



Making a positive difference  
for energy consumers

To: Cadent Gas Limited,  
Northern Gas Networks Limited,  
Scotland Gas Networks plc,  
Southern Gas Networks plc,  
Wales & West Utilities Limited  
(with respect to their gas  
distribution networks), Network  
operators, interested  
stakeholders

Email: Mantas.Aleksa@ofgem.gov.uk

Date: 26 February 2018

Dear Company Secretaries and stakeholders,

### **Proposal to make modifications to the Regulatory Instructions and Guidance**

We propose to make changes to the Gas Distribution Regulatory Instructions and Guidance (RIGs). Please find enclosed a Notice, issued pursuant to paragraph 10 of Standard Special Condition A40 (Regulatory Instructions and Guidance) ("SSC A40") of the Gas Transporter Licence, regarding our proposed changes.

These modifications are largely made for the purpose of clarifying the existing reporting requirements. However, the modifications do also introduce new elements following a pilot in 2017 of the Strategic Performance Overview (SPO).

If we implement these changes, they will take effect in April 2018<sup>1</sup>. For the avoidance of doubt, this means that the data submitted in July 2018 (in respect of the 2017/18 reporting year) would use the RIGs as modified.

We welcome comments on our proposed modifications, and the details for responding are contained in the enclosed Notice.

Yours faithfully,

**Steven McMahon**  
**Associate Partner, RIIO Networks**  
**26 February 2018**

<sup>1</sup> We propose to modify the RIGs in a direction in March/April 2018.

To:

**Cadent Gas Limited**

(Company Number: 10080864)

**Northern Gas Networks Limited**

(Company Number: 05167070)

**Scotland Gas Networks plc**

(Company Number: SC264065)

**Southern Gas Networks plc**

(Company Number: 05167021)

**Wales & West Utilities Limited**

(Company Number: 05046791)

**Notice under paragraph 10 of Standard Special Condition A40 (Regulatory Instructions and Guidance) ("SSC A40") of the Gas Transporter Licence (the "Licence") granted to the Licensees under section 7 of the Gas Act 1986 (the "Act")**

The Gas and Electricity Markets Authority (the "Authority"<sup>1</sup>) hereby gives notice under paragraph 10 of SSC A40 as follows:

***Proposal to modify the Regulatory Instructions and Guidance***

1. The Authority proposes to modify the Regulatory Instructions and Guidance (the "RIGs") under SSC A40 of the Licence. The RIGs are the primary means by which the Authority directs the Licensee to collect and provide information to the Authority, to enable it to administer the Special Conditions of the Licence and, where not referenced in the Licence, the RIIO-GD1 Final Proposals<sup>2</sup>.
2. SSC A40 sets out the process for issuing and modifying the RIGs. In accordance with paragraph 10 of SSC A40, the Authority hereby gives notice to the Licensee that it proposes to modify the RIGs in the manner indicated in the documents that can be accessed via the hyperlinks in Appendix 1 to this Notice.
3. The proposed modifications to the RIGs consist of revisions to existing tables and guidance. These modifications are made for the purpose of clarifying the existing reporting requirements or formalising requirements that have been identified through previous reporting periods. The effect of the proposed modifications is to require the Licensee to provide more accurate, consistent and complete information to the Authority, such as to enhance the quality and the accuracy of the information available to the Authority.
4. The proposed modifications refer specifically to information required to be submitted to the Authority on or before 31 July 2018 in the following areas:
  - the Regulatory Reporting excel template for gas distribution operators,
  - the guidance document supporting the Regulatory Reporting template, and
  - Revenue Reporting Pack excel template.

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<sup>1</sup> The "Authority", "Ofgem", "we" and "our" are used interchangeably in this document. The Office of Gas and Electricity Markets (Ofgem) supports the Authority in its day to day work.

<sup>2</sup> <https://www.ofgem.gov.uk/network-regulation-riio-model/riio-gd1-price-control>

5. The main modifications are briefly summarised below:
  - i. Addition of data requested in Regulatory Reporting template Table 8.3 'Guaranteed Standards of Service' and Table 8.5 'Third party and water summary' to capture a more comprehensive picture of companies' performance.
  - ii. Addition of data requested in Regulatory Reporting template Table 5.4 'Risers' to include data on isolations.
  - iii. Amendment to Regulatory Instructions and Guidance document Chapter 12 'Guidance for completing annual RIIO-GD1 RRP strategic commentary' to clarify the scope of the commentary we request.
  - iv. Minor formula and formatting changes in a number of tables in the Regulatory Reporting Template as set out in the 'changes' tab in RIIO-GD1 Gas Distribution Regulatory Reporting Template: Version 5.0.
6. The Licensee will populate and/or return these as part of the 2017-18 RIGs process.

**Further information**

7. Appendix 1 to this Notice provides a link to the following documents, which show the proposed modifications as incorporated:
  - (a) RIIO-GD1 Gas Distribution Price Control – Regulatory Instructions and Guidance: Version 5.0
  - (b) RIIO-GD1 Gas Distribution Regulatory Reporting Template: Version 5.0
  - (c) RIIO-GD1 Gas Distribution Revenue Reporting Pack Template: Version 5.0
8. Copies of this Notice and other documents referred to in it are available on the Ofgem website ([www.ofgem.gov.uk](http://www.ofgem.gov.uk)).
9. Any representations on the proposed modifications must be made on or before 26 March 2018 to Mantas Aleksa at Ofgem, 3rd Floor, 9 Millbank, London, SW1P 3GE, or by email to [Mantas.Aleksa@ofgem.gov.uk](mailto:Mantas.Aleksa@ofgem.gov.uk).
10. All responses will normally be published on our website. However, if you do not wish your response to be made public then you should clearly mark your response as not for publication. We prefer to receive responses in an electronic form so that they can be published easily on our website.

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**Steven McMahon**  
**Associate Partner, RIIO Networks**  
**Duly authorised on behalf of the Authority**

**26 February 2018**

## **Appendix 1: Regulatory Instructions and Guidance incorporating proposed modifications**

A copy of the proposed RIIO-GD1 Gas Distribution Price Control – Regulatory Instructions and Guidance: Version 5.0, proposed RIIO-GD1 Gas Distribution Regulatory Reporting Template: Version 5.0 and proposed RIIO-GD1 Gas Distribution Revenue Reporting Pack Template: Version 5.0 can be found on our website at:

<https://www.ofgem.gov.uk/publications-and-updates/notice-proposing-modifications-regulatory-instructions-and-guidance-rigs-riio-gd1-version-50>