

Mick Watson
Costs and Outputs
Ofgem
9 Millbank
London
SW1P 3GE

28th April 2015

Dear Mick,

Consultation on 2014/15 RIGs

Thank you for the opportunity to comment on the above consultation.

Please see attached schedule with our detailed comments. As previously discussed it would be very helpful to begin the process for the 2015/16 RIGs as soon as possible to bring forward into the year in question the detailed reporting requirements for that year.

If you wish to discuss any aspect of our response please do not hesitate to give myself or Dave Pearson me a ring.

Yours sincerely,



Stephen Parker
Regulation Director

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Appendix

Reference	Comment
Table 1.6 Disposals	Changes have been made to this table that have not previously been discussed. We can provide most of the information requested apart from the historic purchase prices. Such granular information was not provided to us as part of the sale process in 2005.
Table 3.8 Maintenance	<p>This table has been amended so we have to breakdown routine maintenance into c50 categories whereas previously it was 7. This level of breakdown for the value of spend involved seems wholly disproportionate. We currently do not have the ability to record accurately our maintenance costs at this level and would need use an allocation methodology to split the costs.</p> <p>Our recollection is that we have previously agreed to review all of this table when the full details of the asset health methodology have been agreed and approved. We suggest the previous table is utilised until this is finalised.</p>
Table 4.4 Reinforcement	We believe the section from cell J20 has been added to the table in error.
Tables 7.2. and 7.4 Interruptions and PREs	<p>We would like to understand what Ofgem has learnt from previous SQs in this area and whether GDNs are reporting consistently. Our own review with other GDNs has identified further improvements could be made to the definitions related to these tables which would improve consistency.</p> <p>Within the RIGs instructions for table 7.4 emergencies non-network related “no trace” is a separate category but is also included within the “other” category. It should be removed from the description of the other category.</p>
Table 7.6 BCF	There are ongoing discussions regarding the methodology and appropriate assumptions to calculate BCF. We will comment on the details in these discussions. We are keen to ensure that it reconciles to our other existing statutory reporting requirements.
Table 8.1 Complaints	The RIGs should make clear where complaints received by email or social media should be recorded.
RIGS para 12.1	Last sentence on first bullet is now out of date.
RIGS para 12.2	Text in this section is out of date as it still refers to year one.

<i>Following comments all refer to the definitions set out in Appendix 2</i>	
Customer	We don't believe the precise methodology for this has ever been agreed between the GDNs and Ofgem.
Decommissioning mains	Incorrectly refers to "service" rather than "main" in third line.
De-minimus activity	There is a superfluous line of text starting "GDN comment...."
Local conditions	Definition is missing
Non-routine maintenance (excluding integrity based)	Definition is missing but not sure this is required.
Storage	Two separate definitions for the same term
Ultimate controller	Licence reference is wrong it should be A3 not A1.
Appendix 2 para 1.4	Last bullet refers to transmission business believe this should be distribution business.
Appendix 5 table A5.1	The last 12 months has seen the growth of third party intermediaries in the gas connections market. Such companies are not an end customer nor a gas supplier, IGT or UIP. For the purpose of the survey we believe customers who's dealings are with the third party intermediary should be excluded.