

Electricity distribution network
operators and other interested
parties

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The regulatory instructions and guidance for the next electricity distribution network operators' price control, RIIO-ED1

The regulatory instructions and guidance (RIGs) are the main way we get information from network companies. We would like your views on the draft RIGs for the electricity distribution network operators (DNOs) for the RIIO-ED1 price control period. We have published these today.

These draft RIGs are a work in progress. We are continuing to develop them in parallel with this consultation. We will consult on the complete RIIO-ED1 RIGs at the end of March and issue them in May this year.

The information DNOs provide in the RIGs may include useful information for other stakeholders. We are keen to improve the information we provide on our website while making sure that the DNOs are transparent about their own performance. We are particularly interested to hear whether more of the information we get should be published by either DNOs or ourselves and the format that would be most useful to you.

What are the RIGs?

The RIGs provide a framework which enables us to collect data regularly from the DNOs. We collect this data to assist us to:

- monitor DNO performance against price control incentives
- monitor compliance with their price control obligations
- allow analysis between price controls and at the subsequent price control review.

The RIGs are governed by standard licence condition 46 of the electricity distribution licence that will apply from 1 April 2015. We issued this condition on 21 May 2014.¹

The RIGs are a collection of documents – our instructions and guidance, and the reporting pack and commentary templates that the DNOs have to fill in.

- The instructions and guidance give the DNOs the information they need to complete the reporting pack templates on a consistent basis.
- Reporting pack templates are where DNOs provide the required numerical data.
- Commentary templates provide a place for DNOs to include information in support of the numerical data.

¹ [RIIO-ED1: Modifications to the standard conditions of the electricity distribution licence](#)

There are RIGs in place for the current price control which ends on 31 March 2015 (known as DPCR5). In many areas we have not materially changed the information required for the RIIO-ED1 RIGs. In other areas we have developed new requirements or modified existing ones so they fit with the new RIIO-ED1 licence and price control framework. In DPCR5 there are a number of licence conditions that require DNOs to report RIGs data in different areas. Our move to a single RIGs licence condition in RIIO-ED1 has driven a change to the structure of the RIGs.

DNOs will start collecting information based on the RIIO-ED1 RIGs requirements over 2015/16 and will report this to us in Spring/Summer 2016.

The RIGs submission is one of a number of submissions and reports required of each DNO under RIIO-ED1. The others include:

- The environment report which describes the activities it has undertaken in relation to environmental matters
- The losses strategy which outlines the actions it is taking to manage losses on its network
- The innovation strategy which summarises its strategy towards innovation
- A report on how it has performed against the commitments it made in its RIIO-ED1 business plan.

We aim to minimise overlap by making sure that information, where needed, is recorded and reported on a consistent basis across these reporting requirements. The submissions and reports listed above should be complimentary to the RIGs. DNOs may though report information in different formats across these reports because the intended reader is different.

What are we asking for your views on?

The draft RIGs are published as associated documents to this letter. They consist of:

- Instructions and guidance:
 - an overview document which provides a high level summary
 - five annexes, each covering a different topic, and
 - a glossary of terms used.
- A folder containing 13 reporting pack templates, which link to the annexes.

There are areas of the draft RIGs that require additional work and therefore there are gaps in the annexes and reporting pack templates. Appendix 1 lists the draft RIGs documents and shows which documents are part of this consultation and which are not.

We are not currently consulting on commentary templates as these are yet to be developed. We intend to review the current commentary templates and make any changes necessary.

We are not proposing changes to the Pensions RIGs as part of this review process.² These apply to all network companies and will be reviewed prior to the next submission in 2017.

We welcome your views on the following questions:

1. What are your views on the proposed structure? Does the proposed structure appropriately split reporting between different annexes?
2. What are your views on the information we are asking the DNOs to forecast? (See the F1 – Forecasts worksheet in the Costs and Volumes Reporting Pack.)
3. We and DNOs may publish information contained in the RIGs. What information would you like to see published? What format would you like to see it published in and how often?

² [Energy Network Operators' Price Control Pension Costs - Regulatory Instructions and Guidance](#)

4. We are consulting in parallel on the Environment Report.³ Most of the data to be included in the Environment Report will be collected in the RIGs. What are your views on this approach? Do you think some or all of the data in the Environment Report should be collected separately?
5. Specific comments on individual tables and their associated guidance and definitions.

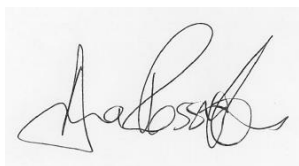
Next steps

Please submit your responses to Joanna Campbell (RIIO.ED1@ofgem.gov.uk, 020 7901 7094) no later than 25 February 2015. Unless clearly marked confidential your response will be published on our website. Please use the response template published alongside this letter to provide detailed comments on any of the documents (as per question 5).

While the consultation is open we will continue to work with DNOs. We will consider this work and responses to this consultation when finalising the RIGs. We will consult on the complete RIIO-ED1 RIGs at the end of March and issue them in May. The revised RIGs will apply from April 2015.

We are starting a parallel piece of work to look at what further information we and the DNOs should make available to stakeholders. We are committed to improving the level of comparative information and commentary that we provide on the performance of network companies. This will build on the work already conducted as part of the RIIO-GD1 and RIIO-T1 price controls.⁴ Your feedback on question 3 will help inform this piece of work.

Yours faithfully,



Anna Rossington
Head of RIIO-ED1

³ [Consultation on the draft RIIO-ED1 Environment Report Guidance Document](#)

⁴ [Network performance under RIIO](#)

Appendix 1: Content of the draft RIGs highlighting what is included in this consultation

Key to the table:

INCLUDED
NOT INCLUDED

Instructions and guidance annexes	Reporting pack templates	Commentary templates
Overview	n/a	n/a
Annex A – Glossary	n/a	n/a
Annex B – Costs and Volumes	Costs and Volumes	Costs and Volumes
Annex C – Revenue and Financial Issues	Revenue	Revenue
	Financial Issues	Financial Issues
Annex D – Secondary Deliverables	Secondary Deliverables	Secondary Deliverables
Annex E – Reinforcement	Reinforcement	Reinforcement
Annex F – Interruptions	QoS Interruptions	n/a
	QoS Interruptions Stage Data	
	Guaranteed Standards of Performance	n/a
	Occurrence Non-incentivised	
	QoS HV disaggregation	n/a
Annex G – Connections	Connections	Connections
	Connections Guaranteed Standards (SLC 15A)	n/a
	SLC 12 and 15 reporting	n/a
Annex H – Customer Service	Customer service	n/a
Annex J – Pensions	Triennial Pensions	<i>See appendix 2 of the pensions RIGs</i>