all indirect non-contestable work that forms part of the DUoS funded element of works that are subject to the apportionment rules. The value entered in this column must only relate to the bare cost of the works, without any margin applied.

Other Charges – Cost App Future Comer - Rebate to initial connectee £

7.46. This column is to be completed only where a connection quotation includes a value assigned to cover a customer-to-customer rebate where the connection involves the utilisation of spare capacity of assets installed as part of a new connections project completed within the previous 5 years. The value entered must equate to a relevant proportion of the customer funded cost of the installation of the original asset under the apportionment rule.

Other Charges – Cost App Future Comer - Rebate to DNO £

7.47. This column is to be completed only where a connection quotation includes a value assigned to cover a rebate to the DNO where the connection involves the utilisation of spare capacity of assets installed as part of a new connections project completed within the previous 5 years. The value entered must equate to a relevant proportion of the DUoS funded cost of the installation of the original asset under the apportionment rule.

Other Charges – Cost App Future Comer – Original project ID £

7.48. The unique job reference must be entered for instances where a particular project involves a future comer funding a rebate to either the original customer or DNO (or both) and where the original connection job has been completed under DPCR5 RIGs.

Other Charges - O & M charges

7.49. This column is to be completed with any quoted costs associated with connecting party funded ongoing operation and maintenance costs.

Sole Use Contestable quote total direct including margin

7.50. This is a calculation cell which will show the amount quoted to the customer for the direct contestable sole use element of a connection once the relevant margin has been applied.

Sole Use Contestable quote total indirect including margin

7.51. This is a calculation cell which will show the amount quoted to the customer for the indirect contestable sole use element of a connection once the relevant margin has been applied.

Sole Use Contestable quote total (direct + indirect)

7.52. This is a calculation cell which will show the amount quoted to the customer for the direct and indirect contestable sole use element of a connection once the relevant margins have been applied.

Customer funded quote total

7.53. This is a calculation cell which will show the total value of the quote which is to be funded by the customer, including relevant margins.

Quote for total work (directs)

7.54. This is a calculation cell which will show the total value of the quote for the direct cost of the physical connection work being carried. This will not include any of the cost categories identified as "Other Direct Costs" since these are not costs associated with work that is being carried out.

Cost of doing the work

7.55. This refers to the actual direct costs incurred by the DNO for completing all physical work that forms part of the completed connection project.

Cost of doing the work - Sole Use element of connection - Contestable - Direct cost (£)

7.56. This column must be completed with the actual/eventual direct cost incurred by the DNO for completing all contestable work that forms part of the sole-use element of each connection project.

Cost of doing the work - Sole Use element of connection - Non-contestable - Direct cost (£)

7.57. This column must be completed with the actual/eventual direct cost incurred by the DNO for completing all non-contestable work that forms part of the sole-use element of each connection project.

Cost of doing the work - Sole Use cost - proportion associated with DG - % of all sole use costs that are related only to the installation of DG. - %

7.58. This data will be used to determine the relevant costs associated with the different forms of Distributed Generation which may inform future developments in the DG incentive scheme. Additionally, these DG associated cost will need to be stripped out of the demand connections in order to allow the demand-related DPCR5 volume driver to operate properly.

7.59. Where a demand connection includes the installation of some DG, this column must be completed with the percentage of the total sole use costs that relate only to the installation [ie: the extra sole use costs incurred over and above the sole use costs that would have been incurred if the project was identical in scope, but without the DG installation].

Cost of doing the work - Customer funded via the apportionment rule - Contestable - Direct cost (£)

7.60. This column must be completed with the actual/eventual direct cost incurred by the DNO for completing all contestable work that forms part of the customer funded element of works that are subject to the apportionment rules.

Cost of doing the work - Customer funded via the apportionment rule – Non-contestable - Direct cost (£)

7.61. This column must be completed with the actual/eventual direct cost incurred by the DNO for completing all contestable work that forms part of the customer funded element of works that are subject to the apportionment rules.

Cost of doing the work– DUoS funded via the apportionment rule – Contestable - Direct cost (£)

7.62. This column must be completed with the actual/eventual direct cost incurred by the DNO for completing all contestable work that forms part of the DUoS funded element of works that are subject to the apportionment rules.

Cost of doing the work– DUoS funded via the apportionment rule – Non-contestable - Direct cost (£)

7.63. This column must be completed with the actual/eventual direct cost incurred by the DNO for completing all contestable work that forms part of the DUoS funded element of works that are subject to the apportionment rules.

Cost of doing the work – Apportionment rule costs– proportion associated with DG - % of all costs subject to the apportionment rule [ie: columns AP:AT] that are related only to the installation of DG. - %

7.64. Where a demand connection includes the installation of some DG, this column must be completed with the percentage of the total costs subject to the apportionment rule (both Customer and DUoS funded) that relate only to the DG installation (ie: the extra costs subject to the apportionment rule incurred over and above the costs subject to the apportionment rule that would have been incurred if the project was identical in scope, but without the DG installation).

CN3 – DPCR5 Completed DG conns

7.65. This table must be completed for each DPCR5 distributed generation connection project that is completed within the reporting year in question. As defined in the Glossary, a generation connection refers to any connection where the primary purpose of the connection is to enable an electricity distributor's distribution system to receive a supply of electricity from premises.

7.66. This sheet must be completed in the same manner and on the same basis as the DPCR5 completed metered sheet. The only difference comes in the Connection/ Customer type column, which must be completed with either of the following categories;

Code	Category
DGLV	Connection involving post-2005 DG with LV as the highest voltage worked on.
DGHV	Connection involving post-2005 DG with HV or EHV as the highest voltage worked on.

CN4 – Completed - Cost category

7.67. These two tables, one for DNO expenditure associated with DNO completed connections and one for DNO expenditure associated with ICP/ IDNO provided connections, are to be completed by allocating the total direct expenditure associated with connection projects that fall within each market segment outlined across the following cost categories;

Labour (including Pensions)
Contractors
Materials
Road Charges
Related Party Margins
Other

7.68. The total direct expenditure across these six categories are then summed and compared to the value sourced from table CN2, with DNOs expected to explain any significant discrepancies between these two totals.

CN5–CN7 – UMC sheets (No margin, regulated margin & Unregulated margin)

7.69. Each of these three unmetered sheets are to be populated on the same basis, with the level of margin applicable to work at the time the quotation was accepted indicating which sheet a project must be included in.

7.70. All unmetered connection work undertaken throughout the year must be aggregated by market segment and then disaggregated by who it was connected for and whether it was done by the DNO, ICP or IDNO.

Connection/Customer type

7.71. All unmetered connection work must be categorized into one of the connection types listed below with the corresponding code entered in the relevant column of the unmetered sheets:

Code	Category
UMLA	Unmetered Local Authority connections
PFI	Unmetered connections provided under Private Finance Initiative

OUMC	Other unmetered connections (non-LA or PFI)
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Connected for (ie: name of local authority etc)

7.72. This column must be completed with either:

- Name of Local Authority, if a Local authority connection,
- Name of PFI if a PFI connection, or
- Company funding other connection (e.g. BT)

Provider of connection work

7.73. This column must reference the majority provider of the contestable works within each individual connections project. The majority provider must be determined as the party or parties that will undertake/have undertaken the greater value of contestable connection work, as prescribed by the details of the relevant DNO's charging methodology. Where a third-party connection has subsequently been adopted by the host DNO it must be referred to as an ICP connection. Where the third party retains ownership of the asset for an independent network it must be referred to as an IDNO connection.

Activity- Main

7.74. This column must be completed with the number of joints to the mains completed for each local authority, PFI scheme or other unmetered customer as defined in the "Connected for" column.

Activity- Transfer

7.75. This column must be completed with number of occurrences of a service cable being transferred from one street lighting column/ equivalent to another by the party in the "connected for" column. Although the service cable is usually cut and replaced by a new cable to the new column, the work must be counted as one transfer rather than one disconnection and one reconnection.

Activity- Disconnections

7.76. This column must be completed with the number of disconnections of service cables for each party in the "connected for" column. This quantity must NOT include any service cable disconnections provided as part of a service cable transfer.

Estimate/Standard charge

7.77. These columns must be completed with either the quoted values of the total work elements, split by contestable and non-contestable services (in the case of a non- Local Authority connection) or the summation of the standard Local Authority charges, split by contestable and non-contestable services for the jobs that make up the total job volume for each party in the "Connected for" column.

Actuals

7.78. These columns must be completed with the actual total cost of the volumes of work identified within the activity columns.

CN8 – Annual DPCR4 mtd conns

7.79. This sheet must refer only to those metered connection projects that are quoted prior to the implementation and approval of the DPCR5-required systems to capture the necessary job-by-job breakdown. On a market segment basis, DNOs are to complete the relevant headings for metered connection expenditure and connection projects occurring during the reporting year in question. DPCR4 demand connections are defined within the following categories, which map across to the DPCR4 RRP reporting requirements:

Category:	Definition:
LV metered DPCR4 Demand connections	Connection job which has LV as the highest voltage level provided to an end consumer
HV metered DPCR4 Demand connections	Connection job which has HV as the highest voltage level provided to an end consumer
EHV metered DPCR4 Demand connections	Connection job which has EHV as the highest voltage level provided to an end consumer
132kV metered DPCR4 Demand connections	Connection job which has 132kV as the highest voltage level provided to an end consumer

7.80. The costs detailed in this sheet must detail only those that have been incurred during the year that is being reported on. Where a DPCR4 connection project is completed within a DPCR5 year, the costs associated with the project that were incurred in that year must be logged in the "1) Connections completed which began in DPCR4 table". Where a DPCR4 project rolls over several years into DPCR5, for the years in which it remains incomplete, these annual costs must be placed in the relevant cells in the "2) WIP Connections which began in DPCR4. Only activity relevant to current reported year" table with only the costs associated with the year in which its completed being placed in the "1) Connections completed which began in DPCR4 table". To this end, no individual project must have costs assigned to both tables 1 and 2 of this sheet within one reporting year.

7.81. Additionally, any assumptions that have to be made in order to assign costs in a manner not previously possible to determine, must be clearly explained within the associated commentary on the submission.

CN9 – Annual DPCR5 mtd conns

7.82. This sheet must refer only to those metered connection projects that are quoted after the implementation and approval of the DPCR5-required systems to capture the necessary project-by-project breakdown. On a market segment basis, DNOs are to complete the relevant headings for expenditure and connection activity occurring during the reporting year in question.

7.83. The costs detailed in this sheet must detail only those that have been incurred during the year that is being reported on. Where a DPCR5 connection project is completed and placed in the detailed completed sheet, the costs associated with the project that were incurred in that year must be logged in the "1) Connections completed which began in DPCR5- work and costs incurred relevant to year of report". Where a DPCR5 project rolls over several years into DPCR5, for the years in which it remains incomplete, the costs must be placed in the relevant cells in the "2) WIP Connections which began in DPCR5- Only activity relevant to current reported year" table with only the costs associated with the year in which its completed being placed in the "1) Connections completed which began in DPCR5- work and costs incurred relevant to year of report". To this end, no individual project must have costs assigned to both tables 1 and 2 of this sheet within one reporting year.

CN10 – Annual DPCR4 UMC

7.84. This sheet must refer only to those unmetered connection projects that are quoted prior to the implementation and approval of the DPCR5-required systems to capture the necessary project-by-project breakdown. On a market segment basis (Local Authority, PFI and Other unmetered) DNOs are to complete the relevant headings for expenditure and connection activity occurring during the reporting year in question.

7.85. The costs detailed in this sheet must detail only those that have been incurred during the year that is being reported on. Where a DPCR4 unmetered connection project is completed within a DPCR5 year, the costs associated with the project that were incurred in that year must be logged in the "1) Connections completed which began in DPCR4 table". Where a DPCR4 job rolls over several years into DPCR5, for the years in which it remains incomplete, the costs must be placed in the relevant cells in the "2) WIP Connections which began in DPCR4.- Only activity relevant to current reported year" table with only the costs associated with the year in which its completed being placed in the "1) Connections completed which began in DPCR4 table". To this end, no individual job must have costs assigned to both tables 1 and 2 of this sheet within one reporting year. Any assumptions that have to be made in order to assign costs in a manner not previously possible to determine, must be clearly explained within the associated commentary on the submission.

7.86. Additionally, any assumptions that have to be made in order to assign costs in a manner not previously possible to determine, must be clearly explained within the associated commentary on the submission.

CN11 – Annual DPCR5 UMC

7.87. This sheet must refer only to those unmetered connection projects that are quoted prior to the implementation and approval of the DPCR5-required systems to capture the necessary project -by- project breakdown. On a market segment basis (Local Authority, PFI and Other unmetered) DNOs are to complete the relevant headings for expenditure and connection activity occurring during the reporting year in question.

7.88. The costs detailed in this sheet must detail only those that have been incurred during the year that is being reported on. Where a DPCR5 connection project is completed within a DPCR5 year, the costs associated with the job that were incurred in that year must be logged in the "1) Connections completed which began in DPCR5 table". Where a DPCR5 project rolls over several years into DPCR5, for the years in which it remains incomplete, the costs must be placed in the relevant cells in the "2) WIP Connections which began in DPCR5- Only activity relevant to current reported year" table with only the costs associated with the year in which its completed being placed in the "1) Connections completed which began in DPCR5 table". To this end, no individual project must have costs assigned to both tables 1 and 2 of this sheet within one reporting year. Any assumptions that have to be made in order to assign costs in a manner not previously possible to determine, must be clearly explained within the associated commentary on the submission.

CN12 – Annual DPCR5 quotations

7.89. This worksheet is to be completed with all quotes that are provided by a DNO within the reporting year. The columns must be completed in the same manner, and using the same basis and definitions as used in table CN2. It is accepted that it is impractical to expect completed project references in table CN2 to be traceable back to any original quotations through the project reference id. However, Ofgem expects DNOs to keep records in a logical way which allows for the location, on request, of the original quote information for any completed or ongoing connections project.

CN13 – CIR data*Connection of embedded networks*

7.90. Each DNO must state the number of completed connection points between their network and embedded networks, at each voltage level detailed, in the relevant period.

7.91. Connection for the purpose of this question means a new or upgraded connection.

7.92. The voltage segment within which an embedded network connection falls will

depend on the work undertaken by the DNO to connect that network. The segmentation is based on the voltage at the point of connection, not at the point at which it is metered. Segmentation is as detailed in table 10.1 of the Electricity Distribution Price Control Review – Initial Proposals Incentives and Obligations consultation⁸. An embedded network is a network in the DNO's distribution service area (DSA) that is operated by a party other than the DNO.

Unmetered connection activities provided under "Rent-a-Joiner" or equivalent schemes

7.93. Each DNO must state the number of unmetered connections completed in the period under "Rent-a-Joiner" or equivalent schemes.

7.94. "Connection" for the purpose of this question means an unmetered connection activity, as defined in the RIGs Glossary.

7.95. For unmetered connection activity reporting must be disaggregated by the provider of the contestable elements of the connection. For this question "provider" means the majority provider of the contestable works within each individual connections job. The majority provider must be determined as the party or parties that will undertake/have undertaken the greater value of contestable connection work, as prescribed by the details of the relevant DNO's charging methodology (even if fulfilment is through an affiliate/related undertaking or sub-contractor).

7.96. For unmetered connection activities provided under tri-partite or equivalent arrangements, each DNO must state the number of unmetered connection activities completed within the reporting year under the relevant schemes.

7.97. For this question "provider" means the majority provider of the contestable works within each individual connections job. The majority provider must be determined as the party or parties that will undertake/have undertaken the greater value of contestable connection work, as prescribed by the details of the relevant DNO's charging methodology. (even if fulfilment is through an affiliate/related undertaking or sub-contractor).

Charges made for metered connections completed out-of-area

7.98. Each DNO must state the charges it levied for metered connections it made outside of its distribution services area that were financially completed within the reporting year.

⁸

<http://www.ofgem.gov.uk/Pages/MoreInformation.aspx?docid=255&refer=Networks/ElecDist/PriceCtrls/DPCR5>

7.99. "Connection" for the purpose of this question means a new or upgraded connection.

7.100. Charges entered must be consistent with the amounts included as connections contributions in the Licensee's regulatory accounts (where applicable).

7.101. The voltage segment within which an embedded network connection falls will depend on the work undertaken by the DNO to connect that network. The segmentation is based on the voltage at the point of connection, not at the point at which it is metered. Segmentation is as detailed in table 10.1 of the Electricity Distribution Price Control Review – Initial Proposals Incentives and Obligations consultation⁹.

Charges made for unmetered connection activities completed out-of-area

7.102. Each DNO must state the charges it levied for unmetered connections activities it made outside of its distribution service area that were financially completed within the reporting year.

7.103. "Connection" for the purpose of this question means an unmetered connection activity, as defined in the RIGs Glossary.

7.104. Charges entered must be consistent with the amounts shown as connections contributions in the Licensee's regulatory accounts (where applicable).

Adoption payments made by DNO

7.105. Each DNO must state the value of payments (£) made to parties within the period for the adoption of assets.

7.106. Payments made to affiliates and related undertakings must be reported separately to payments made to third parties.

Connection enquiries handled

7.107. This information is to be collected as part of the Connections Industry Review (CIR). This information gives a broader understanding of the volume of activity impacting on a DNO's connections team and allows a calculation of the proportion of

⁹ Electricity Distribution Price Control Review Final Proposals – Incentives and Obligations, 7 December 2009. Ref: 145/09

enquiries that actually develop into completed connection jobs across the different DNO areas.

7.108. Each DNO must report the number of enquiries it received during the period.

7.109. Enquiries must be reported irrespective of whether or not they resulted in connections work or services being provided. Enquiries must include those handled by DNO staff or by staff of an affiliate/related undertaking acting as the DNO's agent in this respect – but not enquiries handled by an affiliate/related undertaking acting on its own behalf. Enquires means any enquiry verbal, written or electronic regarding a new or upgraded connection.

7.110. Each DNO must report the number of requests they receive from independent connection providers for non-contestable quotes within the relevant regulatory year.

7.111. DNOs must also report how many of the requests received, from independent connection providers for non-contestable quotes, resulted in the offer being accepted.

7.112. DNOs must report the number of requests it received in the period for demand connection offers and separately the number of requests it received in the period for distributed generation (DG) connection offers.

7.113. "Connection" for the purpose of this question means a new or upgraded connection

7.114. "Request" for the purpose of this question means an initial application rather than when all of the information required to formulate the offer was received.

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7.115. Each DNO must complete this sheet with the detail of any connections they have reported under question 4 on Sheet 1, "CIR questions".

7.116. The voltage segment within which a connection falls will depend on the work undertaken by the DNO to connect that network. The segmentation is based on the voltage at the point of connection, not at the point at which it is metered. Segmentation is as detailed in Table 10.1 of the Electricity Distribution Price Control Review – Initial Proposals Incentives and Obligations consultation¹⁰.

¹⁰ Electricity Distribution Price Control Review Final Proposals – Incentives and Obligations, 7

7.117. The totals on this sheet must agree to the total shown at question 4 on Sheet 1, "CIR questions".

Appendices

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Appendix 1 – The Authority’s Powers and Duties

1.1. Ofgem is the Office of Gas and Electricity Markets which supports the Gas and Electricity Markets Authority (“the Authority”), the regulator of the gas and electricity industries in Great Britain. This Appendix summarises the primary powers and duties of the Authority. It is not comprehensive and is not a substitute to reference to the relevant legal instruments (including, but not limited to, those referred to below).

1.2. The Authority's powers and duties are largely provided for in statute, principally the Gas Act 1986, the Electricity Act 1989, the Utilities Act 2000, the Competition Act 1998, the Enterprise Act 2002 and the Energy Act 2004, as well as arising from directly effective European Community legislation. References to the Gas Act and the Electricity Act in this Appendix are to Part 1 of each of those Acts.¹¹

1.3. Duties and functions relating to gas are set out in the Gas Act and those relating to electricity are set out in the Electricity Act. This Appendix must be read accordingly¹².

1.4. The Authority’s principal objective when carrying out certain of its functions under each of the Gas Act and the Electricity Act is to protect the interests of existing and future consumers, wherever appropriate by promoting effective competition between persons engaged in, or in commercial activities connected with, the shipping, transportation or supply of gas conveyed through pipes, and the generation, transmission, distribution or supply of electricity or the provision or use of electricity interconnectors.

1.5. The Authority must when carrying out those functions have regard to:

- the need to secure that, so far as it is economical to meet them, all reasonable demands in Great Britain for gas conveyed through pipes are met;
- the need to secure that all reasonable demands for electricity are met;
- the need to secure that licence holders are able to finance the activities which are the subject of obligations on them¹³;
- the need to contribute to the achievement of sustainable development; and
- the interests of individuals who are disabled or chronically sick, of pensionable age, with low incomes, or residing in rural areas.¹⁴

¹¹ Entitled “Gas Supply” and “Electricity Supply” respectively.

¹² However, in exercising a function under the Electricity Act the Authority may have regard to the interests of consumers in relation to gas conveyed through pipes and vice versa in the case of it exercising a function under the Gas Act.

¹³ under the Gas Act and the Utilities Act, in the case of Gas Act functions, or the Electricity Act, the Utilities Act and certain parts of the Energy Act in the case of Electricity Act functions.

1.6. Subject to the above, the Authority is required to carry out the functions referred to in the manner which it considers is best calculated to:

- promote efficiency and economy on the part of those licensed¹⁵ under the relevant Act and the efficient use of gas conveyed through pipes and electricity conveyed by distribution systems or transmission systems;
- protect the public from dangers arising from the conveyance of gas through pipes or the use of gas conveyed through pipes and from the generation, transmission, distribution or supply of electricity; and
- secure a diverse and viable long-term energy supply.

1.7. In carrying out the functions referred to, the Authority must also have regard, to:

- the effect on the environment of activities connected with the conveyance of gas through pipes or with the generation, transmission, distribution or supply of electricity;
- the principles under which regulatory activities must be transparent, accountable, proportionate, consistent and targeted only at cases in which action is needed and any other principles that appear to it to represent the best regulatory practice; and
- certain statutory guidance on social and environmental matters issued by the Secretary of State.

1.8. The Authority has powers under the Competition Act to investigate suspected anti-competitive activity and take action for breaches of the prohibitions in the legislation in respect of the gas and electricity sectors in Great Britain and is a designated National Competition Authority under the EC Modernisation Regulation¹⁶ and therefore part of the European Competition Network. The Authority also has concurrent powers with the Office of Fair Trading in respect of market investigation references to the Competition Commission.

¹⁴ The Authority may have regard to other descriptions of consumers.

¹⁵ or persons authorised by exemptions to carry on any activity.

¹⁶ Council Regulation (EC) 1/2003

Appendix 2 - Feedback Questionnaire

1.1. Ofgem considers that consultation is at the heart of good policy development. We are keen to consider any comments or complaints about the manner in which this consultation has been conducted. In any case we would be keen to get your answers to the following questions:

1. Do you have any comments about the overall process, which was adopted for this consultation?
2. Do you have any comments about the overall tone and content of the report?
3. Was the report easy to read and understand, could it have been better written?
4. To what extent did the report's conclusions provide a balanced view?
5. To what extent did the report make reasoned recommendations for improvement?
6. Please add any further comments?

1.2. Please send your comments to:

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