

DNO Group Name

**Regulatory Instructions and Guidance
Commentary – Costs and Volumes**

Reporting Year 2011-12

Contents

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

- C1 – Cost Matrix
- C2 – Checks sheet
- C3 – Year on Year Movements
- C4 – RAV Additions
- C5 – Tax Pools and Data Segmental Reporting
- C6 – Contractor Adjustment Memo
- C7 – Related Party Analysis
- C8 – Related Party Cross Subsidy Analysis
- C9 – Summary – Related Party Disallowed Margins
- C10 – Summary – Network Investment by Category
- C11 – Summary – Core by Cost Type
- C12 – Reinforcement and DSM payments
- C13 – Summary – Asset Replacement, Refurbishment and Civil Works
- C14 – Operational IT & Telecoms
- C15 – Quality of Service
- C16 – Summary – Non Core ex-ante by Cost Type
- C17 – Summary – Non Core Reopener by Cost Type
- C18 – High Impact Low Probability (HILP)
- C19 – Critical National Infrastructure (CNI)
- C20 – Stand Alone Funding – Not RAV by Cost Type
- C21 - IFI
- C22 – LCN First Tier
- C23 – LCN Second Tier
- C24 – Network Operating Costs by Cost Type
- C25 – Atypicals – Severe Weather
- C26 – Network Operating Costs - Other
- C27 – Non Price Control Costs by Cost Type
- C28 – Excluded Services
- C29 – Legacy Metering
- C30 – Out of Area Networks
- C31 – De Minimis
- C32 – Other (consented) Activities
- C33 – Atypicals – Excluding severe weather

C34 – Non Activity Based Costs
C35 – Non-Op Capex Reallocation by Cost Type
C36 – Indirects
C37 – Finance and Regulation
CV1 - Diversions
CV2 - ESQCR
CV3 – Asset Replacement
CV4 – Asset Replacement memo
CV5 - Refurbishment
CV6 – Civils Work
CV7 – Undergrounding in Designated Areas
CV8 – Legal & Safety
CV9 – High Value Projects
CV10 – BT 21st Century
CV11 – Flood Mitigation
CV12 – Environmental Investment
CV13 – Inspections & Maintenance
CV14 – Tree Cutting
CV15 – MTP all incidents (inc Trouble Call)
CV16 – Worst Served Customers
CV17 – Connection Summary
CV18 – Black Start
V1 – Total Asset Movement
V2 – Asset Register - Demand Connections
V3 – Asset Register - General Reinforcement
V4 – Asset Register - Other Movements
V5 – Asset Register - Age Profile
V6 – Fault Levels
V7 – Flood Mitigation
V8 – Streetworks
V9 – MTPs one-off EEs only
V10 – MTPs Severe Weather EEs
V10a – MTP Severe Weather Atypicals 1 in 20
V11 – MTPs excluding all EEs
V12 – Business Carbon Footprint
V13 – Transmission Connection Points
V14 – Registered Power Zones

V15 – Losses

V16 – Losses DG Adjustment (Lag)

V17 – Losses DG Adjustment (DGV)

V18 – Quality of Service placeholder

Objectives and Information required

Objectives

The commentary provides the opportunity for DNOs to explain why costs have been incurred, the 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, to inform the next price control and to monitor DNOs' performance against Ofgem's assumptions for costs and volumes included in the DPCR5 final proposals document.

We also want to provide DNOs with an opportunity to set out how their activities and expenditure sit when looked at through a RIIO lens. As such there is a commentary section on RIIO outputs within this document.

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 on RIIO outputs:

Environment: Describe what you have done in the year both to play your role in the achievement of broader environmental objectives, namely the reduction in carbon emissions, as well as minimising the "narrow" environmental impact of the your activities by managing your own carbon footprint.

[Type commentary here](#)

Customer satisfaction: Describe what you have done in the year both to maintain high levels of customer satisfaction and, where necessary, to improve service levels. Describe the stakeholder engagement you have engaged in and

how you have used this in your day to day operations.

[Type commentary here](#)

Connections: Describe what you have done in the year to ensure that connections customers are connected in a timely and efficient way and how you have gone about responding to any specific needs of distributed generators.

[Type commentary here](#)

Social objectives: Describe what you have done in the year to deliver any applicable social obligations mandated by government and any work you've undertaken with other parts of the energy industry to meet the needs of the fuel poor.

[Type commentary here](#)

Safety: Describe what you have done in the year both to ensure the provision of a safe network in compliance with Health and Safety Executive safety standards.

[Type commentary here](#)

Reliability and availability: Describe what you have done in the year both to promote a network capable of giving long term reliability as well as minimising the number and duration of interruptions experienced over the price control period, and also to ensure adaptation to climate change.

[Type commentary here](#)

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.

Specifically, the commentary should cover:

- A description of the individual reporting areas that were subject to review during the reporting year (for example, the areas where an internal or external review has been carried out)
- A description of the nature of any such reviews. For example, identifying the party carrying out the review, the scope of the activity and the type of activity involved
- The process through which the areas for review were identified and

selected

- The process through which the scope of the review was defined and the specific audit techniques selected.
- The outcome(s) of any review(s)

Key areas of learning for future years should also be identified – i.e. highlighting improvements licensee is looking to introduce as a result of this year’s work.

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 inconsistent guidance, definitions are not identified within the glossary

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?

General commentary regarding the Costs portion of the workbooks

Type commentary here

C1: Cost Matrix

Systems used to populate worksheet

Type commentary here

Small claim/ Atypicals Non Sev Weather non Distribution provisions detailed on a cash basis within the cost reporting workbooks

Type commentary here

Additional commentary/documentation

Type commentary here

C2: Checks Sheet

Additional commentary/documentation
<i>Type commentary here</i>

C3: Year on Year Comparisons

Allocation methodologies
<i>Type commentary here</i>

Systems used to populate worksheet
<i>Type commentary here</i>

Additional commentary/documentation
<i>Type commentary here</i>

C4: RAV Additions

Commentary/documentation
<i>Type commentary here</i>

C5: Tax Pools and Data Segmental Reporting

Commentary/documentation
<i>Type commentary here</i>

C6: Contractor Adjustment Memo

Allocation methodologies
<i>Type commentary here</i>

Systems used to populate worksheet
<i>Type commentary here</i>

Additional commentary/documentation
<i>Type commentary here</i>

C7: Related Party Analysis

Allocation methodologies
Type commentary here

Systems used to populate worksheet
Type commentary here

Additional commentary/documentation
Type commentary here

C8: Related Party Cross Subsidy Analysis

Allocation methodologies
Type commentary here

Systems used to populate worksheet
Type commentary here

Additional commentary/documentation
Type commentary here

C9: Summary – Related Party Disallowed Margins

Allocation methodologies
Type commentary here

Systems used to populate worksheet
Type commentary here

Additional commentary/documentation
Type commentary here

C10: Network Investment by Category

Additional commentary/documentation
Type commentary here

C11: Summary – Core by Cost Type

Additional commentary/documentation

Type commentary here

C12: Reinforcement and DSM payments

Allocation methodologies

Type commentary here

Systems used to populate worksheet

Type commentary here

Additional commentary/documentation

Type commentary here

C13: Summary – Asset Replacement, Refurbishment and Civils Work

Additional commentary/documentation

Type commentary here

C14: Operational IT&T

Allocation methodologies

Type commentary here

Systems used to populate worksheet

Type commentary here

Additional commentary/documentation

Type commentary here

C15: Quality of Service

Allocation methodologies

Type commentary here

Systems used to populate worksheet

Type commentary here

Additional commentary/documentation

Type commentary here

C16: Summary – Non Core ex-Ante by Cost Type

Additional commentary/documentation

Type commentary here

C17: Summary – Non Core reopener by Cost Type

Additional commentary/documentation

Type commentary here

C18: High Impact Low Probability (HILP)

Allocation methodologies

Type commentary here

Systems used to populate worksheet

Type commentary here

Additional commentary/documentation

Type commentary here

C19: Critical National Infrastructure (CNI)

Allocation methodologies

Type commentary here

Systems used to populate worksheet

Type commentary here

Additional commentary/documentation

Type commentary here

C20: Stand Alone Funding – Not RAV – by Cost Type

Additional commentary/documentation

Type commentary here

C21: IFI

Allocation methodologies

Type commentary here

Systems used to populate worksheet

Type commentary here

Additional commentary/documentation

Type commentary here

C22: LCN First Tier

Allocation methodologies

Type commentary here

Systems used to populate worksheet

Type commentary here

Additional commentary/documentation

Type commentary here

C23: LCN Second Tier

Allocation methodologies

Type commentary here

Systems used to populate worksheet

Type commentary here

Additional commentary/documentation

Type commentary here

C24: Network Operating Costs by Cost Type

Additional commentary/documentation

Type commentary here

C25: Atypicals – Severe Weather

Allocation methodologies

Type commentary here

Systems used to populate worksheet

Type commentary here

Additional commentary/documentation

Type commentary here

C26: Network Operating Costs - Other

Allocation methodologies

Type commentary here

Systems used to populate worksheet

Type commentary here

Additional commentary/documentation

Type commentary here

C27: Non Price Control Costs by Cost Type

Additional commentary/documentation

Type commentary here

C28: Excluded Services

Allocation methodologies

Type commentary here

Systems used to populate worksheet

Type commentary here

Additional commentary/documentation

Type commentary here

C29: Legacy Metering

Allocation methodologies

Type commentary here

Systems used to populate worksheet

Type commentary here

Additional commentary/documentation

Type commentary here

C30: Out of Area Networks

Allocation methodologies

Type commentary here

Systems used to populate worksheet

Type commentary here

Additional commentary/documentation

Type commentary here

C31: De Minimis

Allocation methodologies

Type commentary here

Systems used to populate worksheet

Type commentary here

Additional commentary/documentation

Type commentary here

C32: Other (consented) activities

Allocation methodologies

Type commentary here

Systems used to populate worksheet

Type commentary here

Additional commentary/documentation

Type commentary here

C33: Atypicals – Excluded Severe Weather

Allocation methodologies

Type commentary here

Systems used to populate worksheet

Type commentary here

Additional commentary/documentation

Type commentary here

C34: Non Activity Based Costs

Allocation methodologies

Type commentary here

Systems used to populate worksheet

Type commentary here

Additional commentary/documentation

Type commentary here

C35: Non-Op Capex reallocation by Cost Type

Allocation methodologies

Type commentary here

Systems used to populate worksheet
Type commentary here

Additional commentary/documentation
Type commentary here

C36: Indirects

Additional commentary/documentation
Type commentary here

C3: Finance and Regulation

Allocation methodologies
Type commentary here

Systems used to populate worksheet
Type commentary here

Additional commentary/documentation
Type commentary here

General commentary regarding the Costs and Volumes portion of the workbook

Type commentary here

CV1: Diversions

Allocation methodologies
Type commentary here

Systems used to populate worksheet
Type commentary here

Additional commentary/documentation
Type commentary here

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CV2: ESQCR

Allocation methodologies
<i>Type commentary here</i>

Systems used to populate worksheet
<i>Type commentary here</i>

Additional commentary/documentation
<i>Type commentary here</i>

CV3: Asset Replacement

Allocation methodologies
<i>Type commentary here</i>

Systems used to populate worksheet
<i>Type commentary here</i>

Additional commentary/documentation
<i>Type commentary here</i>

Where the costs of Strategic Spares have been included in CV3, please provide a description of all relevant assets and identify associated costs.
<i>Type commentary here</i>

CV4: Asset Replacement Memo

Allocation methodologies
<i>Type commentary here</i>

Systems used to populate worksheet
<i>Type commentary here</i>

Additional commentary/documentation
<i>Type commentary here</i>

CV5: Refurbishment

Allocation methodologies

[Type commentary here](#)

Systems used to populate worksheet

[Type commentary here](#)

Additional commentary/documentation

[Type commentary here](#)

CV6: Civils

Allocation methodologies

[Type commentary here](#)

Systems used to populate worksheet

[Type commentary here](#)

Additional commentary/documentation

[Type commentary here](#)

CV7: Undergrounding in Designated Areas

Allocation methodologies

[Type commentary here](#)

Systems used to populate worksheet

[Type commentary here](#)

Additional commentary/documentation

[Type commentary here](#)

CV8: Legal & Safety

Allocation methodologies

[Type commentary here](#)

Systems used to populate worksheet
Type commentary here

Additional commentary/documentation
Type commentary here

CV9: High Value Projects

Allocation methodologies
Type commentary here

Systems used to populate worksheet
Type commentary here

Additional commentary/documentation
Type commentary here

CV10: BT 21st Century

Allocation methodologies
Type commentary here

Systems used to populate worksheet
Type commentary here

Additional commentary/documentation
Type commentary here

CV11: Flood Mitigation

Allocation methodologies
Type commentary here

Systems used to populate worksheet
Type commentary here

Additional commentary/documentation
Type commentary here

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CV12: Environmental Investment

Allocation methodologies
<i>Type commentary here</i>

Systems used to populate worksheet
<i>Type commentary here</i>

Additional commentary/documentation
<i>Type commentary here</i>

CV13: Inspections and Maintenance

Allocation methodologies
<i>Type commentary here</i>

Systems used to populate worksheet
<i>Type commentary here</i>

Additional commentary/documentation
<i>Type commentary here</i>

CV14: Tree Cutting

Allocation methodologies
<i>Type commentary here</i>

Systems used to populate worksheet
<i>Type commentary here</i>

Additional commentary/documentation
<i>Type commentary here</i>

CV15: MTP all incidents (inc. Trouble Call)

Allocation methodologies

Type commentary here

Systems used to populate worksheet

Type commentary here

Additional commentary/documentation

Type commentary here

CV16: Worst Served Customers (Place holder)

Commentary/documentation

Type commentary here

CV17: Connection Summary

Allocation methodologies

Type commentary here

Systems used to populate worksheet

Type commentary here

Additional commentary/documentation

Type commentary here

CV18: Black Start

Allocation methodologies

Type commentary here

Systems used to populate worksheet

Type commentary here

Additional commentary/documentation

Type commentary here

General commentary regarding the Volumes portion of the workbooks

<i>Type commentary here</i>

V1: Total Asset Movement

Allocation methodologies
<i>Type commentary here</i>

Systems used to populate worksheet
<i>Type commentary here</i>

Additional commentary/documentation
<i>Type commentary here</i>

V2: Asset Register – Demand Connections

Allocation methodologies
<i>Type commentary here</i>

Systems used to populate worksheet
<i>Type commentary here</i>

Additional commentary/documentation
<i>Type commentary here</i>

V3: Asset Register – General Reinforcement

Allocation methodologies
<i>Type commentary here</i>

Systems used to populate worksheet
<i>Type commentary here</i>

Additional commentary/documentation
<i>Type commentary here</i>

V4: Asset Register – Other Movements

Allocation methodologies

Type commentary here

Systems used to populate worksheet

Type commentary here

Additional commentary/documentation

Type commentary here

V5: Asset Register – Age Profile

Allocation methodologies

Type commentary here

Systems used to populate worksheet

Type commentary here

Additional commentary/documentation

Type commentary here

V6: Fault Levels

Allocation methodologies

Type commentary here

Systems used to populate worksheet

Type commentary here

Additional commentary/documentation

Type commentary here

V7: Flood Mitigations (site)

Allocation methodologies

Type commentary here

Systems used to populate worksheet
Type commentary here

Additional commentary/documentation
Type commentary here

V8: Streetworks

V9: MTPs one-off EEs only

Allocation methodologies
Type commentary here

Systems used to populate worksheet
Type commentary here

Additional commentary/documentation
Type commentary here

V10: MTPs severe weather EEs only

Allocation methodologies
Type commentary here

Systems used to populate worksheet
Type commentary here

Additional commentary/documentation
Type commentary here

V10a: MTP Severe Weather Atypicals 1 in 20

Allocation methodologies
Type commentary here

Systems used to populate worksheet
Type commentary here

Additional commentary/documentation

[Type commentary here](#)

V11: MTPs excluding all EEs

Allocation methodologies

[Type commentary here](#)

Systems used to populate worksheet

[Type commentary here](#)

Additional commentary/documentation

[Type commentary here](#)

V12: Business Carbon Footprint

General

DNOs that are part of a larger corporate group must provide a brief introduction outlining the structure of the group, detailing which organisations are considered within the reporting boundary for the purpose of BCF reporting.

Please detail any assumptions that have been used when calculating figures for any of the BCF reporting categories.

The basis for calculating any apportionment factors across Distribution Service Areas must also be set out.

Please also detail any auditing performed to verify emissions data throughout the commentary.

[Type commentary here](#)

Building energy usage

The methodology used to calculate building energy usage should be detailed here. All substation consumption must be calculated as energy supplied and the methodology for how this has been assessed must be detailed here.

[Type commentary here](#)

Operational Transport

The methodology used to calculate the operational transport usage should be detailed here. Any assumptions that have been used where specific information is not available should also be detailed.

[Type commentary here](#)

Business Transport

The methodology used to calculate the business transport usage should be detailed here.

[Type commentary here](#)

Fugitive Emissions

The methodology used to calculate fugitive emissions should be detailed here. Any fugitive emissions that have not been calculated, or have been estimated should be identified.

[Type commentary here](#)

Fuel combustion

The methodology used to calculate fuel combustion should be detailed here. Any sources of emissions that have not been included should be identified as well as the degree of estimation.

[Type commentary here](#)

Losses

Please detail any information relevant to BCF losses reporting here, including an indication of which methodology was used to calculate losses.

[Type commentary here](#)

Contractors

The exclusion of any contractors must be justified in this section, as well as detailing the proportion of contractors that have been excluded.

[Type commentary here](#)

Data Tables

Please include data tables for each area of emissions containing the data detailed in the RIGs.

V13: Transmission Connection Points (TCP)

Allocation methodologies

[Type commentary here](#)

Systems used to populate worksheet

[Type commentary here](#)

Additional commentary/documentation

[Type commentary here](#)

V14: Registered Power Zones (RPZ)

Allocation methodologies
Type commentary here

Systems used to populate worksheet
Type commentary here

Additional commentary/documentation
Type commentary here

V15: Losses

Allocation methodologies
Type commentary here

Systems used to populate worksheet
Type commentary here

Additional commentary/documentation
Type commentary here

V16: Losses DG Adjustment (Lag)

Allocation methodologies
Type commentary here

Systems used to populate worksheet
Type commentary here

Additional commentary/documentation
Type commentary here

V17: Losses DG Adjustment (DGV)

Allocation methodologies
Type commentary here

Systems used to populate worksheet
Type commentary here

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Additional commentary/documentation
<i>Type commentary here</i>

V18: QoS (Place holder)

Commentary/documentation
<i>Type commentary here</i>