



RIIO-GD1 Gas Distribution Price Control – DRAFT Regulatory Instructions and Guidance: Version 1

Regulatory Instructions and Guidance

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Overview:

This document provides instructions and guidance to the eight gas distribution network operators to enable them to complete the reporting requirements associated with the gas distribution price control from 1 April 2013 to 31 March 2021.

This is the first gas distribution price control to reflect the new RIIO (Revenue = Incentives + Innovation + Outputs) model.

Context

This document contains the gas distribution price control cost, outputs, financial and revenue Regulatory Instructions and Guidance (RIGs).

The purpose of this document is to provide a framework to allow Ofgem to collect accurate and consistent cost and revenue information from the eight gas distribution network operators (Licensees).

A number of licence conditions require the eight Licensees to provide us with this information. The key licence condition for the purposes of this document is Standard Condition B15 [ETC74]: Regulatory Instructions and Guidance ('the RIGs Licence Condition').

This guidance applies for reporting from the period 1 April 2013 until 31 March 2021.

Associated documents

Supporting Documents

Excel Workbook: RIIO-GD1 Reporting Template.xls

Other Documents

[RIIO-GD1: Initial Proposals - Overview](#)

[RIIO-GD1: Initial Proposals- Supporting document- Outputs, incentives and innovation](#)

[RIIO-GD1: Initial Proposals – Supporting document - Cost efficiency](#)

RIIO-GD1 BPDT tables and guidance document

[RIIO-T1 and RIIO-GD1: Draft licence conditions – First informal licence drafting consultation](#)

[GDPCR1 RIGS](#)

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1. Introduction

Chapter Summary

The chapter sets out the purpose and structure of the RIGs which will apply for the gas distribution network operators for RIIO-GD1. It also sets out initial guidance on the process for reporting under the RIGS and our audit requirements.

Background

1.1. This is the first price control to be conducted under our new RIIO (Revenue = Incentives + Innovation + Outputs) model. Through RIIO-GD1, we are setting the regulatory framework to apply to gas distribution companies from 1 April 2013 to 31 March 2021.

1.2. The RIGs provide a framework which enables Ofgem to collect data from the gas distribution network operators (Licensees) during the RIIO-GD1 period. We collect data to enable us to administer the Special Conditions of the Licensees (the conditions which relate to the price control) which include monitoring the performance of Licensees against price control incentives, monitor compliance with price control obligations and to allow analysis between price controls and at the subsequent price control review.

1.3. The RIGs enable Ofgem to collect data from Licensees in a consistent format which provides a database of GDN performance which we can draw on to set cost allowances at subsequent review periods. The RIGs inform the Licensees about the information we plan to collect, guide them on how to provide this information and enable the Licensees to put the systems in place to collect the data to the detail we require.

1.4. The RIGs data reporting requirements arise from the licence, the price control review Final Proposals and any applicable guaranteed standards.

Legal framework

1.5. Previously reporting requirements for the Licensees were set out in a number of different licence conditions. Under RIIO the reporting requirements have been consolidated in a single new licence condition:

- Standard Condition B15 [ETC74]: Regulatory Instructions and Guidance ('the RIGs Licence Condition').

1.6. The new RIGs Licence Condition sets out the purpose, scope, contents and governance arrangements for the RIGs.

1.7. The purpose of introducing the proposed new RIGs Licence Condition is to remove the need for other reporting related provisions which were previously

included within a number of licence conditions into a single condition. Having a single licence condition has not altered the broad types of information that the energy network companies will need to provide.

Components of the RIGs

Overall structure

1.8. The RIGs comprise four main elements:

- templates for reporting the data (in MS Excel v.2007 or newer)
- templates containing the calculation of the revenue elements – revenue reporting (including performance against incentives) (in MS Excel v.2007 or newer) [This template is yet to be drafted]
- templates for providing commentaries against the data (in MS Word)
- instructions and guidance on how to report the data (in MS Word).

RIGs templates

1.9. The data templates have been designed using the RIIO-GD1 business plan data templates alongside the previous price control RIGs and Regulatory Reporting Packs (RRPs). Added to these are the new data requirements arising from the new outputs, incentives and obligations from RIIO-GD1.

1.10. Key points to note when completing the tables are:

- Some of the workbooks in these RIGs have been designed to link to other workbooks. These links must be retained by the GDN in the version submitted to Ofgem. Failure to do so will also be considered non-compliant with the RIGs.
- Within the RIGs workbooks all the cells that Licensees are required to complete are coloured yellow. Cells with pre inputted values and checking cells are coloured orange and cells which have auto calculations or are totals are coloured grey. Blank cells are coloured white.
- Financial values should be provided in £ million figures and displayed to one decimal place. However, the Licensees are required to provide the cost and revenue data to the highest level of accuracy available to them with the minimum being three decimal places, unless otherwise indicated in the guidance.
- Where a reportable value is zero or not applicable to the licensee then a zero must be input rather than the cell being left blank. Values must be entered in the column corresponding to the Regulatory Year under report. For example, values reported in

respect of Regulatory Year 2013-14 must be entered in the column headed "2014".

- Any restatement of historical values should be clearly highlighted and explained.

Instructions and guidance

1.11. To enable the Licensees to complete the associated workbooks we provide supporting instructions and guidance. This document constitutes Version 1 of the instruction and guidance for the Licensees for RIIO-GD1.

1.12. The purpose of this document is to provide instructions and guidance to enable the Licensees to complete the associated workbooks. This document provides information on:

- the systems, processes, procedures, recording and provision of the required data
- reporting units and levels of accuracy (including rounding)
- the methodology for calculating or deriving required numbers
- the provision of the data to the Authority (format, frequency etc)
- any audit or examiner requirements
- reasons why the data is required
- explanations of how the Authority will monitor, assess, and enforce compliance
- a glossary of terms used in the workbooks.

Level of reporting

1.13. In the RIGs worksheets financial values should be provide in £ million figures. Financial values will be displayed to one decimal place. However, the Licensees are required to provide this data to the highest level of accuracy available to them with the minimum being three decimal places; unless otherwise indicated in the guidance.

Provision of forecast data

1.14. The excel templates for reporting on summary Capex, Opex and Repex autopopulates for the current year (2014) but for the future years GDNs should input forecast expenditure and workload for each of the years 2015 to 2021. Forecast data will **only** be required at a total category level on the summary table.

Provision of Indirect Allocation Methodology

1.15. The licensee must provide their methodology for allocating indirects annually with any changes from the previous year highlighted.

1.16. We set out further information on this document under the heading 'Structure of this document'.

Commentaries

1.17. Alongside the submission of its templates, each GDN must complete the associated commentary. There are three main drivers for the completion of the commentary templates:

- (1) **Where data is not captured on the same basis as required by the reporting definitions.** Where a licensee does not capture data on the same basis as the reporting definitions, and in completing the tables the licensee has to apportion costs across one or more activities, the basis of apportionment must be provided in the cost commentary document. The licensee must also give an indication of their assessment of the robustness of those assumptions. In such instances, the licensee should explain the reasons why it has been unable to capture the data on the same basis as the as the cost reporting definitions and identify any steps that it will take to ensure that the data is captured in accordance with the relevant definitions in future years.
- (2) **Where a modification of the RIGs changes the reporting categories or activities.** In such cases the licensee must provide estimates in respect of that category or activity, for the year in which the modification is made and for any preceding year, derived from such other information available to the licensee as may be appropriate for that purpose. In this case the licensee must set out the basis and methodology for deriving the estimated amounts in detail in the commentary.
- (3) **To explain why costs have been incurred and the annual movements in cost levels.** It will be used in conjunction with the data tables, to understand the structures and operations of each GDN, to inform RIIO-GD1 and to monitor each GDN's performance against Ofgem's cost included in the RIIO-GD1 Final Proposals document.

Reporting under the RIGs

Timescales for reporting

1.18. The relevant reporting year for the provision of information under the RIGs is from 1 April to 31 March the following calendar year. The excel templates for reporting on summary Capex, Opex and Repex should include forecast expenditure and workload for each of the years 2015 to 2021.

1.19. Except where stated otherwise, the Licensees must provide the information required under the RIGs as soon as reasonably practicable and in any event not later than 31 July following the end of the relevant reporting year to which such information relates. This is the latest date that Licensees can submit information unless the Authority has previously consented otherwise in writing.

Form of submission

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

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

Resubmissions

1.22. The Licensees are required to seek the agreement of the Authority before resubmitting any information in accordance with these RIGs can be made.

1.23. In any such instance the report concerned must be resubmitted in full. The resubmission must only be accompanied by a letter signed by a director where significant changes have been made and where Ofgem and/or the licensee decide such a letter is required. The volume of supporting information the licensee will be required to submit to support any resubmission will be dependent on the nature of any required resubmission.

1.24. For each resubmission a separate explanation must be provided listing every cell that has been amended. The explanation must include sufficient commentary to explain the reasons for the required resubmission.

1.25. In relation to the detailed return required as part of revenue reporting, this must only be resubmitted where a restatement is necessary in the opinion of the appropriate auditor.

Review

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

1.27. Where a reviewer has been nominated, the reviewer will enter into an agreement with the licensee to maintain confidentiality on reasonable terms.

Appointing an examiner

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

Audit requirements in relation to revenue reporting

1.29. In accordance with the RIGs Licence Condition, Ofgem will identify the Specified Information is to be subject to audit, the terms on which an auditor is to be appointed by the licensee for that purpose, and the nature of the audit to be carried out by that person. We will issue an Agreed Upon Audit Procedures (AUP) for use by an appropriate auditor.

Structure of this document

1.30. This document is divided into sections reflecting the different components parts of the RIGs workbooks. These are as follows:

- Chapter 2 provides instructions for completing data template worksheets
- Chapter 3 provides instructions for the completion of the financial worksheets.
- Chapter 4 provides instructions for the completion of the totex worksheets.
- Chapter 5 provides instructions for the completion of the opex worksheets.
- Chapter 6 provides instructions for the completion of the capex worksheets.
- Chapter 7 provides instructions for the completion of the repex worksheets.
- Chapter 8 provides instructions for the completion of the gas network data worksheets.
- Chapter 9 provides instructions for the completion of the outputs worksheets.
- Chapter 10 provides instructions for the completion of the revenue worksheets.

1.31. Appendix 1 sets out a glossary of the terms included in these instructions and in the associated worksheets.

2. Instructions for completing data template worksheets

Chapter Summary

The purpose of this chapter is to inform the completion of the data template worksheets by each GDN. This is to enable Ofgem to effectively monitor the performance of the companies in relation to the allowances and quantify any adjustments as required in the Final Proposals.

Overview

2.1. The template is an Excel workbook. The purpose of the worksheets is to facilitate the submission of uniform and comparable financial information from licensees. This enables comparison with business plans, comparison with prior years and comparative regulation on a consistent basis throughout the RIIO-GD1 period. It consists of a number of data entry sheets with various summaries. The template should support and be consistent with the RIIO-GD1 submitted well-justified business plan.

2.2. Licensees should submit accurate (and where instructed) audited figures of their costs and revenues for the relevant period. Further guidance is provided in this chapter.

2.3. The workbook has been designed to have single data entry where possible in order to avoid duplication and to facilitate reconciliations and balance checks.

2.4. The template is to be completed in accordance with these instructions and the definitions provided in appendix 1.1. The template is to be submitted to the Authority in electronic Excel file format using Ofgem's extranet by 31 July 2014.

Structure of the template

2.5. The template has been separated into the following sections:

- Financial tables: - Tables 1.1 to worksheet 1.10.1 request financial information
- Cost tables: - Tables 3.0 to 4.12 request cost data for opex, capex and repex; additionally it collects associated data for assets and workload.
- Gas network data: - Tables 5.1 to 5.8
- Network output data: - Tables 6.1 to 6.6b to collect additional data to support primary and secondary outputs and innovation.
- Revenues tables: - Yet to be provided

Gas distribution business

2.6. The overall objective of the template is to develop an understanding and support the well-justified business plan of the GDN. Accordingly, the financial information presented in the template should relate to activities of the GDN whether carried out by the GDN directly or by another party on behalf of the GDN (eg related parties or third parties carrying out activities for the GDN). De minimis businesses are to be included where such activities are carried by the licensee (which has been consented to by the Authority in accordance with Standard Special Condition A36).

2.7. For the purposes of filling out the template, all excluded services and de minimis costs should be reported separately from the transportation costs. Specific columns have been included in the template to capture these costs.

2.8. For National Grid Gas plc, all workload and costs associated with the "Outer Met" area should be reflected in the return for East of England.

Definitions and accounting policies

2.9. The template should be prepared on a cash typical basis. Subject to this they should use the same accounting policies as in the preparation of the regulatory financial statements, in accordance with UK GAAP or IFRS unless otherwise stated.

2.10. In the event that the accounting policies applied to prepare the template differ from those used in the regulatory financial statements (for some or all years) you are requested to include appropriate details including quantification of the difference.

Data entry

2.11. As the template is a series of Excel spreadsheets, links and formulae have been included to limit, where possible, the amount of manual data entry required. The spreadsheets have not been "locked", but Licensees are not to change any formulas or formats without instruction from Ofgem first. If a change is necessary (to correct an error, for example), Ofgem will notify all Licensees of the correction to be made.

2.12. The colour scheme used in the spreadsheets is as follows:

- Yellow = cells requiring data entry;
- Grey = cells summing rows and columns, to remain blank, or containing other calculations;

2.13. The tables are to be completed in nominal prices and exclusive of real price effects.

2.14. Costs should be shown in £m, rounded to the nearest £1000 (i.e. 3 decimal places), unless otherwise stated.

2.15. All costs are to be entered as positive numbers except where indicated otherwise. In the capex, repex tables and asset tables, additions should be shown as +ve and abandonments/disposals as -ve. Customer or other contributions should also be entered as +ve numbers. (The tables will deduct customer contributions from gross expenditure to calculate net expenditure)

2.16. Except where indicated, all costs are to be entered on a cash typical costs basis, being cash spend exclusive of atypical items. Cash means exclusive of charges to or releases from provisions but includes provision utilisation. All expenses recognised are those expected to be incurred as part of the ordinary level of business. Atypical movements in accruals and prepayments should also be excluded.

Costs for affiliates and related parties

2.17. Except where otherwise indicated, costs of related parties in performing the licensee's activities should be reported including any margin, profit or management fee for those related parties. Those margins, profits or management fees should be disclosed by activity to be removed from the total cost of those activities. For the purpose of this paragraph, related parties includes:

- any "related undertaking" or "affiliate" as defined in the distribution licence;
- xoserve Limited; and
- Treatment of related parties and companies who outsource substantial elements of their activity

2.18. Where substantive elements (ie greater than 35% of the GDN's costs) of the GDN's operations are subcontracted to a single contractor, costs should be reported at the same level of detail as if they were carried out by the licensee.

2.19. The treatment of any margin, profit or management fee of the contractor will depend on whether or not that contractor is a related party and whether the contract for carrying out those activities has been awarded as part of a competitive tender process.

2.20. If the contractor is not a related party and the work has been awarded to the contractor through a competitive tender process, the fees, profits or margins of the contractor will be an allowed cost, but the fees, profits or margins of any substantive contractor (as defined in paragraph 1.16) should be disclosed by activity together with an explanation of how these fees, profits or margin have been allocated across activities.

2.21. If the contractor is a related party, or if the contract has not been awarded through a competitive tender process (or both), then the fees, profit or margin are not an allowed cost and should be disclosed together with an explanation of how these fees, profits or margins have been allocated across activities. For related parties this is captured in table 3.3.

Analysis of expenditure or work volumes for affiliates and related parties

2.22. Where an analysis of expenditure or work volumes is required by direct labour and contract labour, direct labour should include direct labour within related parties.

Definitions

2.23. Appendix 1.1 contains the detailed definitions to be adopted. Licensees must ensure that the definitions are clearly understood and are complied with when entering any data into the template. Where there is doubt or uncertainty, please refer to Ofgem for clarification. This is to ensure consistency and comparability of data entry across Licensees.

Use of Estimates and Allocations

2.24. Apportionments should be avoided wherever possible. However where a licensee (and any affiliate or related undertaking of the licensee) does not capture data on the same basis as the cost reporting definitions, and in completing the tables the licensee has to apportion costs across one or more activities, the basis of apportionment, or any change therein from the previous year, must be provided.

Additional information

2.25. If you think that any additional information beyond that requested is necessary to develop a complete understanding of the information presented in the tables of the template, please include such information in an appendix to your submission.

Worksheet Protection

2.26. The excel workbooks have not been locked or password protected. However Licensees should only make entries in the indicated cells. If a GDN believes it is necessary to make any other change (eg insert extra columns or rows or change formulae) they must obtain Ofgem's approval before making any such change. This allows Ofgem to confirm that the change is appropriate and advise other Licensees accordingly.

3. Instructions for completing the financial template worksheets

Chapter Summary

The purpose of this chapter is to inform the completion of the financial issues worksheets by each GDN. This is to enable Ofgem to effectively monitor outturn against the appropriate allowances, assess future allowances and quantify any adjustments as required in the Final Proposals.

Introduction

3.1. The purpose of the worksheets is to facilitate the submission of uniform and comparable financial information from licensees. This enables comparison with business plans, comparison with prior years and comparative regulation on a consistent basis throughout the RIIO-GDN period.

3.2. Licensees should submit accurate (and where instructed) audited figures of their costs and revenues for the relevant period. Further guidance is provided below.

3.3. Licensees should submit accurate (and where instructed) audited figures of their costs and revenues for the relevant period. Further guidance is provided below.

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

Overview of worksheets

3.5. The worksheets included within this chapter are:

- 1.0 – Published Data
- 1.1 – Income Statement
- 1.2 – Financial Position
- 1.3 – Cash Flow
- 1.4 – Reconciliation to Regulatory Accounts
- 1.5.1 – Net Debt Summary

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- 1.5.2 – Net Debt Detail

- 1.6 – Fixed Asset Disposals

- 1.7.1 – Tax Computations

- 1.7.2 – Capital allowance pools

- 1.7.3 – Tax Pool Allocations

- 1.7.4 – Tax Pool Allocations CT600

- 1.7.5 – Tax Clawback Data

- 1.8 – Financing Requirements

- 1.9.1 – Pension DB Deficit

- 1.9.2 – Pension For Benchmark

- 1.9.3 – Pensions PPF & Admin

- 1.9.4 – Pension Costs Reconciliation

- 1.9.5 – PDAM Statement Triennial

- 1.9.6 – PDAM Reconciliation Triennial

- 1.9.7 – Pensions DB Triennial

- 1.10- Financial Model Inputs Nominal

- 1.10.1- Financial Model Inputs 09-10

Worksheet 1.0 – Published data

Purpose and Use by Ofgem	This table is designed to collect certain data that will, info the annual report.
Mapping to RRP and/or BPDT	RRP table 1.0.1
Proposed changes	n/a
Reason(s) for proposed changes	n/a
Instructions for Completion	<p>The volume driver data should be populated for customer numbers and units of gas charged.</p> <p>The revenue by segment should be completed and must agree with that reported in the Revenue return/</p> <p>Key assumptions: Ofgem will populate the RPI factors.</p>

Worksheet 1.1 – Income Statement

Purpose and Use by Ofgem	<p>This table is designed to obtain a standard form of each licensee’s Balance Sheet / Statement of Financial Position, consistent with the Regulatory accounts.</p> <p>It will be used to provide the data in this statement in the regulatory accounts on a consistent and comparable basis across Licensees and time; and to populate the financial model.</p> <p>It will be used to check the level of total debt reported elsewhere and what other liabilities the licensee has; and to populate the financial model.</p> <p>It will also be used to identify differences in reporting when licensees switch from current UK GAAP to new UK GAAP, which is based on IFRS for SMEs, in FRS102, or to IFRS during the price control period or revert form IFRS to UK GAAP.</p>
Mapping to RRP and/or BPDT	RRP table 1.1
Proposed changes	n/a
Reason(s) for proposed changes	n/a
Instructions for	This table should be populated from the entity's audited

Completion	<p>Regulatory accounts for the relevant year. Whilst there are more categories than in the Profit & Loss / Statement of comprehensive income in audited regulatory accounts the additional detail is required to facilitate reconciliation/agreement with other tables.</p> <p>Row 6: Indicate whether accounts are prepared under UK GAAP (old or new) or full EU-IFRS accounting standards.</p> <p>Row 8: Insert total revenue as shown in the regulatory accounts.</p> <p>Rows 8 to 52: These rows cover the licensed entity and should agree to the audited Regulatory accounts.</p> <p>Row 32: "Other finance income/Investment income" on the P&L account should include non-transportation related items, financial movements on pension schemes and all movements on derivative financial instruments.</p>
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Worksheet 1.2 – Financial Position

Purpose and Use by Ofgem	<p>This table is designed to obtain a standard form of each licensee’s Balance Sheet / Statement of financial position, consistent with the Regulatory accounts.</p> <p>It will be used to provide the data in this statement in the regulatory accounts on a consistent and comparable basis across Licensees and time; and to populate the financial model.</p> <p>It will be used to check the level of total debt reported elsewhere and what other liabilities the licensee has; and to populate the financial model.</p> <p>It will also be used to identify differences in reporting when Licensees switch from current UK GAAP to new UK GAAP, which is based on IFRS for SMEs, in FRS102, or to IFRS during the price control period or revert from IFRS to UK GAAP.</p>
Mapping to RRP and/or BPDT	RRP table 1.2
Proposed changes	n/a
Reason(s) for proposed changes	n/a

<p>Instructions for Completion</p>	<p>This table should be populated from the audited Regulatory accounts for the relevant year. Whilst there are more categories than in the Balance Sheet / Statement of financial position in the entity's audited regulatory accounts the additional detail is required to facilitate reconciliation/agreement with other tables.</p> <p>Row 57: The "Hedging Reserve" on the Statement of Financial Position is only to be used by companies reporting under IFRS.</p> <p>Row 64: The net debt shown is calculated based on the definition of net debt issued in the open letter of 31 July 2009 "Clawback of tax benefit due to excess gearing"¹ as updated, or post 1 April 2013, the PCFM Handbook.</p>
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Worksheet 1.3 – Cash Flow

<p>Purpose and Use by Ofgem</p>	<p>This table is designed to obtain a standard form of each licensee's cashflow position consistent with the Regulatory Accounts.</p> <p>It will be used to provide the data in this statement in the regulatory accounts on a consistent and comparable basis across Licensees and time; and to sense check the financial model.</p>
<p>Mapping to RRP and/or BPDT</p>	<p>RRP table 1.2.2</p>
<p>Proposed changes</p>	<p>n/a</p>
<p>Reason(s) for proposed changes</p>	<p>n/a</p>
<p>Instructions for Completion</p>	<p>This sheet is linked to movements implied by the P&L and balance sheet as far as practicable.</p> <p>Inputs are required to replicate the cashflow in the regulatory accounts.</p> <p>Rows 43 to 50: Reconciliation is required between opening debt and the closing debt implied by the decrease/ increase in net cash.</p>

¹ <http://www.ofgem.gov.uk/Pages/MoreInformation.aspx?docid=49&refer=Networks>

Worksheet 1.4 – Reconciliation to Regulatory Accounts

Purpose and Use by Ofgem	This table is used to reconcile the values reported in the RIG cost and the revenue reporting packs with the audited regulatory accounts. This ensures that costs are not omitted or duplicated and provides an assurance to the overall consistency of the pack.
Mapping to RRP and/or BPDT	New table
Proposed changes	n/a
Reason(s) for proposed changes	n/a
Instructions for Completion	<p>The table requires licensees to input the relevant costs from the regulatory accounts profit and loss (or income statement under EU-IFRS), and fixed asset additions as reported in tables Income statement and Balance sheet respectively.</p> <p>Rows 23 to 43: Input any reconciling items, which are adjustments to costs or recoveries for items not in the Regulatory Accounts or where offsetting of costs and revenues/recoveries is not allowed under these RIGs for presentation of amounts in the RIGs, or for EU-IFRS adjustments. Items included here must include a brief description of the item. Where further detail is necessary this must be added to the Commentary.</p> <p>Rows 6 to 20: These rows summarise the total opex and capex as reported in the regulatory accounts. Note that capitalised interest and asset revaluation amounts are not to be included on other tables in the RIGs and must be deducted here as they are not allowed in regulatory costs.</p> <p>Row 64: A check and balance will be automatically performed to ensure the regulatory accounts totals agree to the RIGs data tables; this check must say 'OK' for the RIGs to have been completed correctly.</p> <p>Where revenues are netted against costs in the regulatory accounts and thus not reported as revenue then a reconciling item will be required to gross up costs.</p> <p>Row 67: Enter total revenue from the revenue returns.</p>

Worksheet 1.5.1 – Net Debt Summary

Purpose and Use by Ofgem	<p>This table collects high level data of all borrowing, guarantees and financial derivatives, interest rates on debt, repayment dates and cash and short term investments.</p> <p>This information is used to compare gearing levels to the regulatory modelling data; and to enable the calculation of the tax benefit of excess gearing. It is also used to provide details of future refinancing requirements where licensees have loans falling due for repayment.</p> <p>The table provides information on derivative financial instruments to facilitate understanding of existing debt structures.</p> <p>The table is designed to enable different types of borrowing and lending to be identified and any derivative products relating to the debt to be linked to it.</p>
Mapping to RRP and/or BPDT	New table derived from RRP 1.3
Proposed changes	To collect summary data
Reason(s) for proposed changes	Simplify table
Instructions for Completion	Input details of financial assets and liabilities as indicated by the yellow shaded boxed.

Worksheet 1.5.2 – Net Debt Detail

Purpose and Use by Ofgem	<p>This table collects details of all borrowing, guarantees and financial derivatives, interest rates on debt, repayment dates and cash and short term investments.</p> <p>This information is used to compare gearing levels to the regulatory modelling data; and to enable the calculation of the tax benefit of excess gearing. It is also used to provide details of future refinancing requirements where Licensees have loans falling due for repayment.</p> <p>The table provides information on derivative financial instruments to facilitate understanding of existing debt structures.</p> <p>The table is designed to enable different types of borrowing and lending to be identified and any derivative products relating to the debt to be linked to it.</p>
Mapping to RRP and/or BPDT	New table derived from RRP 1.3

Proposed changes	To collect detailed debt information
Reason(s) for proposed changes	Simplify table
Instructions for Completion	Expand the input cells for the reporting year. Input details of financial assets and liabilities as indicated by the yellow shaded boxed.

Worksheet 1.6 – Fixed Asset Disposals

Purpose and Use by Ofgem	This worksheet collects information relating to fixed asset disposals to assist the reconciliation of the financial model to accounts.
Mapping to RRP and/or BPDT	RRP table 1.6
Proposed changes	n/a
Reason(s) for proposed changes	n/a
Instructions for Completion	Input financial details as indicated by the yellow shaded boxes on the table. The table should detail assets transferred from the regulated business to a company within the same group, e.g. a property company.

Worksheet 1.7.1 – Tax Computation

Purpose and Use by Ofgem	It provides the data in a consistent and comparable format across all LICENSEEs for the regulatory financial year to enable comparisons to be made. This and the CA pools table are used to monitor outturn against allowances and to inform the next price control. It will enable the Authority to confirm the split by business and form of control to compare against allowances. [Note this has yet to be done – only shown for licensee as a whole not form of control]
Mapping to RRP and/or BPDT	RRP table 1.4
Proposed changes	Remove capital allowance pools to a separate table
Reason(s) for proposed changes	Easier to use
Instructions for Completion	This table must be prepared on the same basis as the licensee's corporation tax returns for each regulatory

	<p>financial year ended 31 March and in accordance with extant tax legislation.</p> <p>The table is populated [will be] automatically from table 1.1 where appropriate.</p> <p>Row 6: The rate of corporation tax appropriate to the current regulatory financial year is an Ofgem input.</p> <p>Rows 26 to 30: Enter the financial expenditure and investment income related to the GDUoS business activity. Row xx: The pensions charge in the regulatory accounts must be the adjustment to eliminate all pension contributions provisions or accruals. The amount of cash pension contribution paid and deductible for tax purposes must be input under "Deduct" (row xx).</p> <p>Row xx: Capital charged to revenue must be the amount of capex which has been expensed in the regulatory accounts but for tax purposes is capitalised and must be equal to the amount of additions in Table "Tax: Capital Allowances of the licensee".</p> <p>Row xx: Enter any amounts of operating expenditure that, in accordance with tax legislation, is disallowed as a deduction in computing taxable profits. These costs must therefore be added back and must be the same as in the licensee's own tax computation or tax provision workings.</p> <p>.</p> <p>Rows xx to xx: Any other add backs must be disclosed and described separately for individual items over £500,000. Do not add additional rows where the individual analysis exceeds two, but include an analysis in the commentary. Do not report consortium relief here.</p> <p>Row xx: Pension contributions paid is the amount of pension contributions actually cash paid to the pension scheme. Where necessary an explanation must be provided in the commentary. Where the licensee does not incur any or all the pension costs directly then to whom, or by whom, they are paid and how they are treated in the licensees or that of the affiliate paying them in their own accounts must be provided in the commentary.</p> <p>Rows xx to xx: The capital allowances inputs are [to do] populate automatically from Table 1.7.2.</p> <p>Rows xx to xx: Input the amount of any other allowances. [Note this has yet to be done – only shown for licensee as a whole not form of control].</p>
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Worksheet 1.7.2 – Capital allowance pools

Purpose and Use by Ofgem	This table must be prepared on the same basis as the licensee’s corporation tax returns for each regulatory financial year ended 31 March and in accordance with extant tax legislation [Note this has yet to be done – only shown for licensee as a whole not form of control]
Mapping to RRP and/or BPDT	RRP table 1.4
Proposed changes	Separated from 1.4 Remove IBA capital allowance pools
Reason(s) for proposed changes	Easier to use. IBA pools are no longer available.
Instructions for Completion	<p>This table is used to track the annual additions in the regulatory financial year and movements in capital allowances for the DNO, and by the individual business segments.</p> <p>It will capture the movements on capital allowances in total for the DNO and for the distribution business and other activities; and reconcile the total to the DNO's own tax provision workings for its regulatory accounts and/or draft corporation tax computation.</p> <p>It is also used to identify prior year adjustments arising in the individual capital allowance pools from the closing and settlement of open tax years.</p> <p>The closing pool balances will be used to populate the financial model at the next price control, subject to review.</p>

Worksheet 1.7.3 – Tax Pool Allocations

Purpose and Use by Ofgem	<p>This table is used to report the allocation of capex and opex spend to capital allowance pools for the licensee consistent with the numbers in the Regulatory Accounts for the year. It obtains an analysis of the licensee's tangible fixed asset additions and ensures allocation to the capital allowance pools on a consistent and comparable format across licensees.</p> <p>It enables monitoring and comparison of allocations to capital allowance pools across licensees, and across time, which will inform future price controls.</p>
Mapping to RRP and/or BPDT	RRP 1.4.1

Proposed changes	Minor presentational changes
Reason(s) for proposed changes	Align table with Transmission RIGs tables
Instructions for Completion	<p>The table requires licensees to insert the allocation of expenditure across tax categories for the various types of expenditure. These allocations should reflect the basis on which the tax charge for the Regulatory Accounts has been based.</p> <p>Enter the analysis of the expenditure in each area for tax purposes (£m) by each of the capital allowance pools. The total expenditure should agree to that reflected in the capex summary table.</p> <p>Rows 89 – 117: Insert the value of capitalised overheads in rows 89 – 91. These costs will be automatically attributed to LTS, connections and other capex pools in the same proportions as direct costs.</p> <p>Profiles are calculated for each expenditure type in the bottom half of the sheet.</p>

Worksheet 1.7.4 – Tax Allocations CT600

Purpose and Use by Ofgem	<p>This table is used to report the allocation of capex and opex spend to tax pools for the licensee consistent with the CT600 tax return submitted (normally for the preceding statutory accounting financial reporting year. It obtains an analysis of the licensee's tangible fixed asset additions and ensures allocation to the capital allowance pools on a consistent and comparable format across licensees. It enables monitoring and comparison of allocations to capital allowance pools across licensees, and across time, which will inform future price controls.</p>
Mapping to RRP and/or BPDT	RRP 1.4.1
Proposed changes	<p>Minor presentational changes</p> <p>Insert demolition, dismantlement and decommissioning costs</p>
Reason(s) for proposed changes	Align table with Transmission RIGs tables
Instructions for Completion	<p>Enter the year end to which the CT600 refers in the closest column to the regulatory year end (e.g. a 31/12/2013 CT600 return would be entered in the column for regulatory year end 31/03/2014).</p> <p>The table requires licensees to insert the allocation of expenditure across tax categories for the various types of expenditure. The completion is consistent with the guidance for Table 1.7.2 (at a more detailed level) although there is no check to the capex summary since the two are</p>

	<p>not necessarily aligned.</p> <p>The total additions by capital allowance pool should agree to the additions stated in the CT600.</p> <p>The final section provides a segmental analysis of the capital additions. Entries should be made in each appropriate section where pool additions do not relate to the regulated business.</p>
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Worksheet 1.7.5 –Tax Clawback Data

Purpose and Use by Ofgem	This table is used to show the calculation of the clawback of the tax benefit due to excess gearing as specified in the RIIO-GD1 price control. Where companies have gearing levels in excess of that assumed in the price control, and also a higher level of actual interest than modelled, the value of this relevant interest as a tax shield is adjusted as part of the annual iteration process.
Mapping to RRP and/or BPDT	New table
Proposed changes	n/a
Reason(s) for proposed changes	n/a
Instructions for Completion	<p>Rows 12 – 22: Enter all adjustments to Net Debt reported in table 1.5 to arrive at net debt as required by the regulatory definition.</p> <p>Rows 27 – 36: Enter all adjustments to interest reported in table 1.5.1 to arrive at interest as required by the regulatory definition.</p>

Worksheet 1.8 – Financing requirements

Purpose and Use by Ofgem	This table will be used to inform consideration of the licensee's short term financial stability. It requires provision of a high level cashflow for the succeeding two regulatory years and the financing requirements over the same period.
Mapping to RRP and/or BPDT	RRP 1.4.1
Proposed changes	Minor presentational changes
Reason(s) for proposed changes	Align table with Transmission RIGs tables
Instructions for Completion	Inputs the figures indicated into the yellow shaded boxes. The figures required are for the next two full regulatory

	<p>financial years.</p> <p>Row 30: This line requires completion for the value available at the start of the current year. Insert the value of any undrawn facilities which will be available to meet the financing requirements.</p> <p>Where the licensee has concerns about refinancing, these should be expressed in the commentary, except to the extent that such issues have been separately notified to Ofgem.</p>
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Worksheet 1.9.1 –Pension DB Deficit

Purpose and Use by Ofgem	<p>Table 1.9.1 collects recent data relating to defined benefit scheme, obtained from pension scheme accounts and updated valuations. This information provides a view of scheme investment and funding strategies in between triennial true up and resets.</p> <p>The table collects information on actual pension contributions made by the licensee to repair the deficit; estimated movements in assets, liabilities and membership data.</p>
Mapping to RRP and/or BPDT	New table
Proposed changes	n/a
Reason(s) for proposed changes	n/a
Instructions for Completion	<p>All data should be entered in nominal prices each year.</p> <p>Data is to be provided on the total DB scheme for which the licensee is a sponsoring employer.</p> <p>This section collects information on the total DB scheme for which the licensee is a sponsoring employer.</p> <p>Section A Membership data</p> <p>Rows 7 – 13: This section seeks information on the membership of the total DB scheme. It is accepted that this data may need to be revised in subsequent years.</p> <p>Section B Scheme assets</p> <p>Rows 18 – 40: Enter details on the movements in assets held in the scheme. The balance brought forward should be the gross value of assets in the scheme. If opening balances are revised, please correct the previous year’ s data rather than adjusting in the current year. Where any changes are made to prior year data, these should be</p>

	<p>detailed in the Commentary.</p> <p>Sign Convention: Enter any contributions into the scheme as positive numbers. Benefit payments made by the scheme and other withdrawals should be shown as a negative. Investment profits should be entered as a positive, whereas investment losses should be entered as a negative.</p> <p>Rows 47 – 71: Enter detail of assets held by the scheme. Where other assets are identified, enter these in rows 65 to 71 and provide description in the commentary.</p> <p>Section C Scheme liabilities</p> <p>Rows 76 – 86: Enter details of the movements in pension scheme liabilities by category. Additional categories should be entered in rows 83 to 85.</p> <p>Section D Scheme deficit</p> <p>Rows 90 – 107: Actual deficit repair payments and funding of pension related severance costs should be entered into row 92 and 94, respectively. In rows 97 – 107, total actual deficit repair payments (reported in row 92) should be attributed to the businesses within the sponsoring employer. In rows 100 – 105, please provide the names of all other licensees making deficit payments to the scheme; along with the amount of payments attributable.</p> <p>Rows 110 – 120: Input any actual payments made by the sponsoring employer towards a contingent asset (e.g. letter of credit or escrow account) for each business within the sponsoring employer. In rows 113 – 118, please provide the names of all other licensees making deficit payments to the scheme; along with the amount of payments attributable.</p>
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Worksheet 1.9.2 – Pensions for Benchmarking

Purpose and Use by Ofgem	This section collects data on ongoing pension costs of licensees’ DB scheme and defined contribution scheme(s), personal accounts and stakeholder schemes (if any). These form part of labour costs that will be included in the benchmarking.
Mapping to RRP and/or BPDT	New table
Proposed changes	n/a
Reason(s) for proposed	n/a

changes	
Instructions for Completion	<p>All pension costs should be consistently reported across the RRP tables, i.e. on a cash basis.</p> <p>This table collects information about the licensee's pension costs rather than the total DB and DC schemes as a whole.</p> <p>All data should be entered in nominal prices each year.</p> <p>Section A – DB Scheme(s) ongoing contributions</p> <p>Data is to be provided for each DB pension scheme where there is an element relating to the distribution business.</p> <p>Pensionable pay data - DB scheme:</p> <p>Row 9: Enter total pensionable pay for the licensee scheme only. This should be before deduction of salary sacrifice arrangements. This figure will not necessarily be the same as Labour costs in the Cost tables.</p> <p>Row 10: The salary sacrifice element relates solely to sacrifice for additional DB pension contributions made under an arrangement with the sponsoring employer.</p> <p>Employee contribution data – DB scheme:</p> <p>Row 13: Input employee contributions to the DB scheme as a percentage of pensionable pay.</p> <p>Row 14: Enter employees' cash contributions (£m) for ongoing costs to the DB scheme.</p> <p>Employer contribution data – DB scheme:</p> <p>Rows 18 – 21: Input employer contributions to the DB scheme as a percentage of pensionable pay. In so far as pension scheme administration costs and PPF levy are included in normal contributions for this scheme, these should be included in the percentage of pensionable pay calculation.</p> <p>Row 23: Enter the employer's cash contribution (£m) for ongoing costs to the DB scheme.</p> <p>Attribution of licensee ongoing DB pension costs</p> <p>Rows 27 to 33: Enter the attribution of DB ongoing costs across the segments shown.</p> <p>Section B – DC Scheme(s) contributions</p> <p>Information is to be reported at the licensee level only.</p>

	<p>Pensionable pay data - DC scheme:</p> <p>Row 38: Enter total pensionable pay for the licensee scheme only. This should be before deduction of salary sacrifice arrangements. This figure will not necessarily be the same as Labour costs in the Cost tables.</p> <p>Contribution data – DC scheme:</p> <p>Row 40: Enter the cash contribution for the primary DC scheme.</p> <p>Rows 40 - 42: Enter the cash contribution to all stakeholder schemes and personal accounts.</p> <p>Rows 45: Input employee contributions to the DC scheme as a percentage of pensionable pay.</p> <p>Rows 46: Input sponsoring employer contributions to the DC scheme as a percentage of pensionable pay.</p> <p>Attribution of licensee ongoing DB pension costs</p> <p>Rows 50 to 56: Enter the attribution of the defined contribution/ stakeholder costs across the segments shown.</p> <p>Section C – Incremental Deficit Summary</p> <p>This section will be developed as part of the Pension Deficit Allocation Methodology.</p>
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Worksheet 1.9.3 – Pensions PPF Levies & Administration

<p>Purpose and Use by Ofgem</p>	<p>This section collects data on a cash basis on the Pensions Protection Fund (PPF) levies and pension administrative costs for each scheme and shows the allocation of these costs between sponsoring entities.</p> <p>For the avoidance of doubt, pension scheme administration costs are the costs incurred by trustees in the running of the pension scheme and excludes investment management fees for each scheme. These do not include costs incurred by the licensee or other sponsoring employers in collecting employee contributions or managing their interface with the scheme. This enables reconciliation to the cost tables and allocation to totex where appropriate.</p>
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	This information enables reconciliation at the scheme level (not at the licensee).
Mapping to RRP and/or BPDT	New table
Proposed changes	n/a
Reason(s) for proposed changes	n/a
Instructions for Completion	<p>All pension costs should be consistently reported across the RRP tables, i.e. on a cash basis.</p> <p>Data is to be provided on PPF levies and admin costs relating to all DB schemes for which the licensee is a sponsoring employer.</p> <p>All data should be entered in nominal prices each year.</p> <p>Section A – Total PPF levies paid by all DB schemes</p> <p>Row 7: Enter the total cash payment in year for the PPF levy covering all DB schemes (including the levy for PPF administration charge). This may be paid either directly by the sponsoring employer or through the sponsoring employer’s normal ongoing pension contributions.</p> <p>Rows 10 – 19: Enter the allocation of PPF levies paid in year direct by the employer (not collected through the scheme contributions), split by non-regulated and regulated business segments.</p> <p>In rows 13 – 18: Please provide the names of all other licensees making direct payments to the PPF levy; along with the amount of payments attributable.</p> <p>Rows 22 – 31: Enter the allocation of PPF levies, collected during the year through the scheme contributions (not paid direct by the employer), split by non-regulated and regulated business elements.</p> <p>In rows 25 – 30: Please provide the names of all other licensees making payments for PPF levies through normal ongoing contributions; along with the amount of payments attributable.</p> <p>Row 34: This row automatically calculates the effective PPF levy contribution as a percentage of pensionable pay.</p> <p>Rows 38 - 42: Enter the values of PPF levy that are attributed to the segments of the transportation businesses.</p>

	<p>Rows 46 – 47: Provide latest Dun & Bradstreet PPF failure score, which will be used by the PPF to calculate the risk-based levy; along with the date it was scored for the DB pension scheme. If the score is based on multi-company data, enter the weighted average score (as used by the PPF) and detail the constituent scores in the Commentary.</p> <p>Section B – Pension admin costs paid by all DB schemes</p> <p>Row 52: Enter the total pension administration costs for all DB schemes for which the licensee is a sponsoring employer.</p> <p>Rows 55 – 64: Enter the allocation of DB scheme administration costs paid in year directly by the employer (not collected through the scheme contributions), split by non-regulated and regulated business segments.</p> <p>In rows 58 – 63: Please provide the names of all other licensees making direct payments towards DB scheme administration costs; along with the amount of payments attributable.</p> <p>Rows 67 – 76: Enter the allocation of DB scheme administration costs, collected during the year through the scheme contributions (not paid directly by the employer), split by non-regulated and regulated business elements.</p> <p>In rows 70 – 75: Please provide the names of all other licensees making payments towards DB scheme administration costs through normal ongoing contributions; along with the amount of payments attributable.</p> <p>Rows 83 - 88: Enter the values of administration costs that are attributed to the segments of the transportation business.</p>
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Worksheet 1.9.4 – Pensions Costs Reconciliation

Purpose and Use by Ofgem	<p>This table is used to reconcile the value of pension costs shown in the cost reporting tables with the pension costs shown in tables 1.9.1, 1.9.2 and 1.9.3; with pension costs reported in tables 1.1 Profit & Loss and 1.2 Balance Sheet.</p> <p>It operates as a consistency check across the tables and also shows the total pension costs for comparison to price control allowances.</p>
Mapping to RRP and/or	New table

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BPDT	
Proposed changes	n/a
Reason(s) for proposed changes	n/a
Instructions for Completion	<p>Rows 7 – 16: These rows automatically collect data from RIGs cost tables.</p> <p>Rows 19 – 25: Input any reconciling items between the total in the cost tables and the pension table totals (row 31).</p> <p>Rows 28 – 36: These rows automatically collect data from RIGs pension tables 1.9.1, 1.9.2 and 1.9.3.</p> <p>Rows 41 to 54: Insert any reconciling items between total pension costs as reported in the cost tables (row 11) and to that reported in the P&L and balance sheet movement figures in the Regulatory Accounts.</p> <p>Rows 59 to 72: Insert any reconciling items that have been reported in the accounts of related parties.</p> <p>Row 74: This row highlights any remaining reconciling balance, i.e. where the reported amounts in the Cost RIGs (row 11) does not reconcile to the amounts reported in the Financial Issues RIGs (row 38). The necessary tables must be reworked until the reconciling balance in row 74 is nil.</p> <p>Rows 78: Enter pension charges as reported in the regulatory accounts P&L account statement.</p> <p>Rows 78 – 79: Insert any movement in pension provisions as reported in the regulatory accounts balance sheet statement.</p>

Worksheet 1.9.5 – PDAM Statement Triennial

Purpose and Use by Ofgem	To be defined as part of developing the Pension Deficit Allocation Methodology
Mapping to RRP and/or BPDT	New table
Proposed changes	n/a
Reason(s) for proposed changes	n/a
Instructions for Completion	

Worksheet 1.9.6 – PDAM Reconciliation Triennial

Purpose and Use by Ofgem	To be defined as part of developing the Pension Deficit Allocation Methodology
Mapping to RRP and/or BPDT	New table
Proposed changes	n/a
Reason(s) for proposed changes	n/a
Instructions for Completion	

Worksheet 1.9.7 – Pensions DB Triennial

Purpose and Use by Ofgem	This table collects data relating to defined benefit scheme pension costs, assets and liabilities, deficits and ancillary data. The table also collects information on all membership data and scheme data. This information will form a part of the panel data for the pension reasonableness reviews in accordance with our approach to pension costs and as set out in our Pension Principles.
Mapping to RRP and/or BPDT	RRP 2.9.1
Proposed changes	To input data annually for each year of the RIIO price control, excluding years between the triennial true-up and reset of pension deficit allowances.
Reason(s) for proposed changes	Accommodate data requirements for RIIO price controls and reasonableness review.
Instructions for Completion	<p>All data should be entered in nominal prices each year. Data is to be provided for each DB pension scheme where there is an element relating to the transportation business.</p> <p>During RIIO-GD1, this table should be completed for columns G, J and M; with information at as 31 March 2013, 2016 and 2019, respectively.</p> <p>Section A This section collects information on the total DB scheme for which the licensee is a sponsoring employer.</p> <p>This data should be that for the latest updated s.224 valuation or latest full triennial valuation. It should not be information repeated from the previous triennial valuation.</p>

	<p>Rows 10 to 18: Enter the attribution of total scheme deficit or surplus by the constituent sponsoring affiliates, i.e. the total for Non-regulated businesses and the amounts attributable to each affiliated licensee. The method of attribution is to be detailed in the Commentary. Where any deficit is allocated to other licence holders, the attribution should be reflected in that licensee's RRP.</p> <p>Row 21: State the basis of the scheme valuation used (e.g. full triennial, Pension Act 2004 section 224 update).</p> <p>Row 26: Specify whether the scheme valuation has been audited.</p> <p>Rows 28 to 52: Enter details on the movements in assets held in the scheme. The balance brought forward should be the gross value of assets in the scheme. If opening balances are revised, please correct the previous year's data rather than adjusting in the current year. Where any changes are made to prior year data, these should be detailed in the Commentary.</p> <p>Sign Convention: Enter any contributions into the scheme as positive numbers. Benefit payments made by the scheme and other withdrawals should be shown as a negative. Investment profits should be entered as a positive, whereas investment losses should be entered as a negative.</p> <p>Rows 57 to 86: Enter detail of assets held by the scheme. Where other assets are identified, enter these in rows 78 to 85 and provide description in the commentary.</p> <p>Rows 91 to 105: Enter details of the movements in pension scheme liabilities by category. Additional categories should be entered in rows 100 to 105.</p> <p>Rows 111 to 128: Enter the details of all bulk transfers from corporate transactions since the previous reasonable review of pensions.</p> <p>In rows 111 – 116: Insert the names of any pension scheme that are counter-parties to bulk transfers in or out of the licensee's scheme. Enter the year end value of the assets attributable from each 'bulk transfer' arising from a corporate transaction.</p> <p>Provide details in the Commentary, including how the valuations of assets and liabilities have been determined, e.g. actuarial assessment of assets and liabilities of relevant members. On the basis that the assets of a scheme may not be hypothecated or identifiable to any sub group of members, then the assets may be apportioned</p>
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	<p>based on the ratio that the liabilities of these members bear to the total liabilities. The liabilities should be separately computed based on each member transferred in.</p> <p>Rows 120 – 125: Insert the names of any pension scheme that are counter-parties to bulk transfers in or out of the licensee’s scheme. Enter the year end value of the liabilities from each bulk transfers arising from a corporate transaction.</p> <p>Provide details in the Commentary, including how the valuations of assets and liabilities have been determined, e.g. actuarial assessment of assets and liabilities of relevant members. On the basis that the assets of a scheme may not be hypothecated or identifiable to any sub group of members, then the assets may be apportioned based on the ratio that the liabilities of these members bear to the total liabilities. The liabilities should be separately computed based on each member transferred in.</p> <p>Section B Membership data</p> <p>This section seeks information on the membership of the total DB scheme, except for rows 195 to 206 which is restricted to the licensee.</p> <p>It is accepted that this data may need to be revised in subsequent years. If opening balances are revised, please correct the previous year’s data rather than adjusting in the current year. Where any changes are made to prior year data, these should be detailed in the Commentary.</p> <p>Rows 139, 151, 158 & 167: These rows include values for members who became deceased at or during the financial year.</p> <p>Row 165: New dependents should be populated with any dependent members created on the death of a member in one of the other categories.</p> <p>Rows 180 -190: Enter membership totals split between those with protected rights under the Protected Persons legislation and the remainder of the scheme.</p> <p>Rows 195 to 206: Split the membership associated with the licensee between those with protected rights under the Protected Persons legislation and the remainder of the scheme.</p> <p>Provide explanation in the Commentary, including if any amounts have been accepted where assets do not cover</p>
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	<p>the liabilities.</p> <p>Section C Scheme mergers Rows 215 – 244: This section provides details of any mergers into this DB scheme, collecting incoming scheme data to compare to scheme data pulled from other sections.</p> <p>Rows 246 – 247: The funding ratios refer to the percentage of scheme asset cover of scheme liabilities. This should be provided based on year-end values for assets and liabilities.</p> <p>Section D Actuarial valuation results</p> <p>This section seeks information on the actuarial valuation results for the total scheme. This refers to scheme funding valuations rather than valuations for other purposes (for example, company accounting valuations or PPF levy valuations).</p> <p>Where necessary answers should be expanded upon in the Commentary.</p> <p>Rows 268 – 269: Average remaining active service life should be provided for the scheme membership as a whole, however if there is a significant difference in the remaining service life between non-regulated and regulated members, please provide both numbers in the Commentary.</p> <p>Rows 282 – 283: Specify the mortality table used, including any age ratings: e.g. "PMA/PFA92 U=2004 x-1 with medium cohort improvement factors subject to a 1% underpin". Expand in Commentary as necessary.</p> <p>Rows 286 – 287: Specify the mortality table used, including any age ratings: e.g. "PMA/PFA92 U=2004 x-1" with medium cohort improvement factors subject to a 1% underpin. Expand in Commentary as necessary.</p> <p>Rows 296, 312, 328 & 344: The rows headed "normal retirement age" are to be completed with the earliest age at which unreduced benefits are payable on age retirement (which might strictly be different to the scheme's "normal retirement age").</p> <p>Rows 357 – 361: Information on AVC facilities is required only to the extent that employees can purchase additional service in the defined benefit scheme or the employer contributes in some way. Information is not required for defined contribution AVC schemes.</p>
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	AVC information is required for the scheme as a whole.
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Worksheet 1.10 – Financial Model Inputs Nominal

Worksheet 1.10.1 – Financial Model Inputs 09-10

4. Instructions for completing the total expenditure worksheets

Chapter Summary

The purpose of this chapter is to inform the completion of the total expenditure worksheets by each GDN. This is to enable Ofgem to effectively monitor the performance of the companies in relation to their total expenditure allowances set in the Final Proposals.

Introduction

4.1. The purpose of the worksheets in this area is to report total expenditure. In the main these worksheets pull data from other areas of the RIGS.

Overview of worksheets

4.2. The worksheets included within this chapter are:

- Summary Totex

Worksheet 2.1 – Totex

Purpose and Use by Ofgem	This table aggregates data contained in table 3.0 opex summary, 4.0 capex summary and 4.8 repex summary. It provides a high level total expenditure position at the close of the financial year. This information is useful for the totex framework.
Mapping to RRP and BPDT	New Table
Proposed changes	n/a
Reason(s) for proposed changes	n/a
Instructions for Completion	This table will auto-populate.

5. Instructions for completing the operating expenditure worksheets

Chapter Summary

The purpose of this chapter is to inform the completion of the cost and volume worksheets by each GDN. This is to enable Ofgem to effectively monitor the performance of the companies in relation to the allowances for capital expenditure, operating expenditure and total expenditure set in the Final Proposals.

Introduction

5.1. These worksheets collect details of the operating expenses incurred within the main cost activities by the Licensees. This information will

- facilitate an understanding of the performance of the Licensees;
- facilitate the review and analysis of the expenditure trends;
- allow comparison of costs across the Licensees.

5.2. The excel templates for reporting on summary Opex (3.0 Opex summary) autopopulates for the current year (2014) but for the future years GDNS should input forecast expenditure and workload for each of the years 2015 to 2021. Forecast data will **only** be required at a total category level on the summary table.

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

Overview of worksheets

5.4. The worksheets included within this chapter are:

- 3.0 – Opex Summary
- 3.1 – Analysis of Operating Costs
- 3.1a – Analysis of Emergency Costs
- 3.2 – Analysis of Maintenance Costs

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- 3.3 – Analysis of Related Party Transactions

- 3.4a – Analysis of Business Support Costs

- 3.4b – Business Support Allocations

- 3.4c – IT & Telecoms Costs

- 3.4d – Analysis of IT & Telecoms Costs by Network

- 3.4e – Analysis of Property Costs by Building

- 3.4f – Analysis of Property Costs by Network

- 3.4g – Insurance Costs

- 3.4h – CEO & Other Corporate Function Costs

- 3.4i – Insource/outsource

- 3.5 – Year on Year Opex Movements

- 3.6 – RPEs

- 3.7 – FTEs

- 3.8 – Apprentices and Training

- 3.9 – Shrinkage

- 3.10a – Street works- existing HAS

- 3.10b – Street works - future HAS

- 3.11 – LP Gasholders Removal

- 3.12 – Smart Metering

Worksheet 3.0 – Opex Summary

Purpose and Use by Ofgem	This table is a summary of the information contained in table 3.1 Analysis of Operating Costs with additional information from table 3.6 – RPE.
Mapping to RRP and/or BPDT	BPDT Table 2.0
Proposed changes	No changes
Reason(s) for proposed changes	n/a
Instructions for Completion	This table auto-populates for the current year (2014) but for the future years GDNS should input forecast expenditure and workload for each of the years 2015 to 2021

Worksheet 3.1 – Operating Costs

Purpose and Use by Ofgem	<p>This table collects details of the operating expenses incurred within the main cost activities by the Licensees.</p> <p>The presentation of a summary of the operating expenditure that Licensees incur each year will:</p> <ul style="list-style-type: none"> - facilitate an understanding of the performance of the Licensees; - facilitate the review and analysis of the expenditure trends; - allow comparison of costs across the Licensees. <p>Note that:</p> <ol style="list-style-type: none"> a) operating costs associated with holder demolition and land remediation should be reported under asset management and be consistent with Table 3.11. b) operating costs associated with NRSWA, TMA/T(S)A, lane rental, S74 should be reported in table 2.1 and should also be reported under street works tables 2.10a & b. Please ensure the total opex costs associated with street works reported in table 3.1 tally with street works opex costs reported in tables 3.10a + 3.10b. c) Operating costs associated with smart metering should be reported under smart metering table 3.12 and not included as part of table 3.1. d) Do not include costs associated with carbon monoxide. e) Costs associated with interruptions/NTS flat should be
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	reported under Other Direct Activities as controllable costs (the classification of these costs as controllable or non-controllable is under review).
Mapping to RRP and/or BPDT	RRP Table 2.1 and BPDT Table 2.1
Proposed changes	Minimal changes required - Potentially split this table between price controlled activities and non-price controlled activities
Reason(s) for proposed changes	For clarity of costs
Instructions for Completion	Enter the expenditure by opex activity and cost type for the year.

Worksheet 3.1a – Emergency Costs

Purpose and Use by Ofgem	The purpose of this table is to provide an analysis of emergency costs at both price controlled and total cost (including non-price controlled activities such as meter work) levels, identifying the baseline costs from the current emergency policy/model (e.g. as at 2012-13) and any movement relating to changes for loss of meter work, smart metering roll-out and carbon monoxide policy.
Mapping to RRP and/or BPDT	BPDT Table 2.1a
Proposed changes	Develop this table to capture the impact of loss of meter work and stranded labour
Reason(s) for proposed changes	n/a
Instructions for Completion	<p>Enter emergency costs for both price controlled related costs and the total emergency costs (both price controlled and non-price controlled (e.g. meter work) activities</p> <ul style="list-style-type: none"> • Input emergency baseline costs (based on current emergency policy/model as at 2012-13). • Input additional costs associated with loss of meter work • For the three categories (smart metering (auto populates from table 3.12), CO and other new work) under memo identify the cost that can be met from spare capacity within the baseline costs. • Incremental costs associated with smart metering will auto-populate from table 3.12 • Input incremental costs associated with carbon monoxide policy other new work. • Input costs for metering activities (non-price controlled) <p>Total controllable emergency costs should agree with the controllable emergency costs in table 3.1.</p>

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Worksheet 3.2 – Maintenance Costs

Purpose and Use by Ofgem	The purpose of this table is to provide an analysis of maintenance activities annual spend.
Mapping to RRP and/or BPDT	RRP Table 2.2 and BPDT Table 2.2
Proposed changes	No changes
Reason(s) for proposed changes	n/a
Instructions for Completion	<p>Routine Maintenance</p> <p>Enter the amount in respect of routine maintenance, non routine and exceptional items for</p> <ul style="list-style-type: none"> • Storage • LTS; and • Other. <p>Where the maintenance activity is to incur cost greater than £500k provide a description of that activity in the free form space provided (additional lines can be added). Individual activities of less than £500k can be aggregated together.</p> <p>Expenditure figures should be provided for the year.</p> <p>The total maintenance cost should agree to that detailed in the direct opex matrix 3.1 under the 'Maintenance' Activity Centre.</p> <p>For definitions of routine, non routine and exceptional items maintenance, see Appendix 1</p>

Worksheet 3.3 – Related Party Transactions

Purpose and Use by Ofgem	The purpose of this table is to provide an analysis of the nature and size of services provided to the GDN(s), by each related party.
Mapping to RRP and/or BPDT	RRP Table 2.3 and BPDT Table 2.3
Proposed changes	Delete
Reason(s) for proposed changes	This information is not required anymore
Instructions for Completion	n/a

General Instructions for Completion of Business Support Tables 3.4a to 3.4i

If costs in certain areas are small it is not expected that Licensees will fill in figures in all lines of the tables. Licensees should take a pragmatic and proportionate approach that supports their business plan and amalgamate some costs together to make meaningful figures.

Worksheet 3.4a – Business Support Costs

Purpose and Use by Ofgem	The purpose of this table is to provide gross cash controllable cost analysis of business support costs and table 3.4b shows how the costs are charged to the UK regulated network businesses (and non regulated business where required). These tables show non-operational costs only.
Mapping to RRP and/or BPDT	RRP Table 2.1a and BPDT Table 2.4a.
Proposed changes	It is our intention to align all business support tables so that transmission and distribution networks report the same information and in the same format. We are also considering GDN’s suggested amendments to this table.
Reason(s) for proposed changes	To align with transmission tables.
Instructions for Completion	Input “Add back costs allocated to other categories” for the relevant GDN. All other fields are auto-populated. Net controllable costs for each business support category come from table 3.1. The “Total Controllable Costs – Gross (for GDN)” for each business support category should equate to the corresponding allocation given in tables 3.4d to 3.4h for the relevant GDN.

Worksheet 3.4b – Business Support Allocations

Purpose and Use by Ofgem	This table follows on from 3.4a and shows the allocation of costs to the UK regulated network businesses, excluded services and other non-regulated business, split between non-operational and operational costs (although it is expected the allocation will be 100% to non-operational).
Mapping to RRP and/or BPDT	RRP Table 2.1b BPDT Table 2.4b.
Proposed changes	It is our intention to align all business support tables so that transmission and distribution networks report the same information and in the same format. We are also considering GDN’s suggested amendments to this table.
Reason(s) for proposed changes	To align with transmission tables.
Instructions for	Most of the information comes from calculations on other

Completion	tables with the exception of total training costs. Costs should be input as positive values
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Worksheet 3.4c – IT & Telecoms Costs

Purpose and Use by Ofgem	The purpose of this table is to collect gross cash controllable cost information relating to non-operational Information Systems (IS) & Telecoms expenditure and activities.
Mapping to RRP and/or BPDT	RRP Table 2.1c and BPDT Table 2.4c.
Proposed changes	It is our intention to align all business support tables so that transmission and distribution networks report the same information and in the same format. We are also considering GDN's suggested amendments to this table.
Reason(s) for proposed changes	To align with transmission tables.
Instructions for Completion	<ul style="list-style-type: none"> • Costs should be input as positive values • Input costs for each IS function by cost category • Input staff and contractor numbers in total <p>Includes:</p> <ul style="list-style-type: none"> • Application Development – costs associated with the development of applications before they are put into the production • Application Maintenance & Support – The costs of maintaining and supporting applications that are in production. Includes minor enhancements and bug fixes • Desktop Services – the costs involved in supporting desktop hardware and software. • Application Server Support – costs involved in maintaining computer servers • Storage – costs involved in supporting the IT storage • Central Printing – all printing other than printing to local printers from a desktop pc or other device • Network (LAN & WAN) – costs involved in implementing and supporting the computer networks, Local Area Network (LAN) and Wide Area Network (WAN) • Business Telecoms – cost involved in supporting the network of business telephone, mobile and desk phones. It does not include the costs of maintaining the operational telephony linking network assets • Management Services – IT directors and other costs of running the IT function not covered by other areas • Training Centres – all the IT costs associated with training centres. This will include elements of the above that relate to training centres. <p>Contractors – Additional IT staff recruited on a contractual basis rather than employed directly.</p>

	Bought in Services – other costs or services bought in that do not fit in other categories.
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Worksheet 3.4d – IT & Telecoms Costs by Network

Purpose and Use by Ofgem	This table follows on from 3.4c and shows the allocation of costs to the UK regulated network businesses, excluded services and other non-regulated business, split between non-operational and operational costs (although it is expected the allocation will be 100% to non-operational).
Mapping to RRP and/or BPDT	RRP Table 2.1d and BPDT Table 2.4d.
Proposed changes	It is our intention to align all business support tables so that transmission and distribution networks report the same information and in the same format. We are also considering GDN's suggested amendments to this table.
Reason(s) for proposed changes	To align with transmission tables.
Instructions for Completion	<p><u>Costs</u></p> <ul style="list-style-type: none"> • Costs should be input as positive values. • Allocate IS & Telecoms costs charged to each GDN and other businesses (UK regulated networks) and split between non-operational and operational. <p><u>End users</u></p> <ul style="list-style-type: none"> • An end user is defined as an individual (typically either an employee or contractor) that spends at least 10% of his or her time using a GDN provided, funded, supported computing device that is part of the GDN's IT infrastructure (i.e. desktops, laptops, hand held devices, etc.) to support his or her business functions. The user must have direct access to internal applications/systems to execute specific transactions on behalf of the GDN. <ul style="list-style-type: none"> ▪ The end user count does NOT include casual users of voice response systems, mobile phones, and pagers. ▪ The end user MAY include some users that are not employees or contractors (i.e. agents/brokers/dealers/distributors/supply chain partners), but only if they are using a computing device provided, funded, and supported by the GDN at least 10% of their time, and use GDN applications/systems to execute specific business transactions. These 'other' users must be named users on the GDN systems and use the GDN's IT support organisation. ▪ Smart phone users should only be counted if the user uses the smart phone as the primary device to access internal applications and does this for at least 10% of his or her time. Smart phone users

	<p>are NOT to be counted if the phone is only used for voice calls and email.</p> <ul style="list-style-type: none"> ▪ Only count end users once even if they have multiple devices. ▪ Shared devices used in multiple labour shifts of for groups of people should be counted as a single end user per shift. Do not count each user separately since the device is shared. Network printers should not be counted as a workstation. Example: there are 4 employees using one PC at a workstation. This would count as 1 end user. If the scenario occurs across 3 shifts, this should be counted as 3 end users. <ul style="list-style-type: none"> • <u>'Other users'</u> are those that are not funded directly by the GDN or indirectly through the GDN's allocated costs, e.g. external users where the GDN recovers the cost of using its IT systems or infrastructure from the user, or users from other businesses (UK regulated networks). <p>An end user may be included in both the non-operational and operational categories. However, <u>'total IT end users (non-operational and/or operational)'</u> is the number of distinct end users and therefore is not necessarily equal to the sum of non-operational and operational end users, e.g. 1 user using an operational and non-operational system is counted as 1 user for total end user purposes NOT 2 end users.</p>
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Worksheet 3.4e – Property Costs by Building

Purpose and Use by Ofgem	The purpose of the table is to collect gross cash controllable cost information relating to all non-operational property costs.
Mapping to RRP and/or BPDT	RRP Table 2.1e and BPDT Table 2.4e.
Proposed changes	It is our intention to align all business support tables so that transmission and distribution networks report the same information and in the same format. We are also considering GDN's suggested amendments to this table.
Reason(s) for proposed changes	To align with transmission tables.
Instructions for Completion	<ul style="list-style-type: none"> • Costs should be input as positive values • Category 3 buildings – buildings costing >£1m per year. Input the name of each category 3 building and costs as stated on the table and details of gross and usable space. • Category 2 buildings – buildings costing <£1m and >£0.5m per year. Input the total costs as stated on the table. • Category 1 buildings – buildings costing <£0.5m per year. Input the total costs as stated on the table.

	<ul style="list-style-type: none"> • Training Centres – identify the total building(s) costs of all Training Centre(s) as stated on the table. Training Centre(s) are therefore not included in Categories 1, 2 and 3 above. <p>Non-allocated costs - Input the costs which cannot be attributed to specific buildings.</p>
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Worksheet 3.4f – Property Costs by Network

Purpose and Use by Ofgem	This table follows on 3.4e and shows the allocation of costs to the UK regulated network businesses, excluded services and other non-regulated business, split between non-operational and operational costs (although it is expected the allocation will be 100% to non-operational).
Mapping to RRP and/or BPDT	RRP Table 2.1f and BPDT Table 2.4f. Transmission BPDT 2.8.1
Proposed changes	It is our intention to align all business support tables so that transmission and distribution networks report the same information and in the same format. We are also considering GDN's suggested amendments to this table.
Reason(s) for proposed changes	To align with transmission tables.
Instructions for Completion	<ul style="list-style-type: none"> • Costs should be input as positive values • Allocate Property Management costs charged to each GDN and other businesses (UK regulated networks) and split between non-operational and operational.

Worksheet 3.4g – Insurance Costs

Purpose and Use by Ofgem	The purpose of this table is to collect cash controllable cost information relating to insurance costs, premiums, policies and cover etc, including the actual costs and cover relating to the transmission and other UK regulated network businesses.
Mapping to RRP and/or BPDT	RRP Table 2.1g and BPDT Table 2.4g.
Proposed changes	It is our intention to align all business support tables so that transmission and distribution networks report the same information and in the same format. We are also considering GDN's suggested amendments to this table.
Reason(s) for proposed changes	To align with transmission tables.
Instructions for Completion	<ul style="list-style-type: none"> • Costs should be input as positive values. • Input the appropriate details of all insurance policies and how this is allocated to businesses and excluded services.

	<p><u>Insurance premiums</u> Cost of insurance premiums including insurance premium tax.</p> <ul style="list-style-type: none"> • Input details of the total cost of the insurance department and how this is allocated to businesses and excluded services. <p><u>Staff Costs</u> The costs of staff working in the insurance department</p> <p><u>Brokers Fees</u> The fee charged by an insurance broker for arranging insurance cover.</p> <p><u>Insurance receipts</u> The financial reimbursement received under a contract of insurance as a result of an insured event.</p> <ul style="list-style-type: none"> • Input details of all captive insurance companies owed by the Group. <p><u>Captive Insurance</u> An insurance entity that is a related party.</p>
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Worksheet 3.4h – CEO & Other Corporate Function Costs

Purpose and Use by Ofgem	The purpose of this table is to show the gross cash controllable cost of CEO and other corporate costs and the amounts allocated to UK regulated network businesses directly or via a related party and to other business within the group.
Mapping to RRP and/or BPDT	RRP Table 2.1h and BPDT Table 2.4h
Proposed changes	It is our intention to align all business support tables so that transmission and distribution networks report the same information and in the same format. We are also considering GDN's suggested amendments to this table.
Reason(s) for proposed changes	To align with transmission tables.
Instructions for Completion	<ul style="list-style-type: none"> • Costs should be input as positive values • The total costs for each corporate activity should be input. • The amount of costs allocated directly to the Licensees with allocations of such functions, if any, from related parties. <p>Includes: Communications – communication within the UK businesses, internal communications, external communications, media relations, issues management,</p>

	<p>regional communications, community relations, events management</p> <p>Group Strategy- function has the responsibility of evaluating the strategic options of the Group.</p> <p>Legal / Risk and Compliance/ Comp Secretary – legal department, the management corporate governance for all companies to ensure they comply with legislation, regulations and best practice.</p> <p>Corporate Responsibility and investor relations – corporate responsibility and interaction with institutional equity investors and market analysts also advertising, charity and sponsorship arrangements.</p> <p>Board Members and Other – staff and other costs of Board members and other corporate costs not fitting into other categories</p>
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Worksheet 3.4i – Insource/outsource

Purpose and Use by Ofgem	This table facilitates the understanding the different business models used by companies and how much work is done in house or by contractors. It also helps in the comparison of costs across the Licensees
Mapping to RRP and/or BPDT	BPDT Table 2.4i
Proposed changes	No changes
Reason(s) for proposed changes	n/a
Instructions for Completion	<ul style="list-style-type: none"> • Enter details of internal labour, ongoing pension costs and directly procured materials • For all open book contracts enter the value of labour only contracts and other contracts breaking down the total contract cost into the various headings identified in the table <p>For all closed book contracts enter the total value of labour only contracts and the total value of other contracts.</p>

Worksheet 3.5 – Year on Year Opex Movements

Purpose and Use by Ofgem	<p>This table provides an analysis of the reasons for the movements in each activity from each year against the preceding year.</p> <p>The table will be used by Ofgem to complement the explanations in the Cost Commentary and build up a</p>
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	picture of the underlying cost and workload changes for Licensees in aggregate, and the savings that are generated to reduce costs/mitigate cost increases.
Mapping to RRP and/or BPDT	RRP Table 2.5a/2.5b and BPDT Table 2.5
Proposed changes	No changes
Reason(s) for proposed changes	n/a
Instructions for Completion	<p>Management Initiatives</p> <p>The quantifiable impact on particular activities of initiatives that will be taken by management to reduce costs or mitigate cost increases. Link to specific management efficiency programmes, explaining in well-justified business plan what will be done, which expense types will be influenced (staff costs, materials, contractors) and how the impact is measured.</p> <p>Workload</p> <p>Section to be used to explain changes in the total amount of work (volume & mix) that will be undertaken in each year compared with that undertaken in the preceding year. This may be due to external factors (PREs), management choices (maintenance activities capable of being deferred/deferred in the preceding year but now required), or intrinsic in the nature of the work required (project work ramping down/up)</p> <p>- Volume</p> <p>Outputs which will be delivered as part of the funded programme (if any) should be highlighted here. Also, outputs to be delivered may be lower than anticipated. Volume changes attributable to timing (if any) should be captured within this category.</p> <p>- Mix</p> <p>Where there will be changes to the respective workload mix e.g. repairs type, such variations should be quantified and reported within this category.</p> <p>Other</p> <p>Materiality</p> <p>Where the movement between two years in balance within an activity is less than £500k, an explanation is not required, however such that the total movement in costs can be reconciled between the years the total movement (being less than £500k) should be entered against the relevant activity.</p>

	Enter year on year movements by opex activity and cost type for the year.
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Worksheet 3.6 – RPEs

Purpose and Use by Ofgem	<p>This table enables licensees to provide a forecast of real price effects (RPEs) (additional to other building block forecasts). Therefore all cost forecasts provided within the other tables of the business plan should be exclusive of RPEs.</p> <p>It allows us to assess forecasts across the Licensees.</p>
Mapping to RRP and/or BPDT	BPDT Table 2.6
Proposed changes	No changes (DELETE?)
Reason(s) for proposed changes	n/a
Instructions for Completion	<p>For each input fill in a relevant index on which forecasts are based. The index should represent your forecast over and above RPI. Indices are on the base year 2010-11, i.e. if you expect direct labour for opex to increase by 1% above RPI from 2010-11 to 2011-12 then insert 1.01 for year 2011-12.</p> <p>The index for contractor labour should be exclusive of any costs for materials used by contractors. The index for materials should reflect the cost changes associated with both direct materials and those used by contractors.</p> <p>The inputs specified allow for a different index to be submitted for opex, capex and repex, e.g. if materials used are different between the three then a different index can be used. If there is no difference then the same index can be used.</p> <p>Fill in the weights of each input for the expenditure building blocks. Weights should sum to 100%, therefore 'other' should capture all inputs not split out. Different weights can be inserted for different years.</p> <p>You should provide evidence within the commentary of how the final indices were deduced and why you expect the weight of each factor to vary over time (if applicable).</p>

	<p><u>Disaggregated Opex RPE costs</u></p> <p>Fill in the table with the forecasted RPE figures by operating cost category in £m for the remaining year of GDPCR1 2012/13) and for the eight years of RIIO-GD1 (2013/14-2020/21). This information will be populated in table 3.0.</p>
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Worksheet 3.7 – FTEs

<p>Purpose and Use by Ofgem</p>	<p>This table collects information on the number of FTEs involved in each key cost activity.</p> <p>This information will allow us to monitor labour trends in gas distribution.</p>
<p>Mapping to RRP and/or BPDT</p>	<p>RRP Table 2.7 and BPDT Table 2.7</p>
<p>Proposed changes</p>	<p>No changes</p>
<p>Reason(s) for proposed changes</p>	<p>n/a</p>
<p>Instructions for Completion</p>	<p>The average number of FTEs to be employed each year must be provided for each cost activity</p> <p>FTEs need to be split into the following types:</p> <ul style="list-style-type: none"> • (i) GDN own Employee FTE (ii) GDN own Apprentices/Trainees FTE (iii) GDN own Total FTE (<i>auto-populated</i>) (iv) Routine/Direct Contract Labour FTE <p>If FTEs cannot be allocated into these activities, please allocate in proportion to salaries and wage if there is no more appropriate basis of allocation.</p> <p>FTEs should be reported to the nearest 0.5 FTE.</p>

Worksheet 3.8 – Apprentices and Training

<p>Purpose and Use by Ofgem</p>	<p>The table records the numbers and costs of apprentices and other trainees and the training costs associated with them.</p>
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Mapping to RRP and/or BPDT	RRP Table 2.8 and BPDT Tables 2.8, 2.8a, 2.8b, 2.8c.
Proposed changes	Combine required data from tables 2.8, 2.8a, 2.8b, and 2.8c.
Reason(s) for proposed changes	Consolidate required data from four BPDT training and apprentice tables into single table.
Instructions for Completion	<ul style="list-style-type: none"> • With the exception of external funding, all costs should be input as positive values. • Data should be input into the cells that are highlighted in yellow. <p><u>Apprentices</u> Employees engaged under an approved apprenticeship programme</p> <p><u>Craftsperson Apprentices</u> Apprentices who are being trained to attain or retain skills commensurate with Level 1, 2 or 3 Jointers, Overhead Linesman, Fitters, Multi-skilled trades set out by Energy and Utility Skills</p> <p><u>Engineer Apprentices</u> Apprentices being trained on an apprenticeship programme leading to qualification as an engineer</p> <p>Graduate and other staff/ Management Trainees Other employees employed under a formal training programme</p> <p><u>Training costs for apprentices and other trainees</u> Specific costs of training courses materials and other costs specifically relating to training courses. This will only be the costs incurred in training apprentices and trainees whilst they are on that programme. Therefore the costs will not include the training of the existing workforce. Operational training covers training for Craftsperson and Engineers, non operational training covers all other training.</p> <p><u>Other Initiatives to Address Skill Shortages</u> Where the GDN has identified other initiatives undertaken to address skills shortage please provide details and costs</p> <p><u>External funding</u> Where there is a reasonable likelihood that a GDN will be eligible for funding from anybody (for example from the National Employment Service) – either paid directly to the training provider or to the GDN or its parent company - towards any training and apprentices costs then a realistic assessment should be made of the amount of funding it is likely to receive.</p> <p><u>Admin Cost Attributed to Apprentices and Trainees</u> Input the total cost of recruitment of apprentices and trainees</p>

Worksheet 3.9 – Shrinkage

Purpose and Use by Ofgem	This table records the annual expenditure on shrinkage gas split by component and by LDZ. Allows us to monitor the shrinkage purchases.
Mapping to RRP and/or BPDT	RRP Table 2.12 and BPDT Table 2.9
Proposed changes	Formatting changes and less input cells, more calculations e.g. leakage factors and total shrinkage costs
Reason(s) for proposed changes	To reduce the number of input cells.
Instructions for Completion	Costs reported on this schedule should be the anticipated costs to incur in procuring the gas for shrinkage as determined under the UNC. The figures reported here should agree with the shrinkage figures reported in table 3.1.

Worksheet 3.10a – Streetworks- existing HAs

Purpose and Use by Ofgem	This table records annual street works expenditure. It covers those Highways Authorities where TMA has already been implemented/accepted as part of the re-opener decision (as at December 2011 ²) i.e. where GDN holds actual cost data associated with scheme. Street works costs should be reported in tables 3.10a & 3.10b to allow separate identification of street works costs from expenditure reported in other tables.
Mapping to RRP and/or BPDT	RRP Table 2.13 and BPDT Table 2.10a
Proposed changes	Will develop this table to ensure information is captured to support any future IAE/reopener
Reason(s) for proposed changes	n/a
Instructions for Completion	Costs should be input as positive values. All costs should be inclusive of contractor costs. All costs should be exclusive of RPEs. Costs should be net of contribution costs.

² <http://www.ofgem.gov.uk/Pages/MoreInformation.aspx?docid=545&refer=Networks/GasDistr/GDPCR7-13>

	<p>Costs incurred working in London HAs (within the M25) should be separately identified from costs incurred in HAs outside of London. London HAs costs should be entered in columns E: N, outside London HAs columns P: Y.</p> <p>Where any assumptions have been included for improved efficiency these should be explained in the narrative.</p> <p>Total costs should be attributed under each street works cost category;</p> <ol style="list-style-type: none">1. NRSWA2. TMA/T(S)A – (i) permits, (ii) fixed penalty notices, (iii) administration, (iv) productivity3. Other streetworks activity – S74 daily charges, lane rental and half/full width reinstatement <p>The street works costs should also be attributed to opex, repex and capex.</p> <p>Costs included in this template should be only those where you are requesting them to be part of an ex ante allowance i.e. any costs that are to be assessed during the RIIO-GD1 reopener should not be included.</p> <p>Information for GDPCR1 is for comparison purposes only, no allowance will be given in RIIO-GD1 for these costs.</p> <p>All costs provided should exclude works relating to connections where the charge is recovered directly from the customer being connected.</p> <p>Include street works activity associated with:</p> <ol style="list-style-type: none">1. NRSWA<ul style="list-style-type: none">• Include ongoing NRSWA costs i.e. costs which are not associated with TMA/T(S)A, lane rental or half/full width reinstatement.• All business as usual NRSWA cost should be reported in table 2.10a.• Break NRSWA costs down by opex, repex, capex activity.2. TMA/T(S)A (include only incremental costs over and above NRSWA)<ol style="list-style-type: none">(i) Permit Schemes<ul style="list-style-type: none">• Number of permits should be the actual number of all works, within the Highways Authority (HA) that have schemes operating that will be subject to a permit charge.(ii) Fixed Penalty Notices (FPNs) broken down by:<ul style="list-style-type: none">• Provide number and cost of FPNs for contravention of NRSWA. These are the total actual under codes 1 to 7
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	<p>(see table below).</p> <ul style="list-style-type: none"> • Provide number and cost of FPNs for breach of a permit condition. These are the total actual FPNs under code 9 (see table below). • Provide number and cost of FPNs for undertaking street works without a permit. These are the total actual FPNs under code 8 (see table below). <p>FPNs notice codes:</p> <table border="1"> <tr> <td>Code 01</td> <td>Failure to submit s54 notice of intended work</td> </tr> <tr> <td>Code 02</td> <td>Executing work in advance of s55 notice start date</td> </tr> <tr> <td>Code 03</td> <td>Failure to cancel s55 notice in the relevant timescale</td> </tr> <tr> <td>Code 04</td> <td>Failure to issue s57 notice within 2 hours of starting work</td> </tr> <tr> <td>Code 05</td> <td>Failure to advice of completion of reinstatement within 10 days</td> </tr> <tr> <td>Code 06</td> <td>Failure to give notice of s74 where works have been unreasonably delayed</td> </tr> <tr> <td>Code 07</td> <td>Failure to give notice under s74 reference to duration of works</td> </tr> <tr> <td>Code 08</td> <td>Working without a Permit (FPN is £500 discounted to £300 for early settlement)</td> </tr> <tr> <td>Code 09</td> <td>Breaking the agreed conditions of a Permit (FPN is £120 discounted to £80 for early settlement)</td> </tr> </table> <p>(iii) Administration broken down by:</p> <ul style="list-style-type: none"> • Provide total number of projects per year which are impacted by street works costs. • One off administration set up costs. • On-going administration costs which includes; back-office administration, management costs, training costs, IT running costs and field-based administration. • Field-based administration covers traffic management schemes including traffic control apparatus (special signage) and crew, Traffic Management Plans, site meetings to ensure the requirements of the Traffic Managers (inspections) are met, pre-site surveys to meet the planning requirements, liaison with permitting authorities for the effective programming of mains replacement works, noticing/permits/amendments/extension requests, arranging various planning & advance notification letters, validation of FPNs & permit charges, work schedules/planning programmes and the Scottish Road 	Code 01	Failure to submit s54 notice of intended work	Code 02	Executing work in advance of s55 notice start date	Code 03	Failure to cancel s55 notice in the relevant timescale	Code 04	Failure to issue s57 notice within 2 hours of starting work	Code 05	Failure to advice of completion of reinstatement within 10 days	Code 06	Failure to give notice of s74 where works have been unreasonably delayed	Code 07	Failure to give notice under s74 reference to duration of works	Code 08	Working without a Permit (FPN is £500 discounted to £300 for early settlement)	Code 09	Breaking the agreed conditions of a Permit (FPN is £120 discounted to £80 for early settlement)
Code 01	Failure to submit s54 notice of intended work																		
Code 02	Executing work in advance of s55 notice start date																		
Code 03	Failure to cancel s55 notice in the relevant timescale																		
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Code 08	Working without a Permit (FPN is £500 discounted to £300 for early settlement)																		
Code 09	Breaking the agreed conditions of a Permit (FPN is £120 discounted to £80 for early settlement)																		

	<p>Work Register (where applicable).</p> <p>(iv) Other costs broken down by:</p> <ul style="list-style-type: none"> • Provide total length in kilometres of mains abandoned within the TMA/T(S)A boundary/year. <p>➤ Productivity costs</p> <ul style="list-style-type: none"> • Working methods in the field - shorter mains replacement lengths that would have been the case prior to TMA/T(S)A, reduction in production rates associated with gas mains replacement activities. • Additional materials & logistics due to permit restrictions to working length - restrictions to working length in the highways has resulted in additional material cost for more frequent application of reinstatement materials, restricted working areas or restricted working lengths between temporary traffic signals. • Restricted working hours impact on productivity - restricted working hours or additional site resources need to be maintained on site, additional operatives to attend site to manually control temporary traffic signals. • Extended working hours on site on replacement projects - to minimise the time spent on highways and congestion impact, has an impact on wage costs. • Contractors - productivity claim <p>➤ Other costs</p> <ul style="list-style-type: none"> • Including parking bay suspensions, temporary traffic restriction orders, modifications to existing traffic signals, bus stop suspensions, traffic separators / project revisions, connections and repair costs, increase in inspection charges, public advance noticing, contractors TMA/T(S)A claims. • Exclude costs associated with additional reinstatement. These costs should be separately identified under the half and full width reinstatement section. <p>3. Other streetworks costs</p> <p>(i) S74 Daily Charge Rates / Overstay charges</p> <ul style="list-style-type: none"> • Provide detail of the actual number of works that have received charges. . <p>(ii) Lane rental charges covering lane rental pioneer schemes</p> <ul style="list-style-type: none"> • Costs associated with lane rental pioneer schemes should be reported in table 2.10b. <p>(iii) Half and full width reinstatement</p> <ul style="list-style-type: none"> • Costs associated with the implementation of half and full width reinstatement should be reported in table 2.10b. <p>Breakdown of total costs by activity</p> <ul style="list-style-type: none"> • In addition to providing costs broken down by NRSWA, TMA/T(S)A and other streetworks costs (see above), please split out costs into opex, repex, capex providing
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	<p>a breakdown by activity i.e. work management, mains, connections etc. The total opex, repex and capex costs reported here should match the opex, repex and capex street works costs reported in the initial tables. Please use the data validation checks to ensure the total street works costs reported tally between the tables</p> <p>Introduction of Permit Schemes</p> <ul style="list-style-type: none"> • In the table at the bottom of the worksheet please select X from the drop down box to indicate which year the Highway Authority (HA) introduced/expected to introduce the TMA/T(S)A permit scheme as of 31 March of each year. • For the London Permitting Scheme (LoPS) treat each LoPS phase as one scheme, i.e. LoPS Phase 1 began in January 2010. <p>Percentage split for direct and contract labour</p> <ul style="list-style-type: none"> • Please provide percentage split of direct and contract labour for street works. • Provide assumption based on a typical year during RIIO-GD1 period. • Provide direct and contract labour split for each of the street works areas - NRSWA, TMA/T(S)A, other street works and by activity – opex, repex, capex.
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Worksheet 3.10b – Streetworks - future HAs

Purpose and Use by Ofgem	This sheet collects the amounts spent annually on street works activities. It covers those Highways Authorities where TMA/T(S)A had not been implemented/accepted as part of the re-opener decision (20 December 2011 ³), i.e. where GDN does not hold actual cost data associated with scheme.
Mapping to RRP and/or BPDT	RRP Table 2.13 and BPDT Table 2.10b
Proposed changes	Will develop this table to ensure information is captured to support any future IAE/reopener.
Reason(s) for proposed changes	n/a
Instructions for Completion	<p>Costs should be input as positive values.</p> <p>All costs should be inclusive of contractor costs.</p> <p>All costs should be exclusive of RPEs.</p>

³ <http://www.ofgem.gov.uk/Pages/MoreInformation.aspx?docid=545&refer=Networks/GasDistr/GDPCR7-13>

	<p>Costs should be net of contribution costs.</p> <p>Costs incurred working in London HAs (within the M25) should be separately identified from costs incurred in HAs outside of London. London HAs costs entered in columns E:N, outside London HAs columns P:Y.</p> <p>Where any assumptions have been included for improved efficiency these should be explained in the narrative.</p> <p>Total costs should be attributed under each street works cost category;</p> <ol style="list-style-type: none">1. NRSWA2. TMA/T(SA) – (i) permits, (ii) fixed penalty notices, (iii) administration, (iv) productivity3. Other streetworks activity – S74 daily charges, lane rental and half/full width reinstatement <p>The street works costs should also be attributed to opex, repex and capex activity areas.</p> <p>Information for GDPCR1 is for comparison purposes only, no allowance will be given in RIIO-GD1 for these costs.</p> <p>All costs provided should exclude works relating to connections where the charge is recovered directly from the customer being connected.</p> <p>Include street works activity associated with:</p> <ol style="list-style-type: none">1. NRSWA All business as usual NRSWA cost should be reported in table 2.10a.2. TMA/T(S)A (include only incremental costs over and above NRSWA)<ol style="list-style-type: none">(i) Permit Schemes<ul style="list-style-type: none">• Number of permits should be the actual number of all works, within the Highways Authority (HA) that have schemes operating that will be subject to a permit charge.(ii) Fixed Penalty Notices (FPNs) broken down by:<ul style="list-style-type: none">• Provide number and cost of FPNs for contravention of NRSWA. These are the total actual FPNs under codes 1 to 7 (see table below).• Provide number and cost of FPNs for breach of a permit condition. These are the total actual FPNs under code 9 (see table below).• Provide number and cost of FPNs for undertaking street works without a permit. These are the total actual FPNs under code 8 (see table below).
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	<p>FPNs notice codes:</p> <table border="1"> <tr> <td data-bbox="581 216 711 296">Code 01</td> <td data-bbox="717 216 1253 296">Failure to submit s54 notice of intended work</td> </tr> <tr> <td data-bbox="581 304 711 384">Code 02</td> <td data-bbox="717 304 1253 384">Executing work in advance of s55 notice start date</td> </tr> <tr> <td data-bbox="581 392 711 472">Code 03</td> <td data-bbox="717 392 1253 472">Failure to cancel s55 notice in the relevant timescale</td> </tr> <tr> <td data-bbox="581 480 711 560">Code 04</td> <td data-bbox="717 480 1253 560">Failure to issue s57 notice within 2 hours of starting work</td> </tr> <tr> <td data-bbox="581 569 711 648">Code 05</td> <td data-bbox="717 569 1253 648">Failure to advice of completion of reinstatement within 10 days</td> </tr> <tr> <td data-bbox="581 657 711 737">Code 06</td> <td data-bbox="717 657 1253 737">Failure to give notice of s74 where works have been unreasonably delayed</td> </tr> <tr> <td data-bbox="581 745 711 825">Code 07</td> <td data-bbox="717 745 1253 825">Failure to give notice under s74 reference to duration of works</td> </tr> <tr> <td data-bbox="581 833 711 913">Code 08</td> <td data-bbox="717 833 1253 913">Working without a Permit (FPN is £500 discounted to £300 for early settlement)</td> </tr> <tr> <td data-bbox="581 921 711 1001">Code 09</td> <td data-bbox="717 921 1253 1001">Breaking the agreed conditions of a Permit (FPN is £120 discounted to £80 for early settlement)</td> </tr> </table> <p>(iii) Administration broken down by:</p> <ul style="list-style-type: none"> • Provide total number of projects per year which are impacted by street works costs. • One off administration set up costs. • On-going administration costs which includes; back-office administration, management costs, training costs, IT running costs and field-based administration. • Field-based administration covers traffic management schemes including traffic control apparatus (special signage) and crew, Traffic Management Plans, site meetings to ensure the requirements of the Traffic Managers (inspections) are met, pre-site surveys to meet the planning requirements, liaison with permitting authorities for the effective programming of mains replacement works, noticing/permits/amendments/extension requests, arranging various planning & advance notification letters, validation of FPNs & permit charges, work schedules/planning programmes and the Scottish Road Work Register (where applicable). <p>(iv) Other costs broken down by:</p> <ul style="list-style-type: none"> • Provide total length in kilometres of mains abandoned within the TMA/T(S)A boundary/year. <ul style="list-style-type: none"> ➤ Productivity costs 	Code 01	Failure to submit s54 notice of intended work	Code 02	Executing work in advance of s55 notice start date	Code 03	Failure to cancel s55 notice in the relevant timescale	Code 04	Failure to issue s57 notice within 2 hours of starting work	Code 05	Failure to advice of completion of reinstatement within 10 days	Code 06	Failure to give notice of s74 where works have been unreasonably delayed	Code 07	Failure to give notice under s74 reference to duration of works	Code 08	Working without a Permit (FPN is £500 discounted to £300 for early settlement)	Code 09	Breaking the agreed conditions of a Permit (FPN is £120 discounted to £80 for early settlement)
Code 01	Failure to submit s54 notice of intended work																		
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Code 07	Failure to give notice under s74 reference to duration of works																		
Code 08	Working without a Permit (FPN is £500 discounted to £300 for early settlement)																		
Code 09	Breaking the agreed conditions of a Permit (FPN is £120 discounted to £80 for early settlement)																		

	<ul style="list-style-type: none"> • Working methods in the field - shorter mains replacement lengths that would have been the case prior to TMA/T(S)A, reduction in production rates associated with gas mains replacement activities. • Additional materials & logistics due to permit restrictions to working length - restrictions to working length in the highways has resulted in additional material cost for more frequent application of reinstatement materials, restricted working areas or restricted working lengths between temporary traffic signals. • Restricted working hours impact on productivity - restricted working hours or additional site resources need to be maintained on site, additional operatives to attend site to manually control temporary traffic signals. • Extended working hours on site on replacement projects - to minimise the time spent on highways and congestion impact, has an impact on wage costs. • Contractors - productivity claim <ul style="list-style-type: none"> ➤ Other costs • Including parking bay suspensions, temporary traffic restriction orders, modifications to existing traffic signals, bus stop suspensions, traffic separators / project revisions, connections and repair costs, increase in inspection charges, public advance noticing, contractors TMA/T(S)A claims. • Exclude costs associated with additional reinstatement. These costs should be separately identified under the half and full width reinstatement section. <p>3. Other streetworks costs</p> <p>(i) S74 Daily Charge Rates / Overstay charges</p> <ul style="list-style-type: none"> • Provide detail of the actual number of works that have received charges. . <p>(ii) Lane rental charges covering lane rental pioneer schemes</p> <ul style="list-style-type: none"> • Charges determined by reference to the duration of work in highway authorities where lane rental charges are anticipated. Include here expenditure associated with lane rental pioneer scheme within the TfL Strategic Road Network. <p>(iii) Half and full width reinstatement</p> <ul style="list-style-type: none"> • Costs associated with the implementation of Section 73 (England and Wales) and Section 132 (Scotland) of NRSWA for the resurfacing of roads. • Provide evidence within the narrative of reasons for the expected date of implementation. <p>Breakdown of total costs by activity</p> <ul style="list-style-type: none"> • In addition to providing costs broken down by TMA/T(S)A and other streetworks costs (see above),
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	<p>please split out costs into opex, repex, capex, providing a breakdown by activity i.e. work management, mains, connections etc</p> <ul style="list-style-type: none"> • The total opex, repex and capex costs reported here should match the opex, repex and capex street works costs reported in the initial tables. • Please use the data validation checks to ensure the total street works costs reported tally between the tables <p>Introduction of Permit Schemes</p> <ul style="list-style-type: none"> • In the table at the bottom of the worksheet please select X from the drop down box to indicate which year the Highway Authority (HA) introduced/expected to introduce the TMA/T(S)A permit scheme as of 31 March of each year. • For the London Permitting Scheme (LoPS) treat each LoPS phase as one scheme, i.e. LoPS Phase 1 began in January 2010. <p>Percentage split for direct and contract labour</p> <ul style="list-style-type: none"> ➢ Please provide percentage split of direct and contract labour for street works. ➢ Provide assumption based on a typical year during RIIO-GD1 period. ➢ Provide direct and contract labour split for each of the street works areas - NRSWA, TMA/T(S)A, other street works and by activity – opex, repex, capex.
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Worksheet 3.11 – LP Gasholders Removal

Purpose and Use by Ofgem	<p>This table collects information on costs and workloads associated with the decommissioning, demolition and land remediation of low pressure gasholders.</p> <p>The information enables Ofgem to understand the workload and costs associated with the LP gasholders removal programme.</p>
Mapping to RRP and/or BPDT	BPDT Table 2.11
Proposed changes	No changes
Reason(s) for proposed changes	n/a
Instructions for Completion	<p>Costs: enter the costs of demolition, statutory and non-statutory land remediation and capex costs associated with LP gasholders in each year over the period.</p> <p>Note</p> <ul style="list-style-type: none"> • land remediation costs reported in this table relate to

	<p>remediation of land of decommissioned/demolished gasholder sites</p> <ul style="list-style-type: none"> • costs reported in this table should not be excluded from other tables that report the same costs in different contexts. • The costs reported in this table should be reflected in the cost-benefit analysis of the gasholder removal programme. The table does not require information on benefits associated with the removal of gasholders (e.g., reduced maintenance costs). These benefits should be explicit in the cost-benefit analysis. <p>LP Gasholder (units): enter the number of operational, decommissioned and mothballed low pressure gasholders at the beginning of the year and at the end of the year.</p> <p>LP Gasholder (mcm): enter the volume (in mcm) of operational, decommissioned and mothballed low pressure gasholders at the beginning of the year and at the end of the year.</p> <p>Note, operational, decommissioned and mothballed gasholders are defined as follows:</p> <ul style="list-style-type: none"> • Operational gasholders: holders that are being regularly filled and emptied to provide diurnal storage to the LDZ or local strategic support for specific MP or IP networks. • Decommissioned gasholders: holders that have been parked at low level and are not being regularly filled and emptied. Decommissioned holders still retain gas and the potential to be recommissioned in the future. For the purpose of BPDT we term holders that continue to be required for winter operation as operational even if they are “decommissioned” during summer, and only those holders that are no longer required as part of our storage plans are termed “decommissioned”. • Mothballed gasholders: holders that have been physically isolated (cup and cap, removal of spool) and purged to air. The potential for recommissioning at some point in the future is significantly reduced. <p>Capex workload: enter capex workload associated with the holder removal programme.</p>
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Worksheet 3.12 – Smart Metering

Purpose and Use by Ofgem	This table collects smart metering costs for opex, repex and capex, workload and FTE numbers.
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	<p>The table should include both the marginal (incremental) increase in costs associated (excluding costs that can be met from other resources) and the full cost for meeting the rollout of smart metering for all activities.</p> <p>This will allow us to understand the extent of the strategy employed by each GDN.</p>
Mapping to RRP and/or BPDT	BPDT Table 2.12
Proposed changes	No changes
Reason(s) for proposed changes	n/a
Instructions for Completion	<p>The table is split into several parts:</p> <ul style="list-style-type: none"> • Summary smart metering costs (excluding RPEs) for the marginal increase (incremental) costs (do not include costs that can be met from other resources). • Summary smart metering costs (excluding RPEs) for the full cost • Workload – PREs and Reports • FTEs – numbers by opex, repex, capex <p>Summary incremental costs (excluding RPEs)</p> <ul style="list-style-type: none"> • Input the costs for opex, repex and capex • Input the percentage split between direct and contract labour <p>The table should include only the marginal increase in costs associated with smart metering – do not include smart metering costs that can be met/managed from current resources</p> <p>Summary total costs (excluding RPEs)</p> <ul style="list-style-type: none"> • Input the costs for opex, repex and capex (repex costs are linked to table 3.11c Services replacement expenditure (not associated with mains replacement)) • Input the percentage split between direct and contract labour <p>Workload</p> <ul style="list-style-type: none"> • Insert the number of smart meters to be installed. • PREs - input the PREs (emergency and non-emergency) associated with smart metering • Reports – input the reports associated with (emergency only) smart metering • Repex – workload is split between GDN workload and recharged workload and is linked to table 3.11c Services replacement expenditure (not associated with mains replacement) <p>The PREs (emergency)and Reports totals should equal.</p> <p>The workload on this table should also be included in the</p>

	<p>PREs and Reports on table 3.15.</p> <p>FTEs</p> <ul style="list-style-type: none">• Input the number of FTEs required for smart metering for opex, repex and capex <p>The FTEs on this table should not be included on the FTE table 3.7.</p> <p>Percentage split for direct and contract labour</p> <ul style="list-style-type: none">• Please provide percentage split of direct and contract labour for incremental smart metering costs.• Provide assumption based on a typical year during RIIO-GD1 period.
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6. Instructions for completing the capital expenditure worksheets

Chapter Summary

The purpose of this chapter is to inform the completion of the cost and volume worksheets by each GDN. This is to enable Ofgem to effectively monitor the performance of the companies in relation to the allowances for capital expenditure, operating expenditure and total expenditure set in the Final Proposals.

Introduction

6.1. These worksheets collect details of the capital expenses incurred within the main cost activities by the Licensees. This information will

- facilitate an understanding of the performance of the Licensees;
- facilitate the review and analysis of the expenditure trends;
- allow comparison of costs across the Licensees.

6.2. The excel templates for reporting on summary capex (4.0 Capex Summary) autopopulates for the current year (2014) but for the future years GDNS should input forecast expenditure and workload for each of the years 2015 to 2021. Forecast data will **only** be required at a total category level on the summary table.

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

Overview of worksheets

6.4. The worksheets included within this chapter are:

- 5.0 – Capital Expenditure Summary
- 4.1 – LTS and Storage
- 4.2 – Reinforcement (Mains and Governors)
- 4.3 – Governor Replacement (District and Service, below 7 bar inlet pressure)

RIIO- GD1 Gas Distribution Price Control- DRAFT Regulatory Instruction and Guidance: Version 1

- 4.4 – Connections

- 4.5 – Other Capex

- 4.6a – IT and Systems Operation

- 4.6b – Transport & Plant

- 4.7 – Capitalised Overheads

Worksheet 4.0 – Capital Expenditure Summary

Purpose and Use by Ofgem	This table summarises the information contained in the capex tables 4.2 – 4.8.
Mapping to RRP and/or BPDT	RRP Table 3.1 and BPDT Table 3.1
Proposed changes	Pull workload and expenditure data through to a summary table.
Reason(s) for proposed changes	Easier for Licensees/Ofgem to see at a glance total workload alongside expenditure data.
Instructions for Completion	This table auto-populates for the current year (2014) but for the future years GDNS should input forecast expenditure and workload for each of the years 2015 to 2021 .

Worksheet 4.1 – LTS and Storage

Purpose and Use by Ofgem	<p>This table collects expenditure and asset data for LTS pipelines, NTS offtakes and other direct feeds, PRSs, storage (LTS linepack) and storage (non-LTS). Details for projects with a gross value of >£0.5m are individually identified with specific costs and asset details relating to them, and costs for work <£0.5m is aggregated. Note for activities that costs <0.5m but are similar in nature, these activities should be aggregated and if the total costs exceeds >0.5m then they should be identified as a separate project.</p> <p>Expenditure and workload for LTS capital works associated with the removal of gas holders should be captured in this table, however costs and workload for the removal of low pressure holders (abandonment, demolition and</p>
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	<p>remediation) should be captured under opex cost matrix (table 3.1) and LP gasholder removal (table 3.11). LP system reinforcement should be captured under reinforcement (table 4.2)</p> <p>LTS replacement expenditure and workload should be recorded under table 4.9 "replex mains".</p> <p>Below 7 barg reinforcement should be recorded under table 4.2 "Reinforcement".</p> <p>Expenditure should be entered to the greatest possible level of accuracy, and as a minimum to the nearest £1k.</p> <p>All expenditure should be inclusive of capitalised overheads.</p> <p>Note that:</p> <ul style="list-style-type: none"> a) capex associated with NRSWA, TMA/T(S)A, lane rental, S74 should be reported in table 4.1 and should also be reported under relevant capex sections of the street works tables 3.10a & b. b) capex associated with smart metering should not be reported in tables 4.0 but should be reported under relevant capex sections of the smart metering table 3.12.
Mapping to RRP and/or BPDT	RRP Table 3.2 and BPDT Table 3.2
Proposed changes	<ol style="list-style-type: none"> 1. Delete the section that sought gross expenditure by justification category 2. Formatting changes
Reason(s) for proposed changes	Reduce reporting burden on Licensees and provide greater clarity for reporting.
Instructions for Completion	<p><u>Projects</u></p> <p>List all projects where the total project expenditure is or will be £0.5m or more in the categories listed.</p> <p>Indicate the LDZ/LDZs to which the project relates. If there are projects which give rise to interactions between LDZs, please explain interactions in the well-justified business plan.</p> <p>Above Ground Installations other than Pressure Reduction Stations (PRSs) are included with the LTS pipeline section. The expenditure in respect to Above Ground Installations and PRSs should be recognised separately, as appropriate, with the same project name. Where a pipe-line project has storage benefit, include the project under either storage or pipe-lines (only once) dependent on which is the main driver for the investment.</p> <p>LTS projects should be separated and reported against LTS</p>

	<p>pipeline capex or LTS pipeline replacement as appropriate.</p> <p>The LTS pipelines section will provide details of pipe length, operating pressure and diameter. Where a pipeline appears in more than one section to identify the mixed aspects of a project, the same name should be used to identify it. Where a pipe-line is included in the storage section, the length and diameter of the pipe-line is captured under "Workload" in addition to other project dimensions on the table.</p> <p>Data for projects where total spend will be less than £0.5m is collected on an aggregate basis per LDZ.</p> <p>Where the total value of a multi-installation project (e.g. off take + pipe-line + two PRSs) exceeds £0.5m, list all elements, regardless of their individual values.</p> <p>Where total project expenditure will be less than £0.5m, each GDN should separate the expenditure items by LDZ.</p> <p><u>Project Dimensions</u></p> <p>Provide key project data for each project.</p> <p>This is to understand the scale of individual projects, to identify projects with similar characteristics for comparative analysis and to ensure that a cross section is selected for review.</p> <p><u>Cost Summary</u></p> <p>Under the cost summary heading, costs are calculated for total gross expenditure, contribution and net expenditure based on the input phased costs in subsequent columns. No input is required in this section.</p> <p><u>Gross Expenditure</u></p> <p>Enter the gross expenditure in £m for each project (and aggregate of projects where total spend will be below £0.5m).</p> <p><u>Contribution</u></p> <p>Enter the annual contribution, if any, in £m received for each project (and aggregate of projects where total spend will be below £0.5m). Contributions should be entered as a positive number.</p> <p><u>Net Expenditure</u></p> <p>No entry is required. The net expenditure is calculated by subtracting the contribution from gross expenditure.</p>
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	<p>Workload</p> <p>For LTS pipelines and storage, enter the total length, in km, of mains.</p>
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Worksheet 4.2 – Reinforcement (Mains and Governors)

<p>Purpose and Use by Ofgem</p>	<p>This table collects expenditure and asset data for general and specific reinforcement on the network below 7 bar.</p> <p>It collects sufficient data to support a meaningful comparison of unit costs between activities and companies. Reinforcement above 7 bar should be recorded in Table 3.2 "LTS".</p> <p>This table also includes expenditure and workload associated with capitalised replacement mains; any iron mains abandonment being captured in the mains replacement table 4.9 "Repex Mains".</p> <p>Mains data is collected by installed pipe sizes in 8 ranges (from less than 75mm to more than 630mm)</p> <p>Expenditure should be entered to the greatest possible level of accuracy, and as a minimum to the nearest £1k.</p> <p>All expenditure should be inclusive of capitalised overheads.</p> <p>Note that:</p> <ul style="list-style-type: none"> a) capex associated with NRSWA, TMA/T(S)A, lane rental, S74 be reported in table 4.2 and should be reported under relevant capex sections of the street works tables 3.10a & b. b) capex associated with smart metering should not be reported in tables 4.2 but should be reported under relevant capex sections of the smart metering table 3.12
<p>Mapping to RRP and/or BPDT</p>	<p>RRP Table 3.3 and BPDT Table 3.3</p>
<p>Proposed changes</p>	<ol style="list-style-type: none"> 1. Formatting changes to collect data for gross expenditure and net contributions by different pipe sizes, mains reinforcement activity and governor type. 2. Include capitalised replacement as a sub-category under general & specific reinforcement so when you add the three categories you get total mains

	reinforcement expenditure and workload.
Reason(s) for proposed changes	1. Formatting changes will provide more information so as to enable comparisons across Licensees.
Instructions for Completion	<p>All Projects</p> <p><u>Gross Expenditure</u></p> <p>Enter for each project (and aggregate of projects where total spend will be below £0.5m), the gross expenditure by different reinforcement type (general, specific or capitalised). This is broken down to show expenditure for mains by pipe diameter band (from less than 75mm to more than 630mm) and governors by inlet pressure (IP or MP).</p> <p>Total expenditure is calculated and does not require input.</p> <p><u>Total Contribution</u></p> <p>Enter the annual contribution in £m received for each project (and aggregate of projects where total spend will be below £0.5m). Contributions should be entered as a positive number.</p> <p><u>Net Cost</u></p> <p>By subtracting the contributions from gross expenditure, no input is required.</p> <p><u>Workload and Scope</u></p> <p>Enter the total aggregate length, in km, of mains in the two diameter bands, and where applicable the number of governors by inlet pressure category.</p> <p><u>Capitalised Replacement Mains</u></p> <p>Enter the gross expenditure for capitalised replacement mains by diameter band (from less than 75mm to more than 630mm) Note to avoid double counting capitalised replacement mains and workload data should only be reported in rows 25 to 32 of table 4.2. Capitalised replacement mains and workload data should not be reported in rows 9 to 24 of table 4.2.</p> <p><u>Total Contribution</u></p> <p>Enter total contribution as for “all projects” above.</p> <p><u>Net Cost</u></p> <p>Net cost is calculated from gross cost and contribution, no</p>

	<p>input is required.</p> <p><u>Workload and Scope</u></p> <p>Enter the total aggregate length, in km, of mains by the two diameter bands.</p> <p>Projects >£0.5m</p> <p>Separately identify reinforcement projects with a total individual value of £0.5m or more. Costs and workload will also be included in the aggregated details under “all projects”; the listed projects >£0.5m are therefore a subset of this.</p> <p><u>Project Title</u></p> <p>Enter the name of the project.</p> <p><u>Start Year / End Year</u></p> <p>Enter the start and end year of expenditure.</p> <p><u>Gross Expenditure</u></p> <p>Enter gross expenditure as for “all projects” above.</p> <p><u>Total Contribution</u></p> <p>Enter total contribution as for “all projects” above.</p> <p><u>Net Cost</u></p> <p>By subtracting the contribution from gross cost. No input is required.</p> <p><u>Workload and Scope</u></p> <p>Enter the total aggregate length, in km, of mains in the two diameter bands, and where applicable the number of governors by inlet pressure category. Where governors are included, indicate the total maximum capacity (at lowest design inlet pressure and highest design outlet pressure).</p>
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Worksheet 4.3 – Governor Replacement (District and Service, below 7 bar inlet pressure)

Purpose and Use by Ofgem	This table collects data relating to district and service governor replacement activities.
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	<p>Governors relating to reinforcement and connections activities will be reported under tables 4.2 "reinforcement (mains and governors)" and 4.4 "Connections" respectively.</p> <p>Data is collected for the renewal of district and service governors, split by inlet pressure tier to support a meaningful comparison of unit costs between activities and companies.</p> <p>Expenditure should be entered to the greatest possible level of accuracy, and as a minimum to the nearest £1k.</p> <p>All expenditure should be inclusive of capitalised overheads.</p> <p>Note that:</p> <ul style="list-style-type: none"> a) capex associated with NRSWA, TMA/T(S)A, lane rental, S74 should be reported in table 4.3 and should be reported under relevant capex sections of the street works tables 3.10a & b. b) capex associated with smart metering should not be reported in tables 4.3 but should be reported under relevant capex sections of the smart metering table 3.12
Mapping to RRP and/or BPDT	RRP Table 3.4 and BPDT Table 3.4
Proposed changes	Split governor replacement expenditure by different types of replacement: replacement of house, component only replacement and replacement of entire installation
Reason(s) for proposed changes	Replacement expenditure by different categories will provide more detailed information so as to enable comparisons across Licensees.
Instructions for Completion	<p>The data collected is similar for district governors and service governors, the difference being district governors are disaggregated by inlet pressure tier and service governors by domestic and non-domestic categories.</p> <p><u>Gross Expenditure</u></p> <p>Enter the annual expenditure in £m for each year, under the type of replacement and governor category.</p> <p><u>Contribution</u></p> <p>Enter the annual contribution by type of replacement and governor category for the year.</p> <p><u>Net Expenditure</u></p> <p>No entry is required. The net expenditure is calculated by taking the contribution from gross expenditure.</p>

	<p><u>Summary</u></p> <p>This section automatically calculates the cost summary and so does not require input.</p> <p><u>Workload</u></p> <p>Enter the number of governors to be replaced by type of replacement and governor category.</p>
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Worksheet 4.4 – Connections

<p>Purpose and Use by Ofgem</p>	<p>Table collects expenditure and activity data for the provision of new mains and services to supply new and existing premises (Domestic / Non Domestic). Any associated network reinforcement is captured in table 4.2 "Reinforcement (Mains and Governors) however governors forming part of any new connections and not associated with network reinforcement are captured here.</p> <p>The table collects sufficient data to support a meaningful comparison between activities and companies, as well as benchmarking companies' performance.</p> <p>Disaggregation of expenditure by mains diameter, services, governor type, MOB and design & quotations is required in order to separately identify unit costs for, new housing existing housing (excluding fuel poor), fuel poor existing housing and non-domestic infrastructure.</p> <p>Expenditure should be entered to the greatest possible level of accuracy, and as a minimum to the nearest £1k.</p> <p>All expenditure should be inclusive of capitalised overheads.</p> <p>Note that:</p> <ul style="list-style-type: none"> a) capex associated with NRSWA, TMA/T(S)A, lane rental, S74 should be reported in table 4.4 and should be reported under relevant capex sections of the street works tables 3.10a & b. b) capex associated with smart metering should not be reported in tables 4.4 but should be reported under relevant capex sections of the smart metering table 3.12
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Mapping to RRP and/or BPDT	RRP Table 3.5 and BPDT Table 3.5
Proposed changes	<ol style="list-style-type: none"> 1. Formatting changes to collect data for contributions costs for all categories of connections. 2. To reduce the reporting burden, we have deleted the section on the design and quotation workload and their pressure tier information for projects over >£50k. 3. We have also incorporated fuel poor connections within total connections table so there are four categories (i) new housing (ii) existing housing (exc FP) (iii) fuel poor connections (iv) non-domestic connections
Reason(s) for proposed changes	Formatting changes will provide more information so as to enable comparisons across Licensees. We have also sought to reduce the reporting burden on Licensees.
Instructions for Completion	<p><u>All Projects</u></p> <p><u>Gross Expenditure</u></p> <p>Input gross expenditure for the year for mains (by the two diameter bands, up to and including 180mm and above 180mm), services (including any service governors), district governors (by inlet pressure, either IP or MP) and multi-occupancy building supply infrastructure (including risers, laterals and branches) and design & quotation.</p> <p>Design and quotation includes expenditure for all activities supporting the provision of designs and quotations for new connections.</p> <p><u>Contribution</u></p> <p>Enter the annual contribution received for each governor category for the year.</p> <p><u>Total Gross Expenditure and Net Expenditure</u></p> <p>No entry is required. The net expenditure is calculated by subtracting the contribution from gross expenditure.</p> <p><u>Workload and Scope</u></p> <p>For each activity type, input mains length (by diameter band), number of services, number of multi-occupancy building risers, number of multi-occupancy building meter points and number of district governors (by inlet pressure, IP and MP).</p> <p>In addition, enter the diversified demand in standard m³/h of the newly connected infrastructure within each category</p>

	<p>for the year.</p> <p>Projects >£50k</p> <p>For connections projects having a total value of >£50k, enter the start and completion years of expenditure, along with gross expenditure, workload and scope for mains, services, district governors, MOB risers as for the "all projects" section. The costs, workload and scope should be included in the "all projects" section and therefore separately identified projects represent a subset of that.</p>
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Worksheet 4.5 – Other Capex

Purpose and Use by Ofgem	<p>This table collects data for land and buildings, telecoms, security, furniture and fittings, tools and equipment, plant and equipment (excluding wheeled plant) and other capex. The worksheet makes provision to capture both named projects over £0.5m; aggregated smaller projects and non-project related spend.</p> <p>The table also includes summaries of data for system operations, IT, xoserve, vehicles and wheeled plant, which is collected in tables 4.6a and 4.6b.</p> <p>Expenditure should be entered as £m, to the greatest possible level of accuracy, and as a minimum to the nearest £1k (unless where otherwise stated).</p>
Mapping to RRP and/or BPDT	RRP Table 3.6 and BPDT Table 3.6
Proposed changes	<ol style="list-style-type: none"> 1. Delete the section that sought gross expenditure by justification category 2. Split security into CNI and other (non-CNI) security
Reason(s) for proposed changes	Reduce the reporting burden on LICENSEES and also to collect comparable data between Licensees
Instructions for Completion	<p>Total Expenditure</p> <p>No entry required in any column, all data is summarised totals from elsewhere in the table.</p> <p>Summary Transport & Plant (From table 4.6b)</p> <p>The only entry required in this section is the expenditure justification for items vehicles and wheeled plant. All other data is summarised from table 4.6b.</p> <p><u>Expenditure Justification (also see definition)</u></p>

	<p>If a CBA has been developed or investment can be justified entirely on a CBA, no input is required under expenditure justification.</p> <p>Aggregated Expenditure (Projects <£0.5m)</p> <p>A list of aggregated expenditure categories has been provided.</p> <p><u>Gross Expenditure (Aggregated Expenditure)</u></p> <p>Enter the annual expenditure in £m for each aggregate category of expenditure (including projects below £0.5m). Include capitalised overheads in these costs.</p> <p><u>Contributions (Aggregated Expenditure)</u></p> <p>Enter the annual contribution, if any, in £m received for each aggregate category of expenditure (including projects below £0.5m).</p> <p><u>Net Expenditure (Aggregated Expenditure)</u></p> <p>No entry is required. The net expenditure is calculated by taking the contribution from gross expenditure.</p> <p><u>Named Projects > £0.5m</u></p> <p>List all projects where the total project expenditure will be £0.5m or more. For each project the total project planned expenditure should be included which will include any expenditure prior to 2013. When expenditure in any project is in more than one category enter the same project name on each row and enter the expenditure on that row associated with the category selected in the drop down list.</p> <p>If there are fewer than three projects above £0.5m to enter in table 4.5, please list the three highest spend projects in table 4.5 anyway, but remove any projects < £0.5m that are so included, from the aggregated section to ensure that items of expenditure are only included once, either in the project line or the aggregated section but not both. Please ensure that a name is added for each project.</p> <p><u>Gross Expenditure (Named Projects > £0.5m)</u></p> <p>Enter the annual expenditure in £m for each Project. Costs for named projects should be entered to the nearest £100k. Include capitalised overheads in these costs.</p> <p><u>Contributions (Named Projects > £0.5m)</u></p> <p>Enter the annual contribution, if any, in £m received for each project.</p>
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	<p><u>Net Expenditure (Named Projects > £0.5m)</u></p> <p>No entry is required. The net expenditure is calculated by taking the contribution from gross expenditure.</p>
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Worksheet 4.6a – IT and Systems Operation

Purpose and Use by Ofgem	The table includes summaries of data for system operations and IT projects.
Mapping to RRP and/or BPDT	RRP Table 3.6 and BPDT Table 3.6a
Proposed changes	This table needs further review of what is required for annual reporting.
Reason(s) for proposed changes	Very detailed table of information which was required for RIIO-GD1 forecast but may not be as useful for annual reporting.
Instructions for Completion	<p>Expenditure should be entered to the greatest possible level of accuracy, and as a minimum to the nearest £1k.</p> <p>Total Expenditure</p> <p>No entry required in any column all data is summarised totals from elsewhere in the table.</p> <p>(i) System Operations</p> <p>List all projects where the total project expenditure will be £0.5m or more. For each project the total project planned expenditure should be included, which will include any expenditure prior to 2013. Within each Project the expenditure should be split into the following sub categories;</p> <ul style="list-style-type: none"> • Non System Expenditure • includes documentation & training • IT • Telemetry <p>Certain named projects have been pre-populated by way of further guidance as to what expenditure constitutes Systems Operation capex.</p> <p>All data for projects less than £0.5m is to be collected on an aggregate basis in the final section - Aggregated Expenditure (Projects <£0.5m). For these projects, only enter the expenditure in the year.</p> <p><u>Expenditure Justification (also see definition)</u></p>

	<p>If a CBA has been developed or investment can be justified entirely on a CBA, no input is required under expenditure justification.</p> <p>Where CBA is not available or investment cannot be justified entirely on a CBA, an approach of incremental expenditure above the CBA level shall be considered in the following categories: Customer, Growth, Mandatory and Renewal. These categories should only be used where no CBA has been developed.</p> <p>Enter the amount of expenditure for each project under the justification categories of Customer, Growth, Mandatory and Renewal. Expenditure can be allocated to more than one category as necessary. The balancing amount of gross expenditure will be automatically calculated and shown under the CBA category. This data to be entered at whole project level.</p> <p><u>Expenditure Type</u></p> <p>Split the amount of gross expenditure between the types Design and Implementation, defined below and enter the amount for design. The amount of implementation costs is automatically calculated as the gross expenditure less the design costs.</p> <ul style="list-style-type: none">• Design: this is intended to be the costs associated with planning, designing testing systems. This element is that which would be incurred irrespective of the size of the network.• Implementation: this is intended to be the costs associated with IT workstations and training. These costs are expected to vary depending on the size of network and number of staff involved with the process. <p><u>Gross Expenditure</u></p> <p>Enter the annual expenditure in £m for each Project, split between the identified sub categories, for the year. Costs in this category should be entered to the nearest £100k. Include capitalised overheads in these costs.</p> <p><u>Contributions</u></p> <p>Enter the annual contribution, if any, split between the identified sub categories, in £m received for each project.</p> <p><u>Net Expenditure</u></p> <p>No entry is required. The net expenditure is calculated by taking the contribution from gross expenditure.</p> <p>(ii) IT Projects</p>
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	<p>List all projects where the total project expenditure will be £0.5m or more. For each project the total project planned expenditure should be included which will include any expenditure prior to 2013. Within each Project the expenditure should be split into the following sub categories;</p> <ul style="list-style-type: none">• Non System Expenditure includes documentation & training• IT Infrastructure includes Hardware & Communications equipment such as PCs, e-mail, servers & LANs.• IT Systems includes application systems such as work management systems, asset management systems, financial systems <p>All data for projects less than £0.5m is to be collected on an aggregate basis in the final section - Aggregated Expenditure (Projects <£0.5m). For these projects, only enter the expenditure in the years 2012-2021.</p> <p><u>Expenditure Justification (also see definition)</u></p> <p>Enter the amount of expenditure justification for each project for the justification categories of Customer, Growth, Mandatory and Renewal where necessary (see above). The balancing amount of Gross expenditure will be automatically calculated and shown under CBA justification. This data to be entered at whole project level.</p> <p><u>Expenditure Type</u></p> <p>Split the amount of gross expenditure between the types Design and Implementation, defined below and enter the amount for design. The amount of implementation costs is automatically calculated as the gross expenditure less the design costs</p> <ul style="list-style-type: none">• Design: this is intended to be the costs associated with planning, designing testing systems. This element is that which would be incurred irrespective of the size of the network.• Implementation: this is intended to be the costs associated with IT workstations and training. These costs are expected to vary depending on the size of network and number of staff involved with the process. <p><u>Gross Expenditure (Named Projects > £0.5m)</u></p> <p>Enter the annual expenditure in £m for each Project, split between the identified sub categories, for each year.</p>
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	<p>Include capitalised overheads in these costs.</p> <p><u>Contributions (Named Projects > £0.5m)</u></p> <p>Enter the annual contribution, split between the identified sub categories, if any, in £m received for each project.</p> <p><u>Net Expenditure (Named Projects > £0.5m)</u></p> <p>No entry is required. The net expenditure is calculated by taking the contribution from gross expenditure.</p> <p>(iii) Xoserve</p> <p>List all projects where the total project expenditure will be £0.5m or more. For each project the total project planned expenditure should be included which will include any expenditure prior to 2013.</p> <p>Within each Project the expenditure should be split into the following sub categories;</p> <ul style="list-style-type: none">• Non System Expenditure includes documentation & training• IT Infrastructure includes Hardware & Communications equipment such as PCs, e-mail, servers & LANs.• IT Systems includes application systems such as work management systems, asset management systems, financial systems <p>All data for projects less than £0.5m is to be collected on an aggregate basis in the final section - Aggregated Expenditure (Projects <£0.5m). For these projects, only enter the expenditure for 2013.</p> <p><u>Expenditure Justification (also see definition)</u></p> <p>Enter the amount of expenditure justification for each project for the justification categories of Customer, Growth, Mandatory and Renewal where necessary (see above). The balancing amount of Gross expenditure will be automatically calculated and shown under CBA justification. This data to be entered at whole project level.</p> <p><u>Expenditure Type</u></p> <p>Split the amount of gross expenditure between the types Design and Implementation, defined below and enter the amount for design. The amount of implementation costs is automatically calculated as the gross expenditure less the design costs</p>
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	<ul style="list-style-type: none"> • Design: this is intended to be the costs associated with planning, designing testing systems. This element is that which would be incurred irrespective of the size of the network. • Implementation: this is intended to be the costs associated with IT workstations and training. These costs are expected to vary depending on the size of network and number of staff involved with the process. <p><u>Gross Expenditure</u></p> <p>Enter the annual expenditure in £m for each Project, split between the identified sub categories, for the year. Costs should be entered to the nearest £100k. Include capitalised overheads in these costs.</p> <p><u>Contributions</u></p> <p>Enter the annual contribution, split between the identified sub categories, split between the identified sub categories, if any, in £m received for each Project.</p> <p><u>Net Expenditure</u></p> <p>No entry is required. The net expenditure is calculated by taking the contribution from gross expenditure.</p>
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Worksheet 4.6b – Transport & Plant

Purpose and Use by Ofgem	The table collects data for vehicles and wheeled plant. The table makes provision to capture data on both capex and opex expenditure in these areas in order to make comparable assessment for companies operating different procurement models for these assets
Mapping to RRP and/or BPDT	RRP Table 3.6 and BPDT Table 3.6b
Proposed changes	Formatting changes and seek to streamline information collected. Licensees to provide data on capex and opex for cars, commercial vehicles as wheeled plants
Reason(s) for proposed changes	Reduce the reporting burden on Licensees
Instructions for Completion	All data should be entered for the following types of asset; <ul style="list-style-type: none"> • Cars • Commercial vehicles which includes: <ul style="list-style-type: none"> ○ Car Derived Vans ○ LGVs includes vehicles up to 3.5 tonnes GVW excluding car derived vans

	<ul style="list-style-type: none">○ HGVs includes vehicles >3.5 tonnes GVW• Wheeled Plant includes mobile compressors, cranes, excavators and dumpers <p>All costs in this category should be entered as £m to the nearest £1,000.</p> <p>The following data should be entered for the following headings;</p> <p><u>Capital Expenditure - Total Costs</u></p> <p>Enter the total annual capex expenditure in £m.</p> <p><u>Operating Expenditure (running costs) – Total Costs</u></p> <p>Enter the total annual opex expenditure in £m. This should include all costs for servicing, tax, insurance, fuel and lease costs where appropriate.</p> <p><u>Number of additional vehicles</u> Enter the total number of new vehicles which is planned to be purchased during the year which will increase the size of the fleet.</p> <p><u>Number of replacement Vehicles</u></p> <p>Enter the total number of replacement vehicles which is planned to be purchased during the year. This will not increase the size of the fleet.</p> <p><u>Number of vehicles in fleet</u></p> <p>Enter the planned total number of vehicles or wheeled plant in the fleet at the end of the financial year.</p> <p><u>Planned Life of New Vehicles</u></p> <p>Enter the planned life of the vehicles to be purchased during the year in number of years.</p> <p><u>Planned Life of replacement vehicles</u></p> <p>Enter the planned life of the vehicles to be purchased during the year in number of years.</p>
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Worksheet 4.7 – Capitalised Overheads

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Purpose and Use by Ofgem	<p>This table is to capture the breakdown of capitalised overheads between various cost and capex/replex categories initially captured in opex and then recharged via the accounting systems to capex or repex.</p> <p>This is required to understand the breakdown of opex transfers.</p>
Mapping to RRP and/or BPDT	RRP Table 3.7 and BPDT Table 3.7
Proposed changes	No changes
Reason(s) for proposed changes	n/a
Instructions for Completion	<p>Categories of Opex Transfer</p> <p>Provide a breakdown of the total transfer from the opex account to capex or repex into the categories of:</p> <p>Capitalised Labour; Capitalised pension costs; Transport Operating Costs; Last Mile Logistics; Tools and Equipment / Other Non-Staff Related Costs or Other Capitalised costs</p> <p>Capitalised labour should not include any direct capex and repex wages. Capitalised labour should recognise;</p> <p>(a) ERO costs (NI, superannuation, training, holidays, sickness etc)</p> <p>(b) All other Staff Costs in supporting repex and capex activities (for example supervisory, managerial, planning and support)</p> <p>A description must be entered for any sums entered into the 'Other Capitalised Costs' line , with accompanying explanation.</p> <p>The Total should also balance with the total transfer from the Opex account</p> <p><u>Recharge from Opex; Direct / Indirect</u></p> <p>Please provide a breakdown of the total transfer from: (a) direct opex; and (b) indirect opex (support services) to repex and capex.</p> <p>The Total transfer should equal the total transfer from the Opex account as per 'Categories of Opex Transfer', above.</p> <p><u>Summary Overheads from asset categories</u></p>

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	<p>Please provide a breakdown of the total transfer from the Opex in respect to overheads to capex / repex into the categories of:</p> <ul style="list-style-type: none">-LTS Capex-Mains Capex-Governors Capex-Connections Capex-Other Capex-Repex Mains-Repex Services
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7. Instructions for completing the replacement expenditure worksheets

Chapter Summary

The purpose of this chapter is to inform the completion of the cost and volume worksheets by each GDN. This is to enable Ofgem to effectively monitor the performance of the companies in relation to the allowances for capital expenditure, operating expenditure and total expenditure set in the Final Proposals.

Introduction

7.1. These worksheets collect details of the replacement expenses incurred within the main cost activities by the Licensees. This information will

- facilitate an understanding of the performance of the Licensees;
- facilitate the review and analysis of the expenditure trends;
- allow comparison of costs across the Licensees.

7.2. The excel templates for reporting on summary repex autopopulates (4.8 repex summary) for the current year (2014) but for the future years GDNS should input forecast expenditure and workload for each of the years 2015 to 2021. Forecast data will **only** be required at a total category level on the summary table.

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

Overview of worksheets

7.4. The worksheets included within this chapter are:

- 4.8 – Replacement Expenditure Summary
- 4.9 – Repex Mains and Services
- 4.10 – Other Repex Services
- 4.11 – Multi Occupancy Buildings (MOBs)

- 4.12 – Distribution Mains Risk

Worksheet 4.8 – Replacement Expenditure Summary

Purpose and Use by Ofgem	<p>This table contains a summary of the information contained in the repex tables 4.9-4.11.</p> <p>All information contained into this summary table, and consequently in tables 4.9-4.11, are completed in accordance with the HSEs’ mains driven replacement programme.</p>
Mapping to RRP and/or BPDT	RRP Table 3.9 and BPDT Table 3.9
Proposed changes	Summary table reflects new format of repex tables
Reason(s) for proposed changes	Consistency
Instructions for Completion	This table auto-populates for the current year (2014) but for the future years GDNS should input forecast expenditure and workload for each of the years 2015 to 2021

Worksheet 4.9 – Repex Mains and services

Purpose and Use by Ofgem	<p>This table collects details of expenditure related to the replacement of mains pipe-lines and services for each year up to the end of RIIO-GD1.</p> <p>It collects sufficient data to support a meaningful comparison of unit costs, work volumes (for both lay and abandon) and techniques employed between companies and over time.</p> <p>Mains data is collected by installed pipe sizes in 8 ranges (from less than 75mm to more than 630mm) and for decommissioned pipes (workload only) from < 3” to greater than 24”.</p> <p>This table also collects details on services expenditure and workload. Data is captured by diameter tier to provide full visibility of the cost and workload associated with the three tiers and to provide sufficient granularity to support regression analysis.</p> <p>Further guidance notes:</p> <p>¹Tier - HSE Tier definition only includes those mains which are current within 30 metres of a building</p> <p>²Iron mains - includes "Cast Iron", "Spun Iron" & "Ductile Iron" but excludes Medium Pressure Ductile Iron</p> <p>³Small Diameter Steel Mains <=2" have been classified as short mains which are replaced at the same time as parent</p>
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	<p>mains, in some networks these are referred to as "Back Rails"</p> <p>⁴"Other Mandatory Mains" includes Medium Pressure Ductile Iron, Asbestos Cement, PVC or Other - only HSE enforced replacement of these types (e.g. MPDI, Asbestos) should be included as mandatory</p> <p>LTS Pipelines and Installations Note from the beginning of RIIO-GD1 and onwards all LTS repex projects will be categorised under LTS capex table 4.1.</p> <p>Non-Rechargeable Diversions Enter expenditure, workload etc. for diverted mains that are not re-chargeable.</p> <p>Rechargeable Diversions Enter expenditure, workload etc. for diverted mains that are re-chargeable.</p> <p>Capitalised (upsized) replacement (reinforcement) Where replacement pipelines are planned to be upsized to provide additional capacity, the costs and workload should be reported in table 3.3 "Reinforcement". The abandonment of iron mains falling within the scope of the HSE enforcement policy only must be recorded in this table under the Reinforcement heading. Do not record the abandonment of any mains not included in the scope of the iron mains HSE enforcement policy.</p> <p>Street works: Repex costs associated with NRSWA, TMA/T(S)A, lane rental, S74 should be reported in tables 4.9-4.11 and should be reported under relevant repex sections of the street works tables 2.10a & b.</p>
Mapping to RRP and/or BPDT	RRP Table 3.10 and BPDT Table 3.10, a-d RRP table 3.11 and BPDT Tables 3.11, a-c
Proposed changes	Combined repex mains and services tables and categorised expenditure/workload by replacement reason, justification and HSE tier. Removed MP/LP split of data and deleted installation technique.
Reason(s) for proposed changes	To achieve transparent and consistent Repex data submissions.
Instructions for Completion	<p><u>MAINS</u></p> <p><u>LTS Pipelines and Installations</u></p> <p>Enter data for LTS Repex projects for all where the total project expenditure is or will be £0.5m or more.</p> <p>All data for projects with expenditures of less than £0.5m should be entered on an aggregate basis.</p>

	<p>Where costs and workload are not aligned in the reporting year, please provide a status report explaining the workload and costs associated with the project.</p> <p><u>Abandoned Mains</u></p> <p><u>HSE Enforcement Policy</u></p> <p>Enter lengths to be abandoned under the HSE's Enforcement Policy for the Replacement of Iron Gas Mains (enter only iron mains included on the HSE approved programme).</p> <p><u>Other Policy and Condition Mains</u></p> <p>Enter lengths abandoned under other policy or through condition.(i.e. in addition to the HSE iron mains programme)</p> <p><u>Non-Rechargeable Diversions</u></p> <p>Enter lengths abandoned for diverted mains that are not re-chargeable.</p> <p><u>Rechargeable Diversions</u></p> <p>Enter lengths abandoned for diverted mains that are re-chargeable.</p> <p><u>Reinforcement</u></p> <p>Where replacement pipelines are planned to be upsized to provide additional capacity, the costs and workload should be reported in table 4.2 "Reinforcement". The abandonment of iron mains falling within the scope of the HSE enforcement policy only must be recorded in this table under the Reinforcement heading. Do not record the abandonment of any mains not included in the scope of the iron mains HSE enforcement policy.</p> <p>SERVICES</p> <p><u>Gross Expenditure</u></p> <p>Enter the annual expenditure in £m for each activity category.</p> <p>All expenditure should be inclusive of capitalised overheads.</p> <p>Include the cost of replacing service connections and restoring supplies, including safety check, purge and relight. Exclude the cost of any meter work carried out on</p>
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	<p>behalf of others.</p> <p><u>Contribution</u></p> <p>Enter the contribution, if any, in £m received for each activity in each investment area, and for each year.</p> <p><u>Workload</u></p> <p>Enter as appropriate, the number of services jobs for the year.</p> <p><u>Unit Cost</u></p> <p>No entry is required. The unit cost is calculated from gross expenditure and the number of services.</p> <p><u>Net Expenditure</u></p> <p>No entry is required. The net expenditure is calculated by taking the contribution from gross expenditure.</p> <p><u>Replacement Services – Domestic</u></p> <p>Enter expenditure, contribution and workload for domestic services re-laid and those tested and transferred to a new main for the year.</p> <p><u>Replacement Services – Non-Domestic</u></p> <p>Enter expenditure, contribution and workload for non-domestic services re-laid and those tested and transferred to a new main for the year.</p> <p>Services to buildings with ground floor, basement and/or first floor premises only should be entered here (including risers and laterals).</p> <p>All services, risers and laterals (including ground floor/basement/first floor) to buildings with premises above first floor should be entered under Multi-Occupancy Buildings.</p> <p><u>Replacement Services – Non Domestic</u></p> <p>Enter total expenditure, contributions and workload for non-domestic services.</p> <p>Premises installed with a U16 or larger meter are assumed to exceed supply and consumption of 73,200 kWh should fall within this category.</p> <p><u>Multiple Occupancy Buildings</u></p>
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	<p>Costs and workload for multiple occupancy buildings are analysed by three categories:</p> <p>Risers <20m length. To capture the cost of riser, lateral & service replacement to premises within buildings with up to 6 floors above the ground floor;</p> <p>Risers 20 - 40m length. To capture the cost of riser, lateral & service replacement to premises within buildings with up to 12 floors above the ground floor;</p> <p>Risers >40m length. To capture the cost riser, lateral & service replacement to premises within buildings with more than 12 floors above the ground floor</p> <p><u>Multiple Occupancy Buildings Planned Replacement</u></p> <p>For each category :</p> <p>Enter riser gross expenditure and contributions</p> <p>Enter riser workload in metres and number of multi occupancy buildings</p> <p>Enter service connections (including laterals) gross expenditure and contributions</p> <p>Enter the service workload (number of supply points)</p> <p>Enter costs etc. on a building basis, e.g. all premises within a 12 floor building will be entered in the (20-40m length) category.</p> <p>Proactive work occurs where a riser pipe system is selected for replacement, or (in the future) with a potential riser replacement programme</p>
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Worksheet 4.10 – Other repex services

Purpose and Use by Ofgem	This table collects data relating to the replacement of services not associated with mains replacement. Replacement services - domestic
Mapping to RRP and/or BPDT	RRP Table 3.11 and BPDT Table 3.11c
Proposed changes	Separate table for other repex services
Reason(s) for proposed changes	Deleted repex services table.
Instructions for	<u>Replacement services - domestic</u>

Completion	<p>Enter the gross expenditure, contribution and workload for re-laid services associated with bulk relay schemes, relays associated with service alterations and repositioned meters, and services re-laid after escape.</p> <p>Expenditure and workload for domestic service relays associated with replex smart metering should be entered in table 4.11.</p> <p><u>Replacement services – non-domestic</u></p> <p>Enter data as for domestic services above</p> <p><u>Multiple occupancy buildings – replacement on failure</u></p> <p>Enter the gross expenditure, contribution, total length of riser and number of multi-occupancy buildings for the year.</p> <p>This data should be entered for the three riser length categories <20m, 20m-40m and >40m.</p>
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Worksheet 4.11 – Multiple Occupancy Buildings (MOBs)

Purpose and use by Ofgem	<p>Costs and workload for multiple occupancy buildings are analysed by three categories:</p> <p>Risers <20m length. To capture the cost of riser, lateral & service replacement to premises within buildings with up to 6 floors above the ground floor;</p> <p>Risers 20 - 40m length. To capture the cost of riser, lateral & service replacement to premises within buildings with up to 12 floors above the ground floor;</p> <p>Risers >40m length. To capture the cost riser, lateral & service replacement to premises within buildings with more than 12 floors above the ground floor</p>
Mapping to RRP and/or BPDT	RRP 3.11 and 3.11a and BPDT 3.11 a-c
Proposed changes	Consolidate MOB riser information in separate replex table
Reason(s) for proposed changes	Deleted replex services table.
Instructions for Completion	<p>Multiple Occupancy Buildings Planned Replacement</p> <p>For each category:</p> <p>Enter riser gross expenditure and contributions</p> <p>Enter riser workload in metres and number of multi occupancy buildings</p> <p>Enter service connections (including laterals) gross expenditure and contributions</p>

	<p>Enter the service workload (number of supply points) Enter costs etc. on a building basis, e.g. all premises within a 12 floor building will be entered in the (20-40m length) category. Proactive work occurs where a riser pipe system is selected for replacement, or (in the future)</p> <p>Multiple occupancy buildings – replacement on failure Enter the gross expenditure, contribution, total length of riser and number of multi-occupancy buildings. This data should be entered for the three riser length categories <20m, 20m-40m and >40m.</p>
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Worksheet 4.12 – Distribution Mains Risk

Purpose and Use by Ofgem	The table records information on distribution mains risk. Mains risk data is required to verify the measurement of safety risk and risk management strategy associated with distribution mains.
Mapping to RRP and/or BPDT	BPDT Table 3.10d
Proposed changes	No changes
Reason(s) for proposed changes	n/a
Instructions for Completion	<p>Completion of mains risk data in this table is not required, instead mains risk data must be provided separately by way of an MRPS extract of 1st April 20xx.</p> <p>In addition, the local authority associated with each pipe object must be shown to enable an assessment to be made of the property density in the proximity.</p>

8. Instructions for gas network data worksheets

Chapter Summary

The purpose of this chapter is to inform the completion of the gas network data worksheets by each GDN. This is to enable Ofgem to effectively monitor the performance of the gas distribution networks including in relation to system flows, boundary transfers and asset health during RIIO-GD1.

Introduction

8.1. These worksheets collect non-financial data movements in gas network data. We collect this data to understand the profiles of the assets and the changes that investment makes to their profiles; to understand the volume of any contracted seasonal storage and the contracted capacity of supplies into the LTS; compile secondary deliverables information on asset health, criticality, and risk indices to assess performance against reported expenditure; and to compile assets' information that enable us to assess their performance over a given period and across the industry.

8.2. [Provide overarching details for completion]

Overview of worksheets

8.3. The worksheets included within this chapter are:

- 5.1 – LTS Asset Data
- 5.2 – Capacity and Storage Asset Data
- 5.3 – Network Asset Data
- 5.4– Additional Data
- 5.5 – Capacity and Demand Data
- 5.6 – Capacity Output Data
- 5.7 – MEAV
- 5.8 – Asset Health

Worksheet 5.1 – LTS Asset Data

Purpose and Use by Ofgem	<p>This table collects non-financial data movements in total length of pipe-lines (by diameter and operating pressure) during the period. Also includes sundry other LTS population data.</p> <p>We collect this data to understand changes in the pipe-line assets and the changes that investment will make to the pressure tiers over the period.</p>
Mapping to RRP and/or BPDT	RRP Table 3.12 and BPDT Table 3.12
Proposed changes	No changes
Reason(s) for proposed changes	n/a
Instructions for Completion	<p>The table is to be prepared for each LDZ within the DNs ownership.</p> <p>The sheet collects asset data by size and pressure tier and tracks installation and removal. For abandoned or removed assets enter a <u>negative</u> figure.</p> <p><u>Diameter Band</u></p> <p>Enter the new or abandoned LTS pipe-lines by diameter band.</p> <p>Note: if an LTS pipe-line is down-rated to operate below 7 barg, this should be shown as a new asset in the mains data table.</p> <p><u>Maximum Design Operating Pressure</u></p> <p>Enter the new or abandoned LTS pipelines by pressure band.</p> <p>Note; if a pipe-line is down-rated (or up-rated) from one LTS tier to another, this should be clearly shown as a + and - entry in the same year in the relevant rows.</p> <p><u>Other data</u></p> <p>Enter the number of NTS offtakes, LTS PRSs and AGIs installed or abandoned.</p>

Worksheet 5.2 – Capacity and Storage Asset Data

Purpose and Use by Ofgem	<p>The table collects non-financial data movements in the amount of storage capacity (by storage type).</p> <p>We collect this data to understand the changes in the volume of any contracted seasonal storage and the (contracted or planned) capacity of supplies into the LTS over the period.</p>
Mapping to RRP and/or BPDT	RRP Table 3.13 and BPDT Table 3.13
Proposed changes	No changes
Reason(s) for proposed changes	n/a
Instructions for Completion	<p>Information is to be provided for each LDZ within the DNs ownership.</p> <p>For abandoned or removed assets enter a <u>negative figure</u>.</p> <p><u>Storage</u></p> <p><u>High pressure vessels (HPVs):</u> Enter the usable capacity of HPVs (mcm) at the beginning and at the end of the year. Enter the capacity abandoned and installed and the number of HPVs.</p> <p><u>Other storage:</u> Enter the usable capacity of other storage (mcm) e.g. salt cavities, mined cavities, LNG etc at the beginning and at the end of the year. Enter the capacity abandoned and installed, contracted to third parties and the number of other storage sites for the year.</p> <p><u>Low pressure Gasholders:</u> Enter the usable capacity of low pressure Gasholders (mcm) at the beginning and at the end of the year. Enter the number of low pressure Gasholders, abandoned, mothballed and re-commissioned in the year. Abandoned and mothballed gas holders should be entered as negative values and re-commissioned gasholders should be positive values. Enter the number of low pressure Gasholders.</p> <p><u>Mothballed storage:</u> Enter the capacity of mothballed storage (mcm) at the beginning and at the end of the year. Enter the capacity abandoned, mothballed and re-commissioned in the year. Abandoned and mothballed storage capacity should be entered as negative values and re-commissioned capacity should be positive values. Enter the number of mothballed Gasholders.</p> <p><u>Linepack LTS:</u> Enter the daily volume of LTS linepack (mcm/d) at the beginning and at the end of the year. For</p>

	<p>LTS linepack installed, show diminishing value of this in succeeding years, where appropriate, as a negative in 'lost'.</p> <p><u>Contracted NTS Linepack:</u> For 'Contracted NTS line pack', the treatment of contracted NTS linepack has changed. Initially the diurnal storage that a GDN could take from the NTS was agreed between the two parties both as a maximum volume and as a daily profile. In the current arrangement diurnal storage taken from the NTS is referred to as flexibility gas and is formalised in a contract with NG. The maximum total daily volumes of storage from the NTS should be entered for the year of both regimes e.g. agreed volumes in the past and flexibility volumes for the years in which the new regime has applied.</p> <p><u>Offtake Capacity</u></p> <p><u>All offtakes Max Design Capacity:</u> Enter the changes to maximum installed design capacity for all NTS offtakes and other direct feeds (mcm), over the period. Enter the capacity installed and abandoned in the year.</p> <p><u>Flat Capacity:</u> Enter the Flat Capacity daily volume as an aggregate for all NTS offtakes for the year.</p>
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Worksheet 5.3 – Network Asset Data

Purpose and Use by Ofgem	<p>The table collects non-financial data movements in network assets during the period. Also collects details of the target population of the mains replacement programme and the number of risers.</p> <p>We collect data to understand the profile of pipe-lines and other assets and the changes that investment will make to that profile.</p>
Mapping to RRP and/or BPDT	RRP Table 3.14 and BPDT Table 3.14
Proposed changes	No changes
Reason(s) for proposed changes	n/a
Instructions for Completion	<p><u>Distribution Mains Population</u></p> <p>Enter the asset population figures in km at the end of the year, by diameter band, for all pipe materials.</p> <p>Enter also the population for operating at the different pressure tiers i.e. Low Pressure, Medium Pressure and Intermediate Pressure, for all pipe materials, in km.</p>

	<p>The sum of the population by diameter band and pressure tier should be equal.</p> <p><u>Governors</u></p> <p>For each installation type enter the number to be installed as new and replacement, also enter any to be removed. Provide population figures at the end of the year.</p> <p><u>Services</u></p> <p>Enter the total number of services (excluding multi-occupancy buildings) by material type at the end of the year. Also enter the number of services with scope of 30/30 replacing and their average length.</p> <p><u>Multi-Occupancy Buildings (MOBs)</u></p> <p>Enter the total at the end of the year for the:</p> <ul style="list-style-type: none"> • Total length (km) • Number of MOBs • Number of supply points <p>Exclude meter points within buildings with ground floor, basement and first floor premises only.</p> <p><u>Average Planned Maintenance (hours per unit p.a.)</u></p> <p>Provide population figures, average maintenance hours (hour per unit p.a.) and failure rates, over the year.</p>
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Worksheet 5.4 – Reports/ Repair Additional Data

Purpose and Use by Ofgem	<p>This table collects additional data to understand network condition and expenditure requirements.</p> <p>We collect this data to understand the trend in PREs and the overall system condition.</p>
Mapping to RRP and/or BPDT	RRP Table 3.15 and BPDT Table 3.15
Proposed changes	No changes
Reason(s) for proposed changes	n/a
Instructions for Completion	<p><u>Public Reported Escapes (PREs)</u></p> <p>Enter the number of PREs (the number of unique address public reported escapes received by the GDN for which a FCO will be called out).</p>

	<p><u>Reports: Emergencies - Network</u></p> <p>Enter the annual number of jobs to be closed off with a status:</p> <ul style="list-style-type: none">• mains condition report (escape)• service condition report (escape)• interference (damage)• other – enter the number of jobs closed off with a status: "No Gas" Service Governor Failure, Water Ingress or other Network Problem <p><u>Reports: Emergencies - Other</u></p> <p>Internal Escape (Gas): Enter the number of jobs closed off with a status:</p> <ul style="list-style-type: none">• of a gas related "Internal Escape" <p>Internal Escape (CO): Enter the number of jobs closed off with a status of</p> <ul style="list-style-type: none">• a CO related "Faulty Appliance" or appliance unsafe or emitting CO <p>Other: Enter the number of jobs closed off with a status:</p> <ul style="list-style-type: none">• "Meter Problem" e.g. Meter Regulator Lock-up, ETM Problem• "Other Problem" e.g. Bird Trapped, Boiler Not Working, Incorrect Callout• "No Trace" e.g. No gas or CO found <p>PREs = total number of Emergencies - Network reports - Other reports</p> <p>Repairs</p> <ul style="list-style-type: none">• Enter the number of mains condition repairs by diameter.• Enter the total number of service condition repairs.• Enter the number of reports and repairs following mains interference damage.• Enter the number of reports and repairs following service interference damage.• Enter the number of repairs to installation pipe work or repair /isolation of individual appliances due to gas related issues (SLC6 requirement) excluding those affected by isolation at ECV.• Enter the number of repairs or isolation of individual
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	<p>appliances due to CO related issues (SLC6 requirement) excluding those affected by isolation at ECV.</p> <p>Repair hours</p> <p>Enter the average number of repair hours to occur by repair category.</p> <p><u>Property data:</u></p> <p>Enter the details of the properties (whose associated costs have been captured in table 2.4e Property Costs) under this category. Properties should be split according to the heading shown in the table; leased vs. owned, and office vs. Depot. Provide the total floor space in sq meters (building footprint) for each property at the beginning and at the end of the price control period.</p>
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Worksheet 5.5 – Capacity and Demand Data

Purpose and Use by Ofgem	<p>The table collects data by exit zone based on the 1 in 20 planning scenario.</p> <p>Collect this data to understand the basis on which capacity-based investment is judged to be required by the GDN.</p>
Mapping to RRP and/or BPDT	RRP Table 3.16 and BPDT Table 3.16
Proposed changes	No changes
Reason(s) for proposed changes	n/a
Instructions for Completion	<p><u>Name</u> Enter the name of the off take.</p> <p><u>NTS Exit Zone</u> Enter the exit zone number. The completed returns should show the offtakes listed by exit zone, alphabetically within each zone.</p> <p><u>Demand</u> Enter the demand under 1 in 20 conditions for each off take.</p> <p><u>Flow Flat Required</u> Enter the Flat capacity daily volume for each off take under 1 in 20 conditions.</p> <p><u>Flow Flex Required</u> Enter the Flex capacity daily volume for each off take under 1 in 20 conditions.</p>

	<p><u>Peak Rate</u> Enter the peak rate taken through each of the offtakes.</p> <p><u>Min Inlet @SOD</u> Enter the Min inlet pressure at Start of Day (barg). This is the inlet pressure required to pack the linepack system to the full stock position.</p> <p><u>Min Inlet @ SOD contracted by NTS</u> Enter the pressure contracted by NTS to be available at Start of Day (barg)</p> <p><u>Min Inlet @EOD</u> Enter the Min inlet pressure at End of Day (barg). This is the end of the Storage day, i.e. when linepack systems are expected to be at minimum stock values.</p> <p><u>Min Inlet @ EOD contracted by NTS</u> Enter the pressure contracted by NTS to be available at End of Day (barg).</p> <p><u>Total volume of storage needed</u> Enter the total volume of storage needed for each zone Enter the total for each zone against the first named off take only.</p> <p><u>Total volume of storage available</u> Enter the total volume of storage available for each zone (excluding use of NTS flex). This should include available LP holder volume, available Linepack, HP bullets, and other storage volumes. Enter the total for each zone against the first named off take only. <u>Volume of interruption</u> Volume of interruption. Enter the total volume of interruption for each zone against the first named off take only.</p> <p><u>Number of Interruptible loads</u> Identify the number of loads interrupted to correspond with the volume entered in 20.12.</p> <p><u>No. of NSLs</u> Enter the Number of Network Sensitive Loads by off take zone. Enter the number in the first named off take for each zone.</p> <p><u>Assumed Planning CV</u> Enter the assumed planning CV by LDZ</p>
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Worksheet 5.6 – Capacity Output Data

Purpose and Use by Ofgem	<p>The table collects capacity outputs data.</p> <p>We collect this data as basis of assessment of delivery of capacity outputs by the GDN.</p>
Mapping to RRP and/or BPDT	BPDT Table 3.16a
Proposed changes	No changes
Reason(s) for proposed changes	n/a
Instructions for Completion	<p>Instructions below are a guide. Companies will use common assumptions as developed through the capacity working group.</p> <p>Installation Utilisation Data:</p> <p><u>Installation name</u> Enter the name of the NTS off take or pressure reduction installation.</p> <p><u>Installation type</u> Off take or PRI.</p> <p><u>NTS Exit Zone</u> Enter the exit zone number.</p> <p><u>Inlet Pressure</u> Minimum inlet pressure of installation.</p> <p><u>Inlet Pressure Assumptions</u> Assumptions used to determine inlet pressure.</p> <p><u>Outlet Pressure</u> Maximum outlet pressure of installation.</p> <p><u>Outlet Pressure Assumptions</u> Assumptions used to determine outlet pressure.</p> <p><u>Maximum Capacity of Site</u> Maximum off take capacity from installation.</p> <p><u>Expected Maximum Flow</u> Expected hourly maximum flow in year for installation.</p> <p><u>Expected maximum hourly flow for the year in % Utilisation</u> Expected maximum flow/Maximum capacity of site.</p> <p><u>Flow Assumptions</u> Assumption to determine Maximum hourly flow.</p>

	<p><u>Comments</u> Brief comment on other relevant issues.</p> <p>Baseline Capacity Data</p> <p><u>Local Distribution Zone</u> Name of LDZ.</p> <p><u>Supply point SOQ</u> Total daily supply point off take quantity in LDZ.</p> <p><u>DM SHO</u> Total hourly supply point off take quantity for daily metered customers in LDZ.</p> <p>Peak day demand</p> <p>LDZ demand on 1 in 20 days.</p>
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Worksheet 5.7 – MEAV

Purpose and Use by Ofgem	This tables uses information from sheets 5.1, 5.2 and 5.3 necessary for computing the MEAV.
Mapping to RRP and/or BPDT	RRP Table 3.19 and BPDT Table 3.17
Proposed changes	No changes
Reason(s) for proposed changes	n/a
Instructions for Completion	Table auto-populates

Worksheet 5.8 – Asset Health

Purpose and Use by Ofgem	To collect secondary deliverables information on current asset health, criticality, and risk indices to assess performance against business plans and reported expenditure.
Mapping to RRP and/or BPDT	BPDT Table 4.3
Proposed changes	No changes
Reason(s) for proposed	n/a

Instructions for Completion	<p><u>Asset health and criticality</u></p> <p>Licensees to provide the number of assets by asset category heading falling within the asset health categories (HI1, HI2, HI3, HI4, HI5) and criticality (C1, C2, C3, C4) for the current year of reporting. The definitions of these categories are contained in these worksheets. The total of assets reported against each asset category should reconcile with the asset register. For the asset health distribution, the Licensees should estimate the entire asset base (i.e. they should take account of both the level of replacements and additions).</p> <p>HI / CI matrix</p> <p>Licensees to provide risk indices based on the different combinations of asset health and criticality. Definitions should be confirmed between the companies and Ofgem by end-April 2011.</p> <p>Risk index tables</p> <p>The risk index tables are to be populated according to the risk matrix.</p> <p>Asset health and criticality, as well as risk index tables are to be provided by the Licensees for the current year.</p>
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9. Instructions for completing the network outputs worksheets

Chapter Summary

The purpose of this chapter is to inform the completion of the outputs worksheets by each GDN. This is to enable Ofgem to effectively monitor the performance of the companies in delivering their RIIO-GD1 outputs and to determine any associated reward or penalty under the incentive arrangements consistent with the Final Proposals.

Introduction

9.1. [Provide outline of overall purpose of worksheets in this area]

9.2. [Provide overarching details for completion e.g.]

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

Overview of worksheets

9.4. The worksheets included within this chapter are:

- 6.1 – Safety & Reliability
- 6.2a – Innovation – IRM Expenditure
- 6.2b – Innovation – NIA Expenditure
- 6.2c – Innovation – NIC Expenditure
- 6.2d – Innovation – Revenue Condition
- 6.2e – Innovation – Revenue Input
- 6.3a – Environment – BCF
- 6.3b – Environment – Other GNU
- 6.3c – Environment – Distribution Gas Connection

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- 6.4a – Social outputs – Fuel Poor

- 6.5a – Customer Survey

- 6.5b – Customer Complaints

- 6.6a – Connections Distributions

- 6.6b – Connections Demand

Worksheet 6.1 – Safety & Reliability

Purpose and Use by Ofgem	The purpose of this table is collect information on the costs each GDN incurs in delivering its safety obligations. In line with our Strategy Decision we have not stipulated an exhaustive list of legislative requirements but rather included examples of those obligations. This is to ensure this output remains relevant should any further legislative requirements be imposed on the businesses during the price control period
Mapping to RRP and/or BPDT	RRP Table 4.1 and BPDT Table 4.1
Proposed changes	No changes
Reason(s) for proposed changes	n/a
Instructions for Completion	<p>To complete Worksheet O1 each GDN is required to:</p> <ul style="list-style-type: none"> • identify the costs associated with delivering the specific safety obligation identified • if appropriate add other categories or safety obligations and the associated costs of delivering those obligations • provide its total costs for meeting its safety obligations in each Relevant Year. <p>In addition, we have introduced secondary deliverables for gas distribution safety based on asset health, criticality and risk. The reporting requirements for these areas are set out separately in the Network Data Workbook.</p>

Worksheet 6.2a – Innovation – IRM Expenditure

Purpose and Use by Ofgem	This worksheet provides Ofgem with the costs and other data relating to schemes designed to rollout a Proven Innovation.
Mapping to RRP and/or BPDT	BPDT Table 4.2
Proposed changes	Stand alone table
Reason(s) for proposed changes	IRM doesn't exist until GD1 starts
Instructions for Completion	<p>There are two reporting tables within this worksheet. The first is for the scheme name and category, with total costs reported by year.</p> <p>The second is to split the total costs by cost type. These costs will be added to the RAV as appropriate.</p>

Worksheet 6.2b – Innovation – NIA Expenditure

Purpose and Use by Ofgem	<p>This table will report the amounts spent under the Network Innovation Allowance (NIA).</p> <p>NIA Expenditure information is required to monitor the total amount spent by the Licensee in order to align with the regulatory accounts. Allowable NIA Expenditure is required to monitor the amounts being claimed through the NIA Funding Mechanism.</p>
Mapping to RRP and/or BPDT	BPDT Table 4.2
Proposed changes	Stand alone table
Reason(s) for proposed changes	NIA doesn't exist until GD1 starts.
Instructions for Completion	<p>Costs reported in this table must be incurred in accordance with the version of the NIA Governance Document in place when the expenditure was made, as published by Ofgem. In the description below, capitalised terms are defined in the NIA Governance Document.</p> <p>No expenditure should have been incurred (and therefore reported) prior to 1 April 2013</p> <p>This worksheet requires the same data broken down by different categories. The first requires detailed cost data to be reported by cost type. The second breaks the costs down as either Bid Preparation Costs, or against each</p>

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	<p>(named) project This is the total amount spent by the Licensee under the NIA. However, it should be noted that this is not equal to the total Allowable NIA Expenditure, since the NIA includes the Licensees contribution, Unrecoverable NIA Project Expenditure and Revenue allowed for within the RIIO: GD1 settlement.</p> <p>The Allowable NIA Expenditure is calculated as the total of Allowable Bid Preparation Costs and Allowable NIA Project Expenditure, and as per GTC/GDC 11, must not exceed the licensee’s NIA Allowance as set out in GTC/GDC 11. This is verified by a check line in the table</p>
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Worksheet 6.2c – Innovation – NIC Expenditure

Purpose and Use by Ofgem	<p>This table collects expenditure from the NIC Project bank account for any NIC project that is being implemented. The expenditure is recorded by project.</p> <p>As NIC projects do not form any part of GD1 allowances and requires separate detailed reporting every 6 months, this table will serve only to balance this worksheet to the regulatory accounts.</p>
Mapping to RRP and/or BPDT	BPDT Table 4.2
Proposed changes	Stand alone table
Reason(s) for proposed changes	NIC doesn’t exist until GD1 starts.
Instructions for Completion	<p>This table should only show expenditure for the regulatory year and not the outstanding funds required for the project</p> <p>No expenditure should have been incurred (and therefore reported) prior to April 2014</p>

Worksheet 6.2d – Innovation – Revenue Condition

Purpose and Use by Ofgem	The purpose of this table is to enable us to set the pass through rate for the NIA. This is 90% of expenditure for each GDN.
Mapping to RRP and/or BPDT	BPDT Table 4.2
Proposed changes	Stand alone table
Reason(s) for proposed	Better presentation

changes	
Instructions for Completion	Licensees do not need to complete this table

Worksheet 6.2e – Innovation – Revenue Input

Purpose and Use by Ofgem	<p>The purpose of this table is to inform us on GDN revenue associated with the innovation stimulus (NIC, NIA and IRM).</p> <p>This table sets out:</p> <ul style="list-style-type: none"> • The amount to be collected by the licensee for the regulatory year for the NIC. The amount will be the full amount for the whole duration of the Project and not just the expenditure in that regulatory year • This table shows the amount collected by the licensee for the regulatory year for the NIA. The Licensee should report the amount that was recovered to fund NIA projects or prepare submissions for the NIC as part of their eligible Bid Preparation Costs • This table shows the amount to be collected by the licensee in each regulatory year through the IRM. <p>The amount to be collected for the NIC and IRM is calculated in accordance with a Funding direction issued by the Authority in accordance with GDC 10.</p>
Mapping to RRP and/or BPDT	BPDT Table 4.2
Proposed changes	Stand alone table
Reason(s) for proposed changes	Innovation Stimulus doesn't exist until GD1 starts.
Instructions for Completion	

Worksheet 6.3a – Environment – BCF

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Purpose and Use by Ofgem	This provides a quantification of all aspects of a Licensees' Business Carbon Footprint (in tonnes of CO2 equivalent) in order for us to assess the carbon footprint across all the Licensees, and so that we can compile a league table showing year on year percentage change.
Mapping to RRP and/or BPDT	New Table
Proposed changes	n/a
Reason(s) for proposed changes	n/a
Instructions for Completion	<p>The performance league table will be based on the subtotal of the BCF not including shrinkage which is covered elsewhere.</p> <p>The associated commentary must contain the methodology used, including detailed emission tables for each of the sections below, and further information on the methodology adopted.</p> <p>As stated below, a GDN can select the 12 month period that it intends to use as its confirmed reporting year. This confirmed reporting year must have prior approval from Ofgem. We expect the confirmed reporting year to align with the statutory or regulatory accounts.</p> <p>The reporting methodology must be compliant with the principles of the Greenhouse Gas Protocol (GHG Protocol). In summary, the BCF reporting must be:</p> <ul style="list-style-type: none"> • Relevant: the inventory must reflect the substance and economic reality of the company's business relationships, not merely its legal form • Complete: all relevant emission sources must be included (although in practice lack of data or cost of gathering could be a limiting factor) • Consistent: accounting approaches, inventory boundary and calculation methodology must be applied consistently over time • Transparent: information on the processes, procedures, assumptions and limitations of the BCF reporting must be disclosed in a clear, factual, neutral and understandable manner, enabling internal and external verifiers to attest to its credibility • Accurate: GHG measurements, estimates, or calculations must be systemically neither over nor under the actual emissions value, as far as can be judged, and that uncertainties be reduced as far as practicable <p>Licensees must report on all Scope 1 and Scope 2 emissions on an 'operational control' basis, i.e. report all</p>

	<p>emissions from operations on which the GDN has full authority to introduce and implement its operating policy.</p> <p>Licensees must also report on a subset of Scope 3 emissions (external contractors), to ensure that the reporting captures all of the emissions arising from the development and operation of the licensee’s Distribution System, regardless of the legal entity carrying out each activity.</p> <p>Licensees that form part of a larger corporate group must provide a brief introduction outlining the structure of the group. The commentary must detail which organisations are considered to be within the reporting boundary for the purpose of this exercise.</p> <p>Apportionment of emissions across a corporate group to the GDN business units must be made clear in the commentary.</p> <p>The exclusion of any contractors must be justified and any thresholds used for exclusion must be stated in the commentary.</p> <p>The commentary must also include an indication of what proportion of contractors have been excluded. This figure could be calculated based on contract value.</p> <p>As far as possible, Licensees must try to ensure that data provided from different contractors is based on consistent assumptions. Licensees will be expected to include data from external contractors from the start of the price control period but to allow time for reporting mechanisms for external contractors to bed in for the first two years the data from external contractors will not count towards league tables.</p> <p>Detailed reporting requirements</p> <p>Licensees are given flexibility to set their own standards for:</p> <ul style="list-style-type: none">• Reporting year. We expect this generally to align with the statutory or regulatory accounts;• The use of estimates rather than direct measurement⁵, and any exclusion from the reporting based on (lack of) materiality considerations⁶. Any assumptions used to make estimates must be included in the commentary. It is anticipated that data will need to be estimated under two scenarios:<ul style="list-style-type: none">• When the type of emissions is not measured.• When there is measurement data, but an estimate is required as the data is not at the same level of granularity as required by the summary BCF
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	<p>worksheet.</p> <p>As a general principle, Licensees must focus more on the first type of estimation. The commentary must include data tables for each area of emissions (ideally at the same level of granularity as the Defra conversion factors) containing the following information:</p> <ul style="list-style-type: none"> • the GDN in question • the level of emissions (in tCO₂e) • the data source and collection process⁴ • the relevant physical units e.g. miles • the emission conversion factor used • the source of the emission conversion factor (this shall be Defra unless there is <ul style="list-style-type: none"> • a compelling case for using another conversion factor) • the Scope of the emissions i.e. Scope 1, 2 or 3 • whether the emissions have been measured or estimated • any tools used in the calculation • whether the emissions stem from contractors <p>The commentary must also include details of any auditing a GDN has performed to verify their emissions data.</p> <p>Apportionment across Distribution Service Areas</p> <p>When the emissions data is not available for individual Distribution Service Areas then the apportionment factor used must be transparent. The basis for calculating the apportionment factor must also be included in the commentary.</p> <p>We expect that the basis for calculating the apportionment factor will vary according to the area of emissions. The table below gives the preferred basis for determining the apportionment factor. Other methodologies can be used, but they must be justified.</p> <p>Table: Apportionment factor determination</p> <table border="1"> <thead> <tr> <th>Area of emissions</th> <th>Basis for apportionment factor</th> </tr> </thead> <tbody> <tr> <td>Building usage</td> <td>Head count</td> </tr> <tr> <td>Operational Transport</td> <td>Network length or km² of</td> </tr> </tbody> </table>	Area of emissions	Basis for apportionment factor	Building usage	Head count	Operational Transport	Network length or km ² of
Area of emissions	Basis for apportionment factor						
Building usage	Head count						
Operational Transport	Network length or km ² of						

⁴ Collection processes requiring a more detailed explanation must be elaborated upon elsewhere in the commentary. Office of Gas and Electricity Markets Cost and Revenue Reporting RIGs

		the DSA.
	Business transport	Head count, or like operational transport
<p>Guidance on completing the worksheet</p> <p><i>Buildings energy usage</i> Emission for electricity usage in buildings must be converted according to the factor for the "Grid Rolling Average".</p> <p>Natural Gas, Diesel and other fuels are all categorised as fuel combustion and must be converted to tCO₂e on either a Gross Calorific Value (Gross CV) or Net Calorific Value (Net CV) basis. We expect that this element of the chosen approach is clearly stated in the commentary and that this is consistently applied over time.</p> <p><i>Transport</i> Defra guidelines provide for a range of emission conversion factors for transport means, with the aim to provide the best possible estimate of emissions from the vehicle portfolio owned and/or operated by the company. The reporting must, as far as reasonably practicable, use the full range of emission conversion factors available (as applicable to the range of means of transport actually used by the company).</p> <p>Defra allows for transport to be entered in terms of both mileage and fuel consumption. Reporting must be based upon mileage, using conversion factors at the greatest level of disaggregation that is reasonably practicable. It should be based on fuel consumption only where detailed and reliable data is available, e.g. through fuel cards.</p> <p>In cases where emission factors for specific transport means are not available (we are aware of this issue for helicopters, but there may be some other instances) the equivalent tonnes of carbon dioxide (tCO₂e) must be estimated and summed to the closest means of transport (e.g. "air" for helicopters). The methodology and assumptions used for estimating/measuring these emissions must be included in the commentary.</p> <p>Operational Transport is the transportation (often a fleet of vehicles) used in the day to day operation of the business – i.e. in the inspection and maintenance of the network.</p> <p>Business Transport is that undertaken by staff travelling to locations that are other than their normal place of work or moving between sites for purposes such as meetings.</p> <p><i>External contractors</i> External contractors is defined as emissions from work</p>		

	undertaken on the network by contractors not directly employed by the GDN.
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Worksheet 6.3b – Environment – Other GNU

Purpose and Use by Ofgem	<p>The purpose of these tables is to provide a framework for the collection and provision of accurate and consistent information on environmental measures. The data is required in order to monitor performance under the different measures, as well as monitoring key drivers of that performance.</p> <p>This worksheet requires licensees to report annually on the following environmental indicators:</p> <ul style="list-style-type: none"> • Broad environmental measure (biomethane connections) • Land remediation • Aggregate extraction • Spoil to landfill • ISO 14001 non-conformities
Mapping to RRP and/or BPDT	New Table
Proposed changes	n/a
Reason(s) for proposed changes	n/a
Instructions for Completion	<p>The following information relating to biomethane connections is required to be reported for each GDN, detailed for each licence area:</p> <ul style="list-style-type: none"> • Number of biomethane connections connected in the year • Total capacity of biomethane connected in the year (MW) [Question: is MW or scmh/h a better measure?] • Number of biomethane connection enquiries and applications in progress (but not yet connected) • Total capacity associated with biomethane connection enquiries and applications in progress (MW) <p>The commentary should include any additional information which is considered pertinent such as the reasons for any delays in finalising connections.</p> <p>Licensees provided baseline forecasts in their business plans. They are required to report on the following</p>

	<p>indicators per licensee:</p> <ul style="list-style-type: none"> • number of sites remediated to statutory obligations, and costs associated with remediating these sites • number of additional sites remediated (these could be to low risk or in response to stakeholder requests), and costs associated with remediating these sites • the volume of aggregate extraction and the associated costs. Where information is available this should be separated into volumes and costs of virgin and recycled aggregates • the volume and costs of spoil to landfill, and spoil recycled <p>The commentary should contain any further information which will assist in assessing the information against the baseline forecast/s. It should contain further explanation on any notable year-on-year variations.</p> <p>Each GDN should report annually on the number of non-conformities identified in their annual ISO 14001 independent audit process, where these non-conformities have occurred. Details of any such non-conformity should be included in the commentary.</p>
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Worksheet 6.3c – Environment – Distribution Gas Connection

Purpose and Use by Ofgem	The Distributed Gas industry is at an early stage of development, and we do not at this stage consider that there is sufficient information available on which to base an outputs target or attach a financial penalty or reward with regard to performance against a baseline. To facilitate establishing a de-minimis level and structure of any future incentive we require the Licensees to keep detailed records on the costs associated with each distributed gas connection.
Mapping to RRP and/or BPDT	New Table
Proposed changes	n/a
Reason(s) for proposed changes	n/a
Instructions for Completion	<p>For each distributed gas connection, the GDN should record and report on the following information:</p> <ul style="list-style-type: none"> • Name of each scheme / project

	<ul style="list-style-type: none"> • Name of all associated parties • Date of the connection (completed) • Total capacity connected (MW) • Entry facility and reinforcement capacity capital costs (£0,000) • Entry facility opex (£0,000) • Any other costs (£0,000) • Total costs associated with the connection • Connection charge paid by connectee • Transportation credit (if applicable) <p>The commentary should contain any additional information or explanation which will enhance the understanding of the information provided.</p>
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Worksheet 6.4a – Social outputs – Fuel Poor

<p>Purpose and Use by Ofgem</p>	<p>1.1 There are two categories of network extensions, one related to connections to the fuel poor and the other one related to all other network extension connections.</p> <p>1.2 The eligibility criteria for the fuel poor network extension scheme include those that:</p> <ul style="list-style-type: none"> • reside within the 20% most deprived areas, as measured by the Government’s Index of Multiple Deprivation (IMD), when measured at the Lower Level Super Output Area (LOSA). The index of multiple deprivation is defined separately for England, Scotland and Wales. Therefore, for instance, a Welsh household will qualify if it falls within one of the 20% most deprived areas in Wales as measured by the Welsh Index of Multiple Deprivation (WIMD) • are eligible for measures under Warm Front (England), Nest (Wales) or the Energy Assistance Package (Scotland) • fall within the Priority Group (low income households and over 70 years of age) for measures under the Carbon Emissions Reduction Target (CERT); or • are in fuel poverty based on the standard Government definition - that is spend more than 10% of their disposable income on all household fuel use to maintain a satisfactory heating regime.
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	The Fuel Poor Network Extension Scheme requires that licensees keep and report on detailed data regarding each scheme undertaken. The scheme will be reviewed during the RIIO-GD1 period, but for the present the reporting required is to the same level of detail as that which was required during the previous price control period (GDPCR).
Mapping to RRP and/or BPDT	RRP Table 3.17
Proposed changes	n/a
Reason(s) for proposed changes	n/a
Instructions for Completion	<p>The data is recorded (and summated) based on information for:</p> <p>One-off connections Number of uptakes; actual costs; year of substantial mains completion; individual value of voucher; cost per connection; cost per mains length; estimated length of mains</p> <p>Community scheme connections Number of uptakes; actual costs; year of substantial mains completion; individual value of voucher; number of actual uptake who qualify for a voucher; estimated number of connections; date of quote; cost per connection; cost per mains length; estimated length of mains</p> <p>Other scheme types (Utility Infrastructure Providers [UIP] and Independent Gas Transporters [IGT]) Number of uptakes; actual costs; year of substantial mains completion; individual value of voucher; number of actual uptake who qualify for a voucher; estimated number of connections; date of quote; Connection type; IGT; cost per connection; cost per mains length; estimated length of mains</p>

Worksheet 6.5a – Customer Survey

Purpose and Use by Ofgem	This section sets out the regulatory instructions and guidance for reporting on the results of the customer satisfaction survey component of the Broad Measure of Customer Satisfaction.
Mapping to RRP and/or BPDT	New Table
Proposed changes	n/a
Reason(s) for proposed changes	n/a

<p>Instructions for Completion</p>	<p>Each GDN must carry out the three customer satisfaction surveys on a monthly basis and submit to Ofgem on a quarterly basis the results of these surveys. Each survey should reflect the views of a sample of customers who are likely to have experienced certain aspects of the GDN's customer service, where the relevant service areas are emergency response and repair, planned work and connections services.</p> <p>This chapter details:</p> <ul style="list-style-type: none">• the form of the customer satisfaction surveys and the manner in which they are to be conducted,• the provision of information to the independent third parties appointed to carry out the surveys,• the sample selection and timing of the surveys,• the method of calculating the results of the customer survey, and• the arrangements for reporting the survey results to Ofgem. <p><u>Form of the surveys</u></p> <p>Each GDN is required to appoint an independent third party, such as a market research company, to undertake regular postal customer satisfaction surveys. The terms of reference used to appoint the independent third party must be submitted to Ofgem for approval. A GDN can appoint different third parties to carry out each monthly survey but in this case the terms of reference for each third party must be agreed with Ofgem.</p> <p>Licensees (or their appointed third party) must not use financial or non-financial incentives to encourage customers to return completed surveys.</p> <p>The surveys and covering letter that accompanies the surveys must follow the standard templates set out in Appendices 1-4 of this document.</p> <p>If a GDN wishes to use a format that is different to the standard templates, they may apply to Ofgem for permission to do so. Any additional survey questions should appear after the questions required by the template.</p> <p>Licensees must satisfy themselves that in undertaking</p>
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these customer surveys they comply with the relevant data protection and other information legislation.

Provision of information to the independent third party

Survey population

For each month, Licensees must provide to the independent third party all relevant details of customers who have experienced an activity specified in Table [X] since the beginning of the month for which records are available, as well as any customers that experienced the activity in previous months but whose details were not presented for sampling in that month. The provision of information is subject to certain exclusions specified below.

Table [X] Customer survey population

Activity	Population
Planned work	Customers of the GDN who have, during the relevant month, been affected by planned work carried out by the GDN on service pipes which is likely to have caused an interruption to their gas supply.
Emergency and repair	Customers of the GDN who have, during the relevant month: <ul style="list-style-type: none"> • been affected by work carried out by the GDN on service pipes which is likely to have been associated with an unplanned interruption to their gas supply, and/or • contacted the gas emergency telephone line to report a leak or interruption to their gas supply.
Connections	Domestic customers and non-domestic customers consuming less than 73,200 kWh per annum who have had work completed on a new or altered existing gas connection during the relevant month. The sample group does not include customers whose dealings with the GDN were via a gas supplier, independent gas transporter or utility infrastructure provider (UIP).

Exclusions

Customers who have been sent a customer satisfaction survey in accordance with Standard Special Condition D9 in the previous twelve months should be excluded from the

sample group.

In addition, Licensees may exclude a customer from the survey if the customer has experienced, or is living within the vicinity of other customers that have experienced a major gas emergency situation such as an explosion or an incident involving carbon monoxide. In such cases the GDN does not need to provide the relevant customer's details to the third party.

Each GDN should inform Ofgem when the results are submitted of the number of customers that have been excluded from the data sent to the third party for sampling and the reasons for the exclusion.

Sample selection and frequency of the surveys

Number of customers to be sampled

The appointed independent third party is required to select the samples for each survey randomly from the information provided by the GDN. The number of customers surveyed should be sufficient to ensure that a statistically robust sample of responses is returned by customers to the GDN. Table [X] sets out the minimum number of survey forms that should be completed and returned to the GDN for each type of survey in each quarter.

Table [X] Minimum sample sizes (per quarter)

Type of survey	Minimum number of survey returns
Emergency response and repair	200
Planned work	150
Connection services	100

We would expect the minimum quarterly targets to be spread across each month in the quarter, subject to meeting the minimum requirements.

If the number of survey forms returned for any survey in any quarter exceeds the minimum number, then the results should be calculated from all of the completed surveys.

Frequency of the surveys

Each GDN is required to undertake the surveys on a monthly basis with a one month lag after work/contact with

the customer.

Calculating the results of the survey

This section sets out how Licensees should calculate the results from the returned customer surveys.

The survey has a number of screening questions and questions that ask customers to score the GDN's performance. For the purposes of the RIGs, those questions which ask the customer to score the GDN's performance are termed 'relevant' questions'.

The customer satisfaction survey results for the relevant questions should be scored on a scale of one to ten, where a score of one indicates that the respondent is very dissatisfied and a score of ten indicates that the respondent is very satisfied.

While all questions in the customer satisfaction survey are relevant, the customer satisfaction surveys will be scored on one question only. These will be:

- Planned work – Question 11,
- Connections – Question 11, and
- Emergency response and repair – Question 15.

Where Ofgem provides a template, Licensees and their third parties should calculate the results of the survey in accordance with the template.

Reporting arrangements

This section sets out the enduring reporting arrangements for the customer survey.

Each GDN must report the results of the survey to Ofgem two months after the end of each quarter. In addition, Licensees are required to report cumulative annual results to Ofgem each year. Table [X] sets out the dates when Licensees should provide these results.

Table [X] Survey reporting timetable

Date	Survey results reported to Ofgem		
	Emergency response & repair	Planned work	Connections

	31 August	Q1 & annual results of previous year	Q1 & annual results of previous year	Q1 & annual results of previous year
	30 November	Q2	Q2	Q2
	28 February	Q3	Q3	Q3
	31 May	Q4	Q4	Q4
<p>Where Ofgem provides a customer satisfaction workbook to report performance, Licensees must submit the information in the format specified in the workbook.</p> <p>In the complaint handling workbooks numbers are displayed to two decimal places.</p> <p>Licensees are required to provide the data to the highest level of accuracy unless otherwise indicated in the workbooks or in the guidance.</p> <p>Each GDN must publish its own quarterly and annual results on its website within one month of the results being provided to Ofgem. Ofgem will also publish the quarterly and annual results on its website.</p>				

Worksheet 6.5b – Customer Complaints

Purpose and Use by Ofgem	<p>The purpose of the instructions and guidance in this chapter is to provide a framework for the collection and provision of accurate and consistent complaints data by Licensees to Ofgem.</p> <p>This chapter deals with the complaints information that will be used to monitor current and future performance and will form part of the broad measure of customer satisfaction incentive in the RIIO-GD1 period.</p>
Mapping to RRP and/or BPDT	New Table

Proposed changes	n/a
Reason(s) for proposed changes	n/a
Instructions for Completion	<p>The tables in this workbook allow Ofgem to monitor GDN complaints handling.</p> <p>In the complaint handling workbooks numbers are displayed to two decimal places.</p> <p>Licensees are required to provide the data to the highest level of accuracy unless otherwise indicated in the workbooks or in the guidance.</p> <p>Where a reportable value is zero or not applicable to the licensee, a zero must be input rather than a cell being left blank.</p> <p><u>Definitions and reporting requirements for complaints handling</u></p> <p>This section sets out definitions and related reporting requirements for the reporting of:</p> <ul style="list-style-type: none"> • the number of complaints, • the number of resolved complaints, • the number of complaints resolved in D+1 working days and D+31 working days, • the number of repeated complaints, • the number of deadlock letters, • the number of Energy Ombudsman referrals, • the number of Energy Ombudsman decisions in favour of the complainant, and • the number of Ofgem determinations. <p><u>Complaints</u></p> <p>Licensees must report all complaints falling within the scope of the definition of complaint and consumer complaint specified in the Gas and Electricity (Consumer Complaints Handling Standards) Regulations 2008 (“the Standards”) subject to the definitions and guidance contained in these RIGs. For the reporting requirement</p>

	<p>contained in these RIGs, the definition of Relevant Consumer in the Standards has been expanded⁵ to enable reporting across all types of consumer.</p> <p><u>Definitions</u></p> <p>Complaint means any expression of dissatisfaction made to an organisation, related to any one or more of its products, its services or the manner in which it has dealt with any such expression of dissatisfaction, where a response is either provided by or on behalf of that organisation at the point at which contact is made or a response is explicitly or implicitly required or expected to be provided thereafter.</p> <p>Complaint means a complaint, other than network outage report, which is made against a regulated provider either (a) by a person in that person's capacity as a relevant consumer in relation to that regulated provider; or (b) by a person acting on behalf of such a relevant consumer.</p> <p>Where it is unclear if a relevant consumer or a person acting on behalf of a relevant consumer is wishing to have their contact treated as a complaint, the GDN may ask them the question for clarification.</p> <p>Relevant consumer in the context of the RIGs means any one or more of the following:</p> <ul style="list-style-type: none">(a) a person who is a consumer in relation to gas supplied by a regulated provider, or(b) a person who is a consumer in relation to services provided by a regulated provider. <p>Unless otherwise expressed, reference to days will mean working days which shall be interpreted as any day other than a Saturday, Sunday, Christmas Day, good Friday or a day which is a bank holiday within the meaning of the Banking and Financial Dealings Act 1971.</p> <p><u>Instructions</u></p> <p>We request Licensees to record and report complaints</p>
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⁵ The Consumer Complaints Handling Standards only cover domestic consumers and micro business consumers. For the broad measure we have extended the coverage to include other types of consumers, such as large business consumers.

	<p>which:</p> <ul style="list-style-type: none">• relate to the regulated products and services of the Licensees, and• may be substantially covered by other, established forms of redress, and which must be passed on to the relevant party for resolution by the redress scheme. <p>We request Licensees to report information on the number of complaints according to the following categories:</p> <ul style="list-style-type: none">• the number of complaints concerning emergency response and repair work (including unplanned loss of supply),• the number of complaints concerning planned work,• the number of complaints concerning connections services (including connection quotations or pre-quotations enquiries as well as the delivery of connection services and disconnections),• the number of complaints concerning other issues including (but not limited to) reinstatement and excavation, communication and engineering work where they have not been recorded under the above categories. <p>Licensees' systems do not need to be able to extract complaints from separate categories of relevant consumers (i.e. from domestic and micro business consumers).</p> <p><u>Reporting requirement</u></p> <p>This section provides examples of scenarios that the Licensees must record and report as complaints:</p> <ul style="list-style-type: none">• where a customer reports a loss of supply and expressly complains about there being an ongoing problem with the quality of their supply, the ongoing issue must be recorded as a complaint,• during a planned interruption a customer complains that the interruption started earlier than had been notified,• Complaints from MPs, Independent Connections Providers (ICPs), Independent Gas Transporters (IGTs) and other customer representatives,
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	<ul style="list-style-type: none">• Complaints concerning the Licensees' product and/or service. <p>The following are examples of scenarios that must not be recorded as complaints:</p> <ul style="list-style-type: none">• where a customer calls to report an unplanned loss of supply,• where, during a planned interruption, the customer calls to report a loss of supply,• where the matter arises as the result of a road traffic accident, slip, trip or fall,• where the matter concerns a utility, telecommunications company or local authority in respect of damage caused to the assets of that utility, telecommunications company or local authority,• where the matter relates to contractual disputes with commercial/industrial customers,• where the customer makes contact to pursue a claim under the Guaranteed Standards of Performance (unless expressly complaining at the same time),• wayleave disputes and landowner negotiations⁶,• Where a builder/contractor/customer disputes the invoice for damaging GDN apparatus, and• Claims for loss of business resulting from a GDN action,• Claims for loss of earnings, and• Claims for personal injury. <p><u>Resolved complaints</u></p> <p><u>Definitions</u></p> <p>A resolved complaint is a consumer complaint in respect of which there remains no outstanding action to be taken by the regulated provider. In this case, the complaint has either (i) been resolved to the satisfaction of the relevant consumer who made that consumer complaint or on whose</p>
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⁶ Complaints about the Licensees service during works undertaken must be captured as a complaint

	<p>behalf that consumer complaint was made, or (ii) although the consumer is not openly satisfied with the outcome, the consumer has agreed that the regulated provider has taken all action reasonably expected.</p> <p><u>Instructions</u></p> <p>A complaint must not be treated as resolved until the customer is satisfied, or is reasonably believed to be satisfied, with the outcome of any actions taken by the GDN or agrees the regulated provider has taken all action reasonably expected. This will include awaiting the results of any monitoring process undertaken and subsequent actions (such as system reinforcement) before closing the complaint concerned.</p> <p><u>Reporting Requirements</u></p> <p>Licensees must not record and report the following scenarios as resolved complaints:</p> <ul style="list-style-type: none">• where a course of action has been agreed with the customer but not yet completed, or• where further information or contact from the customer is pending. <p>Where a GDN carries out the action(s) that it had stated it would do in order to resolve a complaint and obtains confirmation from the customer, either written or oral, that the customer is satisfied with the work carried out, then the time at which all of those actions had been completed must be taken as the time that the complaint is resolved. For example, a complaint is deemed to be resolved in D+1 where a GDN carries out the action(s) that it had stated it would do in order to resolve a complaint and receives confirmation from the customer on the next working day after the complaint is received that the customer is satisfied with the work carried out.</p> <p>All complaints, regardless of the method of receipt, must be treated as received on the working day that the complaint is made. For the avoidance of doubt a complaint received by 23:59 on day D must be treated as being received on day D.</p> <p>Any complaint resolved by 23:59 on day D or D+1 must be treated as being resolved by D+1. Any complaint resolved after D+1 and up to 31 days later is deemed to be resolved</p>
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	<p>in D+31.</p> <p>If the GDN completes the work within D+1 or D+31 but is unable to contact the customer for confirmation after the work is carried out, the GDN can then write to the customer to confirm that the customer is satisfied. If after 10 days from the day the letter was sent out there is no response from the customer, the GDN should treat this complaint as resolved in D+1 or D+31. If the customer comes back within 10 working days to report otherwise, the complaint should be treated as unresolved. If the customer comes back after D+10 to report otherwise the complaint will be classed as unresolved.</p> <p>If after exhausting the company's internal complaints handling process the customer is still not satisfied, but does not pursue external redress (e.g. the Energy Ombudsman or Ofgem for determination) then the GDN may treat the complaint as closed after a period of twelve months has expired. If customer recontacts the GDN/Energy Ombudsman/Ofgem after this period has expired then the GDN should reopen the original complaint.</p> <p><u>Repeated complaints</u> <u>Definitions</u></p> <p>A repeated complaint is where the customer makes contact to express dissatisfaction with the same or substantially the same matter that was the subject of a previously resolved complaint within a 12 month period.</p> <p><u>Reporting requirements</u></p> <p>The following are examples of complaints which must be recorded as repeated complaints:</p> <ul style="list-style-type: none">• a customer complains regarding the unacceptable quality of reinstatement carried out in their drive. The GDN carries out further work to the satisfaction of the customer and resolves the complaint. The reinstatement fails, within 12 months of the resolution date, and the customer complains,• an MP complains about the number of <i>interruptions</i> a certain constituent has received and the GDN duly informs the MP that it has identified the issue and rectified the fault, thus resolving the complaint. The MP/customer/other customer representative contacts the company, within 12 months, to raise the same issue and it is the repaired, or replaced, piece of equipment
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	<p>that is faulty.</p> <p>the following are examples of scenarios not to be recorded as repeated complaints:</p> <ul style="list-style-type: none">• where the previously resolved complaint was resolved more than 12 months before the GDN receives a similar or substantially the same complaint from the customer, or• where the GDN receives a similar or substantially the same complaint from the customer relating to a matter that has been the subject of an Energy Ombudsman finding in favour of the GDN in the last 12 months. <p><u>Escalated Complaints</u></p> <p>An escalated complaint is a complaint where a consumer remains dissatisfied with the response provided by the regulated provider and should be escalated in line with the Licensees published complaints handling procedure until it either becomes a resolved complaint or it exhausts all relevant forms of redress available.</p> <p>An escalated complaint will still be classified as an unresolved complaint.</p> <p><u>Deadlock letters</u></p> <p><u>Definitions</u></p> <p>A deadlock letter is a final response from the GDN to the customer in which the position of the GDN is stated to be different from that of the customer.</p> <p><u>Reporting requirements</u></p> <p>A GDN must record all those letters it has issued where its stance could reasonably be interpreted as being at odds with that of the customer.</p> <p><u>Energy Ombudsman decisions in favour of the complainant</u></p> <p><u>Definitions</u></p> <p>An Energy Ombudsman decision in favour of the complainant is one where the GDN is required to make a payment over and above that previously offered to the complainant, change its processes beyond what it had previously indicated to the complainant that it would, or</p>
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	<p>both.</p> <p><u>Reporting Requirements</u></p> <p>A GDN must not record as Energy Ombudsman decisions in favour of the complainant instances where the decision is as favourable (or less) to the customer as the offer previously made by the GDN to the customer.</p> <p><u>Reporting Arrangements</u></p> <p>Licensees must submit the information set out in this chapter by 31 July in each relevant year. Where Ofgem provides a template, Licensees must submit the information in the format specified in the template.</p>
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Worksheet 6.6a – Connections Distributions

Purpose and Use by Ofgem	
Mapping to RRP and/or BPDT	New Table
Proposed changes	n/a
Reason(s) for proposed changes	n/a
Instructions for Completion	

Worksheet 6.6b – Connections Demand

Purpose and Use by Ofgem	
Mapping to RRP and/or BPDT	New Table
Proposed changes	n/a
Reason(s) for proposed changes	n/a

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Instructions for Completion	
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10. Instructions for completing the revenue reporting worksheets

Chapter Summary

The purpose of this chapter is to inform the completion of the revenue reporting worksheets by each TO. This is to enable Ofgem to effectively monitor ... as required in the Final Proposals.

Whilst we have performed some initial development, the revenue reporting pack will be developed fully once the licence conditions are finalised. We anticipate providing a draft for comment in January of 2013.

Introduction

10.1. [Provide outline of overall purpose of worksheets in this area]

10.1. Licensees should submitted accurate (and where instructed) audited figures of their revenues for the relevant period. Further guidance is provided below.

Overview of worksheets

10.2. The worksheets included within this chapter are:

Appendix 1 - Glossary

The purpose of this appendix is to provide definition of the terms included in these instructions and in the associated worksheets. **The definitions will be based upon those in the business plan data templates and will be completed jointly by Ofgem and licensees in January 2013 as part of finalising the RIGs. The definition below is the same as the one used for the Business Plan data template.**

1.1. This appendix provides definitions of key terms included in these Instruction and Guidance and in the Templates. Where no definition is given for specific gas-related items, those in the Gas Act 1986 (as amended), standard conditions, standard special conditions and special licence conditions of the gas transporter's licence applicable to the Licensees should be applied, similarly for standard accounting terms, IFRS/IAS and/or UK GAAP and Companies Act 2006 (or 1985 where still relevant) ("CA85") definitions should be applied.

1.2. In the circumstance where no definition is given the licensee should include in explanatory notes details of the treatment it has applied and inform Ofgem of the omission. Where a definition set out in this appendix is not the same as that applied by a licensee for other purposes, the definition set out herein must be used in the preparation of the business plan data template.

1 in 20 peak demand	The level of aggregate demand of firm gas customers which is expected, based on historical weather data derived from at least the previous 50 years and other relevant factors, is likely to be exceeded (whether on one or more days) only in 1 year out of 20 years
abandoned mains	Gas mains purged of gas and permanently decommissioned. This may be as part of the mains replacement programme or for other reasons such as mains diversions.
accounting standards	The term encompasses Financial Reporting Standards ("FRS"), Statements of Standard Accounting Practice ("SSAP") and Urgent Issues Task Force ("UITF") statements, International Financial Reporting Standards (IFRS) and International Accounting Standards (together "IAS") and the International Financial Reporting Interpretations Committee ("IFRIC") interpretations.
accruals and prepayments	For the purpose of determining what amounts should be excluded as non cash item are only those items that are not incurred as part of the ordinary level of business activities, the latter being normal trade accruals and prepayments, and holiday pay provisions.
actioned repairs	The number of reports which result in a physical

permanent repair taking place. The number of repairs should be counted using the following examples (see also repairs):

INCLUDES:

- ECV repair – recorded as service repair
- permanent repairs only
- multiple joint repairs – one repair recorded per joint (can have same report).

EXCLUDES:

- internal reports
- no escapes/no trace found
- any repair not linked to a PRE (maintenance)

active member

A member of the pension scheme who is currently employed and so accruing benefits under that scheme.

affiliate

Has the meaning given in Standard Condition 1 of the gas transporter's licence applicable to the Licensees.

SEE ALSO: related party, related undertaking.

agency costs

Costs associated with agency staff.

agency staff

Persons who are not under a direct contract of employment with the licensee or an affiliate of the licensee but are hired through a third party or employment agency.

EXCLUDES professional services.

AGI

Above Ground Installation - a defined site which does not include pressure reduction equipment, for example a block valve installation.

apprentices/trainees

Apprentices are employees engaged under an approved apprenticeship scheme. Trainees are employed under a formal training programme

asset management (inc. network policy)

- This covers the activity of managing the Network's assets. The costs collated under Asset Management should be costs incurred in the following areas within the Network:
- Network Planning
- Network Integrity (including gas quality monitoring)
- Network Capacity
- LTS Investment/Analysis
- Network/Engineering Policy/Procedures (covering all policies of the Network eg HSE policy, records transfer and brought in services & materials)
- Network Development/Analysis
- Management of redundant sites & remediation

programmes

atypical costs

The total costs (less credits and receipts) of resources employed in response to an atypical event.

INCLUDES direct and indirect resources utilised to assist in dealing with the atypical event.

EXCLUDES depreciation of capitalised costs relating to 'atypical events'; late payment interest related to fines and penalties; and any general apportionment of indirect costs.

atypical event

A specific event or incident that is not expected to recur regularly under normal circumstances due either to its size or nature.

INCLUDES severe weather events; and restructuring.

EXCLUDES cost overruns or cost arising from delays in completing a project or programme.

audit, finance and regulation

Performing the statutory, regulatory and internal management cost and performance reporting requirements and customary financial and regulatory compliance activities for the network.

Includes:

- Process of payments and receipts.
- Time sheet evaluation where not part of the payroll process.
- Financial & risk management - e.g. credit & exposure management.
- Financial planning, forecasting & strategy.
- Financial accounting.
- Management accounting.
- Investment accounting.
- Treasury management.
- Transportation income accounting.
- Pricing.
- Statutory & regulatory reporting.
- Tax compliance & management.
- Internal audit & management of the relationship with external audit function.
- External audit fees.
- Cost of regulatory department.

Excludes:

- Insurance costs (include under Insurance).
- Any of the IT systems associated with audit, finance and regulation (include under IT & Telecoms).

the "Authority"	Has the meaning given in standard condition 1 of the gas transporter's licence applicable to the Licensees.
average system pressure	The average operating pressure of the Licensees' system. This can be calculated and used in their leakage models.
bad and doubtful debt	A debt that may be uncollectible in whole or in part.
bad debt provision	A provision against a debt that may be uncollectible in whole or in part.
capex allowance	The assumption for capital expenditure requirements included in the Gas Distribution Price Control Review: Final Proposals (December 2007) to calculate allowed revenue.
capital contribution	Has the same meaning as customer contribution.
capital expenditure ("capex")	<p>Any expenditure which, for the purpose of the regulatory accounts, has been included in the value of the fixed assets of the gas distribution business provided that:</p> <p>(a) the expenditure conforms with at least one of the following:</p> <ul style="list-style-type: none">• the expenditure relates to the purchase, development or construction of a new asset;• the expenditure will increase the capacity or functionality of the distribution assets;• the expenditure will significantly reduce the ongoing maintenance of the assets; and/or• the expenditure will extend the service life of distribution assets beyond that expected when the assets were originally installed; and <p>(b) the expenditure is determined in accordance with applicable accounting standards.</p> <p>EXCLUDES Replacement expenditure capitalised interest; and revaluation amounts.</p>
capitalised labour	Labour costs included within capex/replex rather than opex.
capitalised pension cost	A category of capitalised overheads that is transferred from the opex account to capex/replex.

captive insurer

An insurance entity that is a related party.

SEE ALSO: Related party, affiliate, insurance captive.

cash atypicals

Costs which are not typical cash costs and which are not incurred as part of the ordinary level of business.

INCLUDES

- cash payments incurred in response to an atypical event (not part of the ordinary level of business activities);
- costs resulting from Severe Weather Events;
- costs resulting from restructuring, including redundancy costs; and
- fines and penalties (including for late payments) from tax authorities (e.g. VAT, PAYE compliance, National Insurance and corporation tax penalties).

EXCLUDES

- all accruals and prepayments;
- all provisions (as defined by CA1985 and accounting standards) whether incurred as part of ordinary level of business activities or otherwise;
- cash payments for the utilisation of a provision;
- typical cash costs;
- fines and penalties paid under TMA or NRSWA; and
- early retirement costs, except as a result of redundancy (i.e. early retirement costs for staff where the post is retained as typical and not atypical).

SEE ALSO:

Atypical costs, atypical event

cash typical costs

All costs incurred and paid in cash or normally paid in cash, subject to short timing differences, as part of the ordinary level of business.

INCLUDES

All accruals and prepayments that are incurred as part of ordinary level of business activities, these include holiday pay provisions, normal trade accruals and prepayments, and which are expected to be paid within the entities standard terms of business; assets acquired under a finance lease; and cash payments for the utilisation of a provision.

EXCLUDES All provisions (as defined by Companies Act 2006 (or where still applicable, Companies Act 1985) and accounting standards) whether incurred as part of ordinary level of business activities or otherwise;
the cost or transfer value of assets acquired from a related party which have been previously used in or by the distribution business;
all accruals and prepayments that relate to atypical events; and
atypical cash costs.

CEO and Group Management, Legal & Company Secretary, Community Awareness activity Combines and encompasses the separately defined activities of:

- Non-executive & group directors' labour costs (where they are not carrying out specific departmental duties) and Board meeting costs.
- Management charges from affiliates of a non-specific nature.
- Provision of corporate communications/community awareness.
- Provision of Legal Services.
- Provision of Company Secretary Services.

Also included here are costs in relation to:

- Shareholders/Investor Relations and the management of rating agencies.
- Community Awareness - promoting the Company's awareness within its local community.

Includes:

- The labour and all on-costs of the CEO & of non-exec directors of the Company.
- The charges for senior group mgt & group directors not directly attributable to a specific activity.
- The costs of hosting and attending board meetings.
- Annual (or any other) general meetings of shareholders of the Company or of any controlling undertaking.
- Where a board member provides a service to the Company under any of the other activities (e.g. finance director of Company is also board member), the labour costs for that board member attending board meetings should be allocated here and the remainder of his or her labour should be allocated to his or her usual activity.
- Management charges from a parent or related undertaking not for a specific purpose or defined activity.
- Legal services provided by own employees & by external firms, providing guidance and legal advice, in the areas of energy and regulation, commercial, dispute

resolution, information assurance, employment and compliance.

- Corporate communications.
- Any branch advertising, including notification of telephone contact numbers to the public domain.
- Customer satisfaction and similar surveys.
- External entertaining.
- Branding or rebranding of vehicles or buildings & brand advertising.
- General promotional activities.
- Public relations.
- Investor relations.
- Sponsorship & donations.
- Corporate image making.
- Provision of shareholder information.

Also included here are costs in relation to:

- Shareholders/Investor Relations and the management of rating agencies.
- Community Awareness - promoting the Company's awareness within its local community.

Excludes:

- Insurance management.
- Legal advice relating to way leaves/servitudes/easements.
- Group costs relating to specific activities e.g. HR, Finance, Audit, Regulation, Taxation, HSE, Insurance, etc (include under the specific cost category).

consented activity

Activities carried out (and costs and revenues attributed or allocated to such activities) that would be de minimis were it not that the Authority had specifically consented to it being treated as outside the de minimis cap.

contractor

A third party that has entered into contractual relations with the GDN or related party thereof to supply goods and/or services.

EXCLUDES

staff employed on a temporary basis or via a recruitment agency by the licensee or an affiliate of the licensee; third parties providing professional services; and related parties.

contractor costs

The charges invoiced by contractors.

EXCLUDES

charges for materials provided by the contractor where the cost of such materials has been separately identified by the contractor (where materials are identified separately and costed they

should be included in Materials).

contributions	Payments to the GDN or related party for works undertaken that are not covered by Use of System Charges. INCLUDES capital contributions or customer contributions de minimis contributions
contribution rate (or employer contribution rate)	Employer contributions to a pension scheme that are not pension deficit payments, expressed as a percentage of pensionable salaries. Excludes any salary sacrifice payments.
current cash service cost	Employer cash contributions to a pension scheme that are not pension deficit payments or charges.
customer contribution	Financial contribution received from a customer in respect of the provision of a new connection to the GDN's network. INCLUDES contribution(s) made to a related party undertaking connection to the GDN's network; and refundable contribution(s) (which will be reversed when refund actually made to the customer). EXCLUDES de minimis contributions. SEE ALSO: capital contribution.
customer management	Customer management can be split into two main areas: Customer Services: Costs of call centres (including NGG charge for emergency service) Customer services departments, who handle enquiries/complaints, monitor standards etc. Commercial/Contract Management: Covering costs of commercial/contract department, who manage all types of contracts for the whole of the business. EXCLUDES Costs incurred, at the discretion of the GDN, in excess of the minimum scheme costs required to meet the customer's specific needs.
de minimis activity	Activities undertaken by the licensee which are not within the definitions of the gas transportation, metering, meter reading or LNG storage businesses and for which the Authority has not given specific consent and which are subject to the limitation provided for in Standard Special

	Condition A36 (Restriction on Activity and Financial Ring Fencing) of the gas transporter's licence applicable to the Licensees and the National Transmission System (NTS).
de minimis contributions	Financial contributions received from a customer or third party in respect of the provision of capital expenditure for the de minimis business undertaken by the licensee or an affiliate of the licensee and not disclosed with de minimis turnover/income.
de minimis costs	Expenditure incurred in the provision of de minimis activity.
de minimis revenues	Revenues received from the provision of de minimis activity.
deferred members	Members of a pension scheme that are no longer Active Members, but are not yet in receipt of a pension. SEE ALSO: Active Members
deferred revenue expenditure (DRE)	In the corporation tax and capital allowance context means allowed revenue expenditure which has been accounted for by posting the expense somewhere on the balance sheet (whether to fixed or current assets) rather than by writing it off immediately to the profit and loss account /income account as it is incurred. The expenditure is then usually written off to the profit and loss account/income account over a period of time, by being charged as an expense or depreciated; and from 1 April 2005 is tax deductible in line with capital expenditure when charged to the profit and loss account/income account.
Defined Benefit Pension Scheme	A pension scheme where the benefits that accrue to members are normally based on a set formula taking into account the final salary and accrual of service in the scheme. It is also known as a final salary pension scheme.
Defined Contribution Pension Scheme	A pension scheme where the benefits that accrue to members are based on the level of cash contributions made to an individual account and the returns on those funds are used to provide a cash amount to purchase an annuity on retirement.
depreciation	The measure of the amount of benefits of a fixed asset consumed during the period.
DI	Ductile Iron – a metallic material used for gas pipes
direct activity	This includes the following activities: <ul style="list-style-type: none">• Work Management (i.e. Asset Management, Operations Management, Customer Management, and System Control);

- Work Execution (i.e. Emergency, Repairs and Maintenance);
- Independent Undertaking; and
- Other Direct Activities.

direct labour

That part of the GDN's own workforce and that of a material related party service provider that can clearly identify which system assets and/or operational premises their effort is being expended upon, evidenced by time sheets / time writing that records the amount of time spent. For the avoidance of doubt and to ensure consistency and comparability across Licensees, the costs associated with direct labour should only be in relation to those field staff that are actually physically performing work on the network, i.e. specific, identifiable physical, system assets.

design and quotation

The preparation of quotations to customers, including UIPs, for new connections to the below 7 barg gas network.

INCLUDES

Correspondence with enquirers, up to the point of quotation acceptance (and in the case of Utility Infrastructure Provider (UIP) activities to the point of receipt of completion/certification file)

Preparation of drawings and technical specifications

Site inspections to support design work

Network analysis and specific reinforcement design

Verification of third party design submissions

EXCLUDES

Work scheduling

Site visits and client meetings relating to construction

NRSWA / TMA administration and fees

Design work for general reinforcement or any other activities not directly related to new connections

Invoicing / billing

district governor

Pressure reduction equipment installed in a gas pipeline system to reduce the operating pressure of gas to a lower operating pressure.

early retirement deficit costs ("ERDC") Early retirement programmes which have been financed by the employer making additional contributions to their pension scheme(s) to offset the associated increase in liabilities arising as a result of such programmes.

easements

An interest in land owned by another that entitles its holder to a specific limited use of that land. Short term rights to specific limited use of land are referred to as wayleaves. The term encompasses the Scottish equivalent, servitude.

SEE ALSO: servitude
 wayleave

emergency

Direct activity costs of providing service to respond to the number of calls leading to jobs that are closed off with a status:

- Service Escape
- LP Mains Escape
- MP Mains Escape
- IP Mains Escape
- HP Mains Escape
- Internal Escape (of Gas and CO) for each year
- Other
 - Meter Problem e.g. Meter Regulator Lock-up, ETM Problem
 - Other Problem e.g. Bird Trapped, Boiler Not Working, Incorrect Callout
 - Faulty Appliance e.g. Appliance unsafe or emitting CO
 - No Trace e.g. No gas or CO found
-
- **INCLUDES:**
- Water Ingress
- No Gas Service Governor Failure or other Network Problem
- **All waiting time for FCOs**
- **All activity specific TMA costs**
-
- **EXCLUDES:**
- Meter repairs (Excluded Services)
- Consultancy services (Work Management)
- Emergency Advertising - TV Ads (Indirect-CEO)
- Emergency Call Centre Costs - Public Reports
- Leakage control surveys (Maintenance – Other)
- Maintenance - Mains & Services (Maintenance – Other)
- Tools & consumables (Other Direct)

employee contribution rate

Employee contributions to a pension scheme, expressed as a percentage of pensionable salaries. Includes any payments made by means of salary sacrifice.

EOD

End of day

exceptional items maintenance

Exceptional items are those not of a routine, or repetitive nature, that are not expected to recur more than once in 8 years, with a value >£0.5m.

ex gratia compensation payment

Discretionary compensation payment to customers not covered by the guaranteed standards of performance compensation scheme.

- INCLUDES
- Payments to customers who have experienced dissatisfaction.
- EXCLUDES
- Payments to customers who have experienced a financial loss (include under Finance and Regulation); and
 - any payments in respect of employees.

excluded services

Any activities or engagements undertaken by the licensee or any affiliate or related undertaking of the licensee as part of the transportation business but which are not remunerated through formula revenues. Includes services that have been determined by the Authority to be Excluded Services in line with the principles outlined in Special Condition E18 (Supplementary provisions of the revenue restrictions in respect of the Distribution Network) of the gas transporter's licence applicable to the Licensees. Also includes the provision of meter work services by the GDN to the licensee's metering business.

existing housing

Workload and costs associated with connecting existing housing properties to the gas distribution network, including one off domestic and network extensions (or infills).

expenditure justification

Each item of LTS & Other Capex is required to be designated with one of the justification categories listed below.

- Cost Benefit Analysis (CBA)

It is expected that every investment project shall wherever possible be based upon a CBA (economic justification). In the case of already approved projects this would normally be expressed in a project approval paper presented to the company board (or delegated authority). In the case of planned projects it is expected that an outline CBA will have been carried out which supported the expenditure being included into the business plan.

If a CBA has been developed or investment can be justified entirely on a CBA, no input is required under expenditure justification.

Where CBA is not available or investment cannot be justified entirely on a CBA, an approach of incremental expenditure above the CBA level shall be considered in the following categories: Customer, Growth, Mandatory and/or Renewal.

These categories should only be used where no CBA has been developed.

- Customer
This category shall be used where the investment is being justified to increase the service or benefit to customers (e.g. Increased security of supply). The business plan will be expected to identify the specific benefits intended to be delivered together with how these benefits will be measured following implementation of the project.
- Growth
This category shall be used where the investment is intended to increase the capacity of the network assets to deliver a higher level of output. The business plan shall be expected to clearly state what the objectives of the revised outputs are (e.g. increased network capacity) and capture the reasons for such increases.
- Mandatory
This category shall be used where the investment is enforced upon the network by regulation, legislation or Health & Safety. The business plan shall be expected to clearly state what new requirements are to be imposed on the networks' operations, when and how they are to be addressed (e.g. IT changes to comply with Traffic Management Act). The business plan is also expected to document what steps have been taken to minimise the costs of complying with the new requirements.
- Renewal
This category shall be used where the investment is enforced upon the network by network assets coming to the end of their economic life (e.g. district governor replacement). The business plan shall be expected to clearly state the rationale for the requirement to replace the asset(s) and what steps have been taken to undertake the replacement in the most cost effective approach.

financial year

A period of 12 months beginning on 1 April of any year and ending on 31 March of the following calendar year.

full-time equivalent (FTE)

The number of normal hours worked by an employee divided by the normal hours of a full-time member of staff in an equivalent role according to his or her contract of

employment.

gas in building events (GIBs)

(a) GSMR Gas in building events:

GIB events reportable under RIDDOR, ie the GIB concentration is 20% LEL (or greater) or the volume of gas released in a building is greater than 10kg. The RRP requires data relating only to fractures or corrosion from a spun/cast iron main or corrosion of a ductile iron main. Excluded are GIB events from non-iron materials (PE, steel, etc), non-pipe specific components (eg joints, clamps, encapsulations, internal appliances, etc), services, or other failure causes such as third party interference.

(b) Other RIDDOR reportable GIB events:

GIB events reportable under RIDDOR, excluding those reported in (a) above and those from internal pipework and appliances, but including GIB events from non-iron materials (PE, steel, etc), non-pipe specific components (eg joints, clamps, encapsulations, etc), services, or other failure causes such as third party interference.

(c) Network GIBs (any %)

GIB events of any gas concentration relating to fractures or corrosion from a spun/cast iron main or corrosion of a ductile iron main.

(d) Other GIB events (any %)

GIB events of any gas concentration excluding those in (c) above and escapes from internal pipework and appliances, but including GIB events from non-iron materials (PE, steel, etc), non-pipe specific components (eg joints, clamps, encapsulations, etc), services, or other failure causes such as third party interference.

(e) Installation pipework/appliances GIBs

Escapes of any gas concentration sourced from internal pipework or appliances.

GDN

Gas distribution network - has the same meaning as that given to the term "Distribution Network" in Special Condition E1 of the Gas transporter's licence applicable to the Licensees from 1 April 08.

GDPCR1

First Gas distribution price control review applicable between 2008-2013

general reinforcement

Reinforcement for load growth associated with individual premises expected to consume 73,200kWh per annum or less, and for general load growth where this cannot be associated with specific requests for a new or an increased load or an interruptible to firm load transfer.

graduate trainees	Graduates employed under a formal training programme.
gross expenditure	Total expenditure including all contributions (net expenditure + contributions).
high pressure vessels	Equipment used for the storage of gas at high pressures above 7 barg.
human resources and non-operational training	<p>The activity of personnel management for all staff, from recruitment to retirement, and the provision of non-operational training of office based staff.</p> <p>HR:</p> <ul style="list-style-type: none">• This would include provisions of the HR function i.e. the full range of professional activity for an individual's career path from recruitment to retirement and from related professional advice to directly resolving grievances for staff. <p>Non-Operational Training:</p> <ul style="list-style-type: none">• Facilitating and operating training courses of a non-technical nature for office-based staff. <p>Includes:</p> <p>HR:</p> <ul style="list-style-type: none">• Costs of payroll and pensions management and operation.• Facilitating staff performance, development and reviews.• Industrial and employee relations including HR strategy, policies and procedures.• Monitoring equal employment opportunities.• HR advice to management, succession planning and also retentions and rewards. <p>Non-Operational Training:</p> <ul style="list-style-type: none">• Staff who organise and provide non-operational training and maintain employees training records.• Cost of running the non-operational training costs e.g. course fees.• Leadership development training. <p>Excludes:</p> <ul style="list-style-type: none">• Time of employees attending training (include as labour costs under the relevant activity for non-operational).• HSE costs (include under Closely Associated Indirect costs).• IT systems associated with HR & Payroll (include under IT & Telecoms).• IT & Property management costs associated with Non-Ops Training (include under IT & Property costs respectively).

HSE	Health and Safety Executive
HSE programme mains	Gas distribution iron mains to be or have been decommissioned under the Enforcement Policy initiated by the Health and Safety Executive for the decommissioning of iron gas mains within 30 m of buildings.
IGT	Independent Gas Transporter
IFRS/IAS	See "accounting standards"
IP/LP growth	Intermediate to low pressure governor installed to facilitate growth on the network.
IP/LP renewal	Intermediate to low pressure governor installed to replace existing piece of equipment due to either a capacity constraint or obsolescence.
Independent Network	Has the same meaning as given to the term "independent system" in Standard Condition A1 of the Gas Transporter Licence.
indirect activities	<p>The separately defined activities of:</p> <ul style="list-style-type: none">• Research and development• Stores and procurement / logistics• IT and telecoms• Property management• Human resources and non-operational training• Training & apprentices• Audit, finance and regulation• Insurance• CEO and group management / legal and company secretary / community awareness
inflation	The general rate of increase in prices. The inflation measure used by Ofgem in price control calculations is the Retail Price Index (RPI)
innovation	<p>Innovation can be specifically identified where projects deliver outputs and business functions which are materially different to those previously delivered.</p> <p>Some innovation projects may, in exceptional circumstances, be considered for removal from benchmarking assessments. Improved delivery of business as usual functions will not be considered innovation for exclusion from benchmarking assessments</p>

insurance

Support and expertise to develop the business risk profile, managing the claims process and provision of information and understanding to the business in relation to insurable and uninsurable risks.

INCLUDES:

- Insurance premiums
- Insurance premium tax
- Insurance contract negotiating and monitoring
- Insurance claim processing
- Insurance risk management
- Payments relating to uninsured claims
- Costs of in house insurance team
- Brokers fees
-

internal reports

See reports.

IP

Intermediate Pressure is network comprising the highest pressure mains of the distribution system operating from 2 to 7 barg.

IT & Telecoms

Provision of IS Services for the day to day service delivery. Includes:

- The purchase, development, installation and maintenance of non-operational computer and telecommunications systems and applications.
- Provision of IT services for the day to day service delivery and includes the cost of Help Desk, data centres, IT application development, maintenance and support; establishing and maintaining IS infrastructure projects (IT Network Provision, Network Maintenance, Servers support/services).
- Voice and data telecoms (e.g. WAN, landline rental and call charges, ISDN data and costs/rental of mobiles except where costs are charged directly to user departments).
- Developing new software for non-operational IT assets including the costs of maintaining an internal software development resource or contracting external software developers. This will include any cost of software licences to use the product where that costs covers more than one year.
- Installing new or upgrading software where the benefits are expected to last beyond one year. This does not include upgrading of software that is included within the costs of annual maintenance contracts for the software.
- Maintenance and all the operating costs of the IT infrastructure and management costs and Applications costs. This includes any annual fee for the maintenance of software licences, whether or not they include the right for standard upgrades or 'patches' to the software as they become available.
- IT applications maintenance and running costs.
- IT new applications software and upgrade costs.

- Voice and data telecoms (e.g. WAN, landline rental and call charges, ISDN data. includes costs/rental of mobiles except where costs are charged directly to user departments).

Excludes:

- IT equipment which is used exclusively in the real time management of network assets but which does not form part of those network assets.
- Any of the property costs associated with IT & Telecoms (include under Property Management), except where the cost of specific IT environmental control systems can be distinguished from other property costs.

innovation funding incentive ("IFI") Has the meaning and purposes attributed to the innovation funding incentive scheme in Special Condition E11 of the gas transporter's licence applicable to the Licensees.

inspection The visual checking of the external condition of network assets.

- INCLUDES
- helicopter and foot patrols;
 - all asset surveys of whatsoever nature and purpose, including asset condition surveys;
 - inspection of tools (including lifting tackle inspections and PAT testing); and
 - reading gauges.

- EXCLUDES
- use of diagnostic testing equipment;
 - supervisory input to plan workloads and manage staff (include under operations management);
 - data review except the initial recording on site (include under asset management);
 - inspection of non-system assets (include under Property Mgt);
 - any of the costs associated with the indirect activities as defined in this appendix; and
 - any of the costs associated with maintenance.

insurance captive See captive insurer

labour (excluding employer pension costs) Costs including any form of payment, consideration or other benefit, paid or due to or in respect of employees, including the costs of temporary or agency staff.

- INCLUDES
- gross salaries and wages of all employees, including payments resulting from bonus and profit-related payment

	<ul style="list-style-type: none"> schemes; • employer’s National Insurance contributions; • salary sacrifice payments; • sick pay; • sickness benefits; • private health insurance; • (non pension related) retirement awards; • death in service benefits; • paid leave; • standby costs; • subsistence; • medical insurance costs; • childcare assistance; and • welfare costs.
	<p>EXCLUDES</p> <ul style="list-style-type: none"> • professional services; • contractors; • car allowances. •
land enquiry	A request on the availability of a gas supply for an individual development
lateral	A horizontal pipe, connected to a riser that conveys gas along one floor level within a building and includes any branches supplying individual or groups of premises.
LDC	Load Duration Curve
LDZ	Local Distribution Zone
leakage factor (%)	Leakage expressed as a percentage of throughput.
leakage volume (GWh)	Quantity of leakage from the gas distribution network as measured in GWh.
licence fees	Payments by the licensee to the Authority determined in accordance with standard condition 3 of the gas transporter's licence applicable to the Licensees.
licensee	Has the meaning given in standard special condition A3 (Definitions and Interpretation) in the gas transporter's licence applicable to the Licensees.
linepack	Linepack is the volume of gas held within the Local Transmission System by virtue of its pressure, principally to meet diurnal storage needs of the network.
LNG	Liquid Natural Gas cooled to minus 160 deg C such that it becomes a liquid. As required the liquid can be re-gasified for entry onto gas networks.

LNG IU	Costs of providing LNG to Independent Undertakings.
low pressure gas holders (mcm)	Column, spiral guided vessels or MAN (waterless) holders associated with the storage of natural gas at low pressures less than 75 mbarg. Volume measured in millions of cubic metres (mcm)
LP	Low Pressure is network comprising the lowest pressure mains of the distribution system operating at less than 75 mbarg.
LTS	Local Transmission System is the pipe-line system operating at >7 barg that transports gas from NTS offtakes to distribution systems. Some large users may take their gas direct from the LTS.
LTS NTS offtake	Capital expenditure associated with construction of a new connection and offtake site directly from the National Transmission System as well as modifications/upgrades to existing off takes.
LTS pipe-line	Local Transmission pipe-line. Project requiring only LTS pipe-line construction.
LTS pipe-lines and installations	Local Transmission pipe-line with associated installations including pig traps and above ground installations.
LTS PRS	Local Transmission System pressure reduction station.
LTS storage project	New asset constructed on the Local Transmission System primarily to provide diurnal storage for a GDN.
mains (distribution)	A pipe used to distribute gas at a pressure ≤ 7 barg to more than two supply meter installations (or with the potential to supply more than two supply meter installations) but not including a riser.
maintenance	Maintenance is the "hands on" examination of plant and equipment within the Network. These activities are split into three activities: routine, non-routine and exceptional items maintenance (see separate definitions).
Major incidents	For regulatory reporting purposes is defined as a major incident when there is a loss of supply to greater than 250 customers following a single incident.
materials	The physical components that go into the make-up of a tangible asset or are used for maintenance or other duties for the activities undertaken by the licensee and related parties.

- INCLUDES**
- tangible items that become part of the network assets;
 - small tools, equipment and consumables utilised to allow work on the network and to undertake other activities;
 - purchase, rent or lease of vehicles (only where they are “non-operational new assets & replacement”);
 - fuel for the operational fleet (include under the Vehicles and Transport activity)
 - materials provided by a contractor where the costs have been separately identified; and postage and stationery.
- EXCLUDES**
- company cars;
 - procurement management; and
 - storage of the materials unless the purchase price includes the cost of storage by the supplier

max des cap mcm/h

Maximum design capacity (mcm/h)

max des outlet press barg

Maximum design outlet pressure (barg)

MEAV

The Modern Equivalent Asset Value is the cost of creating an equivalent new network and essentially captures a weighted average of the Licensees asset volume. The MEAV for the Licensees is calculated from reported assets in the business plan data templates and the new build unit cost for the following assets:

- LTS assets,
- NTS offtakes
- PRSs
- AGIs
- Capacity and storage assets,
- Distribution mains
- Governors
- Number of services
- Multiple occupancy buildings (MOBs)

metering activity

Is the activity of providing “metering services”, which has the meaning defined in standard special condition A3 (Definitions and Interpretation) of the gas transporter's licence applicable to the Licensees.

MOP

Maximum operating pressure

MP

Medium Pressure is the network of the distribution system

operating from 75 mbarg to 2 barg.

MPDI	Medium Pressure Ductile Iron
MP/LP growth	Medium to low pressure regulator installed to facilitate growth on the network.
MP/LP renewal	Medium to low pressure regulator installed to replace existing piece of equipment due to either a capacity constraint or obsolescence.
multi-occupancy buildings	Block of low rise or high rise flats containing multiple dwellings.
net debt	<p>Net debt is the net borrowing of a business at a given date.</p> <p>Net debt includes:</p> <ul style="list-style-type: none">• Cash at bank• Bank overdrafts• Short term investments• External borrowings (adjusted to reflect the ultimate liability in sterling resulting from any cross currency swaps relating to that debt instrument and excluding the impact of fair value adjustments and accrued interest).• Inter-company borrowings• Short term loans to related parties (except where they have demonstrated the characteristics of being long term in nature, for example by repeated renewal)• Long term loans to related parties only where they can be justified as for the benefit of the regulated business and are not in the nature of a distribution <p>Inter-company debtors/creditors/working capital: where these can clearly be identified as such, they are excluded. However, if they cannot, because the licensee does not clear these balances on a regular basis, they will be treated as effective intercompany loans and included in net debt.</p> <p>Net debt excludes:</p> <ul style="list-style-type: none">• Year end balances of fair value adjustments on derivatives in regulatory accounts (except cross currency swaps)• Unamortised issue costs• Fixed asset investments where not readily converted to cash• Preference shares• Long term loans to related parties except where they can be demonstrated as for the benefit of the regulated business and are not in the nature of a distribution• Short term loans to related parties except where they have characteristics of long term loans

net interest

Net interest includes actual net interest (payable less receivable) for the price controlled business extracted from regulatory accounts, used on an accruals basis and total interest on index-linked debt based on the charge to the income statement in regulatory accounts.

Interest includes:

- Actual net interest (payable less receivable) for the price controlled business extracted from regulatory accounts, used on an accruals basis
- Interest on index-linked debt based on the charge to the income statement in regulatory accounts (i.e. on an accruals basis)

Interest excludes:

- Any interest that would otherwise be included, but which does not qualify for corporation tax relief
- Movements relating to pension fund liabilities reported in the regulatory accounts within net interest
- Fair value adjustments (e.g. losses on derivatives)
- Dividends on preference shares
- The cost of retiring long term debt early (including exceptional debt redemption costs)
- Debt issuance expenses (including amortisation charges relating to discounts on debt issuance that had previously benefitted from a deduction against taxable profits)
- The cost of maintaining committed undrawn liquidity backup lines (i.e. commitment fees)

net staff cost

Staff costs net of capitalised costs and staff costs associated with repex.

network extensions

Extensions of the gas distribution network to premises lacking mains gas. Also referred to as infills.

Non-gas communities that are both further than 23 metres away from an existing relevant main and among the 20 per cent most deprived areas as determined by the current Index of Multiple Deprivation are eligible to receive a discount off of their connection charge as described in GDPCR final proposals⁷.

network rates

Has the same meaning as that given to "Distribution Network prescribed rates" in Special Condition E3 of the Gas transporter's licence applicable to the Licensees.

new connections

The costs incurred to connect new demand customers and to the gas distribution system.

⁷ GDPCR final proposals, 3 December 2007, Ref. No. 285/07

new housing	Workload and costs associated with connecting new build properties to the gas distribution network.
new infrastructure costs	In respect only of IT & Telecoms activity, see definition under IT & Telecoms activity.
no escape/no trace	See reports
non-domestic	<p>Means workload and costs associated with connecting industrial and commercial and all large loads consuming greater than 75,000 therms per annum except for in the context of table 3.11, where it shall be taken to mean:</p> <p>Workload and costs associated with services laid to premises at which a supply is taken at a rate which is reasonably expected to exceed 73,200 Kilowatt Hours a year. For the purposes of field data collection, premises installed with a U16 or larger meter are assumed to exceed supply and consumption of 73,200 kWh should fall within this category.</p>
non-domestic meterwork ass. replacement	Work downstream of the new meter position to re-connect consumer pipe-work at non-domestic premises. Excludes any meter work carried out on behalf of others.
non-LTS storage project	Investment in additional GDN storage connected downstream of the LTS network.
non-operational premises	<p>Are premises used by people (e.g. stores, depots and offices) and which are not operational premises.</p> <p>INCLUDES stores; depots; and offices.</p>
non-operational training	Training for activities or skills neither specifically required for working on or with the operational assets of the business nor working in a manner to promote and maintain the health and safety of employees, contractors, customers and the public.
non price controlled activities	<p>Activities that the revenues earned by Licensees are not subject to price control. These include:</p> <ul style="list-style-type: none">• De minimis activities• Excluded services• Metering Activities• Consented Activities <p>See also separate definitions</p>

non-rechargeable diversions	Mains diversions that are not rechargeable to a third party. This may be due to the nature of the wayleave/easement that is in place (e.g. lift and shift agreements) or because the GDN wishes to move the main for its own purposes (e.g. soil, erosion, landslip).
non-routine maintenance	<p>Non Routine Maintenance activities are those which are irregular in both timing and costs, and have a material effect on cost from year to year. Typically the requirement to carry out these activities should arise between 2 – 8 years, i.e. activities are known, but not likely to happen on an annual basis.</p> <p>Examples of such activities are:</p> <ul style="list-style-type: none">• repainting of PRS after 6 yearly painting survey• repainting of District Governors after 6 yearly painting survey• OLI runs• Holder painting• Holder handrails• maintenance of above ground exposed crossings• river crossings/sub-sea surveys• river/ditch cross repairs• maintenance work required as a result of pressure surveys• consequential follow-up surveys.• winter trigger surveys• inspections of above ground exposed inspections• water bath heaters• DSEAR, site signage• pipeline marker remedial• asbestos surveys• vibration migration• crop claims and land drainage.
normal pension charges	Employer contributions or normal accruals to a pension scheme for ongoing service that are not pension deficit payments or charges.
normal pension payments	Employer contributions to a pension scheme that are not pension deficit payments.
	<p>INCLUDES payments to defined benefit schemes; payments to defined contribution schemes; funding Funded Unapproved Retirement Benefit Schemes ("FURBS) determined in accordance with tax legislation.</p> <p>EXCLUDES Salary sacrifice payments.</p>
NTS	The National Transmission System is high-pressure system consisting of terminals, compressor stations, pipe-line systems and offtakes. The NTS is designed to operate at

	pressures up to 85 barg. NTS pipe-lines transport gas from terminals to NTS offtakes.
offtake	An offtake is the installation defining the boundary between NTS and LTS or a very large consumer. The offtake installation includes equipment for metering, pressure regulation and more.
Ofgem	The Office of Gas and Electricity Markets.
Ofgem licence	Gas transporter licence granted by Ofgem to Licensees under section 7 Gas Act 1986
ongoing DB contributions	The current employers' cash service cost of funding defined benefit pension obligations.
ongoing DC contributions	The current employers' cash service cost of funding defined contribution pension obligations.
operating expenditure ("opex")	The operating costs of the GDN excluding capital expenditure (capex), costs under the mains replacement programme, depreciation, amortisation, profit on sale of assets, release of deferred contributions and charges/releases of provisions.
operational IT & Telecoms	IT equipment which is used exclusively in the real time management of network assets, but which does not form part of those network assets.
operational premises	Premises which contain network assets and are not maintained for accommodating people e.g. Substations, Boiler Stations, Holder Stations, Compressor Stations, Governor Houses etc
Operational training	<p>Includes operational training and graduate trainees and apprentices.</p> <p>Includes training Workforce Renewal new recruit, Operational Upskilling and Operational Refresher Training.</p> <p>Operational Upskilling - covers all training (whether classroom based or on-the-job) where employee's skill level is increased in order to undertake activities requiring a higher skill level or to undertake activities requiring a different skill set (e.g. multi-skilling or redeployment) or the undertake activities via more efficient / effective processes. (Does not cover, e.g., routine operational refreshers, and</p>

safety briefings, non-operational training courses e.g. MS Excel, training for CPD purposes once qualified e.g. accountant).

Apprentices are engaged under approved apprentice's schemes. Trainees are employed under a formal training programme.

Includes:

- Classroom training.
- On the job training.
- Trainer and course material/running costs (classroom training).
- Training admin.
- Recruitment and external advertising costs for trainees/apprentices.
- Salaries of apprentices and trainees in full time continuous training up to the point they become fully engaged in operational activities.
- Costs of staff that organise and provide operational training and maintain employees training records.

Excludes:

- HSE costs (include under Health, Safety & Environment).
- IT & Property management costs associated with Ops Training and Training Centres (include under IT & Property costs respectively).

operations management (including operations support)

This should only cover the cost of the day to day planning and supervision of the operatives and contractors working within the work execution processes. For example:

- First line managers (non-field staff)
- Depot Manager etc.
- Also includes the costs of the Safety, Health and Environment section (compliance).
- Operations Support:
- Covering support costs in depots (which include TMA/NRSWA activities)
- Plant protection
- Digitisation
- Dispatch
- Data quality
- Work scheduling
- Updating records (including DR4)

Excludes: Staff that carry out the operational activity (including E&I).

opex allowance

The assumption for operating expenditure requirements included in the Gas Distribution Price Control Review.

opex activities

Opex activities are:

- Work management
- Emergency – networks
- Emergency - other
- Repairs
- Maintenance
- Independent undertaking
- Other direct activities
- R&D
- It & telecoms
- Property management
- Training & apprentices
- Insurance
- HR
- Finance, audit and regulation
- Procurement, stores & logistics
- CEO

other cost recoveries

In relation to atypical costs only, means any form of remuneration or cost recovery or reimbursement received by the licensee, other than 'insurance proceeds received' resulting from an 'atypical event'.

other direct activities (ODA)

- Other operational activities not covered elsewhere
- INCLUDES
- Odorant
- Major incidents net cost (see definition)
- Xoserve
- Compensation payments
- Tools & consumables
- Reinstatement (inspections)
- Easement/wayleave costs LTS and non-LTS
- Procurement of interruptions/NTS flat
-

other non-domestic service work

Any other work carried out on non domestic services not captured elsewhere.

other policy and condition mains

The replacement of distribution mains and services not captured under the HSE policy workload. This includes non standard materials and mains selected to be replaced on a condition basis in accordance with policy.

other storage (mcm)

Volume of storage from GDN assets excluding LTS linepack and NTS flex.

overstay penalties

Penalties payable to Local Authorities as a result of overrunning of works in accordance either with the New Roads and Street Works Act 1991 or with the Traffic Management Act 2004 (and its Scottish equivalent).

own property

In respect of insurance only refers to all assets owned by the licensee.

own use factor (%)

Own use volume expressed as a percentage of throughput.

own use volume (GWh)	Quantity of gas used for operational purposes as measured in GWh.
PE	Polyethylene (PE) is a form of plastic used for manufacturing gas distribution mains and services.
pension allowance	The assumption for pensions charges (normal and deficit) requirements included in the Gas Distribution Price Control Review final proposals.
(actual) pension contributions	<p>The actual cash contributions attributable to the distribution business and paid into the relevant pension scheme. Where relevant, this will include statutory contributions to the Pension Protection Fund.</p> <p>SEE ALSO: Normal pension charges, Normal pension payments.</p>
pension deficit/surplus	A shortfall / excess of a pension scheme's assets compared with liabilities as determined in accordance with the pension scheme rules and the pension scheme actuaries applying rules determined by the Board of Actuaries.
pension deficit charges	<p>The costs paid or accrued, directly or indirectly, by the licensee to reduce the pension deficit.</p> <p>EXCLUDES normal pension charges; and normal pension payments.</p>
pension deficit payments	The cash payments made, directly or indirectly, by the licensee to reduce the pension deficit.
Pension Protection Fund (PPF)	The Pension Protection Fund was established to pay compensation to members of eligible defined benefit pension schemes, when there is a qualifying insolvency event in relation to the employer and where there are insufficient assets in the pension scheme to cover Pension Protection Fund levels of compensation.
pension scheme administration costs	<p>The administrative costs for the operation of a pension scheme (excluding interest and taxation) including salaries and on costs of pension scheme administrators and all other associated costs of administering the pension scheme, whether borne by the scheme directly or the employer(s) and not recovered from the scheme.</p> <p>INCLUDES:</p> <ul style="list-style-type: none">• actuarial consultancy fees;• pensioners payroll;• third party administration fees;• pensions administration system licence and support costs;• legal advisers fees;• recruitment costs;• pension secretariat;

- policy and strategy;
- administration consultancy;
- auditors fees;
- custodian fees;
- communication consultancy fees;
- general office costs (printing/IT support/publications etc);
- investment consultancy fees;
- investment management fees;
- tracing agency fees;
- member communication costs;
- trustee remuneration; and
- trustee training costs.

EXCLUDES:

Cost incurred by the licensee in administering the collection and payment of contributions;

Costs of actuaries engaged by the licensee as advisors to the licensee

pensionable salaries

For each pension scheme, the current salaries of the active members which are considered when assessing the future pension benefits under that scheme, and which are multiplied by the contribution rate to calculation the current cash service cost.

pensioners

Individuals in receipt of a pension from the pension scheme.

permit scheme costs

Those costs incurred to comply with obligations under any order or regulations made pursuant to Part 3 of the Traffic Management Act 2004 which impose a permit scheme, otherwise referred to as lane rentals in the business plan data template.

References to the Traffic Management Act 2004 are to be interpreted as, in relation to Scotland, the Transport (Scotland) Bill as enacted.

Planned non-contractual interruptions

Are non-contractual interruptions resulting from the Licensees activities and include all non-contractual interruptions resulting from the planned activities (customer/shipper initiated service alterations, customer or local authority initiated mains diversions and DN initiated)

planned replacement

Replacement made in accordance with a previously made plan rather than in reaction to particular event such as an emergency.

plant and equipment

Other operational capital expenditure on plant and equipment including all expenditure associated with gas leakage management.

PON

Pipe Object Number

PPF levy	The risk-based and the non-risk (i.e. scheme) based levies paid by a defined benefit pension scheme to the Pension Protection Fund in accordance with the Pensions Act 2004.
price control basis	The basis and/or methodology applied to the treatment of specified costs or types of expenditure in arriving at defined price control allowances, e.g. for GDPCR as determined in accordance with the Gas Distribution Price Control Review Final Proposals (December 2007) document.
procurement	<p>Responsible for the procurement of goods & services in the support of the business operations, through the management of procurement contracts with suppliers.</p> <p><u>Procurement</u> Responsible for the procurement of goods & services (identifying strategic needs for materials and services) in the support of the business operations, through the management of procurement contracts with suppliers.</p> <p>Includes:</p> <ul style="list-style-type: none"> • The cost of carrying out market analysis. • Identifying potential suppliers, undertaking background review, negotiating contracts, purchase order fulfilment & monitoring supplier performance. • Setting up and maintaining vendor accounts within the accounting system, and maintaining e-procurement channels. • Setting procurement guidelines and monitor adherence to the guidelines.
professional services & subscriptions	<p>Consultancy services employed by the licensee or related party.</p> <p>INCLUDES non-engineering services provided on a consultancy basis subscriptions to trade bodies including the Energy Networks Association (ENA); and typically items such as legal services, audit fees, taxation services.</p> <p>EXCLUDES direct employee costs or agency fees (include under "Labour (excluding employer pension costs)"; contracted services of individuals provided through a personal service company (include under "Labour (excluding employer pension costs)"; and engineers whether employed on a consultancy basis or not (include under 'Labour (excluding employer pension costs)' or Contractors, depending on the legal status of their engagement; and</p>

analytical engineering work (include under 'Labour (excluding employer pension costs)' or Contractors, depending on the legal status of their engagement.

profits of an insurance captive	To be reported in accordance with the rules for accounting for insurance companies (and before tax).
property (total floorspace)	Building footprint (square metre) whether in use or not and there is an associate cost (eg rent/lease, depreciation, business rates and/or utility cost).
property management	<p>The activity of managing, providing and maintaining non-operational premises i.e. premises used by people such as stores, offices and depots. This should include costs such as rent, rates (business), and utilities costs including electricity, gas and water, maintenance/repair costs of premises and also should include the provision of the facilities / property services such as reception, security, access, catering, mailroom, cleaning and booking conferences. The costs of property surveyors should also be included here.</p> <p>Includes:</p> <ul style="list-style-type: none">• Stores, depots, offices (including training centre buildings & grounds).• Rent paid on non-operational premises.• Rates and taxes payable on non-operational premises.• Utilities including electricity, gas and water (supply and sewerage).• Inspection and maintenance costs of non-operational premises.• Facilities management costs including security and reception.• Training centre buildings & grounds. <p>Excludes:</p> <ul style="list-style-type: none">• Any costs relating to operational property (i.e. premises which contain network assets and are not maintained for accommodating people e.g. Substations, Boiler Stations, Holder Stations, Compressor Stations, Governor House etc (include under operational property).• Any IT systems associated with property management (include under IT & Telecoms).• Depreciation and profit/loss on Fixed Assets (exclude on controllable costs but include on Property Memo Table 2.4f).• Relocation costs to or from non-operational premises.• Network rates.

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protection (protection apparatus)	A group of one or more protection relays and/or logic elements designated to perform a specified protection function.
PRS	Pressure reduction station – installed on gas networks to reduce and control gas pressures. On the gas distribution mains system they are usually referred to as “district governors”.
Public Reported Escape (PRE)	The number of unique address public reported escapes received by the GDN for which a FCO will be called out.
purge and relight after domestic service work	Re-commissioning of a customer's gas supply service and appliances following interruption.
quality of service	Measures of performance used to monitor the quality of service provided to customers. The measures include customer interruptions, short interruptions to supply, speed and quality of telephone response and guaranteed and overall standards.
quotations (no network analysis)	The provision of connections quotations using standard tables, not requiring the use of network analysis tools at the quotation stage or after acceptance
quotations (with network analysis)	The provision of quotations requiring the use of network analysis tools, being outside the scope of standard tables, OR require a network analysis check following acceptance of quotations generated from standard tables
RAV	See Regulatory asset value
R&D	Research and development.
R&D subject to IFI	Means the amount of expenditure spent or accrued by the licensee in respect of eligible IFI projects.
RAV additions	Expenditure added to the RAV in the year.
rechargeable diversions	Mains diversion projects qualifying for a customer contribution.
regulatory accounts	Has the meaning given in standard special condition A30 of the gas transporter's licence applicable to the Licensees.
regulatory asset value(“RAV”)	The value ascribed by Ofgem to the capital employed in the licensee’s regulated distribution or (as the case may be) transmission business (the ‘regulated asset base’). The RAV is calculated by summing an estimate of the initial market value of each licensee’s regulated asset base at privatisation and all subsequent allowed additions to it at historical cost, and deducting annual depreciation amounts calculated in accordance with established regulatory methods. These vary between classes of licensee. A deduction is also made in

certain cases to reflect the value realised from the disposal of assets comprised in the regulatory asset base. The RAV is indexed to RPI in order to allow for the effects of inflation on the licensee's capital stock. The revenues licensees are allowed to earn under their price controls include allowances for the regulatory depreciation and also for the return investors are estimated to require providing the capital.

regulatory depreciation expense

The annual expense for the depreciation of assets in the RAV, determined in accordance with the Gas Distribution Price Control Review Final Proposals (December 2007).

reinforcement expenditure

The costs incurred to provide additional general network capacity as a result of changes in demand on the system.

INCLUDES Customer-specific reinforcement; and general reinforcement.

reinstatement

The cost of making good the highway, verge or footpath to a permanent standard after excavation including labour costs, contractor costs, materials purchased, cost of waste disposal and any taxes or levies imposed on waste disposal.

relaid services

Customer's gas service pipe relaid as part of site work.

related party

Means:

- any "related undertaking" or "affiliate" as defined in the distribution licence;
- xoserve Limited; and
- Fulcrum Connections.

related party margin

The profit or loss recorded on a transaction with a related party being the excess or deficit on actual direct costs and indirect costs (including financing costs) fairly attributable to the transaction or the charge and the cost of providing that transaction.

related party transaction

A transaction that occurs where one party provides goods, works, supplies or services to related party.

related undertaking

Has the meaning given in standard condition 1 of the gas transporter's licence applicable to the Licensees.

SEE ALSO: affiliate, related party

remedial work

Work undertaken in order to remedy defects identified by either inspection or maintenance. Remedial works excludes minor repairs carried out at the same time as the maintenance visit.

renew risers to multi-occupancy buildings	Replacement of steel riser pipes in existing multiple occupancy dwellings as part of the mains replacement programme.
renew service connections	Replacement of service connections as part of the mains replacement programme.
repairs	<p>The repair of mains and service public reported escapes. (see also "actioned repairs")</p> <p>INCLUDES:</p> <ul style="list-style-type: none">• Materials• Anaerobic Sealant• Repair Find and Fix Costs• Iron Fittings• Pipe Costs• Plastic Fittings• Specialist Materials <ul style="list-style-type: none">• Repair Income• Waste disposal costs for the repair activity• Reinstatement for the repair activity• Reprogrammed repairs re-checks• Repair NRSWA Costs• Repair TMA Costs <p>EXCLUDES:</p> <ul style="list-style-type: none">• Reinstatement – inspections (Other Direct)• No trace rechecks (Emergency)• Leakage control surveys (maintenance other)• Maintenance - Mains & Services (Maintenance Other)• Tools & consumables (Other Direct)• GSMR Cut offs (Maintenance Other)• Consultancy services (Work Management)
replacement expenditure (repex)	Repex is expenditure on replacing component mains and services, where the replacement does not lead to an increase in the capacity or extends the life of the network.
replacement on failure	The abandoning of an existing asset and commissioning of a new pipe-line following physical failure of the asset in-situ.
replacement services - domestic	Workload and costs associated with service replacement activity to domestic consumers.
replacement services - non-domestic	Workload and costs associated with service replacement activity to non-domestic consumers.
reports	<p>Reports fall into two categories:</p> <ul style="list-style-type: none">• Reports Emergencies – Network: This category includes the number of jobs that are closed off with a status

- Mains condition report (escape)
- Service condition report (escape)
- Interference (damage)
- "No Gas" Service Governor Failure, Water Ingress or other Network Problem

-
- Reports Emergencies – Other: This category includes the number of jobs that are closed off with a status:
 - Internal Escape - Internal Escape of gas or CO related "Faulty Appliance" e.g. Appliance unsafe or emitting CO
 - Other - "Meter Problem" e.g. Meter Regulator Lock-up, ETM Problem; "Other Problem" e.g. Bird Trapped, Boiler Not Working, Incorrect Callout; "No Trace" e.g. No gas or CO found

reposition domestic meter

Services that are replaced for condition or economy in the course of the work.

research & development (R&D)

The activity has the meaning attributed to it in the relevant accounting standards. It includes payments to external or related parties for specific research projects.

EXCLUDES any of the IT systems associated with R&D (include under IT & Telecoms).

restructuring

The act of re-organising a business for the purpose of making the organisation more efficient.

INCLUDES redundancy costs (inc. ERDCs)

EXCLUDES early retirement costs (inc. ERDCs)

RIGs

Regulatory Instructions and Guidance

RIIO-GD1

First Gas Distribution Price Control Review based on the Revenue=Incentives+Innovation+Outputs model

riser

A vertical network pipe that carries gas between floors within a building to meters.

routine maintenance

Routine Maintenance can be described as those activities that are recurring and largely predictable in both costs and timing. There should be an immaterial year on year movement in the cost of routine maintenance. These costs include property cost associated with operational assets.

- Examples of such activities to be classed as routine are:
- site overhauls
- distribution mains & services
- pig trap maintenance
- repair governor equipment
- hedge maintenance/inspection on easement

- drainage profile checks
- repairing fencing
- CP remedial work
- fire water systems
- pressure system remedial
- operational site drainage
- compressor work
- asset modification (e.g. check/top up water levels, holder stock, filter changes, helium bottle change, ad hoc holder work)
- cladding repairs
- alarm testing/resetting
- calibration
- valve maintenance
- all surveys (eg CP, TDI and high rise buildings surveys), excluding winter trigger survey and consequential follow-up surveys.
- pipeline patrols
- CEME fee
- test points
- instrument maintenance
- gas quality maintenance
- alts & diverts

As can be seen from the above examples, routine maintenance should be the maintenance costs the Network incurs in carrying out their general site visits.

RPI

Retail Price Index – has the meaning given in standard condition 1 of the gas transporter's licence applicable to the Licensees.

SEE ALSO: inflation

salary sacrifice scheme

A scheme which allow employers to pay additional pension contributions on behalf of the employee in return or as substitution for a reduction (or sacrifice) in salary; and as a consequence there is a saving to the employee in taxation and for both employee and employer in National Insurance contributions.

SCADA

Supervisory control and data acquisition. A generic name for control systems that operate over a large area such as system control systems of a GDN.

self quotation

A quotation produced by the customer (rather than the GDN) using standard costs

service IP/LP governors (connections)

The installation of an intermediate pressure to low pressure service governor as part of the connections workload.

service MP/LP governors (connections)

The installation of a medium pressure to low pressure service governor as part of the connections workload.

service relay domestic meterwork	Work downstream of the new meter position to re-connect consumer pipe-work. Exclude any meter work carried out on behalf of others.
service test and transfer to new or other main	The disconnection of an existing PE service from an existing distribution main and reconnection onto a replacement or alternative distribution main. This activity includes the pressure testing and physical transfer of the service.
servitude	Term used in Scotland for a permanent right of access (in England and Wales this is termed an easement). SEE ALSO: easement, wayleave.
share based payments	The cost of share based payments provided to staff, determined in accordance with UK GAAP.
shrinkage	Gas lost from the distribution system due to leakage, theft and gas used for operational purposes.
shrinkage factor (%)	Shrinkage expressed as a percentage of throughput.
SI	Spun Iron
SOD	Start of day
software licences	The Licence fees incurred in respect of the use of IT application software.
specific reinforcement	The costs to be recorded relate to assets installed for the purpose of providing additional network capacity necessary in order to meet the specific requirements of customers for new or augmented demand connections. Where the minimum scheme to meet the customer's specific requirements is implemented, the full cost of reinforcement assets should be included under this heading, even when, due to the use of standard plant and equipment ratings, the minimum scheme provides extra capacity. Where a scheme in excess of the minimum scheme is implemented, at the discretion of the GDN, any costs in excess of the minimum scheme costs should not be included under this heading EXCLUDES Costs incurred, at the discretion of the GDN, in excess of the minimum scheme costs required to meet the customer's specific needs.
standby costs	Are the costs incurred when employees are on standby to be called upon if required in the event of a specified occurrence in accordance with their terms of employment.
statutory accounts	Has the meaning given in standard condition A1 (Definitions and Interpretation) of the gas transporter's licence applicable to the Licensees.

statutory depreciation	The charge in the statutory and/or regulatory accounts computed by applying the licensees own accounting policies for depreciation.
stores and logistics	Stores/Logistics includes the management of the acquisition, warehousing costs and the transporting cost of the goods to the final location, taking account of the stock management policies. Also include monitoring stock levels and then making procurement decisions. EXCLUDES any of the IT systems associated with Stores and procurement (include under IT & Telecoms); and any property management and maintenance costs of depots / stores locations (included under Property Mgt).
"sufficiently complex" quotations	The provision of a larger and more complex bespoke design and quotation, typically >2 barg pressure, or having known obstacles on the proposed route, or the total project cost >£250k
system control	System control process is to ensure the safe flow of gas through the network, ensuring the supply is sufficient to meet the demand of gas on a daily basis. The costs shown here should represent: The cost of running the control room (eg, staff costs of resource working within the control room). Along with: Salary costs Travel & subsistence Training costs for the delivery of system control migration. Any other non salary costs associated with these resources. Also include Mast Rentals Should also include any residual SOMSA charges from NGG.
tele-control network	In respect only of IT & Telecoms activity, see definition under IT & Telecoms activity.
theft (%)	Theft volume from the distribution network expressed as a percentage of throughput.
theft volume (GWh)	Quantity of gas stolen from the distribution network as measured in GWh.
Traffic Management Act (TMA)	'Refers to the Traffic Management Act 2004. An Act to make provision for and in connection with the designation of traffic officers and their duties; to make provision in relation to the management of road networks; to make new provision for regulating the carrying out of works and other activities in the street; to amend Part 3 of the New Roads

and Street Works Act 1991 and Part 9 and 14 of the Highways Act 1980; to make new provision in relation to the civil enforcement of traffic contraventions; to amend section 55 of the Road Traffic Regulation Act 1984; and for connected purposes'.

Any reference to the Traffic Management Act in this document or in the cost reporting pack should be taken as including a reference to the Transport (Scotland) Act 2005.

training

Includes both operational and non operational training, technical and behavioural.

Includes costs of staff who organise and provide training to the DN, for both Operational and Non Operational training, and who also maintain the individual employees training records.

Also included is the actual cost of running the training course, eg course fees.

The above would also apply for both graduate trainees and apprentices. For trainees/apprentices, the external advertising cost should be included here.

The salary cost of the person attending the training course is not included here.

Also includes leadership development training

UK GAAP

UK generally accepted accounting principles

ultimate controller

Has the meaning given in standard condition A1 (Definitions and Interpretation) of the gas transporter's licence applicable to the Licensees.

Unplanned non-contractual interruptions

Are non-contractual interruptions resulting from unplanned activities and include all non-contractual interruptions resulting from the unplanned activities (inadequate network capacity, 1 in 20 peak demand condition exceeded, leakage from service pipe, mechanical and non mechanical pipe/plant failure, NTS (upstream) failure, third party action and other upstream events.)

wayleave

Access to property granted by a landowner for up to one year for a consideration.

SEE ALSO: easements.

wayleaves administration activity

The activity of obtaining, managing and administering wayleaves, substation rents, easements and servitudes.

INCLUDES negotiating new wayleaves;

managing wayleave terminations;
administration of existing wayleaves including the preparation of payments; negotiating conversion from temporary wayleave arrangements to permanent easement / servitude; AGI rents; and the actual cost of the wayleave payment.

EXCLUDES the actual cost of the easement / servitude payments (include under either load-related new connections & reinforcement or Non-load non-fault new and replacement assets); and any of the IT systems associated with the Wayleaves administration activity (include under IT & Telecoms).

work execution

Includes the activities of Emergency, Repairs and Maintenance, which are separately defined.

work management

Work Management can be split into four sub categories.

These categories are:-

- Asset Management
- Customer Management
- Operations Management (including operations support)
- System Control

xoserve

A transporter agency which provides a single, uniform interface between the IT systems of relevant GTs and shippers.

Any words or expressions used in the Utilities Act 2000 or the Gas Act 1986 or the Energy Act 2004 shall, unless the contrary intention appears, have the same meanings when used in the Rules and the business plan data template.

Except where the context otherwise requires, any reference in this appendix or in the template to a numbered standard or special condition (with or without a letter) or Schedule is a reference to the standard or special condition (with or without a letter) or Schedule bearing that number in the gas transporter's licence applicable to the Licensees, and any reference to a numbered paragraph (with or without a letter) within such a standard or special condition is a reference to the paragraph bearing that number in the standard or special condition or Schedule of the gas transporter's licence applicable to the Licensees in which the reference occurs, and reference to a Section is a reference to that Section in the standard or special conditions of the gas transporter's licence applicable to the Licensees.

Appendix 2 – Customer satisfaction survey covering letter

Gas Customer
[Customer Address]

[Date]

Dear Gas Customer,

We want to know what you think

[Company] is responsible for ensuring that gas is piped safely and efficiently across the [geographical area], irrespective of who you choose as your gas supplier.

[Company] is always looking for ways to improve the service it offers to gas customers. To help in this process [Company] has commissioned [agency name], an independent company, to conduct a survey on its behalf. The results of this survey will also be reported to Ofgem, the industry regulator, and published on its website (www.ofgem.gov.uk).

I enclose a questionnaire which seeks your views on the service provided by {Company} [when responding to your call to the gas emergency phone line and/or carrying out a repair to the gas pipes to your property]/[when replacing the gas mains outside your property]/[completing connections work at your property].

The questionnaire should only take a couple of minutes to complete and any answers you give will be treated in complete confidence. Please tick the box at the end of the survey if you would like any information which personally identifies you to be destroyed. Please return the survey using the enclosed pre-paid envelope.

If you need help to complete this survey, for instance if English is not your first language or you are blind or partially sighted, please contact us on [insert agency details]. If you have an issue that you would like to discuss directly with [company], please contact the [Company] Customer Service Team on [insert details].

Your views are valuable to us and we would like to thank you for your help in completing this survey.

Yours faithfully,

[Insert name]

Safety note: If you smell gas, please call the national 24 hour gas emergency service on freephone 0800 111 999 (calls will be recorded and may be monitored).

Appendix 3 – Planned work survey

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[Company name's] records show that they carried out work on your incoming gas supply. Please complete the questionnaire using a black pen to put a cross in the appropriate boxes like this . Where the question asks you to indicate your level of satisfaction, please rate your level of satisfaction on a scale of one to ten.

1. Was your gas supply interrupted as a result of the work on your incoming gas supply?

Yes No (please go to question 0)

2. For how many hours was your gas supply interrupted?

0-4 5-8 9-12 13-16 17-23 24+ I don't know

3. How satisfied were you that your supply was restored as soon as possible?

Very dissatisfied										Very satisfied	
1	2	3	4	5	6	7	8	9	10		

Did you receive advance notification that we would be working in your area?

Yes No (please go to question 6)

4. How satisfied were you with the advance notification?

Very dissatisfied										Very satisfied	
1	2	3	4	5	6	7	8	9	10		

6. How satisfied were you with site tidiness?

Very dissatisfied										Very satisfied	
1	2	3	4	5	6	7	8	9	10		

1. 7. How satisfied were you with the communication from [company name](or their contractors) while the work was being carried out?

Very dissatisfied										Very satisfied	
1	2	3	4	5	6	7	8	9	10		

- 2.

8. After the work was completed, how satisfied were you with the length of time it took to make good the excavation?

Very dissatisfied										Very satisfied	
1	2	3	4	5	6	7	8	9	10		

RIIO- GD1 Gas Distribution Price Control- DRAFT Regulatory Instruction and Guidance: Version 1

3. 9 How satisfied were you with the skill and professionalism of the workforce that carried out the work at your property?

Very dissatisfied					Very satisfied				
1	2	3	4	5	6	7	8	9	10

4. 10. How satisfied were you with the overall quality of work carried out?

Very dissatisfied					Very satisfied				
1	2	3	4	5	6	7	8	9	10

11. Overall how satisfied are you with the service you have received from (company name)?

Very dissatisfied					Very satisfied				
1	2	3	4	5	6	7	8	9	10

All information given here will be treated as confidential. Your responses and comments will be used only as part of this survey and will not be attributed to you or to your address. However, it is sometimes appropriate for us to pass on your comments, together with your contact details to [company name] for their attention. We will only do this if you do not tick the box below.

No, I would not like my contact details passed to [company name], as appropriate.

Appendix 4 – Emergency response and repair survey template

[Company name's] records show that:

- you reported a leak or interruption to your incoming gas supply; and/or
- they carried out a repair on your incoming gas supply.

Please complete the questionnaire using a black pen to put a cross in the appropriate boxes like this . Where the question asks you to indicate your level of satisfaction, please rate your level of satisfaction on a scale of one to ten.

1. Did you ring the national gas emergency telephone service (0800 111 999) to report a gas leak or an interruption to your gas supply?

Yes No (please go to question 6)

2. How satisfied were you with the length of time it took to get through to an operator?

Very dissatisfied										Very satisfied	
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
1	2	3	4	5	6	7	8	9	10		

3. How satisfied were you with the information and safety advice provided by the operator?

Very dissatisfied										Very satisfied	
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
1	2	3	4	5	6	7	8	9	10		

4. Did a gas safety engineer attend your premises to investigate a gas leak or interruption to your gas supply?

Yes No (please go to question 7)

5. How satisfied were you with the time it took for the engineer to attend your property in response to your reported gas leak or interruption to your gas supply?

Very dissatisfied										Very satisfied	
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
1	2	3	4	5	6	7	8	9	10		

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5. If the engineer disconnected any appliances at your property, did he or she provide a list of Gas Safe registered engineers to contact to reconnect your appliances or provide the appliance helpline telephone number?

Yes No I don't know Didn't disconnect

6. Was your gas supply interrupted? Please note that interruption here means the loss of the incoming gas supply to your property rather than an engineer disconnecting specific appliances.

Yes No (please go to question 10)

7. For how many hours was your gas supply interrupted?

0-4 5-8 9-12 13-16 17-23 24+ I don't know

8. How satisfied were you that your gas supply was restored as soon as possible?

Very dissatisfied										Very satisfied	
1	2	3	4	5	6	7	8	9	10		

9. How satisfied were you with the way [company name] (or their contractors) communicated with you while your supply was interrupted?

Very dissatisfied										Very satisfied	
1	2	3	4	5	6	7	8	9	10		

10. How satisfied were you with site tidiness?

Very dissatisfied										Very satisfied	
1	2	3	4	5	6	7	8	9	10		

12. After the work was completed, how satisfied were you with the length of time it took to make good the excavation?

Very dissatisfied										Very satisfied	
1	2	3	4	5	6	7	8	9	10		

13. How satisfied were you with the skill and professionalism of the workforce that carried out the work at your property?

Very dissatisfied										Very satisfied	
1	2	3	4	5	6	7	8	9	10		

7. 14. How satisfied were you with the overall quality of work carried out?

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1	2	3	4	5	6	7	8	9	10

15. Overall how satisfied are you with the service you have received from (company name)?

1	2	3	4	5	6	7	8	9	10

All information given here will be treated as confidential. Your responses and comments will be used only as part of this survey and will not be attributed to you or to your address. However, it is sometimes appropriate for us to pass on your comments, together with your contact details to [company name] for their attention. We will only do this if you do not tick the box below.

No, I would not like my contact details passed to [company name], as appropriate.

Appendix 5 – Connections survey template

[Company name's] records show that they issued you a quotation and / or carried out work to lay a new connection, or to alter an existing gas supply to your property. Please complete the questionnaire using a black pen to put a cross in the appropriate boxes like this . Where the question asks you to indicate your level of satisfaction, please rate your level of satisfaction on a scale of one to ten.

1. Are you a domestic or business customer?

Domestic Business

2. How satisfied were you with the application process and the clarity of the forms you were required to complete?

Very dissatisfied										Very satisfied	
1	2	3	4	5	6	7	8	9	10		

3. How satisfied were you with the time taken to provide the quotation?

Very dissatisfied										Very satisfied	
1	2	3	4	5	6	7	8	9	10		

4. How satisfied were you with the time it took for [company name] to schedule a date for your works to be carried out once you had accepted the quotation?

Very dissatisfied										Very satisfied	
1	2	3	4	5	6	7	8	9	10		

5. If the works at your property are complete, how satisfied were you with the length of time it took for the work to be carried out?

Very dissatisfied										Very satisfied	
1	2	3	4	5	6	7	8	9	10		

6. How satisfied were you with the skill and professionalism of the workforce?

Very dissatisfied										Very satisfied	
1	2	3	4	5	6	7	8	9	10		

7. How satisfied were you with site tidiness?

Very dissatisfied										Very satisfied	
1	2	3	4	5	6	7	8	9	10		

8. After the work was completed, how satisfied were you with the length of time it took to make good the excavation?

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Very dissatisfied					Very satisfied				
1	2	3	4	5	6	7	8	9	10

9. How satisfied were you with the overall quality of work completed?

Very dissatisfied					Very satisfied				
1	2	3	4	5	6	7	8	9	10

10. How satisfied were you with the overall communication from [company name]?

Very dissatisfied					Very satisfied				
1	2	3	4	5	6	7	8	9	10

11. Overall how satisfied are you with the service you have received from (company name)?

Very dissatisfied					Very satisfied				
1	2	3	4	5	6	7	8	9	10

All information given here will be treated as confidential. Your responses and comments will be used only as part of this survey and will not be attributed to you or to your address. However, it is sometimes appropriate for us to pass on your comments, together with your contact details to [company name] for their attention. We will only do this if you do not tick the box below.

No, I would not like my contact details passed to [company name], as appropriate.

