

Cost Assessment Working Group (CAWG): 18 Sept 2012

The seventh meeting of the CAWG to inform cost assessment for RIIO-ED1.	From Date and time of Meeting Location	Sara McGonigle 18 Sep 2012 – 10am-5pm UKPN, Newington House, 237 Southwark Bridge Road, London, SE1 6NP
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1. Present

- Andrew Stanger, Scottish Power (by phone)
- John Gray, Scottish Power
- Bob Parker, Western Power Distribution
- Barry Hollinghurst, Western Power Distribution
- Sarah Walls, Electricity North West
- Jonathan Booth, Electricity North West
- Julian Rudd, UK Power Networks
- Keith Mawson, Northern Powergrid
- Iain Miller, Northern Powergrid
- Mark Kelly, Scottish and Southern Energy
- Kenny McAllister, Scottish and Southern Energy
- James Hope, Ofgem
- Sara McGonigle, Ofgem
- Mark Hogan, Ofgem
- Chris Watts, Ofgem
- Tom Johns, Ofgem
- Mike Watson, Ofgem
- Neill Guha, Ofgem

2. Apologies

None.

3. Update on Actions

3.1. The meeting began with Sara McGonigle (SM), Ofgem, updating on the actions to date. All the DNOs were given a handout of the actions to date and asked to ensure that they followed up any incomplete.

3.2. WPD gave an update on the development of its model. Bob Parker (BP), WPD, reported that the model has been significantly developed since last meeting in July and that they had met with ENWL to discuss. It is a large model, with the functionality to assess multiple and single years. They will also work on a middle-up version. BP agreed to send to the DNOs before the next CAWG meeting on 9th October.

3.3. Iain Miller (IM), Northern Powergrid, asked if it was just the same model as before. BP stated that it has changed (eg lost some of the disaggregation).

3.4. James Hope (JH), Ofgem noted that Ofgem will suggest a mid-model in the September paper and potential groupings. Julian Rudd (JR), UKPN asked if Ofgem will suggest cost drivers for the mid-model in the paper; JH confirmed that Ofgem had not.

3.5. Chris Watts (CW), Ofgem, stated that Ofgem will use regression analysis in a bottom-up/disaggregated model but that this will be different from DPCR5. He noted that Ofgem intends to use it carefully and for HV/LV type activities. JH noted that DPCR5 reporting irons out a lot of unmodelled costs but realised that there may still be some (smart meters, meter theft etc) but Ofgem wish to keep the unmodelled costs to a minimum. IM noted that identifying the areas of concern ASAP would be beneficial.

3.6. Mark Kelly (MK), SSE, asked if the mid-model adopted by Ofgem would be the WPD model. JH noted that at this stage we welcome views on the mid-model (as will be in the Sep paper). BP noted that WPD will be developing both a disaggregated unit cost model and a mid model. JH stated that it will be a toolkit approach and that all models submitted to Ofgem (WPD, totex model etc) will have functionality built in for Ofgem to adapt.

Action	Person	Date
WPD to send disaggregated model to DNOs and Ofgem	BP/BH	5 Oct 2012

4. Business Support Costs (BSCs)

4.1. Neill Guha (NG), Ofgem, presented on the approach to BSCs in RIIO-T1 and GD1 and the suggested approach for ED1 (to be similar to RIIO-T1 and GD1 where possible). The presentation gave rise to a number of points/issues as follows:

- Keith Mawson (KM), Northern Powergrid, asked why the utilities sector was removed from the benchmark. NG stated that the overall aim of the work was to compare with fully competitive markets and not regulated industries. Collectively the DNOs did not agree with this approach, suggesting that it removes the most comparable comparator. Sarah Walls (SW), ENWL, raised concerns that this was not clear in the Initial Proposal documents and suggests cherry-picking. CW stated that he takes the point about transparency but it is not cherry-picking; rather it is about not simply applying benchmarks without thinking about it. Chris agreed to share details of the basis of some benchmarks being discounted.
- KM also questioned the rationale for including sectors like retail which are simply not comparable to utilities. NG stated that they used GCIS data which is not dominated by any one sector. IM asked did they exclude any industry not comparable to utilities. NG stated that they had not.
- NG stated that he would come back to DNOs on the rationale for including all industries except utilities.
- JH noted that if there is clear rationale then things can be done differently in ED1 from T1 and GD1. CW agreed but noted that the high level principles remain – to benchmark across network companies and other sectors.
- SW noted that a lot of adjustments were made in GD1 and was concerned about the same thing happening in ED1 and the lack of transparency. JH noted that transparency is key to the RIIO-ED1 process and CW noted that all cost assessment models that Ofgem will use will be externally audited. IM suggested it would be useful for Ofgem to share thoughts on the pros and cons of the approach to BSCs and CW said that Ofgem has no problem with this. JH said that this is something for the Feb document.
- BP then questioned the fact the T1 and GD1 BSC analysis did not account for fixed costs. NG confirmed that it had not based on advice from Hackett and noted that the metrics used were size measures rather than cost drivers, and the size of the company and efficient cost of carrying out a function did not have a large effect.

- SW stated that she found it difficult to believe this evidence. CW then questioned why Ofgem should adjust for fixed costs. DNOs were strongly of the view that fixed costs should be accounted for. KM asked what the alternative for DNOs not to incur fixed costs – ask another DNO to do their billing for them? CW asked why Ofgem should adjust for shared services. SW said that whilst it may seem perfectly reasonable to outsource these activities, for many utilities specialist activities the outsourcing market simply does not exist. Barry Hollinghurst (BH), WPD, noted that going from one DNO group and adding 2 DNOs to this did not triple their IT and finance costs which are good for WPD but recognise that those with fewer DNOs in the group will have the same fixed costs as WPD with four.
- BP also made the point that DNOs have responded in many ways over the years to take costs out of their business (more so than in the GD market which is relatively immature). DNOs have responded in a variety of ways to reduce costs (eg acquisitions) and that this is a reasonable argument for DNOs to put forward.

Action	Person	Date
To note clearly the rationale for excluding the utilities from the benchmark in the BSC analysis and including other sectors	NG	31 Oct 2012
Share rationale for some Hackett benchmarks being discounted	NG	31 Oct 2012

5. IQI

5.1. JH gave a presentation on Ofgem's approach to IQI. This gave rise to a number of issues as follows:

- Questions on how the matrix will work – SW noted that in her interpretation in GD, the best performing company NGN would get a penalty on this matrix. CW stated that ED is a different price control and for DNOs to get IQI they must outperform, and by setting the baseline at the upper quartile (UQ), by definition you would expect some companies to outperform.
- BP noted that the matrix would result in the following – a DNO says totex would be 90 and Ofgem's baseline is 100, the company would get 97.5 in revenue (ie more than in its well justified business plan (WJBP)) and asked if that was correct. CW said potentially yes; this is the IQI reward for providing information to benchmark other companies. BP then stated that when WPD presents on costs and revenues should we assume an uplift on revenues? JH stated it difficult to assume as this as the DNO will simply not know. CW reiterated that there is an incentive for companies to set the benchmark and submit better forecasts. BP agreed but did note that it is critical how this is presented to customers. JH noted that for customers and suppliers it may be necessary for DNOs for put in a tolerance level for transparency. JH also noted that Ofgem would expect DNOs to factor in a possible IQI adjustment.
- CW stated that Ofgem will have a think about how best to present this matrix. Ofgem took an action to consider the presentation of the IQI matrix.
- MK noted that there are issues with explaining the IQI for DNO groups. JH stated that it is theoretically possible to fast-track one DNO from a group but recognised that it would be surprising if one DNO was excellent and the other poor. IM noted that it would call into the question the "good" DNO.

- IM asked if it is still possible for a slow track company to do better than a fast track company on the basis of this matrix. CW said it is unlikely and our intention is that a fast track company is never worse off than a slow track. JH stated that the matrix is in the September paper and Ofgem would welcome comments on it to reflect in Feb document. For instance Ofgem would welcome comments on whether the slide of incentives is strong enough to encourage good WJBP, is it sufficient enough to reward frontier companies etc. In the meantime, Ofgem agreed to have further discussions on the matrix to ensure a slow track company will not be better off than a fast track company.

Action	Person	Date
Ofgem to consider the presentation of the IQI matrix	JH	Feb 2013

6. Submission dates

6.1. JH clarified that the submission date for the WJBP is 1 July 2013.

6.2. CW stated that Ofgem want to be in a position by 31 May 2013 to have all models finalised. As part of the WJBP narrative Ofgem expect the companies to give a lot of consideration to benchmarking. Julian Rudd (JR), UKPN, noted that for internal approval they would probably have to have the WJBP tied down by the end of May and therefore asked if May was too late for the models. CW stated that in practice it may need to be earlier and we will strive for that, but Ofgem reserve the right to make tweaks.

6.3. JH also noted that regarding next year's RRP, Ofgem are giving serious thought to derogation. As the WJBP is due 1 July 2013, to ask for the years data on 31 July 2013 seems unreasonable but WJBP should have 12/13 numbers (as accurately as possible). Corrections can be picked up in 13/14 RRP.

7. Totex

7.1. JR gave an update on the totex work. He noted that there are a number of areas Frontier Economics are looking at including:

- Accounting for relative position in the investment cycle
- Accounting for relative position in asset position
- Looking at other aspects of asset related measures
- Connection density
- Cost of quality
- Capital price indices
- Wage data
- Variations for voltage structure
- Re-run model for 2011/12 data and re-run corrected 2010/11 data

7.2. It is expected that the model will be available at the end of October to share and final version by xmas/Jan.

7.3. BP asked if the issues DNOs raised with cost driver selection will be picked up. JR stated that they would be. BP noted that the issue is with proxies rather than the cost drivers themselves.

7.4. CW made two key points. First that all the work that has been done to date has been very welcome and helpful and that ED1 is in a better position at this point than T1 and GD1. Second, picking up the point on different cost drivers, it is Ofgem's intention to run different sensitivities as getting the cost drivers right is critical. Ofgem will be involving Dr Melvyn Weeks of Cambridge University in this process.

7.5. JH also noted that we have not yet discussed Workstream 3 at the CAWG and placed an action on Ofgem to ensure that it is on the agenda for the meeting on 13 November 2012.

7.6. IM asked if the totex model should include or exclude low carbon elements. CW stated that instinctively it would be wrong to exclude.

7.7. KM raised the issue that there are concerns with the use of forecast data in the model. CW stated that in principle forecast modelling is a good idea but in practice it is not always possible. In GD1 the forecast data failed significance tests and therefore Ofgem chose not to place too much weight. The reason for the poor data was that companies used different assumptions for forecasts and it's critical that we avoid this in ED1. This is why its so important to get business plan templates and tables correct.

7.8. SW asked what if we run different models and get very different answers for legitimate reasons. As the models measure different things she has concerns that a simple average (as in GD1) would not be appropriate. JH noted that this is something that should be raised in the response to the Sep paper.

7.9. CW noted that the models and benchmarking are the beginning of the debate and not the end. JH agreed and noted that this is why the group is so transparent. We cannot be blinded by the models and we should tackle the issues that the models raise head on. CW stated that Ofgem will be more impressed by the WJBPs that show a balanced view than one that seeks to present everything in a good light.

7.10. JH then reiterated the point that any model developed relies on accurate data. MK agreed with this but also raised concerns with the Frontier Economics totex model and feels that the comments raised may not be sufficiently addressed. In particular, going with number of customers and peak load is a real concern. BP shared MK's concerns. CW reiterated that Ofgem's expectation of the models is that they will have built in functionality to allow Ofgem to address the issues (eg with costs drivers) that it sees fit. JR noted that the DNOs commissioned Frontier Economics as a competent third party and we have to trust their judgement, but that does not mean the model will not have built in functionality to allow changes to be made.

Action	Person	Date
Ofgem to ensure Workstream 3 is on the agenda for the meeting on 13 November 2012	SM	31 October 2012

8. Connections

8.1. Tom Johns (TJ), Ofgem, presented Ofgem's suggested approach to connections in ED1. Points raised were as follows:

- MK stated that in talking to colleagues there is no difference in the unit costs for low carbon technologies and distributed generation (DG). TJ agreed and stated that Ofgem have moved on from previous presentation at the CAWG on this.
- TJ made it clear that Ofgem proposes no differentiation between demand and generation.

- TJ also noted that a few DNOs have not completed the reallocation on incomes in C1 and therefore comparisons on allowances are impossible. He asked that DNOs address this prior to visits.
- BP asked if the connections sheet which is 194 columns wide is really necessary – better to have years across the top and data down the page. TJ noted the point and will look to address layout, but noted most of the data is necessary but where aggregation makes sense it will be done.
- MK asked Ofgem what it is thinking regarding the deadlines for having the business plan tables. JH stated end of February but hopefully sooner. JH agreed that Ofgem would draft up a plan for data tables with Ofgem colleagues (eg Reg Finance) and send round DNOs for comment. SW noted that a road map of how all of this would fit together would be very beneficial. Mike Watson (MW), Ofgem, noted that it took 6-7 months to develop the data tables in GD1. JH recognised that ED has less time but we have spent a lot of time in last two years developing tables (eg troublecall).
- JH asked if February was reasonable. MK stated that SSE would like it earlier.

Action	Person	Date
DNOs that haven't completed connections reallocation on incomes in table C1 to do so before cost visits	SP, SSE, WPD	30 September 2012
Ofgem to send a plan to DNOs for drafting data tables	JH	19 October 2012
DNOs to comment on the plan for drafting data tables	DNOs	26 October 2012
To look at the layout connections sheet to change for ED1	TJ	February 2013

9. Cost Benefit Analysis

9.1. MW presented the CBA approach as used in GD1. The issues/questions that this raised were as follows:

- BP asked if the CBA should be population based. MW stated it should be sample based but a representative sample. JH stated that this is the proposed route for ED1 (as will be set out in the Sep paper).
- Jonathan Booth (JB), ENWL, asked if benefits can be quantified in terms of avoided costs. MW said yes (eg DECC cost of carbon, HMT cost of life, financial costs in terms of future repairs etc).
- KM asked if DNOs could get a feel for the scale of how many CBAs. MW noted that for GD Ofgem received on average 20-30 per GDN (although one presented 66).
- BP noted that there is a great deal of synergies in this area with the Outputs Working Group and need to have discussions in that group.
- SW asked if there are two options, is the timeline the economic life of the longest lived solution. MW replied that that is one approach.
- John Gray (JG), Scottish Power, noted the difficulty of this. For instance, what is the economic life for a cable? Are all DNOs using the same?
- JH noted that the Sep paper suggests 45 years but welcomes views on this – should it be different for different assets?

- JB noted that a CBA is suitable in areas where we face the following trade offs:
 - Binary decision – do it or not?
 - Time decision – now or later?
 - Intervention decision – which intervention is best to solve a problem?
- JH noted that the Sep paper invites views on where CBA is appropriate.
- BP asked what should a DNO do if the CBA says not to do something but customers want it. JH stated that these are the choices that DNOs face and they must articulate this in their WJBP.
- BP also asked how Ofgem evaluate different CBAs from different DNOs. MW stated that there will be a set of built in assumptions to help with this. JH also noted that CBA in one part of a toolkit approach and the assessment will be based on a number of tools. CBA will help in making a decision in the fast track and slow track process but it alone will not make the decision.
- KM asked if it would be possible to come up with examples of CBAs completed by GDNs (anonymised?). MW stated that there is no reason why Ofgem couldn't provide examples (with dummy numbers)

Action	Person	Date
Ofgem to provide DNOs with examples of CBAs from GD (with dummy numbers)	MW	19 October 2012

10. Initial July Data results

10.1. JH ran through his initial view of the RIGs 2012 submissions noting that atypicals were included in his analysis. JH will share the analysis carried out with the DNOs.

- IM noted that a lot of spend within reinforcement has been on EHV in this period which is more complicated and work and can take longer to be shown. IM pointed out that he believes current expenditure will be down but should be higher by the end of the period.
- BP noted that the high CAI allowance set from the FBPQ included contractor costs that should have been indirects.
- KM pointed out that ES4 may have been left in the C1 submissions by some DNOs and that it should be removed.

Action	Person	Date
Ofgem C1 analysis to be shared with the DNOs	JH	12 October 2012
Remove ES4 from C1 and populate adjustment in C28 resubmit	DNOs	19 October 2012
Keith Mawson to forward email regarding the treatment of ES4 from Bill McKenzie	NPg	19 October 2012

11. AOB

11.1. BP noted that from their analysis they believe the that the disaggregation of CV3 cost type split can be rolled up to the same level as elsewhere in the RIGs. All DNOs agreed.

Action	Person	Date
Detailed cost type split in CV3 to be removed from next version of RIGs	Ofgem	TBC

12. Date of next meetings

The next meetings will take place as follows:

- Tuesday 9th October (Ofgem London)
- Tuesday 13th November 2012 (Ofgem Glasgow)
- Tuesday 4th December 2012 (Ofgem Glasgow)
- Thursday 17th January 2013 (Ofgem Glasgow).

13. Consolidated list of actions

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

	Action	Person	Date	Complete?
Ofgem				
1	Remove Scenarios from C1 in Forecast pack.	MH	01-May-12	✓
2	Ofgem to provide in the minutes a link to the Dartford Determination consultation document.	SM	01-May-12	✓
3	Ofgem to circulate with the minutes comments on costs assessment issues in response to the RIIO-ED1 launch letter.	SM	01-May-12	✓
4	Ofgem to circulate the links to the options value model being used in RIIO-GD1 with the minutes.	SM	01-May-12	✓
5	Ofgem to circulate a redraft of the TOR and submitted comments on the TOR.	SM	04-May-12	✓
6	Ofgem to pull together a straw-man of meeting topics.	JH	04-May-12	✓
7	Ofgem will arrange with James Grayburn to present on the options value model in one of the CAWG meetings.	JH	04-May-12	✓
8	Ofgem to add delete the area in the forecast pack regarding scenarios and add it in separate table for visibility purposes only.	MH	04-May-12	✓
9	Ofgem to find out from Bill McKenzie which working group will be dealing with the issue of pension deficits.	SM	03-May-12	✓
10	Ofgem to provide greater clarity on the "opt-in" principle.	JH	10-May-12	✓
11	Ofgem to provide greater levels of commentary in the tables and for decisions made.	C&O team	ongoing	
12	To engage with colleagues to inform them of a preference of three scenarios.	Ofgem and DNOs	ongoing	
13	Ofgem to provide guidance on the scenarios.	JH	Within 1 month of WS3 report	
14	To confirm that date that James Grayburn will present at the CAWG.	SM	14-May-12	✓
15	Ofgem to provide further guidance on the scenarios and	JH	15-May-	✓

	respond to email send by Sarah Walls of ENWL (cc'ing in other DNOs).		12	
16	Ofgem to provide guidance on the elements of the BSC that will/will not be in the public domain.	SM	TBC	✓
17	JH and MK agreed to have an off-line discussion on where best to debate the issue of most efficient solutions.	JH and MK	14-Jun-12	
18	Ofgem to provide further detail on how to assess whole life costs.	JH	10-Jul-12	✓
19	Ofgem to collate the comments on the critique of the WPD totex model.	JH, SM, MH	26-Jun-12	Passed to SP on behalf of DNOs
20	Ofgem to provide further detail on how the no worse off principle will operate in practice.	JH	No later than Sep paper	
21	Ofgem to put regression analysis and supporting data on NOCs on the FTP.	KH	30 May, 31 May, 1 June 2012	✓
22	Ofgem to provide September meeting dates to the group.	SM	01-Jun-12	✓
23	Ofgem to email DNOs a blank version of ENWLs costs assessment template.	SM	01-Jun-12	✓
24	Ofgem to send summarise all responses to DNO actions and email to the group.	SM	01-Jun-12	✓
25	Ofgem to inform the group of the new date for action 12.	SM	01-Jun-12	✓
26	Ofgem to speak with Regulatory Finance colleagues on plans for cost visits.	SM	08-Jun-12	✓
27	Ofgem to inform DNOs on whether the finance pack should be included in Action	SM	08-Jun-12	✓
28	Ofgem to pull together thoughts on treatment of substation electricity for DNOs to critique.	JH	14-Jun-12	✓
29	Ofgem to check and re-run numbers on DPCR5 expenditure on CAIs.	MH	23-Jun-12	✓
30	Ofgem to re-run NOCs analysis with July numbers	KH	03-Aug-12	✓
31	Ofgem to run July data on new groupings (of CV15) for the September meeting.	KH	Sep-12	
32	Ofgem to circulate to DNOs the internal paper on scenarios.	JH	TBC	
33	Ofgem to send an updated version of the spreadsheet on the DPCR5 assessment and add in its views.	SM	31-Jul-12	Sep paper
34	Ofgem to send a letter to DNOs regarding the sharing of data	MH	20 July 2012	
35	Ofgem to check who made the productivity improvement assumptions for RPEs in DPCR5.	MH	20-July-2012	
36	Ofgem to check on the action responses and note on the slides for CAIs if majority, minority or unanimous view.	MH	20 July 2012	✓
37	Ofgem to note is the areas of the DPCR5 Assessment template where whole life costs may apply	JH	31 July 2012	Sep paper
38	Ofgem to check the legal position on sharing of forecast data	JH	20 July 2012	
39	Ofgem to give further consideration of the use of Real Options in ED1	JH, SM, MH	TBC	Sep paper

40	JH to send round to DNOs normalised pension data based on the ENWL calculation.	JH	3 August 2012	✓
41	Ofgem to discuss who is best placed to deal with further work on fluid-filled cables.	JH	24 August 2012	
42	Ofgem to look at the inconsistency in reporting of one in twenty storms in MTP, RRP and forecasts.	JH/Karl Hurley	31 August 2012	✓
43	Ofgem to send DNOs an update of the DPCR5 assessment template	JH	24 August 2012	Sep paper
44	Ofgem C1 analysis to be shared with the DNOs	JH	12 October 2012	
45	Ofgem to send a plan to DNOs for drafting data tables	JH	19 October 2012	
46	Ofgem to provide DNOs with examples of CBAs from GD (with dummy numbers)	MW	19 October 2012	
47	To note clearly the rationale for excluding the utilities from the benchmark in the BSC analysis and including other sectors	NG	31 Oct 2012	
48	Share rationale for some Hackett benchmarks being discounted	NG	31 Oct 2012	
49	Ofgem to ensure Workstream 3 is on the agenda for the meeting on 13 November 2012	SM	31 October 2012	
50	Ofgem to consider the presentation of the IQI matrix	JH	Feb 2013	
51	To look at the layout connections sheet to change for ED1	TJ	February 2013	
52	Detailed cost type split in CV3 to be removed from next version of RIGs	Ofgem	TBC	

DNOS				
1	DNOs to provide to Ofgem thoughts on totex.	DNOs	05-May-12	✓
2	DNOs to come back to Ofgem to state willingness to present thoughts on totex at the next meeting.	DNOs	04-May-12	✓
3	DNOs to give thought prior to next meeting on further iterations of assessing BSCs	DNOs	09-May-12	✓
4	DNOs to provide to Ofgem their thoughts on areas that would merit use of external consultants.	DNOs	11-May-12	✓
5	Keith Mawson to provide an email proposing some words re RPEs to facilitate consistency in submissions.	KM	10-May-12	✓
6	DNOs to provide a high level view on what data tables should accompany the well justified business plan (WJBP). Take existing reporting templates and indicate how much/little, and in the format (i.e. as is or more aggregation) of these that they thought	DNOs	18-Jun-12	✓
7	To engage with colleagues to inform them of a preference of three scenarios.	Ofgem and DNOs	ongoing	✓

8	DNOs to email Ofgem with more detailed feedback on the Meeting plan (what should be covered, when it should be covered, in what level of detail and what they would like to achieve by the end of each meeting).	DNOs	17-May-12	✓
9	DNOs to provide feedback on the DNO Totex presentations.	DNOs	24-May-12	✓
10	DNOs agreed to feedback to Ofgem their views on the length of future forecasts	DNOs	24-May-12	✓
11	DNOs to provide feedback to Ofgem on the scenario worksheet that was sent out with the July forecast pack.	DNOs	24-May-12	✓
12	To put the 2010/11 data into the WPD totex model and report to the entire group. If not feasible in timescale, an earlier version of the WPD model will be populated with 2008/09 data.	BP and BH, WPD	31-May-12	✓
13	To critique the model in light of the numbers.	DNOs	14-Jun-12	Moved to action 43
14	JH and MK agreed to have an off-line discussion on where best to debate the issue of most efficient solutions.	JH and MK	14-Jun-12	✓
15	MK/SSE to raise the issue at the next LI meeting.	MK/SSE	14-Jun-12	✓
16	To present the numbers and comparison at the next totex meeting (26 June 2012).	BH and BP	26-Jun-12	✓
17	How would licensees put forward a justification of lowest whole life cost?	DNOs	10-Jul-12	ENWL, NPg, SP, SSE, UKPN, WPD
18	DNOs will provide their scenarios forecasts no later than 20 December 2012.	DNOs	20-Dec-12	
19	WPD to provide a new date for action 12.	DM	31-May-12	✓
20	SW to share with DNOs and Ofgem ENWL's Excel file that informed the presentation.	SW, ENWL	06-Jun-12	✓
21	DNOs to complete the template on cost assessment activity i.e. views on how cost assessment should be conducted across activities.	DNOs	18-Jun-12	✓
22	AS to check figures on substation cost per unit once receive data from SW and report back on issues.	AS	22-Jun-12	✓
23	DNOs to email Ofgem preferences of submission and visit dates.	DNOs	22-Jun-12	✓
24	DNOs to comment on any issues they have with the NOCs data on the FTP and NOC data presented by ENWL.	DNOs	22-Jun-12	✓
25	DNOs to detail to Ofgem the key principles that they would apply in running checks on developed models.	DNOs	22-Jun-12	✓
26	DNOs to provide their thoughts to Ofgem on whether different scenarios should be applied when assessing NOCs for the WJBP.	DNOs	22-Jun-12	✓
27	DNOs to provide their thoughts to Ofgem on the potential use of volumes for faults and allowances.	DNOs	22-Jun-12	ENWL, NPg, SP, SSE, UKPN, WPD

28	DNOs to provide their thoughts to Ofgem on the optimum level of aggregation for the troublecall table (CV15) in the costs and volumes RRP.	DNOs	22-Jun-12	✓
29	DNOs to provide Ofgem with their thoughts on the use of the QoS data to produce efficient volumes of faults for each DNO, and then combine this with actual cost data.	DNOs	22-Jun-12	✓
30	DNOs to provide their thoughts to Ofgem on the optimum level of aggregation within the I&M table (CV13) in the costs and volumes RRP to assess unit costs. DNOs should also consider aggregation across tables (elements from the asset replacement table CV3) and the period over which unit costs should be assessed.	DNOs	22-Jun-12	✓
31	DNOs to identify appropriate types of drivers and splits in CAIs on which to develop cost drivers.	DNOs	22-Jun-12	✓
32	DNOs to provide thoughts on elements of CAIs that will be fixed and elements that will flex depending on scenarios.	DNOS	22-Jun-12	✓
33	DNOs to identify appropriate treatment of Non Op Capex - where particular elements should be reported and costs drivers.	DNOs	22-Jun-12	✓
34	DNOs to provide Ofgem details on their potential contribution to smart meters.	DNOs	22-Jun-12	✓
35	DNOs to present suggestions of an appropriate output for WFR.	DNOs	22-Jun-12	ENWL, NPg, SP, SSE, UKPN, WPD
36	SW to provide Ofgem with note on current understanding of the proposed role and functions of DCC Communications.	SW	22-Jun-12	✓
37	DNOs to note what data, what level of granularity and what length of data (historic and forecast) they will require to input to their models.	DNOs	29-Jun-12	ENWL, NPg, SP, SSE, UKPN, WPD
38	DNOs to email Ofgem with their approach/range of techniques that they intend to use for the cost assessment part of the WJBP.	DNOs	03-Jul-12	ENWL, NPg, SP, SSE, UKPN, WPD
39	DNOs to send their views on how they believe Ofgem should approach their assessment in fast track.	DNOs	03-Jul-12	ENWL, NPg, SP, SSE, UKPN, WPD
40	DNOs to send their views on how they believe Ofgem should approach their assessment in slow track.	DNOs	03-Jul-12	ENWL, NPg, SP, SSE, UKPN, WPD
41	DNOs to send their views on where the CAWG should devote time (on 31 st July, Sep and post Sep meetings).	DNOs	03-Jul-12	ENWL, NPg, SP, SSE, UKPN, WPD
42	UKPN to provide Frontier Economics initial view on Totex work	UKPN	06-Jul-12	Later

43	DNOs to provide SP their views on V1 of the WPD model.	DNOs	24-Jul-12	ENWL, NPg, SSE, UKPN
44	WPD to circulate proposed mid-model.	WPD	24-Jul-12	Later
45	SP to co-ordinate the views of DNOs of the WPD model and present at the next meeting.	SP	31-Jul-12	✓
46	DNOs to circulate to all other DNOs agreed "shared data".	DNOs	01-Aug-12	Annual data shared.
47	WPD to take CV3 and take median of unit costs and use MEAV in the model (rather than circulate MEAV calculation in V1 of model).	WPD	Early Aug	✓
48	WPD to circulate V2 of the model (cosmetic/layout).	WPD	Early Aug	✓ see action 60.
49	WPD to circulate V2 model with July numbers.	WPD	Early Aug	✓ see action 60.
50	DNOs to respond to the BSCs element of the IP to allow discussion of this at the CAWG on 18 th September 2012.	DNOs	7 Sep 2012	✓ ENWL, NPg, SSE, WPD
51	DNOs to comment on areas of the slides that they wish to change	DNOs	20 July 2012	✓ NPg, WPD
52	DNOs send Ofgem any questions, bullet points on IQI to inform the detail of the proposed mechanism.	DNOs	2 August 2012	✓ ENWL, NPg
53	DNOs to send any comments on Connections to Tom Johns	DNOs	10 August 2012	✓ NPg
54	DNOs to send AS comments on slides containing summary view of the DNO model.	DNOs (excl. SP)	10 August 2012	✓ NPg
55	DNOs to consider the pinch points that will determine which part of the analysis HILP should reside (asset replacement, general reinforcement).	DNOs	17 August 2012	NPg
56	BP to email Ofgem detail of the ambiguity surrounding fluid-filled cables.	BP	17 August 2012	✓
57	MK to suggest different means of assessing submarine cables.	MK	17 August 2012	
58	JR to report to Ofgem on where <i>Urban specific</i> costs are reported in the RRP.	JR	17 August 2012	
59	BP and BH to list all cost drivers in DPCR5 and then to note if they have changed in their ED1 model and reasons for this. This should be circulated to DNOs and Ofgem.	BP/BH	31 August 2012	
60	BP and BH to circulate V3 of the model.	BP/BH	31 August 2012	Moved to later
61	DNOs that haven't completed connections reallocation on incomes in table C1 to do so before cost visits	SP SSE WPD	30 September 2012	SP SSE WPD

62	WPD to send disaggregated model to DNOs and Ofgem	BP/BH	5 Oct 2012	✓
63	Remove ES4 from C1 and populate adjustment in C28 resubmit	DNOs	19 October 2012	
64	Keith Mawson to forward email regarding the treatment of ES4 from Bill McKenzie	NPg	19 October 2012	✓
65	DNOs to comment on the plan for drafting data tables	DNOs	26 October 2012	