DNO Group Name

Regulatory Instructions and Guidance Commentary – Connections

Reporting Year 2011-12

Contents

The main chapter numbers relate to the tables names in the RIGs templates to which the text relates

Objectives and Information required

Objectives

The commentary provides the opportunity for DNOs to explain how and why costs have been incurred and what connections have been delivered against these costs. Additionally, it will capture annual movements, and the reasons for variations from assumptions made at the time of the Price Control Review (DPCR5). It will be used in conjunction with the RIGs tables, to understand the structures and operations of each DNO in the context of monitoring DNOs' performance against the Connections reporting arrangements set out in DPCR5 and individual DNO allowances.

A full and frank commentary should reduce the number of questions and time spent by both Ofgem and DNO staff on review visits.

General

To avoid duplication one Commentary document is required per DNO Group. Respondents should ensure that comments are clearly marked to show which DNO the commentary relates or if it is applicable to all the DNOs within the group.

The Commentary for the 2010-11 reporting year will focus on a "finalising the RIGs" process and will include a number of key areas which will be required for every table, unless otherwise stated. If any additional information is required for individual tables it will be stated. If the respondent wishes to include further comments to assist our understanding of the data or methodologies provided in the data tables, this is welcomed.

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

Commentary to cover the entire pack:

Detail the compliance assurance steps that you have followed to assure yourself of the accuracy and validity of the information contained in your submission. It may be helpful for you to identify the assurance techniques/steps, provide commentary as to how you applied these and also to list the table(s) to which these techniques were applied.
Type commentary here

Detail the plans for the introduction of any new systems which have or will be used for the completion of the workbook/worksheets; including the names and dates of implementation, and what these will be able to populate on the sheet that could not be done previously. A description of what the planned/new systems will not be able to populate, and what will still rely on management assumption/allocation methods.
Type commentary here

Detail where tables have insufficient or inconsistant guidance and where definitions within the glossary are not identified or not correct.
Type commentary here

- Provide details of any formula changes undertaken, other than those directed by Ofgem, which were required to complete the worksheet. A failure to document all changes will be considered a failure to complete the submission in accordance with the rules and so a failure to comply. Does the individual worksheet function properly? Is everything linked correctly in order form the complete picture as intended?

Formula errors
Type commentary here

Table specific commentary where applicable should include:

- Detailed Explanations of the allocation methodologies which were employed to complete the table,

- A description of what systems are in place to complete the worksheet. This should include: The names of the systems from which the data was completed, if particular cells are completed from a specific IT system (e.g. fault system where the workmen enter time/materials used etc) state that system and which cells it populates, along with any allocation methods used. The description should also include what proportion has been completed using primary records v. allocation methods

- Comments on the usefulness of each worksheet; including opinions on whether it could be shortened/expanded/combined with another worksheet/possibly deleted/kept the same - in order to form a more robust data set?

CN1 - Margin dates summary

General views on the table
Type commentary here

CN2 - DPCR5 Completed mtd conns

Allocation methodologies – In particular DNOs should clearly identify how differences between final quotation and actual costs are captured within the process and explain where the indirect cost allocations are processed from and clearly identify the date on which any amendments to the underlying indirect allocation process have taken place
Type commentary here

Systems used to populate worksheet – In particular the DNO should capture the interactions between the different systems that provide the different elements of the table's data requirements
Type commentary here

Systems, process and rationale for any costs allocated to the column capturing "Uplift in cost of Element of connection that is subject to the apportionment rules as a result of work identifiable as being undertaken solely to accommodate the installation of a DG"
Type commentary here

Additional commentary/documentation
Type commentary here

CN3 - DPCR5 Completed DG conns

Allocation methodologies – In particular DNOs should clearly identify how differences between final quotation and actual costs are captured within the process and explain where the indirect cost allocations are processed from and clearly identify the date on which any amendments to the underlying indirect allocation process have taken place
Type commentary here

Systems used to populate worksheet – In particular the DNO should capture the interactions between the different systems that provide the different elements of the table's data requirements

Type commentary here

Additional commentary/documentation
Type commentary here

CN4 - UMC- NO margin

Allocation methodologies – In particular DNOs should clearly identify how differences between final quotation and actual costs are captured within the process and explain where the indirect cost allocations are processed from and clearly identify the date on which any amendments to the underlying indirect allocation process have taken place
Type commentary here

Systems used to populate worksheet – In particular the DNO should capture the interactions between the different systems that provide the different elements of the table's data requirements
Type commentary here

Additional commentary/documentation
Type commentary here

CN5 - UMC- Regulated margin

Allocation methodologies – In particular DNOs should clearly identify how differences between final quotation and actual costs are captured within the process and explain where the indirect cost allocations are processed from and clearly identify the date on which any amendments to the underlying indirect allocation process have taken place
Type commentary here

Systems used to populate worksheet – In particular the DNO should capture the interactions between the different systems that provide the different elements of the table's data requirements
Type commentary here

Additional commentary/documentation
Type commentary here

CN6 - UMC- Unregulated margin

Allocation methodologies – In particular DNOs should clearly identify how differences between final quotation and actual costs are captured within the process and explain where the indirect cost allocations are processed from and clearly identify the date on which any amendments to the underlying indirect

allocation process have taken place
Type commentary here

Systems used to populate worksheet – In particular the DNO should capture the interactions between the different systems that provide the different elements of the table's data requirements
Type commentary here

Additional commentary/documentation
Type commentary here

CN7 - Metered In-year

Allocation methodologies – The DNO must explain the process by which Connection projects; DPCR4 related costs have been identified and allocated across the different cost categories and how costs relating to incomplete projects have been identified
Type commentary here

Systems used to populate worksheet
Type commentary here

Additional commentary/documentation
Type commentary here

CN8 - Unmetered In-year

Allocation methodologies – The DNO must explain the process by which Connection projects; DPCR4 related costs have been identified and allocated across the different cost categories and how costs relating to incomplete projects have been identified
Type commentary here

Systems used to populate worksheet
Type commentary here

Additional commentary/documentation
Type commentary here

CN7 – Previous Year

Additional commentary/documentation
Type commentary here

CN8 – Previous Year

Additional commentary/documentation
Type commentary here

CN9 - Annual DPCR5 quotations

Systems used to populate worksheet
Type commentary here

Additional commentary/documentation
Type commentary here

CN10 - Connection volumes

Allocation methodologies - The DNO must explain how exit points provided as part of projects that have not been completed
Type commentary here

Systems used to populate worksheet
Type commentary here

Additional commentary/documentation
Type commentary here

CN11 - CIR data

Allocation methodologies
Type commentary here

Systems used to populate worksheet
Type commentary here

Additional commentary/documentation – Notification of any discrepancies with previous CIR submissions
Type commentary here

CN12 - Annual Out of Area cons

Allocation methodologies
Type commentary here

Systems used to populate worksheet
Type commentary here

Additional commentary/documentation
Type commentary here

CN14 - DPCR5 completed summary

Allocation methodologies – How have the RPMs been identified
Type commentary here

Additional commentary/documentation
Type commentary here

CI1 - Direct RPM

Allocation methodologies
Type commentary here

Systems used to populate worksheet
Type commentary here

Additional commentary/documentation
Type commentary here

CI2 - Indirect cost allocation

Allocation methodologies
Type commentary here

Changes to methodology during the year and date on which changes have done live
Type commentary here

Systems used to populate worksheet
Type commentary here

Additional commentary/documentation
Type commentary here

CI3 - metered indirect split

Additional commentary/documentation
Type commentary here

CI4 - unmetered indirect split

Additional commentary/documentation
Type commentary here

CI5 - indicative margins

Allocation methodologies – DNOs must identify how income has been split to identify it as relating to Direct or Indirect expenditure
Type commentary here

Systems used to populate worksheet
Type commentary here

Additional commentary/documentation
Type commentary here

CI6 Brought fwd

Allocation methodologies
Type commentary here

Systems used to populate worksheet
Type commentary here

Additional commentary/documentation
Type commentary here

CI7 Carried fwd

Additional commentary/documentation
Type commentary here