

Quality of Service Incentive Scheme – Exceptional Events

| Appointed Examiner's Report | |
|------------------------------------|-----------------------------------|
| Reporting year | 2010/11 |
| DNO | CE Electric – NEDL Licensed Area |
| Cause | Long running event – Snow and Ice |
| Date of event | 25 November to 14 December 2010 |

Submitted to:

Ofgem

Submitted by:

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| | | | |

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Glossary

| | |
|--------|---|
| AE | Appointed Examiner |
| BPI | British Power International |
| CE | CE Electric UK |
| CI | Customer Interruptions per 100 connected customers |
| CML | Customer Minutes Lost per connected customer |
| DNO | Distribution Network Operator |
| DPCR | Distribution Price Control Review |
| EHV | Extra High Voltage – all voltages above 20kV up to but excluding 132kV |
| ENWL | Electricity North West Limited |
| HV | High Voltage – all voltages above 1kV up to and including 20kV |
| LV | Low Voltages – all voltages up to and including 1kV |
| NEDL | Northern Electricity Distribution Limited |
| NEWSAC | Northern, Eastern, Western and Southern Area Consortium (The inter-DNO system for providing help across the industry) |
| RIGs | Regulatory Instructions and Guidance |
| QoS | Quality of Service |
| SCADA | System Control and Data Acquisition |
| SoF | Statement of Facts |
| ToR | Terms of Reference |
| YEDL | Yorkshire Electricity Distribution Limited |

Notes:

Within this document:

1. The term “higher voltage” is used to indicate all voltages greater than 1kV.
2. The calculations of CI and CML within this document are adapted from the annual calculations contained in the RIGs to reflect the CI and CML generated by the actual incidents being audited. They are as follows:

CI: the number of interruptions to supply – the number of customers interrupted per 100 connected customers generated by the incidents being audited. It is calculated as:

$$CI = \frac{\text{The sum of the number of customers interrupted for incidents being audited} * 100}{\text{The total number of connected customers}}$$

CML: the duration of interruptions to supply – the number of customers interrupted per connected customer generated by the incidents being audited. It is calculated as:

$$CML = \frac{\text{The sum of the customer minutes lost for all restoration stages for incidents being audited}}{\text{The total number of connected customers}}$$

In both the formulae above, the total number of connected customers is as declared as at 30 September during the relevant reporting year. Any claims that occur and are audited prior to 30 September in the reporting year during which they occur will be audited using the total number of customers declared at 30 September in the previous reporting year.

Summary

Ofgem has appointed British Power International Limited (the Appointed Examiner) to audit the submission made by CE Electric UK (CE) under the “one-off” exceptional event mechanism that the persistent snow and ice which affected its Northern Electricity Distribution (NEDL) licensed area between 25 November and 14 December 2010 materially and adversely affected its reported performance for the reporting year 2010/11.

The Appointed Examiner (AE) has visited CE to audit the claim against part 1 of the “one-off” exceptional event process and finds that it passes the exceptionality threshold in terms of CML but not CI.

The AE concludes that the event falls within the category of an “other event” as defined in paragraph 8.57 of Special Licence Condition CRC 8, including satisfying the exceptionality requirements set out in Appendix 3 thereof.

The AE therefore proceeded to part 2 of the “one-off” exceptional event process, assessing NEDL’s performance in mitigating the impact of the event upon its customers.

The AE concludes that NEDL faced severe difficulties in mobilisation caused by the snow and ice during the earlier period of this event and was therefore prevented from restoring its customers’ supplies as speedily as it normally would.

The AE also concludes that NEDL faced severe difficulties during the later period of this event due to the considerable number of incidents it had to deal with on its distribution network caused by the subsequent rapid thaw.

The AE concludes that NEDL had met the requirements of Appendix 4 to paragraph 8.58 of Special Licence Condition CRC 8 and that the incident is therefore deemed to be eligible for adjustment in the DNO’s reported performance.

The AE therefore recommends that an adjustment to NEDL’s 2010/11 reported distribution system performance is made, in line with the part 1 audited CI and CML figures as shown in the following table:

| | Audited number | Residual number above the threshold | Recommended adjustment |
|------------|-----------------------|--|-------------------------------|
| CI | 0.37 | 0 | 0 |
| CML | 3.46 | 2.16 | 2.16 |

1. Audit part 1

Summary of main facts

- 1.1 The AE's headline information log for this event is set out in Table A-1 at Appendix A. In addition, the following paragraphs summarise the main facts of the event.
- 1.2 NEDL has furnished evidence to support its claim that the prolonged period of snow and ice resulted in mobilisation difficulties that delayed its personnel from attending to incidents affecting its distribution network.
- 1.3 NEDL has also furnished evidence to support its claim that the subsequent thaw gave rise to an exceptional number of incidents on its distribution network, severely stretching its available resources and increasing the time it would normally take to restore supplies.
- 1.4 The event is deemed to have lasted for 20 days, beginning on 25 November and ending on 14 December 2010.

Exceptionality requirements

- 1.5 The majority of weather-related incidents are now dealt directly between the DNOs and Ofgem through an improved and automated process, generally without the need for Ofgem to appoint an AE to examine the claim.
- 1.6 Whilst the claim by NEDL for this long-running event does not fall into the above category and there is currently no precedent for auditing an exceptional event of this nature, the AE was present at the meetings held in 2003 between Ofgem and the DNOs during Distribution Price Control Review (DPCR) 3 and considers that this claim by CE falls within the spirit of the agreement reached at those meetings.
- 1.7 The DPCR 3 agreement provides for situations where the occurrence of a long-running event, such as an outbreak of foot and mouth disease or a period of difficult mobility, results in protracted restoration of incidents on a DNO's network.
- 1.8 Prior to commencing the audit of this claim therefore, the AE and NEDL agreed that the most appropriate approach would be to mirror the methodology used during DPCR 3, albeit with the tests for exceptionality and the thresholds for CI and CML being pre-determined as part of licence conditions pertaining to DPCR 5.
- 1.9 Under the DPCR 3 methodology, the first step was to determine the duration of an event by examining a DNO's incident database, agreeing the start and end dates and hence the number of days over which the event lasted.
- 1.10 The numbers of CI and CML for all incidents occurring during the above period were compared to the average daily figures experienced by the DNO for the equivalent number of days in the preceding regulatory reporting year.

- 1.11 Where this comparison showed an increased number for the event in question, the excess CI and / or CML, referred to as the ‘residual amount’, was considered for exclusion from the DNO’s reported performance.

Does the event qualify for exclusion?

- 1.12 The AE considers that the event falls within the category of an “other event” as described in paragraph 8.57 of Special Licence Condition CRC 8, and meets the exceptionality requirements set out in Appendix 3 thereof.
- 1.13 The AE therefore considers that, subject to meeting the requirements of Appendix 4 to CRC 8, the event qualifies for possible exclusion under the “one-off” exceptional events process.

Exceptionality test results

- 1.14 Due to the nature of this event, the direct cause of incidents occurring during it is not relevant to the test for exceptionality; it is the amount of residual CI and CML occurring during the event that is compared to the current thresholds for the DNO in question, as contained within the DNO’s licence.
- 1.15 The number of incidents occurring during the event is shown in Table 1-1.

Table 1-1: Number of incidents occurring during the event

| Number of incidents occurring during the event | Claimed number | Audited number |
|--|----------------|----------------|
| 132kV | 0 | 0 |
| EHV | 0 | 0 |
| HV | 78 | 78 |
| LV and Services | 825 | 825 |
| Total | 903 | 903 |

- 1.16 The results calculated by the AE to test this claim against Ofgem's exceptionality criteria are shown in Appendix A. A summary of the results is shown in Table 1-2.

Table 1-2: Summary of exceptionality test results

| Test | Threshold | Claimed number | Audited number | Pass / Fail | Residual amount above threshold |
|--------------------|-----------|----------------|----------------|-------------|---------------------------------|
| CI exceptionality | 1.6 | 0.37 | 0.37 | Fail | 0 |
| CML exceptionality | 1.3 | 3.46 | 3.46 | Pass | 2.16 |

Notes:

1. Ofgem's CI and CML exceptionality criteria are set out in the AE's ToR¹.
2. The audited CI and CML used in the exceptionality test have been determined from the number of incidents occurring during the event minus the average amounts occurring during the reporting year 2009/10.
3. Where the event passes either or both the exceptionality thresholds, the amount(s) above threshold is/are carried forward into the Audit part 2 assessment of DNO performance.
4. In accordance with guidance from Ofgem, the AE's calculations use the threshold values contained in the current Distribution Price Control and the number of customers connected to the DNO's network relevant to the date on which the incident occurred.

NEDL's views of its performance

- 1.17 CE has a robust emergency process, incorporating the national guidance for civil emergencies, which provides for the type of emergency being considered here.
- 1.18 CE considers that it invoked its emergency procedures in a timely manner, declaring various stages of alert in response to both the severe weather warnings and the conditions being experienced by its front line personnel.
- 1.19 Thus, when it became apparent that the severe weather was due to last for some time and mobility would be extremely difficult and potentially hazardous with conventional vehicles, CE drafted in specialist vehicles to provide some means with which its field teams could get about.
- 1.20 The extremely low temperatures and the powdery nature of the snow meant that few incidents occurred due to line icing.
- 1.21 Once the thaw set in, NEDL was faced with a huge increase in the number of incidents occurring on its underground cable networks.
- 1.22 There were also many instances where the weight of snow falling from house roofs damaged the incoming overhead service line and / or the bracket attaching the service line to a house.

¹ Audits of Electricity Distribution Network Operators' One-off Exceptional Events Claims for 2010/11

- 1.23 YEDL, NEDL's sister DNO, was similarly adversely affected and calls were made to CE's contractors and to the other UK DNOs via the Northern, Eastern, Western and Southern Area Consortium (NEWSAC) agreement for additional jointing teams.
- 1.24 Via this means, CE secured three additional jointing teams from its contractors and four from ENWL; the other UK DNOs being unable to release their personnel as they too were adversely affected by the severe weather.
- 1.25 NEDL considers that its emergency plans worked well and that its personnel responded to the event in a most professional manner.

NEDL's answers to questions on its performance

- 1.26 Within the last four years, the AE has reviewed NEDL's design standards, construction methods and maintenance procedures during previous visits to audit exceptional event claims and found them fit for purpose.
- 1.27 The AE confirms that NEDL's emergency procedures provide for the type of event being examined here.
- 1.28 To aid understanding of the background to NEDL's SoF, the AE prepared a list of initial questions regarding this incident. These questions were used as the basis for the examination of NEDL's claim.
- 1.29 The initial questions were discussed during the AE's visit to CE's Penshaw Control Centre on 20 June 2011.
- 1.30 NEDL's incident database, the company's analyses of the event, the various severe weather warnings it received, media information relevant to the event and other information was made available.
- 1.31 NEDL has provided answers to the AE's initial list of questions. For ease of reference, the AE's questions are printed in bold font with NEDL's answers being printed in normal font.

Q1. What changes, if any, has NEDL made to its emergency plans and procedures since BPI last visited to audit an Exceptional Event claim on 29 March 2007?

- A1. A large number of changes as the plans are under constant review. Please note that some information is commercially confidential but the AE will be given sight of the documentation during the audit visit.

Q2 Under its various stages of 'alert' what specific actions did CE take as a consequence of the considerable number of severe weather warnings it mentions in its SoF?

- A2. A confidential copy of CE's post event report and analysis will be made available to the AE during the audit visit.

Q3. What evidence can CE provide to demonstrate the protracted difficulties in mobility during the periods in which CE considers this to be a long-running event?

A3. The principal effect is on restoration time as will be demonstrated to the AE during the audit visit.

Q4. What mapping information can CE provide to show how widespread the affects were within each of its licensed areas? (It would be useful if this could be provided electronically for incorporation within the audit report for each of CE's licensed areas).

A4. It is not practicable to provide this information other than verbally as all NEDL's geographic area was affected.

Q5. What method has CE used to determine the 'normal daily number of LV faults' for its NEDL licensed area as shown in its SoF?

A5. The total number of LV faults (9238) in reporting year 2009/10 divided by 365 = 25.3.

Q6. What method has CE used to aggregate the daily total number of active LV faults within each of its licensed areas?

A6. If customers were off supply at any time during the 24 hour period then they were added to the total for the day. A copy of NEDL's spreadsheet showing the calculations will be made available to the AE during the audit visit.

Q7. How has CE derived the average restoration time for its LV faults for regulatory reporting year 2009/10?

A7. Reported CML divided by reported CI (post audit and post exemption claims).

Q8. For its NEDL licensed area, CE's graph of 'average LV restoration time' indicates a period where the daily figure is below the indicated average time from 2009/10, What is the principle factor under which CE considers this to be a protracted restoration event as opposed to two separate events?

A8. "Event" is not defined in either the RIGs or the licence. We believe this is deliberate as the "other" type of exemption mechanism is meant as a catch-all system that would potentially cover any extreme happening. Pre-defining what is an event may lead to the exclusion of legitimate candidates for exclusion.

Extreme snowfall has 4 effects on a distribution network:

1. The snow itself can create faults at any time – snow build-up on insulators and particularly blowing underneath can compromise the creep path of the insulators and lead to flashover – this can be exacerbated at the time melting starts as the free water released would have a lower insulation value than the snow itself and pollution landing on the snow between fall and melt can increase the melt's conductivity.
2. Travel disruption and increased excavation difficulties and fault location.
3. Damage to overhead service lines where snow avalanching off customers' roofs hit these.
4. When the snowfall is extreme, the melt can release huge volumes of water into the ground over a short period resulting in elevated cable fault number.

In this country, snow does not usually lie for long periods so we believe all of the above effects can be considered as part of the same event. However, we recognise it may require a reasonable interpretation of the timescale between the 4 types of

effects. The licence does give some clues on this in that it allows all the effects of an event over a 3 months period to be included in a single claim. In this case we have aggregated over a maximum of 20 days – well within the 3 months limit.

Although daily average LV restoration time in NEDL during the period 1st – 9th December was within the normal range, snow/ice faults continued throughout this period. This reinforces our position that the effects of the event continued throughout the period and therefore the whole can be considered as one event. The reduced restoration time during this same period was a factor of the lower numbers of LV underground cable faults we experienced at this stage of the event. Note that we consider this type of phenomenon is also a factor of the event. The extreme low temperatures kept the snow frozen and hence little or no water was entering the ground. This leads to a drying of the ground and hence a reduced number of LV faults (almost all LV cable faults are caused by water ingress).

In YEDL LV fault numbers were higher than normal throughout the period with, as in NEDL, overhead line faults being responsible in the early part of the event, and underground faults when the snow thawed.

Weather reports confirm the continuing snowfall and the extreme low temperatures restricting / stopping any thaw taking place right through to 9th December.

This event is also similar to the severe flooding event which occurred in YEDL in 2007. This was caused by two major rain events separated by 2 weeks of lesser rainfall. The “flooding” was caused by the cumulative effects of the rainfall over this whole period and our claim for this to be treated as a single exceptional event was eventually accepted by Ofgem. The similarities between the flooding event and this one continue in the fact that both had several different effects on the distribution network. In the flooding event, the storms generating the rainfall caused direct faults (mainly lightning) with the subsequent rainwater directly flooding plant and equipment, extended restoration times due to travel and access difficulties, and elevated fault rates on cable networks. This event is similar, the snow caused a small number of direct faults, restoration times were extended due to travel and access difficulties and the subsequent thaw of the snow caused elevated cable fault rates. It is of note that Ofgem did want the flooding event to be treated as a single “long running” event and the auditor’s report concurred with this. However, as the “severe weather” event threshold was passed at one stage of the event then the licence precluded the event being treated in any other way.

The basis for CE’s view will be fully presented during the audit visit.

[AE’s note: subsequent to the above question being asked, agreement was reached with CE that the process used during DPCR 3 will be used for the audit of this event. This provides for the exclusion of all residual CML for the duration of the event as long as incidents due to it are being restored].

Q9. By inference from CE’s SoF, more external assistance was requested than could be obtained. If this is the case, what was the shortfall between requested and obtained in which particular skills?

A9. Please see the confidential post-event report – we tried to get everyone we could - there was no limit to the resource we would accept.

Q10. What learning points has NEDL incorporated into its procedures as a result of this incident?

A10. CE's full post-event review and associated learning points are shown in the confidential report that will be made available during the audit visit.

Q11. What further learning points should be considered as a result of the application of the revised Exceptional Event Claims process?

A11. We consider there is a need to sort out how we deal with long running events of this type where "normal" faults are affected rather than specific faults being caused by the event.

The 2001 foot-and-mouth outbreak is a further example where restoration time was disrupted rather than the event causing specific faults. For this event we have proposed a "remove all and replace by average" method as per DPCR 3 as we had three effects – extended restoration time, specific faults being caused by the event and an elevated number of "general" LV underground faults. Where only one of these factors is involved, it may be more appropriate to replace only that factor by the previous year's average figure.

[AE's note: as already mentioned, the AE considers that this event falls within the purview of the agreement reached between the DNOs and Ofgem in August 2003. Therefore the associated process from DPCR 3 will be used in conjunction with the updated requirements for exceptionality and materiality from DPCR 5].

1.32 NEDL also provided further information during the audit visit. This includes:

- sight of the commercially confidential review that CE has undertaken regarding its policies and procedures;
- a confidential copy of CE's post-event review which includes the way in which the company invoked its emergency procedures;
- a copy of CE's incident database;
- a copy of CE's analysis of the event; and
- copies of the various severe weather warnings the company received.

[AE's note: The widespread and prolonged nature of this event made it unnecessary to consider any specific locality within NEDL's area as being worse affected than any other. It also made pointless the need to review control room logs and individual incident reports].

2. Audit part 2

NEDL's performance in dealing with the event

- 2.1 In viewing NEDL's performance in dealing with the event, the AE has considered what more NEDL could have reasonably done to ensure that its resources were as prepared as possible ahead of the onset of the severe weather.
- 2.2 NEDL invoked its emergency procedures, alerting its personnel to the severe weather that had been forecast and, like the rest of the country, had to await the actual weather before knowing what, if any effect it would have on its distribution system.
- 2.3 To aid mobility, NEDL obtained additional specialist vehicles as soon as it became apparent that they were needed.
- 2.4 Similarly, when the effects of the thaw became apparent, NEDL sought to obtain as much help as possible from its contractors and from the other UK DNOs.
- 2.5 CE's confidential, comprehensive, post-event review and associated report detail the impact that the event had on the company and its personnel, a copy of which will be available to the AE during the audit visit.
- 2.6 The AE concludes that NEDL had done all it could reasonably have been expected to do in preparing for the onset of the severe weather and responded as best it could to the effects of it.

NEDL's performance in mitigating the effects of the event

- 2.7 Whilst the examination of NEDL's incident database shows that there were 78 incidents that affected its high voltage network, by far the greatest number of incidents was at the low voltage (LV) and service levels, with over 800 being recorded.
- 2.8 NEDL's distribution system is designed, constructed and maintained to the national security of supply standard P2/6 and complies with good UK practice.
- 2.9 Many of the incidents affected underground cables which, together with the associated joints, were subjected to the effects of ground movements resulting from unfrozen, to deeply frozen and back to unfrozen.
- 2.10 With the unfreezing came the melting of several centimetres of snow and the penetration of the melt water into the ground, resulting in the number of incidents affecting NEDL's underground cables.
- 2.11 A number of incidents were also recorded where the weight of melting snow from house roofs caused damage to service lines and / or service brackets.

- 2.12 Realising its own resources would not be able to cope, NEDL sought help from outside sources and obtained as much as was available.
- 2.13 NEDL also deployed non jointing personnel on advanced spotting duties and temporary restoration work where practicable.
- 2.14 The AE concludes that NEDL did all it could to restore supplies as expeditiously as possible, thereby minimising the duration of the interruptions.
- 2.15 The AE is pleased to note that CE's review of the event incorporates learning points with which to continuously improve its policies and procedures.

Recommended performance adjustment(s)

- 2.16 The AE's recommendations to Ofgem are shown in Table 2-1.

Table 2-1: Audit part 2 recommended adjustment(s)

| | Residual amount above threshold | Audit part 2 recommendation |
|------------|------------------------------------|--------------------------------|
| CI | 0 | 0 |
| CML | 2.16 | 2.16 |

Detailed justification

- 2.17 In reaching a judgement on a recommendation, the AE has considered whether or not NEDL could have reasonably taken any different course of action that would have resulted in its customers' supplies being affected less than they were.
- 2.18 The AE has also considered whether or not NEDL could have restored supplies any more quickly than it did, thus reducing the overall period of the event.
- 2.19 In these deliberations, the AE has taken account of the contemporaneous national media coverage of this period of weather which pointed to both its abnormality and its severity. In addition, members of the AE's immediate family were affected by the difficulties in mobility within CE's geographical area.
- 2.20 The AE considers it is to the credit of NEDL's preparedness that its personnel were able to attend to incidents during the period of extremely low temperatures, ice-bound roads and deep snow drifts.
- 2.21 Similarly, it is to the credit of CE's personnel that they persevered in getting to work through some of the worst travelling conditions for many decades.
- 2.22 In viewing NEDL's preparedness for this event, the AE has noted that CE invoked its emergency procedures in a timely manner, alerting its personnel to the severe

weather forecast and escalating its level of alert according to the changing circumstances during the course of the event.

- 2.23 The AE has taken account of the way in which CE sought as much help as possible to tend to the number of incidents brought about by the thaw and the way in which it re-deployed its personnel to various advanced spotting roles so as to optimise the skills and expertise of the jointing teams at its disposal.
- 2.24 The AE is satisfied that the affected sections of NEDL's distribution network comply with the requirements of Security of Supply Standard P2/6 and are design, constructed and maintained to current UK practice.
- 2.25 The AE is satisfied that NEDL has met the criteria for preventative and mitigating actions set out in Appendix 4 to paragraph 8.58 of Special Licence Condition CRC 8.
- 2.26 The AE therefore concludes that NEDL's claim is justified and recommends to Ofgem that the amount of residual CML above the threshold value should be excluded from NEDL's performance for regulatory reporting year 2010/11.

Appendix A Record of Audit part 1

Table A-1: Appointed Examiner's Information Log

| "One-Off" Exceptional Event | Reporting Year 2010/11 |
|--|--|
| Licensed Area | NEDL |
| Date of event | 25 November to 14 December 2010 ('long-running') |
| Cause | Prolonged snow and ice followed by thaw |
| Notification to Ofgem | 24 December 2010 |
| SoF received | 25 February 2011 |
| SoF information | <ul style="list-style-type: none"> • severe weather – snow and ice with extremely low temperatures followed by a rapid thaw. • the event affected both (NEDL and YEDL) of CE's licensed areas virtually simultaneously. • CE received 44 severe weather warnings during the course of the event. • mobility impossible in some places – restoration times above the DNO's norm. • one of the DNO's operational sites impossible to access for a time. • helicopters could not fly during the severe weather. • particularly at LV, the number of incidents affecting the DNO's underground cables following the rapid thaw was much greater than the DNO's daily average. Restoration times were still adversely affected. • incidents due to the event being restored throughout the period. • the DNO invoked its emergency procedures throughout the event. • the DNO used all its available non-jointing personnel on spotting and / or temporary repairs. • the DNO contacted its contractors and NEWSAC. • the DNO got as many additional jointing teams as were available - the DNO could have deployed more than the number of jointing teams available. • at the peak a total of 88 jointing teams were working on underground system faults compared with the normal weekend level of 16 teams. • there is no previous 'case history' for dealing with this type of event – AE and the DNO agreed to use the DPRC 3 process. |
| Additional pre-visit information provided | Based on the SoF the AE drew up a list of initial questions. These were discussed during the audit visit. This initial list of questions, together with NEDL's response, is contained in paragraph 1.31 of the report. |
| Location of audit visit | CE's Penshaw Control Centre |
| Date of audit visit | 20 June 2011 |
| Visiting Auditor | Geoff Stott (BPI) |

| NEDL's Representatives | Tony Ingham, Jeremy Meara, Jim Morrell, Danielle Oates and Ian Punshon |
|---|---|
| <p>Information provided during and subsequent to the audit visit</p> | <p>Comprehensive documentation / information including:</p> <ul style="list-style-type: none"> • sight of CE's commercially confidential review of its policies and procedures. • a copy of CE's confidential, comprehensive internal review of the event. • a discussion regarding the extent of the area affected by the event – basically the whole of the DNO's area. • a discussion concerning the start and end dates of the event. • confirmation of the above by examining the DNO's 'IRIS' incident records. • a review of the DNO's calculations regarding its normal (average) incident restorations times. • examination of the severe weather warnings that CE received. • copies of media reports confirming the severe weather and its affect on mobility. • the calculations that the DNO has used to determine the average restoration time for reporting year 3009/10. • discussion of NEDL's incident analyses supporting its claim. • examination of the information provided by NEDL, its incident database and its statistical analysis of the preceding reporting year and the event under review shows: <ul style="list-style-type: none"> ○ the event started on 25 November 2010 when heavy snow began to affect its licensed area and the number of incidents increased; ○ following the difficulties in mobility, a thaw set in which resulted in a huge increase in the number of incidents affecting NEDL's underground cable network; ○ YEDL, NEDL's sister DNO was similarly affected and CE requested help from its contractors and from other DNOs via NEWSAC ○ the event ended on 14 December 2010 when activity returned to its average level, giving an event duration of 20 days; ○ the average customer interruptions for 20 days of reporting year 2009/10 is 50,445; ○ the average customer minutes lost for 20 days of reporting year 2009/10 is 5,175,397; ○ the number of incidents occurring during the 20 days of the event was 903 (78 HV and 825 LV / services); ○ the total amount of customer interruptions during the event was 56301, giving a residual of 5,856 [56301-50445]; ○ the total amount of customer minutes lost during the event was 10,631,988, giving a residual of 5,456,591 [10631988 -5175397]. <p>CE has conducted an internal audit of the event – the figures have changed slightly from its SoF;</p> <ul style="list-style-type: none"> • using NEDL's total connected customers at 30 September 2010 of 1,575,686 the residual customer interruptions equate to a CI of 0.372 [5856*100/1575686]; |

| | |
|--|---|
| | <ul style="list-style-type: none"> • similarly, the residual customer minutes lost for this event equate to a CML of 3.463 [5456591/1575686]; and • the AE confirms that these figures agree with those quoted in NEDL's post internal audit return to Ofgem (slightly different to the figures in the SoF). <p>The list of initial questions was discussed.</p> <p>NEDL provided answers to the initial questions plus additional information both during and subsequent to the audit visit.</p> <p>Agreed that the DPCR 3 approach is the only way to audit the event with thresholds, etc from DPCR 5.</p> <p>Ok re compliance with Appendix 4 of Paragraph 8.58 of CRC 8.</p> |
|--|---|

Table A-2: Impact on CI and CML

| | Residual CI | | Residual CML | |
|---|-------------|---------|--------------|---------|
| | Claimed | Audited | Claimed | Audited |
| Total | 0.372 | 0.372 | 3.463 | 3.463 |
| NEDL Threshold (total) | 1.6 | | 1.3 | |
| Part 1 Exceptionality Test | Fail | | Pass | |
| Part 1 Precondition of eligibility (meets App 3 to paragraph 8.57 of CRC 8) | Pass | | | |

NEDL's measurement systems are subject to QoS audits for accuracy of reporting and it is not within the AE's ToR to repeat that work as part of the examination of exceptional event claims, although any consequential adjustments to reporting accuracy will be reflected in Ofgem's final adjudication of reported performance for regulatory reporting year 2010/11.