

**RIIO-ED1 RIGs Costs and Volumes
Commentary, version 32.0**

[DNO to enter regulatory year]

[DNO to Enter DNO name]

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1. Information instructions

One Commentary document is required per DNO Group. Respondents should ensure that comments are clearly marked to show whether they relate to all the DNOs in the group or to which DNO they relate.

Commentary is required in response to specific questions included in this document. The respondent is welcome to include further comments to assist in our understanding of the data provided in the Costs and Volumes Reporting Pack.

DNO's should include supporting documentation where they consider it necessary to support their comments or where it may aid Ofgem's understanding. Please insert an appropriate heading and commentary box in the body of this document where it is necessary to provide additional commentary.

Aggregated worksheet commentary

At an aggregated level, rather than worksheet by worksheet level, there are two standard questions to address as follows:

- **Performance against allowance:** DNO groups should report performance against allowance for each licensee (eg "Expenditure = £8m (-£4m (33%) of £12m allowance)") and only go on to explain any under or over spend where the materiality threshold exceeds both 20% and £1m. Variances would need to exceed both to require explanation. Any significant reprioritisation of work should be noted in the explanation.

This should only be for the following C1 aggregate levels:

- Load Related
- Non Load Capex (excluding Non-Operational Capex)
- Non-Operational Capex
- High Value Projects
- Network Operating Costs (NOCs)
- Closely Associated Indirects (CAIs)
- Business Support Costs (BSCs).

This analysis should be prepared in 2012/13 prices. Performance against allowance is required to be reported by DNO licensee. The explanation of the performance should also be by licensee unless it is more appropriate to do so by DNO Group (for example where costs are shared by the DNO group). DNOs should clearly note where the explanation applies to the Group.

Cost variance year on year: (both 20% and £1m threshold): DNOs should explain year on year variances in total gross costs that exceed the 20% threshold. Worksheet S3 C1 movements (real) can be used in calculating the variances that require explanation.

This should only be for the following C1 aggregate levels:

- Non-Operational Capex
- Closely Associated Indirects (CAIs)
- Business Support Costs (BSCs).

This analysis should be prepared in 2012/13 prices.

Variances are required to be reported by DNO licensee. The explanation of those variances should also be by licensee unless it is more appropriate to do so by DNO Group (for example

where costs are shared by the DNO group). DNOs should clearly note where the explanation applies to the Group.

Worksheet by worksheet commentary

At a worksheet by worksheet level there is one standard question to address, where appropriate, as follows:

- **Allocation and estimation methodologies:** DNOs should detail estimates, allocations or apportionments used in reaching the numbers submitted in the worksheets.

This is required for all individual worksheets (ie not an aggregate level), where relevant. Not all tables will have used allocation or estimation methods to reach the numbers. Where this is the case simply note "NA".

Note: this concerns the methodology and assumptions and not about the systems in place to check their accuracy (that is for the NetDAR). This need to be completed for all worksheets, where an allocation or estimation technique was used.

In addition to the standard commentary questions, some questions specific to each worksheet are asked.

The full list of worksheets is provided in Appendix 1, noting which require commentary (notwithstanding the above criteria).

2. Performance against allowance and year on year cost variance

Load-Related Expenditure

This comprises the expenditure in the following:

- C2 - Connections Inside the Price Control
- CV1 - Primary Reinforcement
- CV2 - Secondary Reinforcement
- CV3 - Fault Level Reinforcement
- CV4 - New Transmission Capacity Charges (NTCC).

Performance against allowance: report performance against allowance for each licensee and explain any under or over spend where the materiality threshold exceeds 20% and £1m.

Non Load Capex (excluding Non-Operational Capex)

This comprises the expenditure in the following:

- CV5 - Diversions
- CV6 - Diversions Rail Electrification
- CV7 - Asset Replacement
- CV8 - Refurbishment no Secondary Deliverable Improvement (SDI)
- CV9 - Refurbishment with a Secondary Deliverable Improvement (SDI)
- CV10 - Civil Works Condition Driven
- CV11 - Operational IT and Telecoms
- CV12 - Black Start
- CV13 - BT 21st Century (BT21CN)
- CV14 - Legal and Safety
- CV15 - North of Scotland Resilience
- CV16 - Flood Mitigation
- CV17 - Rising and Lateral Mains (RLMs)
- CV18 - Overhead Clearances
- CV19 - Worst Served Customers (WSC)
- CV20 – Visual Amenity
- CV21 – Losses
- CV22 – Environmental Reporting
- C3 - Physical Security.

Performance against allowance: report performance against allowance for each licensee and explain any under or over spend where the materiality threshold exceeds 20% and £1m.

Non-Operational Capex

This comprises the expenditure in the following:

- C4 - IT and Telecoms (Non-Op)
- C5 - Property (Non Op)
- C6 - Vehicles and Transport (Non Op)
- C7 - STEPM (Non Op).

Performance against allowance: report performance against allowance for each licensee and explain any under or over spend where the materiality threshold exceeds 20% and £1m.

Cost variance year on year: explain year on year variances that exceed the 20% and £1m threshold.

High Value Projects (HVPs)

This comprises the expenditure in the following:

- CV23a-e - RIIO-ED1 High Value Project 1-5
- CV24 - DPCR5 High Value Projects.

Performance against allowance: report performance against allowance for each licensee and explain any under or over spend where the materiality threshold exceeds 20% and £1m.

Network Operating Costs (NOCs)

This comprises the expenditure in the following:

- CV26 - Faults

- CV27 - Severe Weather 1 in 20
- CV28 - Occurrences Not Incentivised (ONIs)
- CV29 - Tree Cutting
- CV30 - Inspections
- CV31 - Repairs and Maintenance
- CV32 - Dismantlement
- CV33 - Substation Electricity
- CV34 - Smart Meter Intervention DNO
- C8 - Remote Location Generation.

Performance against allowance: report performance against allowance for each licensee and explain any under or over spend where the materiality threshold exceeds 20% and £1m.

Closely Associated Indirects (CAIs)

This comprises the expenditure in the following:

- C9 - Core Closely Associated Indirects (CAI)
- C10 - Wayleaves (CAI)
- C11 - Vehicles and Transport (CAI)
- CV35 - Operational Training (CAI).

Performance against allowance: report performance against allowance for each licensee and explain any under or over spend where the materiality threshold exceeds 20% and £1m.

Cost variance year on year: explain year on year variances that exceed the 20% and £1m threshold.

Business Support Costs (BSCs)

This comprises the expenditure in the following:

- C12 - Core Business Support
- C13 - IT and Telecoms (Business Support)
- C14 - Property Management (Business Support).

Performance against allowance: report performance against allowance for each licensee and explain any under or over spend where the materiality threshold exceeds 20% and £1m.

Cost variance year on year: explain year on year variances that exceed the 20% and £1m threshold.

3. Table by table commentary – financial issues tables

Summary - Information Required

One Commentary document is required per DNO Group. Respondents should ensure that comments are clearly marked to show whether they relate to all the DNOs in the group or to which DNO they relate.

Commentary is required in response to specific questions included in this document. DNO's may include supporting documentation where they consider it necessary to support their comments or where it may aid Ofgem's understanding. Highlight in this document if additional information is provided.

The purpose of this commentary is to provide the opportunity for DNOs to set out further supporting information related to the data provided in the Financial Issues tables ~~of the~~ of the cost and volumes Reporting Pack. It also sets out supporting data submissions that DNOs must provide to us.

Supporting Data Submissions

If not submitted please indicate when the submission will take place and/or reason for delay.

	Comment
Corporation Tax return (CT600) and supporting tax computations for the licensee's last statutory accounting financial year.	
Final agreed corporation tax return for all years closed by HMRC in the regulatory year and up to the date of submission of the Cost and Volumes Reporting Pack.	
Annual audited accounts for each Pension Scheme	
Copy of the Certification by senior accounting officer that is prescribed in FA2009, which certifies annually that the accounting systems for the company and its subsidiaries are adequate for the purpose of reporting of 'taxes and duties'.	

Changes to Amounts Reported in Prior Year(s)

Explain each and any change(s) to amounts reported in prior year(s) columns. Identify each separately by table number and cell number.

F2 – ~~Net Debt, Interest & Tax Clawback~~ Net Debt

	Comments
Within the "Other amounts due to/ (from) group companies per Balance Sheet	

(memorandum)" there are any amounts that are more than one year old. If this is so, explain whether or not these amounts should be considered as part of net debt for the purpose of assessing whether the gearing ratio has been exceeded.	
If there are any derivative financial instruments held by a related party that are not included in the value reported in the table, quantifying them and stating which debt(s) is being hedged.	Interest rate swaps: Losses and gains: Cross currency swaps:
Identify any new debt or debt refinanced, or new derivative financial instruments in the regulatory year.	New debt in the year:
Detail the covenants relating to the top five loans by value.	

F6—Tax Clawback Data

Commentary should specifically include explanation of the reasons for each item reported as a borrowing not in accordance with the defined net debt item. The commentary should include:

- A description of the item
- A basic explanation of why the item has arisen
- An explanation of how the figure has been calculated. This should be sufficient for Ofgem to confirm the calculation during the visits if required.

Where you disagree with or have comments on tax/gearing clawback computation explain those.

Comments

F8 – Reconciliation to Regulatory Accounts

Commentary should specifically include explanation of the reasons for each reconciling item. The commentary should include:

- A description of the reconciling item

- A basic explanation of why the reconciling item has arisen
- An explanation of how the figure has been calculated
- Where IFRS has been adopted a statement of that fact listing the principle changes in the Accounts to opex and capex is required.
- Where costs are incurred by an affiliate and not recharged to the licensee, state name of affiliate, amount and reasons why not recharged and justification for allowing such costs as efficient and why they should be allowed in computing RAV additions.
- Where any pension costs (ongoing employer contributions, deficit funding payments, PPF levies or pension scheme administration costs are incurred by an affiliate and not recharged to the licensee, state name of affiliate, amount and reasons why not recharged and justification for allowing such costs as efficient and why they should be allowed as distribution costs of the licensee.

Comments

4.

5.4. Table by table commentary – cost tables

C1 – Cost Summary

Allocation and estimation methodologies: detail estimates, allocations or apportionments used in reaching the numbers submitted (not covered in the table by table commentary below), including:

- the allocation of shared indirect costs across DNOs in group
- allocation of income relating to CAIs
- allocation of income relating to BSCs and non-operational capex
- Indirect activity allocations to connections outside of price control
- Indirect activity allocations to non-distribution (excluding connections).

C2 - Connections Inside the Price Control

Allocation and estimation methodologies: detail any estimations, allocations or apportionments to calculate the numbers submitted.

C3 - Physical Security

Allocation and estimation methodologies: detail any estimations, allocations or apportionments to calculate the numbers submitted.

C4 - IT and Telecoms (Non-Op)

Allocation and estimation methodologies: detail any estimations, allocations or apportionments to calculate the numbers submitted.

Change to IT strategy: Detail any significant change in the IT Strategy since submission of business plan and note the effect on IT and Telecoms (Non-Op) expenditure. Please also note any changes in the strategy on C13 – IT and Telecoms (Business Support) and CV11 – Operational IT and Telecoms.

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C5 - Property (Non Op)

Allocation and estimation methodologies: detail any estimations, allocations or apportionments to calculate the numbers submitted.

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C6 - Vehicles and Transport (Non Op)

Allocation and estimation methodologies: detail any estimations, allocations or apportionments to calculate the numbers submitted.

--

C7 - STEPM (Non Op)

Allocation and estimation methodologies: detail any estimations, allocations or apportionments to calculate the numbers submitted.

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Additions to list in the definition: detail any small tools, plant or equipment that are not listed in the current definition but are in your costs.

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C8 – Remote Generation Opex

Allocation and estimation methodologies: detail any estimations, allocations or apportionments to calculate the numbers submitted.

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C9 - Core Closely Associated Indirects (CAI)

Allocation and estimation methodologies: detail any estimations, allocations or apportionments to calculate the numbers submitted.

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C10 - Wayleaves (CAI)

Allocation and estimation methodologies: detail any estimations, allocations or apportionments to calculate the numbers submitted.

--

C11 - Vehicles and Transport (CAI)

Allocation and estimation methodologies: detail any estimations, allocations or apportionments to calculate the numbers submitted.

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C12 - Core Business Support

Allocation and estimation methodologies: detail any estimations, allocations or apportionments to calculate the numbers submitted.

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C13 - IT and Telecoms (Business Support)

Allocation and estimation methodologies: detail any estimations, allocations or apportionments to calculate the numbers submitted.

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Change to IT strategy: Note the effect of the any reported change (in the commentary for C4) on IT and Telecoms (Business Support) expenditure.

C14 - Property Management (Business Support)

Allocation and estimation methodologies: detail any estimations, allocations or apportionments to calculate the numbers submitted.

C15 - Atypicals Non Severe Weather

Allocation and estimation methodologies: detail any estimations, allocations or apportionments to calculate the numbers submitted.

Description of atypical event: list and provide a brief description of all added atypical events in the worksheet.

C16 - Smart Meter Outside the Price Control

Allocation and estimation methodologies: detail any estimations, allocations or apportionments to calculate the numbers submitted.

C17 - Legacy Meters

Allocation and estimation methodologies: detail any estimations, allocations or apportionments to calculate the numbers submitted.

C18 - De Minimis

Allocation and estimation methodologies: detail any estimations, allocations or apportionments to calculate the numbers submitted.

C19 - Other Consented Activity

Allocation and estimation methodologies: detail any estimations, allocations or apportionments to calculate the numbers submitted.

Description of Other Consented Activity: provide a brief description of all listed Other Consented Activities in the worksheet.

C20 - Connections Outside the Price Control

Allocation and estimation methodologies: detail any estimations, allocations or apportionments to calculate the numbers submitted.

C21 - Out of Area Networks

Allocation and estimation methodologies: detail any estimations, allocations or apportionments to calculate the numbers submitted.

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C22 - Pass-through

Allocation and estimation methodologies: detail any estimations, allocations or apportionments to calculate the numbers submitted.

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C23 - Other Non Activity Based Costs (NABC)

Allocation and estimation methodologies: detail any estimations, allocations or apportionments to calculate the numbers submitted.

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C24 - Related Party Margin

Allocation and estimation methodologies: detail estimates, allocations or apportionments used in reaching the numbers submitted (how is the related party margin calculated).

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Other related parties: the worksheet allows DNOs to report data for up to fifteen related parties that transact with the DNO. Where the DNO transacts with more than fifteen related parties the tables in the worksheet must be completed for those related parties that have the highest turnover from the DNO. For other related parties report names and the details in the worksheet below.

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Recharges from group affiliates and related undertakings: provide a detailed explanation of the margins included in recharges from group affiliates and related undertakings that do not directly trade with the DNO to each of the listed related parties.

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6-5. Table by table commentary – cost and volume tables

CV1 - Primary Reinforcement

Allocation and estimation methodologies: detail any estimations, allocations or apportionments to calculate the numbers submitted.

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Description of "Other" reinforcement activities: provide a brief description of all listed "Other" reinforcement activities in the worksheet.
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CV2 - Secondary Reinforcement

Allocation and estimation methodologies: detail any estimations, allocations or apportionments to calculate the numbers submitted.

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Description of "Other" reinforcement activities: provide a brief description of all listed "Other" reinforcement activities in the worksheet.
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CV3 - Fault Level Reinforcement

Allocation and estimation methodologies: detail any estimations, allocations or apportionments to calculate the numbers submitted.

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Description of "Other" fault level constraint schemes: provide a brief description of all listed "Other" fault level constraint schemes in the worksheet.

CV4 - New Transmission Capacity Charges (NTCC).

Allocation and estimation methodologies: detail any estimations, allocations or apportionments to calculate the numbers submitted.

CV5 - Diversions

Allocation and estimation methodologies: detail any estimations, allocations or apportionments to calculate the numbers submitted.

Reprioritisation of volumes: detail any reprioritisation of work from business plan.

CV6 - Diversions Rail Electrification

Allocation and estimation methodologies: detail any estimations, allocations or apportionments to calculate the numbers submitted.

Description of projects: provide a brief description of all rail electrification projects (by rail line).

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CV7 - Asset Replacement

Allocation and estimation methodologies: detail any estimations, allocations or apportionments to calculate the numbers submitted.

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CV8 - Refurbishment no Secondary Deliverable Improvement (SDI)

Allocation and estimation methodologies: detail any estimations, allocations or apportionments to calculate the numbers submitted.

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Reprioritisation of volumes: detail any reprioritisation of work from business plan.

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CV9 - Refurbishment with a Secondary Deliverable Improvement (SDI)

Allocation and estimation methodologies: detail any estimations, allocations or apportionments to calculate the numbers submitted.

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CV10 - Civil Works Condition Driven

Allocation and estimation methodologies: detail any estimations, allocations or apportionments to calculate the numbers submitted.

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CV11 - Operational IT and Telecoms

Allocation and estimation methodologies: detail any estimations, allocations or apportionments to calculate the numbers submitted.

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Change to IT strategy: Note the effect of the any reported change (in the commentary for C4) on Operational IT and Telecoms expenditure.

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CV12 - Black Start

Allocation and estimation methodologies: detail any estimations, allocations or apportionments to calculate the numbers submitted.

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Reprioritisation of volumes: detail any reprioritisation of work from business plan.

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CV13 - BT 21st Century (BT21CN)

Allocation and estimation methodologies: detail any estimations, allocations or apportionments to calculate the numbers submitted.

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Reprioritisation of volumes: detail any reprioritisation of work from business plan.

CV14 - Legal and Safety

Allocation and estimation methodologies: detail any estimations, allocations or apportionments to calculate the numbers submitted.

Reprioritisation of volumes: detail any reprioritisation of work from business plan.

Description of "Other" legal and safety activity: provide a brief description of all listed "Other" legal and safety activities in the worksheet.

CV15 - QoS and North of Scotland Resilience

Allocation and estimation methodologies: detail any estimations, allocations or apportionments to calculate the numbers submitted.

QoS costs: detail the [additional equipment that reduces the impact of faults on customers](#) and confirm that they could not be reported elsewhere in the pack.

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CV16 - Flood Mitigation

Allocation and estimation methodologies: detail any estimations, allocations or apportionments to calculate the numbers submitted.

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Reprioritisation of volumes: detail any reprioritisation of work from business plan.

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CV17 - Rising and Lateral Mains (RLMs)

Allocation and estimation methodologies: detail any estimations, allocations or apportionments to calculate the numbers submitted. In particular report what calculation method has been used to determine km of mains length.

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CV18 - Overhead Clearances

Allocation and estimation methodologies: detail any estimations, allocations or apportionments to calculate the numbers submitted.

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Reprioritisation of volumes: detail any reprioritisation of work from business plan.

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CV19 - Worst Served Customers (WSC)

Allocation and estimation methodologies: detail any estimations, allocations or apportionments to calculate the numbers submitted.

CV20 – Visual Amenity

Allocation and estimation methodologies: detail any estimations, allocations or apportionments to calculate the numbers submitted.

CV21 - Losses

Allocation and estimation methodologies: detail any estimations, allocations or apportionments to calculate the numbers submitted.

CV22 – Environmental Reporting

Allocation and estimation methodologies: detail any estimations, allocations or apportionments to calculate the numbers submitted.

CV23a - RIIO-ED1 High Value Project 1

Allocation and estimation methodologies: detail any estimations, allocations or apportionments to calculate the numbers submitted.

CV23b - RIIO-ED1 High Value Project 2

Allocation and estimation methodologies: detail any estimations, allocations or apportionments to calculate the numbers submitted.

CV23c - RIIO-ED1 High Value Project 3

Allocation and estimation methodologies: detail any estimations, allocations or apportionments to calculate the numbers submitted.

CV23d - RIIO-ED1 High Value Project 4

Allocation and estimation methodologies: detail any estimations, allocations or apportionments to calculate the numbers submitted.

CV23e - RIIO-ED1 High Value Project 5

Allocation and estimation methodologies: detail any estimations, allocations or apportionments to calculate the numbers submitted.

CV24 - DPCR5 High Value Projects.

Allocation and estimation methodologies: detail any estimations, allocations or apportionments to calculate the numbers submitted.

CV25 – Moorside

Allocation and estimation methodologies: detail any estimations, allocations or apportionments to calculate the numbers submitted.

CV26 - Faults

Allocation and estimation methodologies: detail any estimations, allocations or apportionments to calculate the numbers submitted.

Emerging trends: note any emerging trends in the fault rate data for the asset categories and reasons for these trends.

Variation in fault rates: note any significant variations in the fault rates from forecast and reasons for these.

CV27 - Severe Weather 1 in 20

Allocation and estimation methodologies: detail any estimations, allocations or apportionments to calculate the numbers submitted.

Severe weather 1-in-20 events: list all the severe weather events, including the dates, included in the worksheet.

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CV28 - Occurrences Not Incentivised (ONIs)

Allocation and estimation methodologies: detail any estimations, allocations or apportionments to calculate the numbers submitted.

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CV29 - Tree Cutting

Allocation and estimation methodologies: detail any estimations, allocations or apportionments to calculate the numbers submitted.

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Reprioritisation of volumes: detail any reprioritisation of work from business plan.

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CV30 – Inspections

Allocation and estimation methodologies: detail any estimations, allocations or apportionments to calculate the numbers submitted.

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CV31 - Repairs and Maintenance

Allocation and estimation methodologies: detail any estimations, allocations or apportionments to calculate the numbers submitted.

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CV32 – Dismantlement

Allocation and estimation methodologies: detail any estimations, allocations or apportionments to calculate the numbers submitted.

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CV33 - Substation Electricity

Allocation and estimation methodologies: detail any estimations, allocations or apportionments to calculate the numbers submitted.

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Contract price and usage: note any material change to contract prices and/or usage.
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CV34 - Smart Meter Intervention DNO

Allocation and estimation methodologies: detail any estimations, allocations or apportionments to calculate the numbers submitted.

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CV35 - Operational Training (CAI)

Allocation and estimation methodologies: detail any estimations, allocations or apportionments to calculate the numbers submitted.

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CV36 – Network Innovation Allowance (NIA)

Allocation and estimation methodologies: detail any estimations, allocations or apportionments to calculate the numbers submitted.

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Description of project: provide a brief description of named NIA projects in the worksheet.
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CV37 – Network Innovation Competition (NIC)

Allocation and estimation methodologies: detail any estimations, allocations or apportionments to calculate the numbers submitted.

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Description of project: provide a brief description of named NIC projects in the worksheet.
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CV38 – Innovation Funding Incentive (IFI) & Low Carbon Network (LCN) Fund

Allocation and estimation methodologies: detail any estimations, allocations or apportionments to calculate the numbers submitted.

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Description of project: provide a brief description of named LCNF projects in the worksheet.

CV39 – Directly Remunerated Services (DRS)

Allocation and estimation methodologies: detail any estimations, allocations or apportionments to calculate the numbers submitted.

7.6. Table by table commentary – volume tables

V1 – Total Asset Movements

Allocation and estimation methodologies: detail any estimations, allocations or apportionments to calculate the numbers submitted.

V2 – Cleansing

Allocation and estimation methodologies: detail any estimations, allocations or apportionments to calculate the numbers submitted.

V3 – Connections

Allocation and estimation methodologies: detail any estimations, allocations or apportionments to calculate the numbers submitted.

V4 - Other Asset Movements

Allocation and estimation methodologies: detail any estimations, allocations or apportionments to calculate the numbers submitted.

AP1 - Age Profile

Allocation and estimation methodologies: detail any estimations, allocations or apportionments to calculate the numbers submitted.

8.7. Table by table commentary – memo tables

M1 - Flood Mitigation (site)

Allocation and estimation methodologies: detail any estimations, allocations or apportionments to calculate the numbers submitted.

M2 - DPCR5 WSC Schemes

Allocation and estimation methodologies: detail any estimations, allocations or apportionments to calculate the numbers submitted.

M3 - ED1 WSC Schemes

Allocation and estimation methodologies: detail any estimations, allocations or apportionments to calculate the numbers submitted.

Scheme overview: provide an overview of each WSC scheme.

M4 - Enablers for RIIO-ED2

Allocation and estimation methodologies: detail any estimations, allocations or apportionments to calculate the numbers submitted.

Explanation of progress: explain what activities have been undertaken in the regulatory year under report to progress the roll out the enablers forecast in the RIIO-ED1 Business Plan.

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Description of new enabler: Where a new enabler has been added, a detailed description of the technology, why it has been used instead of those forecast, and the incremental additional benefit this enabler will provide compared with the forecast.

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Net benefit: The net benefit of making these investments in total for all enablers in RIIO-ED1 by the end of RIIO-ED2 (regulatory year 2030-31) and over 45 years of the first deployment of any of these enablers. These should be calculated using Ofgem's RIIO-ED1 cost benefit analysis template. The net benefit calculations should be re-run each year, updating for actual activity and using the latest information to derive the forecast.

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Key assumptions: describe the key assumptions in the cost benefit analysis including, but not limited to, the low carbon scenario anticipated over the remainder of RIIO-ED1, during RIIO-ED2 and up to 45 years, with reference to how this is different to forecast used in the RIIO-ED1 business plan. The low carbon scenario assumption used in the cost benefit analysis should be the same as is used to complete the reinforcement worksheets.

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M5 - Severe Weather

Allocation and estimation methodologies: detail any estimations, allocations or apportionments to calculate the numbers submitted.

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Severe weather events: list all the severe weather events, including the dates, included in the worksheet.

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M6 - Metal Theft

Allocation and estimation methodologies: detail any estimations, allocations or apportionments to calculate the numbers submitted.

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Reporting of Metal Theft in pack: detail where the memo costs in M6 are reported elsewhere in the pack (eg legal and safety, faults).
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M7 - Protection Summary

Differences in unit costs: explain any differences in the unit costs (10% threshold) for like for like assets used in different activities. For example batteries at 132kV substations in rows 13, 38 and 49).

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M8 - Link Boxes

"Other" revised solutions: list and provide a description of "other" revised solutions.
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M9a - Traditional Street Works (ex ante)

Allocation and estimation methodologies: detail any estimations, allocations or apportionments to calculate the numbers submitted.

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M9b - Permit & Lane Rentals (ex ante)

Allocation and estimation methodologies: detail any estimations, allocations or apportionments to calculate the numbers submitted.

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List of schemes: note the full list of permit and lane rental schemes provided with an ex ante allowance and date these were established (these should not change for all RIIO-ED1 period).
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M9c - Permit & Lane Rentals (reopener)

Allocation and estimation methodologies: detail any estimations, allocations or apportionments to calculate the numbers submitted.

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List of schemes: note the full list of permit and lane rental schemes and the date these were established for which costs are reported

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M10 - Shetland (SSEH)

Allocation and estimation methodologies: detail any estimations, allocations or apportionments to calculate the numbers submitted.

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M11 - Subsea Cables

Allocation and estimation methodologies: detail any estimations, allocations or apportionments to calculate the numbers submitted.

M12 - Moorside (ENWL)

Allocation and estimation methodologies: detail any estimations, allocations or apportionments to calculate the numbers submitted.

M14 - Drivers

Allocation and estimation methodologies: detail any estimations, allocations or apportionments to calculate the numbers submitted.

Growth factor: explain the growth factor applied.

M16 - Forecasts C1

Forecasting method: explain how forecasts were prepared and assumptions used.

Significant changes: document any significant changes in forecasts from the submitted BPDT or any previous Forecast commentary and reasons for these changes at a high level.

M17 - Forecasts TOTEX

<u>Comparison to allowances:</u> explain any issues in comparing actual and forecast TOTEX to allowed TOTEX.
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Appendix 1: List of worksheets and commentary requirements

Worksheet	Commentary required	Performance against allowance (threshold 20% and £1m)	Cost variance year on year (threshold 20% and £1m)	Allocation/estimation methodologies (at table level)	Table specific
Cover Sheet	No				
Changes Log	No				
Data change log	No				
Navigation	No				
Check Sheet	No				
I1 - PCFM Inputs 12-13	No				
I2 - PCFM Inputs Nominal	No				
I3 - Licence values	No				
I4 - Revenue Reporting Inputs	No				
I5 - Theft Recovery	No				
I6 - RPI	No				
S1 - Summary of C1s	No				
S2 - Summary of C1s (Real)	No				
S3 - C1 Movements (Real)	No				
S4 - C1 In Year Summary	No				
C1 - Building blocks					
Load Related	Yes	Yes		No	No
Non Load Capex (excluding Non-Operational Capex)	Yes	Yes		No	No
Non-Operational Capex	Yes	Yes	Yes	No	No
High Value Projects	Yes	Yes	No	No	No
Network Operating Costs (NOCs)	Yes	Yes	No	No	No
Closely Associated Indirects (CAIs)	Yes	Yes	Yes	No	No
Business Support Costs (BSCs)	Yes	Yes	Yes	No	No
Other Costs Inside the Price Control	No	No	No	No	No
C1 - Cost Matrix	Yes	Yes	Yes	Yes	No
C2 - Connections Inside the Price Control	Yes	No	No	Yes	No
C3 - Physical Security	Yes	No	No	Yes	No
C4 - IT and Telecoms (Non-Op)	Yes	No	No	Yes	Yes
C5 - Property (Non Op)	Yes	No	No	Yes	No
C6 - Vehicles and Transport (Non Op)	Yes	No	No	Yes	No
C7 - STEPM (Non Op)	Yes	No	No	Yes	Yes
C8 - Remote Generation Opex	Yes	No	No	Yes	No
C9 - Core Closely Associated Indirects (CAI)	Yes	No	No	Yes	No
C10 - Wayleaves (CAI)	Yes	No	No	Yes	No
C11 - Vehicles and Transport (CAI)	Yes	No	No	Yes	No
C12 - Core Business Support	Yes	No	No	Yes	No
C13 - IT and Telecoms (Business Support)	Yes	No	No	Yes	Yes
C14 - Property Management (Business Support)	Yes	No	No	Yes	No
C15 - Atypicals Non Severe Weather	Yes	No	No	Yes	Yes
C16 - Smart Meter Outside the Price Control	Yes	No	No	Yes	No
C17 - Legacy Meters	Yes	No	No	Yes	No
C18 - De minimis	Yes	No	No	Yes	No
C19 - Other Consented Activity	Yes	No	No	Yes	Yes
C20 - Connections Outside the Price Control	Yes	No	No	Yes	No
C21 - Out of Area Networks	Yes	No	No	Yes	No
C22 - Pass-through	Yes	No	No	Yes	No
C23 - Other Non Activity Based Costs (NABC)	Yes	No	No	Yes	No
C24 - Related Party Margin	Yes	No	No	Yes	Yes
CV1 - Primary Reinforcement	Yes	No	No	Yes	Yes
CV2 - Secondary Reinforcement	Yes	No	No	Yes	Yes
CV3 - Fault Level Reinforcement	Yes	No	No	Yes	Yes
CV4 - New Transmission Capacity Charges (NTCC)	Yes	No	No	Yes	No
CV5 - Diversions	Yes	No	No	Yes	No
CV6 - Diversions Rail Electrification	Yes	No	No	Yes	Yes
CV7 - Asset Replacement	Yes	No	No	Yes	No

CV8 - Refurbishment no Secondary Deliverable Improvement (SDI)	Yes	No	No	Yes	No
CV9 - Refurbishment with a Secondary Deliverable Improvement (SDI)	Yes	No	No	Yes	No
CV10 - Civil Works Condition Driven	Yes	No	No	Yes	No
CV11 - Operational IT and Telecoms	Yes	No	No	Yes	Yes
CV12 - Black Start	Yes	No	No	Yes	Yes
CV13 - BT 21st Century (BT21CN)	Yes	No	No	Yes	Yes
CV14 - Legal and Safety	Yes	No	No	Yes	Yes
CV15 - QoS and North of Scotland Resilience	Yes	No	No	Yes	Yes
CV16 - Flood Mitigation	Yes	No	No	Yes	Yes
CV17 - Rising and Lateral Mains (RLMs)	Yes	No	No	Yes	No
CV18 - Overhead Clearances	Yes	No	No	Yes	Yes
CV19 - Worst Served Customers (WSC)	Yes	No	No	Yes	No
CV20 - Visual Amenity	YesNo	No	No	YesNo	No
CV21 - Losses	Yes	No	No	Yes	No
CV22 - Environmental Reporting	YesNo	No	No	YesNo	No
CV23 - RIIO-ED1 High Value Projects (HVP) Summary	Yes	No	No	Yes	No
CV23a - RIIO-ED1 High Value Project 1 (HVP1)	Yes	No	No	Yes	No
CV23b - RIIO-ED1 High Value Project 2 (HVP2)	Yes	No	No	Yes	No
CV23c - RIIO-ED1 High Value Project 3 (HVP3)	Yes	No	No	Yes	No
CV23d - RIIO-ED1 High Value Project 4 (HVP4)	Yes	No	No	Yes	No
CV23e - RIIO-ED1 High Value Project 5 (HVP5)	Yes	No	No	Yes	No
CV24 - DPCR5 High Value Projects	Yes	No	No	Yes	No
CV25 - Moorside	Yes	No	No	Yes	No
CV26 - Faults	Yes	No	No	Yes	Yes
CV27 - Severe Weather 1 in 20	Yes	No	No	Yes	Yes
CV28 - Occurrences Not Incentivised (ONIs)	Yes	No	No	Yes	No
CV29 - Tree Cutting	Yes	No	No	Yes	Yes
CV30 - Inspections	Yes	No	No	Yes	No
CV31 - Repairs and Maintenance	Yes	No	No	Yes	No
CV32 - Dismantlement	Yes	No	No	Yes	No
CV33 - Substation Electricity	Yes	No	No	Yes	Yes
CV34 - Smart Meter Intervention DNO	Yes	No	No	Yes	No
CV35 - Operational Training (CAI)	Yes	No	No	Yes	No
CV36 - Network Innovation Allowance (NIA)	Yes	No	No	Yes	No
CV37 - Network Innovation Competition (NIC)	Yes	No	No	Yes	No
CV38 - Innovation Funding Incentive (IFI) & Low Carbon Network (LCN) Fund	Yes	No	No	Yes	No
CV39 - Directly Remunerated Services (DRS)	Yes	No	No	Yes	No
V1 - Total Asset Movements	Yes	No	No	Yes	No
V2 - Cleansing	Yes	No	No	Yes	No
V3 - Connections	Yes	No	No	Yes	No
V4 - Other Asset Movements	Yes	No	No	Yes	No
V5 - Volume Matrix	No				
AP1 - Age Profile	Yes	No	No	Yes	No
M1 - Flood Mitigation (site)	Yes	No	No	Yes	No
M2 - DPCR5 Worst Served Customer (WSC) Schemes	Yes	No	No	Yes	No
M3 - ED1 Worst Served Customer (WSC) Schemes	Yes	No	No	Yes	Yes
M4 - Enablers for RIIO-ED2	Yes	No	No	Yes	Yes
M5 - Severe Weather	Yes	No	No	Yes	Yes
M6 - Metal Theft	Yes	No	No	Yes	Yes
M7 - Protection Summary	Yes	No	No	No	Yes
M8 - Link Boxes	Yes	No	No	No	Yes
M9a - Traditional Street Works (ex ante)	Yes	No	No	Yes	No
M9b - Permit & Lane Rentals (ex ante)	Yes	No	No	Yes	Yes
M9c - Permit & Lane Rentals (reopener)	Yes	No	No	Yes	Yes
M10 - Shetland (SSEH)	Yes	No	No	Yes	No

M11 - Subsea Cables	Yes	No	No	Yes	No
M12 - Moorside (ENWL)	Yes	No	No	Yes	No
M13 - Uncertainty Mechanism Information	No				
M14 - Drivers	Yes	No	No	Yes	No
M15 - Modern Equivalent Asset Value (MEAV)	No				
M16 - Forecasts	Yes	No	No	Yes	Yes
<u>M17 - Forecasts TOTEX</u>	<u>Yes</u>	<u>No</u>	<u>No</u>	<u>Yes</u>	<u>Yes</u>