

Cost Assessment Working Group (CAWG): 29 May 2012

The third meeting of the CAWG to inform cost assessment for RIIO-ED1.	From Date and time of Meeting Location	Sara McGonigle 10 May 10-4pm ENA, London	29 May 2012
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1. Present

- Andrew Stanger, Scottish Power
- John Gray, Scottish Power
- Dawn Broderick, Western Power Distribution
- Ruth Crascall, Western Power Distribution
- Sarah Walls, Electricity North West
- Julian Rudd, UK Power Networks
- Keith Mawson, Northern Powergrid
- David Wilkins, Northern Powergrid
- Paul Mitchell, Scottish and Southern Energy
- Kenny McAllister, Scottish and Southern Energy
- James Hope, Ofgem
- Sara McGonigle, Ofgem
- Mark Hogan, Ofgem
- Karl Hurley, Ofgem
- Martin Hughes, Ofgem
- Lawrence Irlam, Ofgem

2. Apologies

- 2.1. Helen Inwood, NPower

3. Update on Actions

3.1. The meeting began with Sara McGonigle (SM), Ofgem, noting that the working group provides the DNO's the opportunity to present propositions to Ofgem, prior to Ofgem giving its position in Initial Proposals in September. Ofgem urged the members to take the opportunity at, and between, the meetings to do so.

3.2. An update on actions from the previous two meetings was given, beginning with Ofgem actions. James Hope (JH), Ofgem, agreed to complete an outstanding action by 8

June 2012. It was also noted that an action on Ofgem to send out dates for a September meeting was omitted from the list. SM agreed to suggest dates in the email accompanying the minutes.

3.3. Action number 6 on the DNOs was discussed (see below in section 9). It was agreed that this should be changed to comprise of two separate actions.

- The first concerns a high level view on what data tables should accompany the well justified business plan (WJBP). DNOs were asked to take existing reporting templates and indicate how much/little, and in the format (i.e. as is or more aggregation) of these that they thought would be necessary for the WJBP, as well as to indicate any new areas to be put forward. This will be reflected in the detailed actions, with submission date of 22nd June along with the other major actions arising from the meeting.
- The second concerns detailed feedback on data assessment by activity i.e. views on how cost assessment should be conducted across activities.

3.4. ENWL presented Ofgem with a spreadsheet the week previous listing all areas/activities (roughly based on C1 table) subject to cost assessment in DPCR5 and detailing against each their views on: a) how this was assessed by Ofgem in DPCR5; b) how material this activity was to ENWL in DPCR5; c) whether the assessment methodology is fit for purpose for ED1; and d) any further comments.

3.5. Ofgem believed this was a useful exercise and sought that all other DNOs carry out the same action. Ofgem will send a blank template of ENWLs assessment to all DNOS. DNOs all agreed to complete this and return by 18 June 2012. In doing so, it the following was noted (early in the meeting and later – see paragraph 7.2):

- DNOs can tweak the template to best suit their needs;
- a column will be added on whether a regional factor should be applied to that activity (yes/no);
- where the answer is yes, what type of regional adjustment (labour cost, contractor rate, sparsity, urbanity etc); and
- Views on the implications on models (should the costs be excluded or included, should adjustment be made prior or post running the model etc).

3.6. DNOs raised the question on whether the finance pack should be included in their comments on the level of information to be provided in the WJBP, or whether they should restrict their comments in the CAWG to tables not in the current RIGs annual finance pack. Ofgem took an action to confirm with the Financial Issues Working Group that the finance tables would get picked up their group.

3.7. A wider issue on the timetable for submissions was raised. JH informed the group that the WJBP would be due in June 2013 rather than May 2013. Andrew Stanger (AS), Scottish Power, noted that it was raised in other forums about company visits beginning in August 2013 for finance rather than September. JH confirmed Ofgem will check with Regulatory Finance regarding their plans and will report this back to the DNOs. This led to a wider action on DNOs to give their thoughts on preferences for submissions dates and cost visits in 2013 (and beyond).

3.8. SM noted that there are some outstanding actions on some DNOs (numbers 8-11) and urged that those yet to respond do so by Thursday 31 May 2012. Ofgem intend to summarise all responses and email to the group along with the minutes in the interests of completeness and transparency. DNOs did not object to this.

3.9. Regarding action 12 on WPD, there was some confusion on the date. SM noted that Ofgem understood that this would be complete by 31 May 2012. WPD noted that this was a significant piece of work and believed the agreement was for it to be presented to the working group on 26 June 2012. Paul Mitchell (PM), SSE, noted that SSE also thought that this would be available by 31 May 2012 given WPD's concerns of the pace at which the group was moving. Dawn Broderick (DB), WPD agreed to confirm with colleagues and to email SM a date. SM will circulate to all members.

Action	Person	Date
Ofgem to provide September meeting dates to the group.	SM	1 June 2012
Ofgem to email DNOs a blank version of ENWLs costs assessment template.	SM	1 June 2012
DNOs to complete the template on cost assessment activity.	DNOs	18 June 2012
Ofgem to inform DNOs on whether the finance pack should be included in their response on tables to be included in the WJBP.	SM	8 June 2012
Ofgem to speak with Regulatory Finance colleagues on plans for cost visits.	SM	8 June 2012
DNOs to email Ofgem preferences of submission and visit dates for 2013.	DNOs	22 June 2012
Ofgem to send summarise all responses to DNO actions and email to the group.	SM	1 June 2012
WPD to provide a new date for action 12.	DB	31 May 2012
Ofgem to inform the group of the new date for action 12.	SM	1 June 2012

4. Network Operating Costs (NOCs)

4.1. Karl Hurley (KH), Ofgem, presented Ofgem's thoughts and views on NOCs (see Ofgem slides). This was followed by a presentation on NOCs by Sarah Walls (SW), ENWL (see ENWL slides).

4.2. Regarding Ofgem slides, Kenny McAllister (KMCA), SSE, noted that he was surprised that with the initial regression results (not the order but the gulf in efficiency reported).

4.3. Some discussion was given to the accuracy of the data. SW raised the issue of whether they are legitimately different (ie due to organisational structure). Further issues on the regressions concerned whether regressing both LV and HV together was appropriate, that the scale of costs for each voltage is different and all DNOs have different mixes of faults per voltage. JH noted that the fault volumes and QoS volumes should be robust. Regarding the costs, these were based on the DNOs submissions and should also be correct. A number of DNOs resubmitted their CV15 data following the 2010/11 cost visits by Ofgem. KH agreed to put the initial regression data on the FTP, with explanatory notes.

4.4. In discussions regarding the figures presented by KH, it was noted that the comparative difference in costs can be explained by the organisational structure and the use of contractors (bringing their own materials, etc).

4.5. While the consensus was that the cost type split seemed correct (cost of labour, materials, etc), SW noted that the difference to be explained is the difference in unit costs within these categories (an area discussed in ENWL's presentation that followed).

4.6. JH also noted that Ofgem will re-run the analysis with the July numbers. JH further noted that the numbers are a starting point for discussion and if there are any issues the DNOs should inform Ofgem as soon as possible. For instance, JH asked if it was appropriate

to continue using the same grouping as in DR5 in slide 9, or should a different grouping be used. SW noted that in order to determine the level of aggregation there are two key issues: 1) How robust the data are; and 2) To understand the unit costs associated with each element and if there are differences, what these differences are. JH also pointed out as a general principle that would also need to consider if the right level of units were being undertaken, and there may be trade-offs due to different solutions between categories. Keith Mawson (KM), Northern Powergrid, noted that the further level of disaggregation results in these trade-offs or cost boundary issues producing lower overall results and have proved this on business support costs where used same cost driver and undertaken regression in total and by activity. Results by activity when summed are lower than in conducting at a total level.

4.7. KH agreed that Ofgem would put regression analysis and supporting data on the FTP for DNOs to access. This will be put on each day this week (30th, 31st, and 1st).

4.8. Regarding non-QoS, Julian Rudd (JR), UKPN, noted that there are bigger questions around that data and how to assess it. JH agreed that we do not have the same track record of reporting of data in non-QoS than in QoS. As a starter we could do an equivalent analysis based on the RIGs but Ofgem would welcome any thoughts on assessing non QoS data. It was noted (further in the discussions following ENWL's presentation) that it was not sensible or possible to disaggregate the data due to issues of the data. It was also noted that more DNOs attempted the volume split than the cost split (see slide 9 of ENWL presentation). JH agreed but also asked that the group be aware of the size of non QoS compared to other areas, and that while it certainly warrants attention, it is important that we use resources effectively and proportionately.

4.9. KH informed the attendees on the approach taken in RIIO-GD1, noting how similar the methods being used were to DR5.

- One specific area of interest was in the use of and provision of cost-benefit analysis in assessing the trade-off between deciding to carry out investment projects versus using on-going operating activities in the WJBPs by GDNs.

4.10. In discussions regarding the approach for ED1 presented by Ofgem, key points of discussion were:

- The use of the data provided through the changes to the updated RIGs Version 3 was discussed. DNOs agreed to come back to Ofgem about appropriate levels of aggregation of the data.
- SW supported the idea of Ofgem not "chasing a high R²" and making use of other assessment techniques, but also noted that if models fail a number of statistical tests (including low R²) then it should not be used.
- JH placed an action on DNOs to detail to Ofgem the key principles that it will apply in running checks on developed models.
- The question was asked by KH if scenarios would be appropriate for NOCs (ie uptake of smart meters could increase non-QoS call outs). JH noted that he hoped the new smart meter table in the RIGs would help. SW noted that there is likely to be bespoke DNO scenarios and KM noted that this would surely be part of the WJBP justification. The question was raised whether there would be a single number based on assumptions and justification or whether there should be 2/3 numbers based on different scenarios. John Gray (JG), Scottish Power, noted that increasing load on the LV network that cannot be traced is likely to have an impact on NOCs. An action was placed on the DNOs to provide their thoughts on this to Ofgem.

4.11. Throughout ENWL's presentation on NOCs, the key areas that generated discussion and actions were as follows:

- JH posed the question regarding whether both the volumes and the unit costs of faults should be used when assessing allowances for DNOs. The volumes could be determined similarly to how Quality of Service targets are determined. SW noted initially that this is double jeopardy – if the DNO is penalised via IIS, why also in allowances? JH noted that the principle is based on volumes and unit costs (why should a DNO benefit from low unit costs on the basis that it can have a low unit cost because it has so many faults?). On consideration, SW noted that the costs drivers in faults are complex which makes it quite difficult to determine how many faults a DNO should have, but agreed that it is in area which requires further thinking. All DNOs were invited to give their thoughts on this.
- Slides 5-7 (of ENWL NOC slides) - SW noted that she would share the spreadsheets that informed ENWL's presentation. This was in light of the discussion around appropriate aggregations by asset type, issues of cherry-picking etc. SW recognised that different results would emerge depending on the type and level of aggregation. JH raised the question to the group: what is the optimum way to do it? Within CV15 – what level (rows) should be aggregated? DNOs agreed to present responses to Ofgem by 22 June.
- Ofgem agreed to run July data on new groupings for the September meetings.
- Slide 10 – key point noted was that the data was inconsistently reported across the DNOs.
- Slide 11 – SW noted that the data suggests that there were very different inspection strategies adopted by DNOs (some DNOs are inspecting 40%+ of HV poles and others less than 20%). It was recognised that this was a snapshot in time and this may be due to cycles, and/or the impact of the Electricity Safety, Quality and Continuity Regulations (ESQCR). The key is to understand why. JG agreed with this and noted that in WJBPs DNOs should note the difference and explain why (eg may average out over 5 year period).
- Slides 12 & 13 – demonstrates the huge variation in unit costs which becomes even more apparent when assets are split. KMcA noted that the issue with SSES data on the slide is that SSE previously did not have the systems in place to record the necessary data – this has now been resolved. This year it would be expected that SSES would be more in line with other DNOs. It was noted that even if the issue is resolved in going forward, if forecasts are based on run rates, this anomaly will still have an impact on future costs (if run rates are used to forecast). On this, an action was placed on DNOs to suggest an appropriate level of aggregation by asset type for I&M (table CV13) and also if elements of asset replacement (CV3), or other tabs where these assets appear in the Cost and Volumes spreadsheet should also be included to assess unit costs. Further consideration should be given over how many years costs should be assessed. JG noted that SP is working to a 10 year cycle, so 10 years makes sense.
- Slides 15 & 16 – unit costs for tree cutting showed major variation, even within the same group.
- Slide 17-19 – AS noted that he thought that the costs per unit for substation electricity didn't look right to him. He will review and respond to SW and the group. JR noted that given substations in UKPN area are underground, he has concerns on the unit costs. JH suggested a split of outdoor and indoor unit costs. SW reiterated the point that while not supporting the chasing of R^2 when results appear as in slide 19 ($R^2 = 0.01$), then cannot base allowances on such detail. Ofgem agreed with this

point and reinforced the need for the action on DNOs below regarding assessment of models. JH also noted that a unit costs driver on this may be a step too far (in light of proportionality). Ofgem agreed to pull thoughts together on this and allow DNOs to comment and critique.

Action	Person	Date
Ofgem to put regression analysis and supporting data on NOCs on the FTP.	KH	30 May, 31 May, 1 June 2012
Ofgem to re-run NOCs analysis with July numbers	KH	3 August 2012
DNOs to comment on any issues they have with the NOCs data on the FTP and NOC data presented by ENWL.	DNOs	22 June 2012
DNOs to detail to Ofgem the key principles that they would apply in running checks on developed models.	DNOs	22 June 2012
DNOs to provide their thoughts to Ofgem on whether different scenarios should be applied when assessing NOCs for the WJBP.	DNOs	22 June 2012
DNOs to provide their thoughts to Ofgem on the potential use of volumes for faults and allowances.	DNOs	22 June 2012
DNOs to provide their thoughts to Ofgem on the optimum level of aggregation for the troublecall table (CV15) in the costs and volumes RRP.	DNOs	22 June 2012
DNOs to provide Ofgem with their thoughts on the use of the QoS data to produce efficient volumes of faults for each DNO, and then combine this with actual cost data.	DNOs	22 June 2012
SW to share with DNOs and Ofgem ENWL's Excel file that informed the presentation.	SW	6 June 2012
Ofgem to run July data on new groupings (of CV15) for the September meeting.	KH	September 2012
DNOs to provide their thoughts to Ofgem on the optimum level of aggregation within the I&M table (CV13) in the costs and volumes RRP to assess unit costs. DNOs should also consider aggregation across tables (elements from the asset replacement table CV3) and the period over which unit costs should be assessed.	DNOs	22 June 2012
AS to check figures on substation cost per unit once receive data from SW and report back on issues.	AS	22 June 2012
Ofgem to pull together thoughts on treatment of substation electricity for DNOs to critique.	JH	22 June 2012

5. Closely Associated Indirects (CAIs)

5.1. Mark Hogan (MH), Ofgem, presented Ofgem's views on CAIs (see slides). The main points of discussions and actions that emerged during this were as follows:

- Slide 16 - DB noted that the difference in allowance and actuals presented in slide 16 for WMID and EMID was caused by movement from closed book to open book contractors. KM questioned the numbers. MH agreed to check the numbers and send data that formed basis of the numbers.
- Slide 18 - SW raised concerns that Ofgem was considering using costs in a cost driver for CAIs. Ofgem confirmed that this was not its intention. It was noted that the group needs to develop a cost driver for CAIs. JH suggested that if a cost driver for network investment is developed and that a factor for the driver can be applied to CAIs where the CAIs change in line with changes in network investment. SW

agreed with this in principle. KM noted that this would fit some but not all CAIs and suggested two groups for cost drivers 1) those that vary in line with NI and 2) those that are fixed/semi-fixed. KM also noted that there is a first question to answer – is this the right driver? This led to an action on DNOs to identify appropriate types of cost drivers and splits in CAIs on which to base cost drivers. JH noted that this should not be constrained by the DPCR5 approach/rules but where different Ofgem ask that the DNOs make this clear.

- MH asked the question of whether scenarios were needed to assess CAIs – a mechanism that flexes CAIs allowances. JG responded that the answer has to be yes, giving the potential massive uptake in EV. JH asked DNOs to consider what parts may flex (ie what should be embedded in ex ante fixed allowance and what , if any, should be subject to flexing)

Action	Person	Date
Ofgem to check and re-run numbers on DPCR5 expenditure on CAIs.	MH	14 June 2012 ¹
DNOs to identify appropriate types of drivers and splits in CAIs on which to develop cost drivers.	DNOs	22 June 2012
DNOs to provide thoughts on elements of CAIs that will be fixed and elements that will flex depending on scenarios.	DNOs	22 June 2012

6. Non-Operational Capex

6.1. MH provided an overview of Non-Op Capex from Ofgem's perspective (see slides). Questions were raised regarding the continued appropriateness of the Non-Op Capex category, ie should elements be captured in Network Investment, NOCs and/or CAIs?

6.2. An action was placed on DNOs to look at this split and determine if there are areas of non-op capex that are best accounted for in other areas of the RRP and to identify appropriate cost drivers. JH noted that it is important to bear in mind the ambition to keep the number of models to a minimum.

6.3. JH raised the question of DNOs contribution to smart meter rollout and placed an action on DNOs to: 1) confirm if they expect to contribute financially to smart meters; 2) specify (ball park figures) the cost of data acquisition; and 3) specify (ball park figures) the costs of data process systems.

6.4. KM noted that as the functionality of the meters is not yet locked down, this is difficult. SW noted that the specification is now settling and JH noted that Ofgem is only looking for ball park figures for internal use to give an idea of the situation and rough cost implications so that it can be shared in other forums. PM noted that work has started and progress made already on this and will inform Ofgem.

6.5. SW agreed to email Ofgem a note on her understanding of the current position on DCC Communications.

6.6. JR presented UKPN views on Non Op Capex, which covered much of the same issues already discussed throughout Ofgem's presentation.

Action	Person	Date
DNOs to identify appropriate treatment of Non Op Capex - where particular elements should be reported and costs drivers.	DNOs	22 June 2012
DNOs to provide Ofgem details on their potential contribution to smart meters.	DNOs	22 June 2012

¹ MH on leave and this is the reason for the date.

SW to provide Ofgem with note on current understanding of the proposed role and functions of DCC Communications.	SW	22 June 2012
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7. Regional Factors

7.1. SM presented Ofgem's views on regional factors (see slides). This was followed by a presentation on UKPN's view from JR. A key point, on which DNOs were in agreement, was that Ofgem's starting point would be that there would be no regional adjustments unless DNOs can demonstrate an adjustment would be justifiable through robust and transparent evidence and that the DNOs have managed the issues that give rise to regional variations appropriately (ie to reduce them).

7.2. SW raised the question of whether materiality would be a factor. Ofgem agreed to consider this – both for individual adjustments and in totality. JH reiterated the point that Ofgem's fundamental principle is to avoid regional adjustments where possible. JR raised concerns that UKPN could be less likely to be fast tracked if they sought regional adjustments. KM asked whether regressions would be run pre or post any regional adjustments. In light of the concerns, JH noted that the group does not want to be in a position that models surprise us and therefore, the sooner we iron out issues on what is/isn't in the models, the better. This led to the point of adding a column to the ENWL spreadsheet noted above covering:

- a column will be added on whether a regional factor should be applied to that activity (yes/no);
- where the answer is yes, what type of regional adjustment (labour cost, contractor rate, sparsity, urbanity etc); and
- Views on the implications on models (should the costs be excluded or included, should adjustment be made prior or post running the model etc).

7.3. The action following this discussion is already captured above.

8. Workforce Renewal

8.1. SM presented Ofgem's views on WFR, followed by SW who presented the thoughts of the DNOs from the ENA's perspective (see both slides). There was general consensus on the approach to WFR in ED1 from Ofgem and DNOs, notably the adoption of an output associated with WFR and setting an ex ante allowance rather than a "use it or lose it" basis. It was also noted that past performance in DPCR5 will influence allowances in ED1 (as will performance in ED1 influence allowance in ED2).

8.2. A key point of discussion of discussion concerned slide 4 of ENA presentation – whether allowance setting should include or exclude the cost of training contractor's employees.

8.3. JG noted that in SP area it is almost impossible to find a contractor to train linesmen and therefore SP have to do it.

8.4. JH raised the question of why should DUoS customers fund training of contractor labour. SP, ENWL, NPG, UKPN all believed that they should on the basis that the principle of WFR is to enhance the wider capacity of the workforce in the sector. SSE and WPD believed contractors should cover the costs. Ofgem noted that this is a point that they are still considering and placed an action on DNOs to define an appropriate output for WFR and also reiterated that it is the DNOs choice about what organisational structure they adopt and should allowances be less due to that structure than that is a decision for DNOs and not for Ofgem to compensate for.

Action	Person	Date
DNOs to present suggestions of an appropriate output for WFR.	DNOs	22 June 2012

9. Any other Business

9.1. SM of Ofgem noted that the Smart Grid Investment Working Group (a sub group of the Flexibility and Capacity Working Group) also have within it terms of reference to develop tools and methods by which DNOs will support their load related components of the WJBP. DNOs were not concerned of overlap with the CAWG provided that there is communication both within the DNOs and within Ofgem. Both groups agreed to ensure open communication with colleagues on the SGIWG.

10. CAWG Date of next meeting

10.1. The next meeting will take place on 26 June at Ofgem, 9 Millbank, London.

11. Consolidated list of actions

11.1. The table below provides a consolidated list of actions to date.

	Action	Person	Date	Complete?
Ofgem				
1	Remove Scenarios from C1 in Forecast pack.	MH	01-May-12	✓
2	Ofgem to provide in the minutes a link to the Dartford Determination consultation document.	SM	01-May-12	✓
3	Ofgem to circulate with the minutes comments on costs assessment issues in response to the RIIO-ED1 launch letter.	SM	01-May-12	✓
4	Ofgem to circulate the links to the options value model being used in RIIO-GD1 with the minutes.	SM	01-May-12	✓
5	Ofgem to circulate a redraft of the TOR and submitted comments on the TOR.	SM	04-May-12	✓
6	Ofgem to pull together a straw-man of meeting topics.	JH	04-May-12	✓
7	Ofgem will arrange with James Grayburn to present on the options value model in one of the CAWG meetings.	JH	04-May-12	✓
8	Ofgem to add delete the area in the forecast pack regarding scenarios and add it in separate table for visibility purposes only.	MH	04-May-12	✓
9	Ofgem to find out from Bill McKenzie which working group will be dealing with the issues of pension deficits.	SM	04-May-12	!
10	Ofgem to provide greater clarity on the "opt-in" principle.	JH	10-May-12	!
11	Ofgem to provide greater levels of commentary in the tables and for decisions made.	C&O team	ongoing	
12	To engage with colleagues to inform them of a preference of three scenarios.	Ofgem and DNOs	ongoing	
13	Ofgem to provide guidance on the scenarios.	JH	Within	

			1 month of WS3 report	
14	To confirm that date that James Grayburn will present at the CAWG.	SM	14-May-12	✓
15	Ofgem to provide further guidance on the scenarios and respond to email send by Sarah Walls of ENWL (cc'ing in other DNOs).	JH	15-May-12	✓
16	Ofgem to provide guidance on the elements of the BSC that will/will not be in the public domain.	SM	TBC	✓
17	JH and MK agreed to have an off-line discussion on where best to debate the issue of most efficient solutions.	JH and MK	14-Jun-12	
18	Ofgem to provide further detail on how to assess whole life costs.	JH	26-Jun-12	
19	Ofgem to collate the comments on the critique of the WPD totex model.	JH, SM, MH	26-Jun-12	
20	Ofgem to provide further detail on how the no worse off principle will operate in practice.	JH	No later than Sep paper	
21	Ofgem to put regression analysis and supporting data on NOCs on the FTP.	KH	30 May, 31 May, 1 June 2012	✓
22	Ofgem to provide September meeting dates to the group.	SM	01-Jun-12	✓
23	Ofgem to email DNOs a blank version of ENWLs costs assessment template.	SM	01-Jun-12	✓
24	Ofgem to send summarise all responses to DNO actions and email to the group.	SM	01-Jun-12	✓
25	Ofgem to inform the group of the new date for action 12 on WPD.	SM	01-Jun-12	✓
26	Ofgem to speak with Regulatory Finance colleagues on plans for cost visits.	SM	08-Jun-12	✓
27	Ofgem to inform DNOs on whether the finance pack should be included in their response on tables to be included in the WJBP.	SM	8 June 2012	✓
28	Ofgem to pull together thoughts on treatment of substation electricity for DNOs to critique.	JH	14-Jun-12	
29	Ofgem to check and re-run numbers on DPCR5 expenditure on CAIs.	MH	14-Jun-12	
30	Ofgem to re-run NOCs analysis with July numbers.	KH	03-Aug-12	
31	Ofgem to run July data on new groupings (of CV15) for the September meeting.	KH	Sep-12	
DNOs				
1	DNOs to provide Ofgem through email their thoughts on totex.	DNOs	04-May-12	ENWL, NPG, SP, SSE, UKPN, WPD
2	DNOs to come back to Ofgem to state willingness to present thoughts on totex at the	DNOs	04-May-12	✓

	next meeting.			
3	DNOs to give thought prior to meeting on further iterations of assessing BSCs.	DNOs	10-May-12	ENWL, NPG, SP, SSE, UKPN, WPD
4	DNOs to provide Ofgem their thoughts on areas that would merit use of external consultants	DNOs	10-May-12	ENWL, NPG, SP, SSE, UKPN, WPD
5	Keith Mawson to provide an email proposing some words re RPEs to facilitate consistency in submissions.	KM	10-May-12	✓
6	DNOs to provide a high level view on what data tables should accompany the well justified business plan (WJBP). Take existing reporting templates and indicate how much/little, and in the format (i.e. as is or more aggregation) of these that they thought would be necessary for the WJBP, as well as to indicate any new areas to be put forward.	DNOs	22-Jun-12	
7	To engage with colleagues to inform them of a preference of three scenarios.	Ofgem and DNOs	ongoing	
8	DNOs to email Ofgem with more detailed feedback on the Meeting plan (what should be covered, when it should be covered, in what level of detail and what they would like to achieve by the end of each meeting).	DNOs	17-May-12	✓
9	DNOs to provide feedback on the DNO Totex presentations.	DNOs	24-May-12	ENWL, NPG, SP, SSE, UKPN, WPD
10	DNOs agreed to feedback to Ofgem their views on the length of future forecasts.	DNOs	24-May-12	ENWL, NPG, SP, SSE, UKPN, WPD
11	DNOs to provide feedback to Ofgem on the scenario worksheet that was sent out with the July forecast pack.	DNOs	24-May-12	ENWL, NPG, SP, SSE, UKPN, WPD
12	To put the 2010/11 data into the WPD totex model and report to the entire group. If not feasible in timescale, an earlier version of the WPD model will be populated with 2008/09 data.	BP and BH, WPD	22-June-12	
13	To critique the model in light of the numbers.	DNOs	3-July-12	
14	JH and MK agreed to have an off-line discussion on where best to debate the issue of most efficient solutions.	JH and MK	14-Jun-12	
15	MK/SSE to raise the issue at the next LI meeting.	MK/SSE	14-Jun-12	
16	To present the numbers and comparison at the next totex meeting (26 June 2012).	BH and BP	26-Jun-12	
17	How would licensees put forward a justification	DNOs	26-Jun-	

	of lowest whole life cost?		12	
18	DNOs will provide their scenarios forecasts no later than 20 December 2012.	DNOs	20-Dec-12	
19	WPD to provide a new date for action 12.	DM	31-May-12	✓ 22-Jun-12
20	SW to share with DNOs and Ofgem ENWL's Excel file that informed the presentation.	SW, ENWL	06-Jun-12	✓
21	DNOs to complete the template on cost assessment activity i.e. views on how cost assessment should be conducted across activities.	DNOs	18-Jun-12	
22	AS to check figures on substation cost per unit once receive data from SW and report back on issues.	AS	22-Jun-12	
23	DNOs to email Ofgem preferences of submission and visit dates.	DNOs	22-Jun-12	
24	DNOs to comment on any issues they have with the NOCs data on the FTP and NOC data presented by ENWL.	DNOs	22 June 2012	
25	DNOs to detail to Ofgem the key principles that they would apply in running checks on developed models.	DNOs	22-Jun-12	
26	DNOs to provide their thoughts to Ofgem on whether different scenarios should be applied when assessing NOCs for the WJBP.	DNOs	22-Jun-12	
27	DNOs to provide their thoughts to Ofgem on the potential use of volumes for faults and allowances.	DNOs	22-Jun-12	
28	DNOs to provide their thoughts to Ofgem on the optimum level of aggregation for the troublecall table (CV15) in the costs and volumes RRP.	DNOs	22-Jun-12	
29	DNOs to provide Ofgem with their thoughts on the use of the QoS data to produce efficient volumes of faults for each DNO, and then combine this with actual cost data.	DNOs	22 June 2012	
30	DNOs to provide their thoughts to Ofgem on the optimum level of aggregation within the I&M table (CV13) in the costs and volumes RRP to assess unit costs. DNOs should also consider aggregation across tables (elements from the asset replacement table CV3) and the period over which unit costs should be assessed.	DNOs	22-Jun-12	
31	DNOs to identify appropriate types of drivers and splits in CAIs on which to develop cost drivers.	DNOs	22-Jun-12	
32	DNOs to provide thoughts on elements of CAIs that will be fixed and elements that will flex depending on scenarios.	DNOS	22-Jun-12	
33	DNOs to identify appropriate treatment of Non Op Capex - where particular elements should be reported and costs drivers.	DNOs	22-Jun-12	
34	DNOs to provide Ofgem details on their potential contribution to smart meters.	DNOs	22-Jun-12	
35	DNOs to present suggestions of an appropriate output for WFR.	DNOs	22-Jun-12	

36	SW to provide Ofgem with note on current understanding of the proposed role and functions of DCC Communications.	SW	22-Jun-12	
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