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Date
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Contact / Extension
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Dear Louise

Notice proposing modifications to the Regulatory Instructions and Guidance (RIGs) for RIIO-ED1 (version 3.0)

This response is not confidential.

We welcome the opportunity to provide comment on the proposed RIGS modifications which will take effect on 1 April 2017. We note that the data submitted for the 2016/17 reporting year will use the RIGs as modified.

We very much support the RIIO Distribution team's desire to ensure that regulatory reporting is maintained effectively, however, we suggest the implementation of 'modification windows' for regulatory guidance, so that Ofgem can only change regulatory reporting guidance documents once a year within a specified timeframe. This will ensure that licensees are afforded the appropriate time to roll out any new regulatory rules to their businesses and make any necessary system changes. We would also request that any timeframes are set so that the regulatory guidance is finalised in advance of the next relevant reporting year. This will reduce a significant amount of administration for both Ofgem and the DNOs as well as prevent any errors as a result of retrospective changes.

We support the majority of Ofgem's proposals and have provided comments on the minor detail within Appendix 1. However, of significance is the change to the Broader Measure of Customer Satisfaction incentive customer survey population. Whilst the additional wording provided in Table 3.1 of Annex H may appear insignificant, it has the potential to skew the incentive. The inclusion of customers who *enquire* about an unplanned loss of supply has the potential to include jobs which are not currently included within the incentive as there is a clear difference between the *notification* of and the *enquiring* of an unplanned loss of supply. As the sample size is pertinent to this incentive, we need to ensure that it is consistent for all DNO's. We suggest that proposed wording is removed and the RIGS remain as they are currently in table 3.1 of Annex H.

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Please find our detailed comments within Appendix 1.

Yours sincerely



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APPENDIX 1

DETAILED RIGS COMMENTS

Annex B: Cost and Volumes

1. Tables

- Ofgem have only issued Commentary files for the C&V and Finance Annexes. Can Ofgem please confirm that means that the other Commentary requirements have not changed.
- The RIGS stated that the fault rate is per unit (refer to Glossary). This inconsistent with industry practice (and historic reporting to Ofgem) which was to report 'per 1000 units' or 'per 100km' depending on the asset type. The table on CV26 neither reflects the RIGs or industry practice. The modification appears to partially (but not fully) correct the tables in line with industry practice.
- The modification referred to on point 65 on Ofgem Issues Log in relation to the inclusion of DRS1 Revenue on Table I4 does not seem to be carried out in the latest pack.
- Steel poles are considered in the RIGS at 6.6/11kV but not at any other voltage. Consequently, this gap can lead to misinterpretation on whether these 132kV steel poles should be categorised as 132kV Poles or as 132kV Towers.

2. Commentary Contents - section 6:

- Amend – 'M16 Forecasts' to 'M16 Forecasts C1'
- Add - M17 Forecasts TOTEX
- F6 Table no longer exists. Should F6 commentary section now be included under F2, possibly as F2"b"?

3. Appendix 1

- C1 - building blocks - Load Related - change to Load Related Expenditure and put NO is 'Cost variance..' column
- C1 - Cost Matrix: change 'performance against allowance..' and 'cost variance YonY..' columns from Yes to NO
- For the following, change 'table specific' column from No to YES (CV5, CV8, CV36, CV37, CV38 and M14)
- For the following, change 'allocation / estimation..' column from Yes to NO: (M16 and M17)

4. Cost and Volume RIGS

- 4.9 specify that E5 is TTC and E7 is TTQ (mentioning this as the leading sentences mentions Time to Quote before Time to Connect, so assumption may be made that E5 is TTQ and E7 is TTC)

Annex F: Interruptions

We support the proposals in full.

Annex G: Connections

1. CR2 & CR3

- We were surprised to see that DNOs are now required to report ICP and IDNO exit points, POC's and UMS data. We would welcome confirmation of what has prompted this additional requirement.

2. CR1/ CR2

- The entries on the CR2 Tables flow through to the auto-populated CR1, however, there is an error on M24 CR1 whereby it pulled from AI37 when it should be AI50.

3. CR4

- The guidance document states that entries in CR5 and CR6 must be reported in £'s and pence and the CR4 table should be reported on £m's to 2 decimal places. However, this does not translate to the CR4 as it pulls through in whole £'s.

4. CR13

- The whole table is in bright yellow. D5 to G8 should be a paler yellow as these are input fields and B5 to B8 should not be white.

Annex H: Customer Service

1. Broader Measure of Customer Satisfaction (as mentioned in covering letter)
 - In Table 3.1, we unfortunately do not agree with the addition of “or enquire about” within the ‘Interruption unplanned agent’ category. This additional wording changes the definition and has the potential to include jobs which are not currently included within the incentive. As the sample size is pertinent to this incentive, we need to ensure that it is consistent for all DNO’s. We suggest that this remains as it is currently in version 2 of the RIGS.

Glossary (minor typo only)

1. Minor typo on page 159

Technologies and definitions listed in Directive 2009/28/EC of the European Parliament and of the Council of 23 April 2009³ on the promotion of the use of energy from renewable sources.

Please delete the “3” following 2009.