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26 May 2016

Dear Mick,

**RIIO-GD1 Regulatory Instructions and Guidance 2015-16 reporting year**

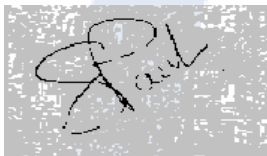
Thank you for the opportunity to comment on the proposed Regulatory Instructions and Guidance for the 2015-16 reporting year.

We welcome Ofgem's decision to review the information it requires the Networks to both submit annually, and to publish to interested parties. We are pleased that this consultation seeks views on the latest draft RIGs from all Stakeholders.

We have provided comments in Appendix A and would welcome further discussion on these and any other queries raised by other parties.

Please do not hesitate to contact Dave Pearson or myself if you wish to discuss any aspect of our response.

Yours sincerely



**Stephen Parker**  
**Regulation Director**

## **APPENDIX A**

### **Table 3.12a Theft of Gas**

For clarity our submission in 2014/15 used the following assumptions to populate the draft table, and we would support using them again and updating the RIGs to reflect this

- The number suspected/reported incidences of theft – the number of cases as per Xoserve data which have been closed within the regulatory year.
- The number of investigations – again from an Xoserve report, which should match back to the above (and does).
- Number of cases brought to court – brought to court in this regulatory year, which doesn't necessarily mean that the case was reported/closed in this regulatory year
- Number of successful cases – Successful means we have started receiving the money – again they may not be cases that were reported/closed in this regulatory year
- Total cost of investigations – we have only reported investigation costs where the investigation has been closed, either because it was invalid or it is considered closed because we've now started receiving the money.
- Money recovered from successful cases – All monies received in this regulatory year, which includes cases closed this year and monies received from cases closed last year.

The above assumptions best enable us to capture the data from existing reports with minimal manipulation and support a full audit trail, and in any case over time will enable Ofgem to track trends and effort in this area.

### **Table 3.13 Streetworks**

The Gas Distribution Costs and Outputs group submitted a revised Streetworks table last year after recognising inconsistencies in reporting between the different companies, and would welcome a discussion on updating this table with Ofgem.

### **Table 7.6 Business Carbon Footprint and Table 3.12 Shrinkage**

In table 3.12 Shrinkage (GWh) is calculated using specific GDN average CVs from the base throughput. This then feeds into table 7.6 for calculating BCF, which then uses national averages to calculate BCF with the intention of making them comparable.

However to make it fully comparable, then a national average CV should be used to calculate Shrinkage from the GDN specific throughput on table 3.12.

### **Table 7.7 Environmental Other**

The Broad Measure information within 7.7 could be linked directly from table 7.8.

### **Table 7.10 NIA**

We would support including a split of costs into internal and external costs by project, which could then be used to provide a direct audit trail through to the separate Revenue submission which requires this split.