

Electricity distribution network
operators and other interested
parties

Direct Dial: 020 7901 7401

Email: anna.rossington@ofgem.gov.uk

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

The regulatory instructions and guidance (RIGs) are the main way we get information from network companies. Today we have published the proposed RIGs for the electricity distribution network operators (DNOs) for the RIIO-ED1 price control period which began on 1 April 2015.¹ We propose to publish these RIGs, by direction, on or after 22 May 2015. Please let us know, on or before 22 May 2015, if you have any comments on the proposal.

The proposed RIGs we're issuing today are a result of collaborative work between ourselves and the DNOs. This has included regular working groups with DNOs, bilateral meetings and the consultation we published in January. Thank you to those involved and to those that responded to our consultation.²

What are the RIGs?

The RIGs provide a framework which enables us to collect data regularly and on a consistent basis from the DNOs. They are governed by standard licence condition 46 of the electricity distribution licence that is in force. We issued this condition on 21 May 2014.³

The RIIO-ED1 RIGs are based on the RIGs that were used in the previous price control period (known as DPCR5). We are issuing new RIGs for RIIO-ED1 to incorporate new, or modify existing, requirements so that they fit with the new licence and price control framework. We have also made a number of changes to make sure that information is reported on a consistent basis. In some areas this has reduced the volume of information we require; in other areas we are asking for more detail.

A map of these documents can be found in Appendix 2. In summary, the proposed RIGs consist of:

- Instructions and guidance to DNOs on how to provide the required information. This consists of:
 - an overview document which provides a high level summary
 - eight annexes, each covering a different topic, and
 - a glossary of terms used.
- 15 reporting packs for recording numerical data each covering a different topic and associated with one of the annexes.
- 6 commentaries where DNOs must include supporting information.⁴

¹ [Notice to issue regulatory instructions and guidance under the electricity distribution network operator's price control, RIIO-ED1](#)

² Our consultation and responses received can be found on our [website](#).

³ [RIIO-ED1: Modifications to the standard conditions of the electricity distribution licence](#)

Changes since the January consultation

We consulted on draft RIGs in January. The responses to the consultation are published on our website and summarised in Appendix 1.

Alongside addressing responses to the consultation we have continued to develop the RIGs with the DNOs. The culmination of this work is the proposed RIGs being issued today.

The changes made focus on:

- finalising those elements of the instructions and reporting packs that were not part of the consultation
- finalising the commentaries that DNOs need to provide alongside the numerical data
- refining the content of the RIGs to take account of responses received
- separating environment and innovation related sections of the RIGs from the Costs and Volumes RIGs and including in a separate annex and reporting pack
- making sure definitions achieve consistent reporting from each DNO
- improving document formatting and making sure linking across worksheets and between RIGs reporting packs works as expected.

Taking forward your views on publishing information

We received useful input from responses in relation to publishing information. We plan to take this forward as a separate piece of work which will look in depth at performance reporting. The project will consider:

- what information can be made available and what is useful for stakeholders to see
- who should be providing the information - us or DNOs
- how the information should be presented
- when the information should be provided, which will consider both how often and how quickly information can be shared.

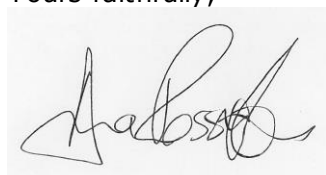
You will have opportunities to provide further input both informally and through a consultation process later this year.

Next steps on the RIGs

We will consider any comments on the notice before issuing the RIIO-ED1 RIGs. The RIGs will take effect from 1 April 2015.

The RIGs may be modified over time. This process is outlined in the licence. We are committed to engaging with DNOs and others that may be affected prior to making any changes that may have consequential impacts on business processes or which risk inaccurate information being provided.

Yours faithfully,



Anna Rossington
Associate Partner, RIIO Implementation, Smarter Grids and Governance

⁴ Not all information requires a supporting commentary.

Appendix 1: Summary of responses to the January 2015 consultation

All responses, including detailed comments received in response to Question 5, are published on our website.⁵

Question 1: What are your views on the proposed structure? Does the proposed structure appropriately split reporting between different annexes?

Most DNOs confirmed their support for the proposed structure. A number of DNOs did however suggest that tables in the Costs and Volumes Reporting Pack which require counterfactual evidence or forecasting should be in a separate reporting pack. It was suggested by some DNOs that this should be done to allow a separate data assurance risk assessment of this type of information to be done (as required under the Data Assurance Guidance (DAG)). For this reason, and others, it was suggested that tables needed for the Environment Report should be in a separate reporting pack.

One DNO asked for a purpose to be stated for each table in the RIGs to help those completing the tables to understand how the information will be used.

Question 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.)

DNOs were broadly comfortable with the level of detail in the proposed table. The regulatory burden created was noted as a reason not to ask for forecasts at a more granular level. One DNO asked us to clearly justify why we wanted forecasts. DNOs also asked for clear instructions on what basis they should be providing any forecast to make sure there is consistency in the information provided.

Some DNOs asked for upfront information on when we may extend the forecast requirement to cover years after the RIIO-ED1 price control period or to cover some areas in more detail.

Question 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?

Respondents were supportive of DNOs and Ofgem publishing information to support improved transparency, accountability and engagement with network regulation. To ensure transparency, one respondent suggested there should be rules in place requiring DNOs' to show a clear and accurate picture of their performance on their websites. Consistency, in both content and format, and accuracy of information were raised by many as key requirements of future public reporting. One respondent suggested that DNOs should produce information based on a template to ensure they are comparable and comprehensive while not being unnecessarily long. It was noted that it would be difficult to suit all stakeholders' needs but that a proportionate and balanced approach should be taken in deciding what to publish.

In relation to timing one DNO suggested that some high level information tables could be published alongside the business plan commitments report DNOs are required, under the licence, to produce each year. Another raised concerns that the potential overlap between different reporting requirements in the licence could create duplicate sources of the same information and confuse readers. There was some support for the publication of an overarching stakeholder report which could meet all licence requirements related to information reporting. There was no support for publishing information more frequently than once a year.

⁵ [Responses to our consultation on the draft RIGs for DNOs](#)

It was suggested that any reporting needs to consider the potential for the information shared to detrimentally impact negotiations with commercial parties.

Question 4: We are consulting in parallel on the Environment Report.⁶ 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?

DNOs emphasised the need to avoid duplication between the Environment Report and the RIGs or other reports required in RIIO-ED1.

The majority preferred that the RIGs be used to collect any data needed in the Environment Report. Most DNOs suggested removing the relevant RIGs tables from the Costs and Volumes Reporting Pack and placing in a separate reporting pack.

Question 5: Specific comments on individual tables and their associated guidance and definitions.

DNOs and Explain Market Research made a number of comments on specific tables and sections of guidance. These ranged from typographical errors to disagreement on the position we had reached.

⁶ [Consultation on the draft RIIO-ED1 Environment Report Guidance Document](#)

Appendix 2: Map of the proposed RIGs

Instructions and guidance annex	Reporting pack	Commentary
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	n/a
	Financial Issues	Financial Issues
Annex D – Secondary Deliverables	Secondary Deliverables	Secondary Deliverables
Annex E – Reinforcement	Reinforcement Load Index (LI)	Reinforcement Load Index (LI)
Annex F – Interruptions	QoS Interruptions	n/a
	QoS Interruptions Stage Data	
	Guaranteed Standards of Performance	
	Occurrences Not Incentivised	
	QoS HV Disaggregation	
Annex G – Connections	Connections	Connections
	Connections Guaranteed Standards (SLC 15A)	n/a
	SLC 12 and 15	
Annex H – Customer Service	Customer service	n/a
Annex J – Environment and Innovation	Environment and Innovation	Environment and Innovation