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Guidance

RIIO-GT2 Business Plan Data Template (BPDT) instructions and guidance

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This document sets out the instructions and guidance for completing Business Plan data templates, required as part of the process of setting RIIO-GT2.

This document is for people who are filling out the Business Plan data templates and want to know general and specific guidance for reporting Business Plan data. It explains the scope of the Business Plan data templates, what to consider when completing them, and where to find more information.

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Associated Documents

RIIO-2 sector specific methodology consultation, 18 December 2018
https://www.ofgem.gov.uk/publications-and-updates/riio-2-sector-specific-methodology-consultation

RIIO2 sector specific methodology decision, 24 May 2019
https://www.ofgem.gov.uk/publications-and-updates/riio-2-sector-specific-methodology-decision

RIIO-2 Business Plan Draft Guidance Document, 09 September 2019
https://www.ofgem.gov.uk/system/files/docs/2019/09/riio-2_business_plans_guidance_september_2019_-_published_0.pdf

Priorities and Work Plan of the RIIO-2 Challenge Group, 28 February 2019
https://www.ofgem.gov.uk/publications-and-updates/priorities-and-work-plan-riio-2-challenge-group

Notice proposing modifications to the RIIO-GT1 Price Control Regulatory Instructions and Guidance: Version 6.1
https://www.ofgem.gov.uk/publications-and-updates/notice-proposing-modifications-regulatory-instructions-and-guidance-rigs-riio-gt1-version-61

1. Introduction

Purpose

1.1. This document sets out the instructions and guidance for completing the Business Plan data template (BPDT) that supports the submission of National Grid Gas Transmission's (NGGT's) Business Plan.

1.2. The BPDT is an Excel workbook. It consists of a number of data entry sheets with various summaries. The BPDT should support and be consistent with the submitted Business Plan. The BPDT should be completed in accordance with these instructions and definitions provided in this document.

1.3. The BPDTs and these instructions provide a framework for the collection and provision of consistent information in order to avoid varying interpretations of definitions and reporting requirements.

1.4. These instructions are limited to ensuring consistency of reporting in the BPDTs. They do not set out the process for when drafts and final Business Plans should be submitted or provide guidance on what should be included in Business Plans. These instructions should be read alongside the RIIO-2 Business Plan Guidance Document and the Priorities and Work Plan of the RIIO-2 Challenge Group.

1.5. These instructions do not change any definitions or obligations contained within the gas transporter licence applicable to NGGT and in the event of any conflict, the licence conditions will always take precedence.

Publication

1.6. NGGT consider some of the information provided in the BPDT to be commercially sensitive. Ofgem is bound by the requirements of section 105 of the Utilities Act 2000 relating to the disclosure of information.

1.7. Ofgem recognises the value of improving transparency of information in regulating natural monopolies and we intend to continue to review to what extent to publish further disaggregated data and analysis alongside the Business Plans.

2. General Instructions for Completing the BPDT

This instruction and guidance document ('instructions') provide a framework for the collection and provision of consistent information to support the well-justified business plans submitted by NGGT. The output from this process will be the Gas Transmission completed business plan data templates. Ofgem will use this information to assist in the assessment of the well-justified business plan submissions for RIIO-GT2.

Reporting arrangements

2.1. NGGT must provide the completed BPDT in an excel format.

2.2. NGGT must complete the BPDT in full. If information is incomplete, NGGT should provide a clear explanation of why.

2.3. For any queries on the data templates, or if any errors are discovered on completion, an email should be sent to GasNetworks@ofgem.gov.uk.

2.4. Any resubmission of the BPDT is only to be made by agreement between Ofgem and the NGGT and in any such instance, the pack should be resubmitted in full. Resubmission is required to be accompanied by a letter signed by a Director.

BPDT structure and data entry

2.5. The BPDT has been separated into the following sections:

- General tables: Tables 0.00 – 0.05 provide general information relating to the templates including fixed data and validation.
- Finance tables: Tables 1.01 – 1.05 collect financial information.
- Activity tables: Tables 2.00 – 3.09 collect cost and workload data for activities within Opex and Capex.
- Network Characteristics: Tables 5.01 – 5.07 collect additional data relating to the Transmission system asset and its operation.
- Environment & Innovation: Table 6.01 - 6.03 collect data relating to the environment and innovation

2.6. The colour scheme used in the spreadsheets is as follows:

- Yellow cells represent input fields.
- Green cells indicate sub-total calculations.
- Grey cells indicate total calculations.
- White cells are used to denote where no input is required.
- Blue cells indicate data is drawn from another table within the workbook.
- Grey hatched cells indicated no input is required.

2.7. Certain fields require positive entries, whereas others require negative entries. Unless specified in the individual table instructions below, the following rules apply:

- Gross costs are to be entered as positive values.
- Contributions (customer or otherwise) are to be entered as negative values.
- Cost recoveries are to be entered as negative values.

2.8. NGGT should only make entries in the indicated input fields. The excel workbook has not been locked or password protected, but NGGT must not make any changes to the formulas, format or structure contained in the template unless these instructions or instructions from Ofgem provide otherwise.

2.9. The BPDT requires the reporting of actual and forecast costs for RIIO-GT1 and the forecast costs for RIIO-GT2 (2021/22-2025/26). It also contains the 5 years beyond (2027-2031) which will be used to provide a 5 year rolling forecast during RIIO-GT2.

2.10. A financial year for the provision of information required will be a period of 12 months commencing on 1 April of each year and ending on 31 March of the following calendar year.

2.11. NGGT is expected to risk assess their December 2019 final Business Plan submission. This is specifically mentioned in section 5.1 of the latest version of Ofgem's Data Assurance Guidance (DAG). Please note that companies are expected to submit an irregular NetDAR alongside the main BP submission.

2.12. The base year (price base) for costs is 2018/19, therefore, all costs should be provided in 2018/19 prices unless otherwise stated. Ofgem has provided the index to use for deflation/inflation purposes. This index, which is a yearly average composite of RPI and CPIH, can be found in the Universal Data worksheet of the BPDT – titled Financial Year Average RPI-CPIH and located in cells G46 to H69.

2.13. All tables are to be completed exclusive of real price effects (RPE) as these are captured separately in Table 2.15. Tables are to be completed inclusive of ongoing efficiency (i.e. 'frontier shift') and these assumptions are to be stated in Table 2.15.

2.14. Unless otherwise stated in this document or in the BPDT, actual financial values should be provided in £ million to a minimum of three decimal places. Financial values should reconcile with audited regulatory accounts. NGGT is required to provide all actual financial data to the highest reasonable level of accuracy available from their source systems, and commensurate with the purpose for which such data is intended, taking into consideration the appropriate allocations that are necessary to complete the tables.

2.15. Unless otherwise stated in this document or in the BPDT, all financial values should be input as positive numbers. Where a reportable value is zero or not applicable to NGGT then a zero should be input, rather than the cell being left blank.

2.16. Workload and outputs should be entered in the unit of measurement set out in this guidance or in the BPDT. Workload units and outputs should be reported at the highest reasonable level of accuracy from the source systems and commensurate with the purpose for which such data is intended taking into consideration the appropriate allocations that are necessary to complete the tables.

Accounting policies

2.17. The BPDT should be prepared on a cash typical basis (see Glossary[1]). Cash means exclusive of all provisions and all accruals and prepayments that are that are not incurred as part of the ordinary level of business. All expenses recognised are those expected to be incurred as part of the ordinary level of business.

2.18. The BPDT should be prepared using the same accounting policies as in the preparation of the regulatory financial statements, in accordance with UK GAAP or IFRS unless otherwise stated. In the event that the accounting policies applied to prepare the template differ from those used in the regulatory financial statements (for some or all years) NGGT must include appropriate details including quantification of the difference.

Use of Estimates and Allocations

2.19. Apportionments should be avoided wherever possible. However, where NGGT (and any affiliate or related party undertaking of the NGGT) have to do this to complete the tables, the basis of apportionment must be provided. Changes in apportionment should also be highlighted.

Reporting scope

2.20. The data presented in the BPDT should relate to the activities of the NGGT whether carried out directly by NGGT or by another party on behalf of the NGGT (e.g. related parties or third parties carrying out activities for NGGT). De minimis costs are to be included where such activities are carried by NGGT (which has been consented to by the Authority in accordance with Standard Special Condition A36).

2.21. Specific sections have been included in the template to separately capture costs associated with excluded services and de minimis activities.

Table by Table Narrative

2.22. Alongside the submission of the data template and the current requirement to provide an overview narrative, the company must provide a summary explanation of the information provided in each data worksheet through an additional Business Plan Data Table Commentary (BPDTC).

2.23. NGGT must complete the BPTDC template which accompanies this guidance document. The BPDTC enables NGGT to give summary details on specific areas to aid Ofgem's understanding of the results from a number of perspectives. In doing so, the BPDTC will enable each company to:

- Identify, explain, and justify the main drivers of forecast expenditure and volume profile across the RIIO-GT2 price control period

[1] https://www.ofgem.gov.uk/publications-and-updates/notice-proposing-modifications-regulatory-instructions-and-guidance-rigs-riio-gt1-version-61

- Explain and justify scenarios used for justifying the forecast workload volumes and costs across the RIIO-GT2 period, and
- Assist Ofgem in the process of navigating the data submission and supporting documentation.

2.24. The BPTDC is arranged in the form of a set of prescribed questions:

- Please compare the current forecast across the T2 period and the latest information on the forecast position across the RIIO-T1 period explain the material differences between them. Please include information in terms of run rates, trends, unit costs etc. and explain the reason for any material step change or difference.
- Please summarise and explain the profile of the T2 information.
- Please provide a justification for any unit cost/trend outliers, including any regional and/or site specific factors and where there is material interaction with other areas of the BPDT.
- Please identify and explain the scenario used for planning, the level of sensitivity within the forecasts used and clarify how uncertainty has been considered/tested. Indicate the materiality of these assumptions.
- explain the interactions with wider governmental policy.
- Please explain the types of internal and external benchmarking exercise (where applicable) that have been undertaken to support the T2 forecasts (eg. internal tendered framework rates and/or international unit cost comparison).
- Please reference areas of the BPDT submission that can be used to further evidence or substantiate the submission (eg. cells A:B of tab "X" of the BPDT or supporting document "Y"), and
- Highlight any additional information that NGGT deems to be relevant to aid Ofgem's understanding and interpretation of the information.
- Where costs have been apportioned across one or more activities, the basis of apportionment must be provided in the cost commentary document. Please also give an indication of the robustness of those assumptions.

2.25. The BPDTC template is applicable to all worksheets in version 1.5 of the BPDT, except for any cover, contents or summary sheets (specifically: A0.00 – A0.05, 1.01 – 1.05, 2.00 & 2.00a and the universal data sheet). NGGT must use reasonable endeavours to provide a commentary for each of the categories above. NGGT should report "n/a" where questions do not apply to the subject matter of the worksheet and should ignore any tables that do not apply to them.

2.26. The BPDTC must not exceed 3 pages in length for each worksheet. Where visual representations of information (e.g. waterfall diagrams) may aid understanding these should be included and will not contribute to the 3 page limit.

2.27. Where information that is relevant for the BPDTC is located in the main Business Plan submission or supporting files (e.g. engineering justification, CBA etc.); directions to the relevant information must be clearly signposted in the BPDTC. Where it is not possible to include all information as prescribed, companies will need to clearly explain the reasons why.

2.28. The appropriateness and materiality of the commentary provided should be at a level that minimises the need for Ofgem to ask supplementary questions.

2.29. Licensees should, to the fullest extent possible, ensure that the BPDTC contains all information relevant to Ofgem's assessment of the plan. This includes providing a proportionate summary of the overall activity level experienced and costs incurred and expected by NGGT. The BPDTC must therefore provide overview information on the level of activity and costs across the RIIO-T1 period and the current BPDT forecasts for the RIIO-T2 period. Where a variance is observed in the transition between price control periods, a succinct explanation of the material differences between them and factors driving the variation is required.

Definitions

2.30. The definitions set out in the Glossary of the RIIO-GT1 Gas Transmission Price Control Regulatory Instructions and Guidance[2] should be used to complete the template in a consistent way. NGGT must ensure that the definitions are clearly understood and are complied with when entering any data into the BPDT. Where there is doubt or uncertainty, please refer to Ofgem for clarification. This is to ensure consistency and comparability of data entry.

[2] https://www.ofgem.gov.uk/publications-and-updates/notice-proposing-modifications-regulatory-instructions-and-guidance-rigs-riio-gt1-version-61

3. General Tables

0.00 Cover

Purpose and Use by Ofgem	The purpose of this worksheet is to capture the licensee name, as well as the data file submission date and version number. It also provides a key to the colour coding convention used throughout the workbook.
Instructions for Completion	The licensee should complete the version number and submission date.

0.01 Contents

Purpose and Use by Ofgem	The purpose of this sheet is to provide a summary of the data table names contained within the template, a detailed description of the contents, and quick reference links.
Instructions for Completion	There is no input required in this worksheet.

0.02 Change Log

Purpose and Use by Ofgem	The purpose of this table is to track amendments, updates or the correction of errors within the template
Instructions for Completion	There is no input required to this sheet, any errors identified or changes required should be notified to Ofgem, who will update the template, record the changes and issue a revision.

0.03 Data Checks

Purpose and Use by Ofgem	This sheet contains and data cross checks or validation within the template
Instructions for Completion	There is no input required in this worksheet.

0.04 Data Constants

Purpose and Use by Ofgem	This sheet contains any data constants used throughout the template
Instructions for Completion	There is no input required in this worksheet.

0.05 Lookup Tables

Purpose and Use by Ofgem	This sheet contains lookup values used throughout the template
Instructions for Completion	There is no input required in this worksheet.

4. Activity Tables

The following sections contain guidance notes on the completion of each table for the purposes of the business plan data template.

2.00 Summary Data

Purpose and Use by Ofgem	This worksheet shows a summary of the information collected within the template
Instructions for Completion	The table is formula driven and will be automatically completed from the information submitted in the other tables. It provides a breakdown of costs by the main categories Load, Non Load and Indirect and Operational Expenditure.

2.00a Summary Data 2

Purpose and Use by Ofgem	This worksheet shows a summary of the information collected within the template
Instructions for Completion	The table is formula driven and will be automatically completed from the information submitted in the other tables. It provides a breakdown of costs by the main categories Opex and Capex.

2.01 Acc Costs

Purpose and use by Ofgem	The purpose of this table is to provide a cost breakdown of the costs within business support, closely associated indirect and direct costs for both the transmission operator and the system operator
Instructions for Completion	The cost breakdown for each cost category should be entered in line with the definitions set out below.

Specific definitions for this worksheet

Labour	Labour costs include any form of payment, consideration or other benefit, paid or due to or in respect of employees, including the costs of temporary or Agency Staff. INCLUDES: • Gross salaries and wages of all employees, including payments resulting from bonus and profit-related payment schemes • Employer's national insurance contributions • Salary sacrifice payments

Pensions	• Sick pay • Sickness benefits • Private health insurance • (non-pension related) retirement awards • Death in service benefits • Paid leave • Company cars or payments in lieu thereof • Standby costs - are the costs incurred when employees are on standby to be called upon if required in the event of a specified occurrence in accordance with their terms of employment • Agency Staff • Subsistence • Travel • Entertainment expenses • Share options (including employee share purchase plans, employee share option plans) • Medical insurance costs • Childcare assistance • Protective clothing • Welfare costs. EXCLUDES: • Professional services • Contractors • Company vehicles take home over night, other than company cars (include under Labour costs) • Small tools and equipment (include under non-operational new assets and replacement) • Pension costs (employer only) • Pension Deficit Repair Payments. For all activities except operational training excludes time spent on operational training courses (include in labour under operational training). Pensions includes licensee payments on a cash basis for the following: • Ongoing normal service contributions to Defined Benefit Pension Schemes • Ongoing normal service contributions to Defined Contribution Pension Schemes • Ongoing normal service contributions to stakeholder and/or personal pension plans • (from 31 March 2021) Payments in respect of Pension Scheme Incremental Deficit repair payments • Payments in respect of the PPF levy (whether paid directly by the transmission business or within ongoing contribution rates) • Payments in respect of pension scheme administration costs (whether paid directly by the transmission business or as part of ongoing contribution rates). EXCLUDES: • (Until 31 March 2021) Payments in respect of Pension Scheme Incremental Deficit repair payments • (from 31 March 2021) Payments in respect of Pension Scheme Established Deficit repair payments (report in Non Activity Based Costs) • Payments in respect of pension related severance costs (report in Atypicals - Early Retirement Deficiency

	Contributions and report ERDCs cost type split as labour costs) • Payments in respect of augmentation of benefits.
Contractors	It represents costs incurred by contracting with organisations for the provision of services. INCLUDES: • Professional Services - services provided on a consultancy basis, typically items such as legal services, audit fees, taxation services. • Subcontractor - an organisation that performs part or all of the obligations of another's contract. EXCLUDES: • charges for materials provided by the contractor where the cost of such materials has been separately identified by the contractor (include in Materials) • ex principal Related Party (include in Related Party).
Plant & Materials	The physical components that go into the make-up of a tangible asset or are used for maintenance or other duties by the licensee and related parties when undertaking activities. INCLUDES: • tangible items that become part of the network assets • small tools, equipment and consumables utilised to allow work on the network and to undertake other activities • purchase, rent or lease of vehicles (only where they are "non-operational assets") • fuel for the operational fleet (include under the Vehicles and Transport (CAI)) • materials provided by a contractor where the costs have been separately identified • delivery costs of materials or stock to stores or site from the manufacturer/supplier • postage and stationery. EXCLUDES: • company cars • procurement management • delivery costs from stores to another stores or to site • storage of the materials, unless the purchase price includes the cost of storage by the supplier
Related Party Margins	The profit or loss recorded on a transaction with an affiliate being the excess or deficit on actual direct costs and indirect costs (excluding financing costs) fairly attributable to the transaction or the charge and the cost of providing that transaction. For the avoidance of doubt this does not include exceptional items, tax, fines, penalties or the gain or loss on the disposal of assets or investments (of any sort), ie it should be net operating costs level. For Captive Insurance businesses the margin is to be computed based on the captive's premium income less reinsurance premiums, claims paid out and movements on technical and IBNR reserves attributable to the transmission business only, ie usually reported as the profits/loss on the Technical account. Where a captive insures more than the transmission licensee(s), then it's profit/loss should be computed pro rata to the premiums paid by the licensee to total premium income in the captive

Other	for the year and the movements on technical and IBNR reserves not attributable to the transmission business must first be removed. It includes costs that do not fall under the definitions for other Cost Types, which are: • Labour • Pensions • Contractors • Materials • Related Party Margins • Cost Recoveries • Customer Contributions. Specifically includes the categorisation of: • Rent: Payment, usually of an amount fixed by contract, made at specified intervals in return for the right to occupy or use the property of another. • Subscriptions: Subscriptions to IT or Telecoms software and for trade and other associations, including: o Subscriptions to trade bodies including the Energy Networks Association (ENA) o Ordnance Survey Licences o Other Software Licences.
Customer Contributions	The income, including normal accruals (ie matching income and cost), for an activity. INCLUDES: • Customer Contributions received by the network company or related parties in respect of the provision of a new connection • any pre-1 April 2005 Tariff Support Allowance which is held on the balance sheet as being potentially refundable contributions held at 31 March 2005 which are subsequently released should be reported as customer contributions under Connections or Reinforcement at the time of the release.
Cost Recoveries	The recovery of costs, relating to activities. INCLUDES: • Insurance claim receipts • Government funding for training schemes (In Operational and Non Operational Training) • Cable damage recovery payment • Recovery of design costs for quotations where the payee does not proceed with the connection. EXCLUDES: • Any income received primarily for other activities where a proportion of the income relates to the recovery of the costs of Indirect Activities or Non Operational Capex (eg capital contributions relating to connections).

2.02 Cash Controllable Costs

Purpose and use by Ofgem	The purpose of this table is to provide a breakdown of cash controllable costs into activities within business support,

	closely associated indirect and direct costs. The table is broken down by net costs, gross costs and the capitalised costs. The table also collects items outside of Totex including non-controllable costs to come to the total operating costs.
Instructions for Completion	Cost data is to be input on a cash controllable cost basis. Costs should be input as positive values. Closely associated indirect costs and business support costs should be input gross and net of capitalisation TO direct costs are drawn from table 2.04 on a net basis and there is no further capitalisations Business support costs are drawn from table 2.08 business support allocations The capitalised element is the difference between tables net and gross costs. This table represents the business support and closely associated indirect costs capitalised and is automatically populated. SO costs should be reported separately from TO costs where appropriate. Pension deficit payments relating to established schemes are not part of opex but should be recorded as memo items for both TO and SO (where applicable). Cyber Resillienace Opex costs should be reported separately in tables 6.03a & 6.03b for the Transmission Operator and 6.09a & 6.09b for the System Operator

Specific definitions for this worksheet

	TO Closely Associated Indirect Costs
Operational IT and Telecoms	IT equipment which is used exclusively in the real time management of network assets, but which does not form part of those network assets
Project Management	Project Management from authorisation through preparation, construction and energisation to completion. Includes: • Overall responsibility for major project delivery. • Determining resource requirements. • Planning and requisitioning materials & equipment. • Liaising with procurement for non-standard materials as required. • Work and resource programming. • Risk assessments of the overall project content. • Preparation of work instructions. • Issue of work to own staff and contractors. • On-site supervision and technical guidance. • Quality checks on work undertaken. • Organising network access and co-ordination of outages.

	• Organising and supervising (where appropriate) the undertaking of commission tests. • Issuing completion certificates. • Arranging energisation of assets. • Cost control. Excludes: • Any IT or property costs associated with Project Management. • Any employees managing other indirect activities. Any design work relating to new connections new or replacement assets

Network Design and Engineering	All processes and tasks involved in the:
	• Strategic planning of the network.
	• Detailed engineering design of new connections, extensions and changes to the network.
	
	Includes:
	• Strategic planning of the network – Relates to the tasks associated with the network in totality rather than individual projects. Includes:
	  ○ Maintenance of network design data models.
	  ○ Development of long term development statements.
	  ○ Capital planning for business plans and budgets.
	  ○ Network wide demand forecasting.
	  ○ Network Modelling
	  ○ Strategic planning of the network in respect of new connections, load related network reinforcement and all aspects of the "non-load new and replacement asset installation" activity.
	
	• Demand Connections – Relates to the tasks associated with the project specific network design and engineering of Demand Connections projects and enquiries.
	• Other Network Investment – Relates to the tasks associated with the project specific network design and engineering of all other aspects of Network Investment projects.
	
	Network Design and Engineering excludes:
	• The surveying, patrolling or inspection of system assets to collect condition information.
	• Any IT or property costs associated with network design & engineering.

System Mapping	The activity of mapping of the network and operational premises of the network to geographical locations. Includes: • Updating the geographical system maps with asset and locational information following the installation, removal or repositioning of system assets. • The updating of Geographic Systems (GIS) records following Ordnance Survey mapping rebasing upgrades. • Responding to the New Roads and Street Works Act NRSWA notices sent to the Company by other parties.

	• Ordnance survey licence fees. Excludes: • Clerical support and admin associated with New Roads and Street Works Act (NRSWA). • updating the network control diagram • onsite collection of asset and locational information where this task is undertaken with the installation of the asset which is part of the associated direct activity: IT & Property costs associated with System Mapping activity

Engineering Management and Clerical Support	<u>Engineering Management & Clerical Support</u>
	The office-based activities of engineering and clerical support staff (ie depot clerical staff, managers, work planners, etc) managing or assisting employees undertaking direct activities and Wayleave Administration.
	
	Includes:
	• Strategic Network Plan Development and implementation:
	  ○ Managing the delivery organisational structure to achieve the long and short term company goals.
	  ○ Agreeing resource requirements (own employees, contractors, finances and outcome targets).
	  ○ Managing the allocation and transmission of delivery resources to achieve plans.
	  ○ Managing key corporate policies and standards for investment/ service delivery.
	  ○ Leading the management team for service delivery.
	  ○ Monitoring the achievement of plans.
	  ○ Overseeing the management of teams with responsibility for service delivery.
	
	• Identification and implementation of improvement initiatives:
	  ○ Redesign of business processes
	  ○ Customer service improvements
	
	• Work Planning, Budgeting, Allocation and Control:
	  ○ Monitoring delivery of major works
	  ○ Monitoring fault activity.
	  ○ Monitoring budgets of Inspections and maintenance, faults and major works.
	  ○ Setting and agreeing performance targets, monitoring actual performance.
	  ○ Reporting and analysis of Key Performance Indicators ("KPIs").
	
	• Line management of staff undertaking direct activity work:
	  ○ Standards of performance, disciplinary and sickness absence procedures.
	  ○ Monitoring absence, back-to-work-interviews and welfare visits.
	  ○ Establishing day to day work plans.
	  ○ Managing the allocation tasks to achieve the delivery of operational and capital plans.
	  ○ Scheduling and monitoring the achievement of work jobs.
	  ○ Managing budget.

	○ Ensuring work activity adheres to company technical and health & safety requirements. • Operational Performance Management: ○ Health and Safety checks on work and personnel ○ Compliance checks on staff and contractors work carried out ○ Site safety inspections ○ Providing safety advise to cable contractors and others (to help prevent damage) ○ Investigation, report and corrective action following an accident or environmental incident ○ Authorisation of team members for operational and non operational duties ○ Operational safely checks • Providing safety advice to persons working in proximity to network assets. • Streetworks admin: Customer Funded: ○ Processing of NRSWA notifications. ○ Processing the payment of notification penalties (but not the cost of the penalties). ○ Processing permit applications (but not the costs of the permits). ○ Processing the payment of permit penalties (but not the cost of the penalties). ○ Processing payment of inspection penalties (but not the costs of the penalties. ○ Liaising with local authorities. ○ Liaising with contractors and direct labour force to undertake remedial works following inspections (but not the cost of the remedial works). ○ Processing of congestion charges payments (but not the cost of the payments). ○ Processing of lane rentals payments (but not the cost of the payments). ○ Processing of overstay fines (but not the cost of the fines). ○ Updating the Street Gazetteer. • Wayleave Payments: ○ Annual payments made in advance to the owner and/or occupier to cover the financial impact of having equipment on their land. • Wayleaves and Easements/Servitudes: Admin Costs: ○ Obtaining, managing and administering Wayleave, substation rents, easements and servitudes. ○ Negotiating new Wayleaves. ○ Managing Wayleave terminations. ○ Administration of existing Wayleaves including the preparation of payments. ○ Negotiation conversions from Wayleave arrangements to permanent easement/ Servitudes, substation rents and Wayleave payments.

	• Clerical Support:
	  ○ Updating support asset inventory databases following asset commissioning and decommissioning.
	  ○ Updating support asset condition data following inspection and maintenance.
	  ○ Dealing with verbal and written enquires for new connections, or faults.
	  ○ Programming of minor works.
	  ○ Issuing of work instructions.
	  ○ Preparation of quotations for minor works.
	  ○ Sending quotations to customers.
	  ○ Customer liaison.
	  ○ Liaising with contractors.
	  ○ Preparing plans, schematics, notices, materials schedules and work instructions.
	  ○ Preparing shutdown notices.
	  ○ Environmental notifications.
	  ○ Clerical support for staff answering verbal and written enquiries regarding faults, liaising with contractors and other stakeholders.
	
	Excludes:
	• Any Employees managing indirect activities (eg logistics manager) (include under the relevant indirect activity heading).
	• Design work relating to new connections new or replacement assets.
	• Responding to NRSWA notices sent to the Company by other parties (include under Systems Mapping).
	• Any employees engaged in maintaining the financial asset register.
	• Idle, down and sick time of direct field staff (include with their normal direct time in the appropriate direct activity).
	• IT or property costs associated with Engineering Management & Clerical Support.
	• Apprentices undertaking classroom training (include under Operational training and workforce renewal)
	• Time of employees attending training (include as labour costs under the relevant activity).
	• Training courses and training centre costs for staff relating to working on system assets (include under operational training and workforce renewal).
	• Engineering and health and safety training, courses for staff involved in indirect activities (include under operational training and workforce renewal).
	• Updating of underground cable and overhead line asset data bases (include under System Mapping).
	• Updating financial asset register (Finance & regulation).
	• Compliance checks on staff and contractors' work carried out.
	• Site safety inspections.
	• Investigation, report and corrective action following an accident or environmental incident.
	• Authorisation of team members for operational and non-operational duties.

	• Operational field safety checks. • Time of employees attending training (include as labour cost under the relevant activity of that employee). • Purchase of equipment (include under non-operational capex). • Training, courses and training centre costs for staff relating to working on system assets (include under operational training and workforce renewal).

Network Policy (incl. R&D)	All processes and tasks involved in the development and review of environmental, technical and engineering policies, and including research and development.
	
	Includes:
	• Evaluating the impact of changes in relevant legislation.
	• Development, regular review and updating of asset risk management policies, such as:
	  ○ asset maintenance policy
	  ○ asset inspection policy
	  ○ technical standards and specifications team
	  ○ plant, equipment and component specifications
	  ○ vegetation management policy
	  ○ asset replacement policy
	  ○ network design and protection policy.
	• Analysis and interpretation of asset condition data.
	• Development, regular review and updating of environmental policy.
	• Research and development (including Fees paid to research and development organisations).
	
	Excludes:
	• Any of the IT or Property costs associated with Network Policy.
	• Excludes IFI related research and development.

Health Safety and Environment	The activity of promoting and maintaining health and safety of employees, contractors, customers and the public.
	
	Includes:
	• Developing the company's overall health and safety policy.
	• Establishing procedures to comply with best practice for health and safety.
	• Maintenance of records to show compliance with Factory and Health and Safety at Work Acts.
	• Providing advice on security matters both for property and personnel and provision of advice on fire prevention.
	
	Excludes:
	• Health & Safety checks on work and personnel such as:
	  ○ compliance checks on staff and contractors' work carried out
	  ○ site safety inspections
	  ○ investigation, report and corrective action following an accident or environmental incident
	  ○ authorisation of team members for operational and non-operational duties

	○ operational field safety checks ○ time of employees attending training (include as labour cost under the relevant activity of that employee) ○ purchase of equipment (include under non-op capex) ○ training, courses and training centre costs for staff relating to working on system assets (include under operational training) ○ engineering and health and safety training, courses for staff involved in indirect activities (include under operational training).
Operational Training	Includes operational training and graduate trainees and apprentices. Includes training Workforce Renewal new recruit, Operational Upskilling and Operational Refresher Training. Operational Upskilling - covers all training (whether classroom based or on-the-job) where employee's skill level is increased in order to undertake activities requiring a higher skill level or to undertake activities requiring a different skill set (eg multi-skilling or redeployment) or the undertake activities via more efficient / effective processes. (Does not cover, eg, routine operational refreshers, and safety briefings, non-operational training courses eg MS Excel, training for CPD purposes once qualified eg accountant). Apprentices are engaged under approved apprentice's schemes. Trainees are employed under a formal training programme. Includes: • Classroom training. • On the job training. • Trainer and course material/running costs (classroom training). • Training admin. • Recruitment and external advertising costs for trainees/apprentices. • Salaries of apprentices and trainees in full time continuous training up to the point they become fully engaged in operational activities. • Costs of staff that organise and provide operational training and maintain employees training records. Excludes: • HSE costs (include under Health, Safety & Environment). • IT & Property management costs associated with Ops Training and Training Centres (include under IT & Property costs respectively).
Stores and Logistics	The activity of managing and operating stores. Includes:

	• Delivery costs of materials or stock to stores. • Labour and transport costs for the delivery of materials or stock from a centralised store to a satellite store/final location (and vice versa), taking into account the stock management policies. • Monitoring stock levels. • Quality testing of materials held in stores. Excludes: • Costs of oil or other insulation medium (report under the activity for which it is used, eg maintenance, faults. • Any of the IT systems associated with stores/logistics (include under IT & Telecoms). • Any property management and maintenance costs of depots/stores locations (include under property management). • Vehicles and Transport - the activity of managing, operating and maintaining the commercial fleet and mobile plant (include under Vehicles and Transport).
Vehicles and Transport	The activity of managing, operating and maintaining the commercial fleet and mobile plant utilised by the Network or any other related party for the purposes of providing services to the Network. Includes: • Lease costs associated with the vehicle fleet and mobile plant. • Maintenance costs of the vehicle fleet and mobile plant, including mobile generation. • Cost of accident repairs to business' own vehicles whether covered by insurance or not and the cost recovery where recovered by insurance. • Fuel costs of the vehicle fleet and mobile plant. Excludes: • Direct field staff time spent on utilising the vehicles for a direct cost activity (include under direct cost activity). • IT & Property costs associated with vehicle management. • Purchases of vehicles, mobile plant and equipment (include under non-op capex). • Cost of providing company cars to employees which are benefits in kind (include as labour cost under the relevant activity of that employee.
Market Facilitation	This covers the following activities: • Network code governance and development. • Proposing and managing industry code modifications. • Generation and demand forecasting. • Information provision to the industry. • Calculation and implementation of Transmission charges.
Network Planning	This covers the following activities: • Asset assurance and management of the asset registers. • Business expert input into IT system development. • Performance monitoring and improvement. • Co-ordination and completion of benchmarking activities.

	• Control Centre - Operational management and control of the network
	  ○ Outage planning and management
	  ○ Real time control and monitoring
	  ○ Dispatch
	  ○ Major incidents and emergency planning

	SO Direct Costs
Planning	Long term and short term planning
Real Time Operations	Control room day to day operations
Operational Support	post event analysis and forecasting, control room scheduling and data analysis
IS Business Resource	support for capital works programmes
Market Facilitation	○ Network code governance and development. ○ Proposing and managing industry code modifications. ○ Generation and demand forecasting. ○ Information provision to the industry.
Engineering Support	

2.03 Year on Year Movement

Purpose and use by Ofgem	The purpose of this table is to enable licensees to explain the reasons for increases and decreases in costs year on year of £0.5m or more (these are the net increases and decreases year on year in table 2.02 cash contr costs).
Instructions for Completion	Licensees should fill in the reasons for changes in costs in the boxes shaded in yellow. The table should be completed to clearly explain the year on year movements, additional explanations can be provided in the commentary if required. All exceptions items should be clearly identified.

Specific definitions for this worksheet

None	

2.04a Direct Opex

Purpose and use by Ofgem	The purpose of this table is to show the amount of cash controllable operating costs spent and associated activity volumes on fault repairs, planned inspections and maintenance, and operational property management.
Instructions for Completion	Information should be provided for the following categories: • Fault Repairs • Planned Inspections & Maintenance • Operational Property

	Values in this table are to be based on reasonable estimates of the level of activity. Forward looking data should provide a representation of the expected levels of activity, commensurate with a well-justified business plan. • 'Fault Repairs' should include all activity that is unplanned or undertaken in response to failure or unexpected behaviour of assets. • 'Planned Inspections & Maintenance' should include all activity not included in 'Fault Repairs'. • The precise make-up of the elements included in each of 'Fault Repairs' and 'Planned Inspections & Maintenance' should be detailed in the associated narrative.

Specific definitions for this worksheet

None	

2.04b Direct Opex Interim

Purpose and use by Ofgem	The purpose of this table is to show the amount of cash controllable operating costs spent on fault repairs, planned inspections and maintenance, and operational property management.
Instructions for Completion	Information should be provided for the following categories: • Fault Repairs • Planned Inspections & Maintenance • Operational Property Values in this table are to be based on reasonable estimates of the level of activity. Forward looking data should provide a representation of the expected levels of activity, commensurate with a well-justified business plan. • 'Fault Repairs' should include all activity that is unplanned or undertaken in response to failure or unexpected behaviour of assets. • 'Planned Inspections & Maintenance' should include all activity not included in 'Fault Repairs'. • The precise make-up of the elements included in each of 'Fault Repairs' and 'Planned Inspections & Maintenance' should be detailed in the associated narrative.

Specific definitions for this worksheet

None	

2.05 Physical Security Opex

Purpose and use by Ofgem	The purpose of this table is to inform Ofgem of the opex spent on physical security in relation to BEIS's enhanced physical security upgrade programme (PSUP).
Instructions for Completion	**For security reasons companies should provide overall number of sites this table rather than the site name.** Sites should be split by owned and shared sites further broken down by costs associated with; **PDSA -** any post-delivery support agreements (PDSA) relating to PSUP assets. **Direct labour -** personnel working directly on PSUP opex activities (e.g. maintenance activities, site specific audits). **Data communications -** the transfer of video and other data between the site and the Alarm Receiving Centre (ARC) **Other -** any other costs which must be listed under 'Other' and detail provided within the commentary. Where costs cannot be allocated to a specific site, they must be included under Centralised costs. This includes costs relating to PSUP spares and escrow. This table specifically excludes funding associated with the provision of Ministry of Defence Armed Guards. See definition for 'security (armed guards)'.

Specific definitions for this worksheet

None	

2.06 Crop, Quarry & Loss of Development

Purpose and use by Ofgem	The purpose of this table is to collect details of accruals and cash payments relating to quarry and other loss of development claims.
Instructions for Completion	NGGT should provide actual costs and number of claims within each category for RIIO-GT1 and forecasts costs and number of claims for RIIO-GT2.

Specific definitions for this worksheet

None	

2.07 Business Support – Group

Purpose and use by Ofgem	The purpose of this table is to provide Group net and gross cash controllable cost breakdown of business support costs that are charged to the UK regulated network businesses (and to non-regulated entities where appropriate). These tables show non-operational costs only.
Instructions for Completion	This table should be completed on a group basis for each of the following categories • IT & telecoms • Property Management • HR & non operational training • Finance audit and regulation • Insurance • Procurement • CEO & group management Group net cash controllable costs should be split into the specified categories (labour, materials, etc.) for each activity in line with the cost type definitions.

Specific definitions for this worksheet

None	

2.08 Business Support – Allocation

Purpose and use by Ofgem	The purpose of this table is to provide the allocation of Group net and gross cash controllable costs for business support that are charged to the UK regulated network businesses (and to non-regulated entities where appropriate). These tables show non-operational costs only.
Instructions for Completion	This table should outline the allocation for each of the following categories • IT & telecoms • Property Management • HR & non operational training • Finance audit and regulation • Insurance • Procurement • CEO & group management

Specific definitions for this worksheet

None	

2.09 IT & Telecoms – Group

Purpose and use by Ofgem	The IT & Telecoms worksheets will collect gross cash controllable cost information relating to non-operational Information Systems (IS) & Telecoms expenditure and activities. It is not expected that the TO will forecast the total IS & Telecoms costs of the Group, just the total of the costs allocated to the UK regulated network businesses.
Instructions for Completion	• Input costs for each IS function by cost category • Input staff numbers in total Includes: • Application Development – costs associated with the development of applications before they are put into production • Application Maintenance & Support – The costs of maintaining and supporting applications that are in production. Includes minor enhancements and bug fixes • Desktop Services – the costs involved in supporting desktop hardware and software. • Application Server Support – costs involved in maintaining computer servers • Storage – costs involved in supporting the IS storage • Central Printing – All printing other than printing to a local printer from a desktop PC or other device. • Network (LAN & WAN) – costs involved in implementing and supporting the computer networks, Local Area Network (LAN) and Wide Area Network (WAN) • Business Telecoms – cost involved in supporting the network of business telephone, mobile and desk phones. It does not include the costs of maintaining the operational telephony linking network assets • Management Services – IS directors and other costs of running the IS function not covered by other areas Bought in Services – other costs or services bought in that do not fit in other categories.

Specific definitions for this worksheet

IT & telecoms	Provision of IT services for the day to day service delivery. Includes: • The purchase, development, installation and maintenance of non-operational computer and telecommunications systems and applications.

	• Provision of IT services for the day to day service delivery and includes the cost of Help Desk, data centres, IT application development, maintenance and support; establishing and maintaining IS infrastructure projects (IT Network Provision, Network Maintenance, Servers support/services). • Voice and data telecoms (e.g. WAN, landline rental and call charges, ISDN data and costs/rental of mobiles except where costs are charged directly to user departments). • Developing new software for non-operational IT assets including the costs of maintaining an internal software development resource or contracting external software developers. This will include any cost of software licences to use the product where those costs cover more than one year. • Installing new or upgrading software, other than where it is. This does not include upgrading of software that is included within the costs of annual maintenance contracts for the software. • Maintenance and all the operating costs of the IT infrastructure and management costs and Applications cost. This includes any annual fee for the maintenance of software licences, whether or not they include the right for standard upgrades or 'patches' to the software as they become available. • IT applications maintenance and running costs. • IT new applications software and upgrade costs. • Voice and data telecoms (e.g. WAN, landline rental and call charges, ISDN data. includes costs/rental of mobiles except where costs are charged directly to user departments). Excludes: • IT equipment which is used exclusively in the real time management of network assets but which does not form part of those network assets. Any of the property costs associated with IT & Telecoms (include under Property Management), except where the cost of specific IT environmental control systems can be distinguished from other property costs.
Application Development	Costs associated with the development of applications before they are put into the production
Application Maintenance & Support	The costs of maintaining and supporting applications that are in production. Includes minor enhancements and bug fixes
Desktop services	The costs involved in supporting desktop hardware and software
Application server support	Costs involved in maintaining computer servers
Storage	Costs involved in supporting the IT storage other than in data centres, including cloud storage costs?
Network (LAN & WAN	The costs involved in implementing and supporting the computer networks, Local Area Network (LAN) and Wide Area Network (WAN)
Business Telecoms	The cost involved in supporting the network of business telephone, mobile and desk phones. It does not include the costs of maintaining the operational telephony linking network assets

Management Services	IT directors and other costs of running the IT function not covered by other areas
Data centres	A facility used to house computer systems and associated components, such as telecommunications and storage systems, redundant/backup power supplies and redundant data communications connections.
End users	• N.B. typically end users relates to individuals (FTEs) and not devices, except where individuals share devices. A single individual using multiple devices counts as one end user. The number of end-users will never exceed the FTE count of employees plus contractors plus other users. • An end user is defined as an individual (typically **either an employee or contractor**) that spends **at least 10% of his or her time using a network company provided, funded, supported computing device** that is part of the network company's IT infrastructure (i.e. desktops, laptops, hand held devices, etc.) to support his or her business functions. The user must have direct access to internal applications/systems to execute specific transactions on behalf of the network company. Examples: (i) full time employee, working 40 hours per week uses several devices for a total 20 hours per week – counts as one end user, (ii) a part-time employee working 20 hrs per week uses several devices for a total of 2 hours per week – counts as 0.5 end users, (iii) a contractor engaged 20 hours per week on network company business using his or her own devices for 10 hours and network company devices for one hour – counts as zero end users. ▪ The end user count does NOT include casual users of voice response systems, mobile phones, and pagers. ▪ The end user MAY include some **users that are not employees or contractors** (i.e. agents/brokers/ dealers/distributors/supply chain partners), but only if they are using a computing device provided, funded, and supported by the network company at least 10% of their time, and use network company applications/systems to execute specific business transactions. These **'other' users** must be named users on the network company systems and use the network company's IT support organisation. ▪ Smart phone users should only be counted if the user uses the smart phone as the primary device to access internal applications and does this for at least 10% of his or her time. Smart phone users are NOT to be counted if the phone is only used for voice calls and email. ▪ Only count end users once even if they have multiple devices. Shared devices used in multiple labour shifts or for groups of people should be counted as a single end user per shift. Do not count each user separately since the device is shared. Network printers should not be counted as a workstation. Example: there are 4 employees using one PC at a workstation. This would count as 1 end user. If the scenario occurs across 3 shifts, this should be counted as 3 end users.

2.10 IT & Telecoms – Allocation

Purpose and use by Ofgem	The IT & Telecoms worksheets will collect gross cash controllable cost information relating to non-operational Information Systems (IS) & Telecoms expenditure and activities. It is not expected that the TO will forecast the total IS & Telecoms costs of the Group, just the total of the costs allocated to the UK regulated network businesses. This worksheet shows the allocation of costs to the UK regulated network businesses, excluded services and other non-regulated business if required, split between non-operational and operational costs *(although it is expected the allocation will be 100% to non-operational). A*s well as additional information to understand business support cost drivers in order to facilitate comparison between network sectors and other industries.
Instructions for Completion	**Non-Operational IS & Telecoms** All IS & Telecoms except IS & Telecoms equipment which is used exclusively in the real time management of network assets but which does not form part of those network assets. **Operational IS & Telecoms** - The table 2.1 identifying operational IS & Telecoms costs is not linked to other tables in the pack. These costs should be added to other operational IS & Telecoms costs identified under Closely Associated Indirect costs to come to the total Operational IS & Telecoms on table 2.02.

Specific definitions for this worksheet

None	

2.11 Property Costs – Group

Purpose and use by Ofgem	The purpose of this table is to collect gross cash controllable cost information relating to all non-operational property costs, as well as additional information to understand business support cost drivers to facilitate comparison between network sectors and other industries. It is not expected that the TOs will forecast the total Property costs of the Group, just the total of the costs allocated to the UK regulated network businesses. But in some cases it may be better to show the total cost of each building occupied by a Transmission company and how this is shared between occupiers.
Instructions for Completion	This table shows total costs including those relating to excluded services. • Category 3 buildings – buildings costing >£1m per year. Input the name of each category 3 building and costs as stated on the table and details of gross and usable space. • Category 2 buildings – buildings costing <£1m and >£0.5m per year. Input the total costs as stated on the table.

	• Category 1 buildings – buildings costing <£0.5m per year. Input the total costs as stated on the table. • Training Centres – identify the total building(s) costs of all Training Centre(s) as stated on the table. Training Centre(s) are therefore not included in Categories 1, 2 and 3 above. • Non-allocated costs - Input the costs which cannot be attributed to specific buildings. Details of the number of buildings broken down by office, depot and training centres should also be provided, as should a breakdown of the net internal area by owned and leased premises.

Specific definitions for this worksheet

Office	A property is defined as an office if its primary function is to accommodate office based staff during their business hours.
Depot	A building other than an office used for operational purposes.
Training Centre	A property is defined as a training centre if its primary function is to accommodate staff while on operational or non-operational training courses or programmes.
No. of buildings	For multi-use buildings then the number of buildings should be calculated on a pro-rata basis based on floor space in exclusive use, with shared floor space (e.g. staff canteens) split pro rata between office space and training centres. For example a building that is 30% office space 20% training centre, 15% depot, and 35% shared (e.g. staff canteen, toilets) would count as 51% (30% + 35%*(30/50)) of an office building (30/(30+20+15), 34% training centre and 20% depot. Where a site contains multiple buildings/facilities then the site should be counted as one building.
Net internal area (NetIA), m^2	As per the Valuation Office Agency[3] definition (as at 19 March 2013): Broadly speaking the usable area within a building measured to the face of the internal finish of perimeter or party walls ignoring skirting boards and taking each floor into account. NetIA will include: ▪ Perimeter skirting, moulding, or trunking ▪ Kitchens ▪ Any built in units or cupboards occupying useable areas (subject to height exclusion below) ▪ Partition walls or similar dividing elements ▪ Open circulation areas and entrance halls, corridors and atria

[3] Valuation Office Agency definition: http://www.voa.gov.uk/corporate/Publications/comp.html, accessed 29 March 2019

	NetIA will exclude: ▪ Toilets and associated lobbies (but extra measurements may be required for shops where they are either in excess of normal staff requirements considering the type and size of shop) or it is apparent additional toilets have been installed) ▪ Cleaners' cupboards ▪ Lift rooms, boiler rooms, tank rooms, fuel stores and plant rooms other than those of a trade process nature ▪ Stairwells, lift wells, those parts of entrance halls, atria, landings and balconies used in common or for the purpose of essential access ▪ Corridors and other circulation areas where used in common with other occupiers or of a permanent essential nature ▪ Areas under the control of service or other external authorities ▪ Internal structural walls, walls (whether structural or not) enclosing excluded areas, columns, piers, chimney breasts, other projections, vertical ducts etc ▪ The space occupied by permanent air conditioning, heating or cooling apparatus and ducting which renders the space substantially unusable having regard to the purpose for which it is intended ▪ Areas with headroom of less than 1.5m (this area should be shown separately but excluded)[4] Car parking areas (this area should be shown separately and the number of spaces noted)
Owned (property)	Any premises used by the regulated businesses where the group owns the freehold or the leasehold for the premises.
Leased (property)	Any premises where the group does not own the freehold or leasehold, including where the regulated businesses pay rent. Where rent is paid to a related party then ownership of the premises and the leasing arrangements should be explained.

2.12 Property Costs – Allocation

Purpose and use by Ofgem	The purpose of this table is to show the allocation of costs to the UK regulated network businesses (and non-regulated business where required) for non operational costs only.
Instructions for Completion	Input details of the allocations of total property costs to UK regulated network businesses (excluded services and non-regulated business where required). Buildings holding SO staff or assets should be treated as non-operational.

[4] Note: this figure is given in error as 15m in the Valuation Office definition of 19 March 2013

	Operational property costs should be captured in table 2.04 Direct Opex

Specific definitions for this worksheet

None	

2.13 Insurance Costs – Group

Purpose and use by Ofgem	The worksheet will collect cash controllable cost information relating to insurance costs, premiums, policies and cover etc, including the actual costs and cover relating to the transmission and other UK regulated network businesses. It is not expected that the TOs will forecast the total Insurance costs of the Group, just the total of the costs allocated to the UK regulated network businesses.
Instructions for Completion	Insurance premiums - Cost of insurance premiums including insurance premium tax. Total Insurance Department costs - input details of the total cost of the insurance department and how this is allocated to the businesses and excluded services. Staff Costs The costs of staff working in the insurance department. Brokers Fees The fee charged by an insurance broker for arranging insurance cover. Insurance receipts The financial reimbursement received under a contract of insurance as a result of an insured event. This will be shown for historical years but it is very unlikely that companies will forecast such receipts. Captive Insurance Companies input details of all captive insurance companies owed by the Group. Captive Insurance Company An insurance entity that is a related party.

Specific definitions for this worksheet

Insurance premiums	Cost of insurance premiums including insurance premium tax and brokers fees
Other insurance costs	All insurance department costs except for insurance premiums and brokers fees
	Insurance premiums
Loss or damage due to adverse events	Insurances that protect against loss or damage caused to licensee's property or trade by adverse events
Property - buildings and contents	Buildings and contents including fire, lightning, explosion, riot, malicious damage, storm, flood, impact by aircraft, road

	and rail vehicles, escape of water from tanks or pipes and sprinkler leakage.
Engineering failure	Engineering insurance cover against electrical or mechanical breakdown for machinery, including computers.
Crime and theft	Includes: ▪ Crime ▪ Theft ▪ Money
Goods in transit	Loss or damage of machinery, materials etc. while in licensees own vehicles or when sent by carrier. Includes: Marine cargo
Business interruption	Cover for loss of income and extra expenses, including any increased working costs and extra accountants' fees incurred, resulting from damage to a licensee's property or assets.
Trade credit insurance	Cover against the risk of bad debt due to the insolvency or default of trade debtors.
Motor vehicles	Cover against third party legal liability for injury to others and damage to their property arising from the use of vehicles on the road and against damage to licensee's vehicles.
Legal expenses	Cover against the cost of taking or defending legal action including legal costs such as solicitors' fees and expenses, the cost of barristers and expert witnesses, and court costs and opponent's costs if awarded against the licensee in civil cases.
Network assets	Includes: Property (towers & poles, etc.)
Terrorism and sabotage	Cover against loss due to deliberate acts of terrorism or sabotage.
Aviation	Cover against losses associated with ownership and operation of aircraft
Other	Includes: Business services allocation
Third party legal liability	Cover against licensee's legal liabilities in the event of some aspect of the licensees business causing damage or harm to a third party or their property
Employers' liability	Cover against legal liability for injury, disease or death to employees sustained by them and arising from their employment. Employees for this purpose may include, in addition to those under a contract of employment, apprentices and other trainees, agency staff, and contractors.
Public and product liability and professional indemnity	Cover against legal liability to pay damages to members of the public for death, bodily injury or damage to their property which occurs as a result of a licensee's business activities.
Environmental impairment liability	Cover against losses and liability arising from damage to property due to pollution or environmental damaged caused a network company's regulated business operations
Employee	Cover that protects a network company and its employees against the consequences of serious illness, injury or death, and the effects these events could have on the network company's employees, on their families, and on the network company's business.
Personal accident and sickness insurance	Cover paid for, fully or in part, by a network company that provides income to an employee to compensate for the loss of earnings through incapacity resulting in inability to work. Where the cost of cover is shared between network company

	and employee, or where the network company recovers part of the cost from employees, then only the network company's net contribution should be reported.
Income protection insurance	Cover paid for, fully or in part, by a network company that provides income to an employee to compensate for the loss of earnings through incapacity resulting in inability to work. Where the cost of cover is shared between network company and employee then the network company's contribution should be reported. Where the cost of cover is shared between network company and employee, or where the network company recovers part of the cost from employees, then only the network company's net contribution should be reported.
Private medical insurance	Private medical cover paid for, fully or in part, by a network company. Where the cost of cover is shared between network company and employee, or where the network company recovers part of the cost from employees, then only the network company's net contribution should be reported.
Life assurance	Cover paid for, fully or in part, by a network company that provides financial security for employees' dependants and protects the profitability of the business upon death of an employee. Where the cost of cover is shared between network company and employee, or where the network company recovers part of the cost from employees, then only the network company's net contribution should be reported.
Travel	Includes: ▪ Overseas travel ▪ Personal accident/travel
Directors & officers	Includes: Primary and excess directors' and officers' liability
Employment practice liability	Cover against claims made for alleged acts of discrimination, harassment or inappropriate employment conduct.
Pension trustees indemnity (recharged to pensions)	Cover that protects a network company and /or its pension funds and/or its employees and trustees against claims made by third parties for breach of trust, maladministration and wrongful acts arising from the actions of the trustees to the pension funds.
Self retained claims costs (below deductible)	The amount of any claim which falls below policy excesses or deductibles where the cost is paid by the network company and not the insurers.
Brokers fees	The fee charged by an insurance broker for arranging insurance cover
	Captive insurance
Captive insurance	Insurance cover provided by an insurance entity that is a related party
Premiums invoiced	The amount charged to the policy holders for insurance cover provided
GBRA/P&L	The GBRA (General Business Revenue Account) details the insurance transactions and P & L (Profit and Loss Account) details any non-insurance related income and expenses of the company.
Total Written Premiums	The total amount charged for the insurance cover provided
Reinsurance Costs	The amount paid out to third party reinsurance companies for reinsurance cover
Net premium	The premium income after the deduction of reinsurance costs

Claims Costs	The amounts paid out as insurance claims and claims related fees
Underwriting Expenses	The amounts paid out in expenses required to conduct the insurance business (broker fees, actuarial fees)
Underwriting Profit	The insurance profit/(loss) for the year
Investment Income	The amount generated from the investment of the company's assets
Operating Expenses	The amount paid for the general running expenses of the company
Retained Profit / (Loss)	The profit or loss generated by the company for the year
Unrealised Investment Gain	The amount arising from an increase in market value of assets available for sale
Total Movement in SH Funds	The sum of the retained profit/(loss) and the unrealised investment gain/(loss)
UK Tax Adjustment	The amount charged to the group for UK taxation
Profit After Taxation	The profit or loss generated for the year once taxation has been deducted
Total Written Premiums	The total amount charged for the insurance cover provided
Balance Sheet	The statement of the financial position of the company at a point in time
Assets	The resources held by the company that have an economic value
Non-insurance Liabilities	The amounts owed to the general (non-insurance) creditors of the company
Gross Loss Reserves	The amounts expected to be paid out in insurance claims relating to current and past policy periods
Reinsurance Assets	The amounts recoverable from reinsurers under reinsurance contracts purchased
Shareholders' Funds	The value of the company and amount attributable to the shareholders of the company
Annual Retained Risk	The sum of the maximum exposure on all insurance policies issued in the year
Excess Capital Adequacy	Shareholders' funds less annual retained risk
Loss Ratio	The ratio of expenses to net premium income

2.14 Corporate Costs – Allocation

Purpose and use by Ofgem	This worksheet shows the gross cash controllable cost of CEO and other corporate function costs and the amounts allocated to UK regulated network businesses directly or via a related party. It is not expected that the NGGT will forecast the total CEO costs, just the total of the costs allocated to their UK regulated network businesses.
Instructions for Completion	• Costs should be input as positive values • The costs should reflect the total costs relating to their UK regulated network businesses including excluded services associated with those businesses.

	• It should reflect the amount of costs allocated directly to the businesses with allocations of such functions, if any, from related parties. • The basis on which the allocation of costs to Transmission and the other businesses should be stated for each function as part of the narrative. Includes: • *Communications* - communication within the UK businesses, internal communications, external communications, media relations, issues management, regional communications, community relations, events management • *Group Strategy*- function has the responsibility of evaluating the strategic options of the Group. • *Legal / Risk and Compliance / Company Secretary* - legal department, the management corporate governance for all companies to ensure they comply with legislation, regulations and best practice. • *Corporate Responsibility and investor relations* - corporate responsibility and interaction with institutional equity investors and market analysts also advertising, charity and sponsorship arrangements. • *Board Members and Other* – staff and other costs of Board members and other corporate costs not fitting into other categories.

Specific definitions for this worksheet

Communications	Communication within the UK businesses, internal communications, external communications, media relations, issues management, regional communications, community relations, events management
Group strategy and group corporate affairs	Function has the responsibility of evaluating the strategic options of the Group
Legal / Comp Secretariat	Legal department, the management corporate governance for all companies to ensure they comply with legislation, regulations and best practice.
Corporate Responsibility and Investor Relations	Corporate responsibility and interaction with institutional equity investors and market analysts also advertising, charity and sponsorship arrangements
Board Members and Other	Staff and other costs of Board members and other corporate costs not fitting into other categories
Incremental ring-fence compliance costs	Costs that have necessarily been incurred as a direct result of complying with the additional ring fence condition requirements introduced by the Authority's licence modification direction dated 1 February 2013. Incremental costs reported may be one-off or ongoing in nature and must not have been included in any other cost reporting category. A comment should be included describing the nature of the costs that have been reported.

2.15 RPEs

Purpose and use by Ofgem	The purpose of this worksheet is to provide an analysis of Real Price Effects (RPE) and Ongoing Efficiency (OE) forecasts and assumptions. Therefore, all cost forecasts provided within the other tables of the business plan should be exclusive of RPEs.
Instructions for Completion	This table enables licensees to provide their forecast of real price effects (additional to other building block forecasts). All cost forecasts provided elsewhere within the tables should be exclusive of RPEs. Any increase to ongoing pension contribution rates should be included in main tables and not treated as an RPE. <u>RPE Indices</u> For each expenditure category, enter the index that represents your view of inflation relative to CPIH. CPIH data is contained in the Universal Data tab. Indices have a base year of 2018/19 – i.e. if you expect Direct Opex to increase by 1% above CPIH from 2018/19 to 2019/20, enter 1.01 for the year 2019/20. <u>RPE Weightings</u> For each expenditure category, enter the weight of each RPE input category. Some input categories allow for a different index weighting to be entered for Opex and Capex e.g. if materials used in Opex are subject to different input price pressures that those used in Capex, then a different index can be entered for each. Otherwise, all indices can be equal. The indices for specialist labour should be exclusive of any materials used by contractors. Instead, the indices for materials should reflect the cost changes associated with both direct materials and those used by contractors. Input weights should sum to 100% for each expenditure category. The *Other* field should capture any remaining weight not attributable to the defined input categories listed. Different weights can be entered for different years. You should provide evidence within the business plan commentary of how the final indices were deduced and why you expect the weight of each input category to vary over time (if applicable). <u>Disaggregated Opex RPE Costs</u>

	Enter the forecasted RPE figures for each Opex activity in £m for the remaining years of RIIO-GT1 (2019/20-2020/21) and for the five years of RIIO-GT2 (2021/22-2025/26). <u>Disaggregated Capex RPE Costs</u> 1.1. Enter the forecasted RPE figures for each Capex activity in £m for the remaining years of RIIO-GT1 (2019/20-2020/21) and for the five years of RIIO-GT2 (2021/22-2025/26). <u>Ongoing Efficiency</u> This table requests NGGT to evidence the ongoing efficiencies embedded in their forecast costs. This should represent NGGTs forecast of reductions in input volumes that can be achieved whilst delivering the same outputs. Ongoing efficiency assumptions have a base year of 2018/19, i.e. if you expect ongoing efficiencies for Direct Opex to decrease costs by 1% per annum from 2018/19 to 2019/20, then enter 0.99 for year 2019/20, and so on. You should provide evidence within the commentary/business plan of how the final ongoing efficiency indices were deduced.

Specific definitions for this worksheet

None	

2.16 Operational Training

Purpose and use by Ofgem	This worksheet collects Cost Type data on the Operational Training activity. It also provides a split of these costs, alongside associated volumes, to provide an understanding of the activity for cost assessment purposes.
Instructions for Completion	Operational Training is the provision of training to Operational Staff employed by the TO or Related Party or Agency Staff to support the Direct Activities of the Network Company. These staff are referred to as Craftspersons, Engineers, and Other Operational Employee. Operational Training includes only the costs of training employee, Related Parties and Agency Staff. No contractor training costs should be reported in this activity. Where the Network Company incurs costs assessing the capability of contractors, these costs should be included in De-Minimis. Any costs associated with training contractors within the Network Companies training facilities should also be reported in the same way. The key terms for this worksheet, defined below are: • Operational Training • Craftsperson

	• Engineer • Other Operational Employee • Operational Staff • Non-Operational Staff • Operational Refresher • Operational Up-skilling • New Recruits • New Recruits – Craftsperson • New Recruits – Engineer • Learner Costs • Leaver • Leaver – Due to Retirement • Leaver – Due to Reasons Other than Retirement • Training Days • Agency Staff. These terms have the prefix "Operational Training", except Non-Operational Staff and Agency Staff as these terms are used in areas other than in Operational Training. The check cells will ensure that the input for total costs by Cost Type and the costs by category (at gross cost level) reconcile. The tables in the worksheet require costs to be split between the class of staff undertaking the training (Craftspersons, Engineers) and between the types of training provided (New Recruits, Up-skilling, Operational Refreshers), as well as reporting the costs of providing the Training Centre and courses for Operational Training. Learner Costs should be reported as follows: • New Recruits (in year and previous years) – this reports the costs of all operational New Recruits to the Network Company or Related Party, often on a formal training programme for several years (eg apprenticeship). The associated volumes are the FTEs recognised as on New Recruits training programmes. No costs or volumes relating to contractor training should be included. The FTEs should be adapted to recognise that a new recruit may only have been employed for part-way through the year, for example 1 FTE starting work in October would be classed as 0.5 FTE; and a part time employee of 0.8 FTE starting work in October would be classed as 0.4 FTE. These costs and volumes should be reported separately between Craftspersons and Engineers. A unit cost is then calculated automatically by the table. • Operational Up-skilling – this reports the costs of all Operational Staff, Related Party Staff and Agency Staff recognised as undertaking Operational Up-skilling training. The associated volumes are the number of Training Days spent on up-skilling training, both classroom and on-the-job. No costs or volumes relating to contractor training should be included. These costs and volumes should be reported separately between Craftspersons, Engineers and Other Operational Employee

	(the role reported against should be the role towards which the employee has been working). A unit cost is then calculated automatically by the table. • Operational Refreshers – this reports the costs of all Operational Staff, Related Party Staff and Agency Staff attending Operational Refreshers. The associated volumes are the number of Training Days spent on refresher training. No costs or volumes relating to contractor training should be included. These costs and volumes should be reported separately between Craftspersons, Engineers and Other Operational Employee. A unit cost is then calculated automatically by the table. • Cost of Training Provision should be reported separately between the following • Trainer and Course Material Costs • Training Centre and Training Admin Costs. • There are no volumes to be reported in this area. • Volumes are also to be reported for the following areas: • New Recruits in year – this reports the New Recruits (on a FTE basis) appointed in the year. This should not be pro-rated to adapt for date the new recruit joined. This should be reported separately between Craftspersons and Engineers. • • Leavers – this reports the number of Leavers in the year (on a FTE basis), reported separately between Leavers due to Retirement and Leavers for Reasons other than Retirement. These should not be pro-rated to adapt for date the leaver left. These are also reported separately by Craftspersons and Engineers.

Specific definitions for this worksheet

Operational Training	A Closely Associated Indirect activity. It is the training of Operational Staff employed by NGGT or Related Party, or Agency Staff to support the direct activities on the network. Operational Staff are defined separately in the glossary. Training can be classroom based, including academic courses, or be on the job training. It includes: • Learner Costs • Trainer and Course Material Costs (classroom training) • Training Centre and Training Admin Costs. • Time of Operational Staff attending non-operational training. For the following purposes: • Training of New Recruits • Operational Up-skilling • Operational Refresher training. All training of apprentices and graduate engineers (who are on a defined training scheme) should be treated as Operational Training. EXCLUDES: • Time of Operational Staff attending Non-Operational training such as line management training (include as labour cost under the relevant activity of that employee) • Time of Non-Operational Staff attending operational training (include as labour cost under the relevant activity of that employee)

	• Recruitment costs of Operational Staff (include under HR in the Core Business Support worksheet) • Costs of training Contractors undertaking training within NGGT training facilities (include in Non Price Control De-Minimis) • Costs of assessing capability of Contractors (include in Non Price Control De-Minimis).
Operational Training – Craftsperson	Employed by Network Company or Related Party to work directly on the network, undertaking craft or mate roles such as linesman, jointer, fitter and mates. Includes people employed to undertake the following activities: • Conduct routine overhead line activities such as condition assessment, fault repair, maintenance, quality assurance, refurbishment and dismantlement in line with approved, safe and environmental standards. • Carry out complex, non routine activities such as fault investigation, whilst also controlling and directing resources. Undertake routine cable jointing activities such as repair, replacement and termination to approved, safe and environmental standards. • Provide onsite support under direct supervision, to craft activities in line with approved, safe and environmental standards. • Carry out complex, non routine activities such as fault investigation, whilst also controlling and directing resources. Undertake routine substation activities such as installation, maintenance, inspection and repair of plant and apparatus to maintain the asset to approved, safe and environmental standards. • Undertake routine installation, removal, replacement and commissioning of metering equipment to approved, safe and environmental standards. INCLUDES Persons in the following standard occupation classification codes: • 52: Skilled metal, electrical and electronic trades • 53: Skilled Construction and Building Trades. EXCLUDES: • any craftsperson employed by contractors.
Operational Training – Engineers	Employed by Network Company or Related Party to gain specialist skills for working on an gas transmission network and whose intended role requires the skills and abilities of incorporated or professional engineers. Includes persons in the following standard occupation classification codes: • 21: Science, Research, Engineering and Technology Professionals • 31: Science, Engineering and Technology Associate Professionals Operational
Operational Training - Learner Costs	The costs of operational employees undertaking operational training, net of any third party funding contribution (to be reported as Cost Recoveries in cost type split). Learner costs can include both time spent on classroom training and time spent on on-the-job training.

	INCLUDES (on a pro-rated basis based on the proportion of employee's time spent on operational training): • Labour • Pensions • Any travel and accommodation costs associated with attending operational training courses/ on the job training activities • Any external funding for trainees (net off costs, report in Cost Recoveries). • EXCLUDES: • Labour costs of third party employees undertaking training within NGGT training facilities (include in Non Price Control De-Minimis) • Overtime costs of staff on operational training programmes, unless specifically training related (report as Labour under the relevant activity being undertaken) • Non-operational training learner costs (reported within labour against activities undertaken by that employee).
Operational Training – Leaver	An employee performing a role that falls within the definition of Craftsperson or Engineer leaving the licensee (or Related Party undertaking work for the Network Company) during the year. Count 1 leaver for one full time employee leaving at any time in the year. If leaver worked part time then report on full time equivalent basis eg if employee worked 3 days per week report 0.6 FTE regardless of when in year leaver left company.
Operational Training - Leaver - Due to Retirement	A Leaver who retires from the company and immediately receives pension (ie not deferred pensioner).
Operational Training - Leaver Due to Other Reasons Than Retirement	A Leaver who leaves the company but does not immediately take pension.
Operational Training - New Recruits	New employee recruited to be trained to fill an operational role (Craftsperson or Engineer) and reported within Operational Training.
Operational Training - New Recruit – Craftsperson	Trainee on a formal apprenticeship, higher apprenticeships or equivalent training scheme with the objective of becoming a Craftsperson (see definition).
Operational Training - New Recruit – Engineer	Trainee of a formal Graduate, A Level, HNC scheme or equivalent training scheme with the objective of becoming an Engineer (see definition).
Operational Training – Other	Operational Employee Employed by the Network Company or Related Party to work directly on the network, who does not meet the definition of an Engineer or Craftsperson. Includes persons in the following standard occupation classification codes: • 51: Skilled agricultural and related trades

	• 81: Process, Plant and Machine Operatives • 82: Transport and Mobile Machine Drivers and Operatives • 91: Elementary Trades and Related Occupations.
Operational Training - Operational Refreshers	Routine and ad hoc operational refreshers and safety briefings where attendance is required in order to maintain employee's authorisation/skill set at current level.
Operational Training - Operational Staff	Employed by the Network Company or Related Party, or Agency Staff to work directly on the network, undertaking the roles of Craftsperson, Engineer or Other Operational Employee (defined separately in the glossary).
Operational Training - Operational Up-Skilling	Operational training for existing Operational Staff, Related Party staff or Agency Staff whose skill set is being augmented or improved. This can include operational employees on either official promotion/development programmes and the enhancement of existing skillsets within current operational roles, and covers both classroom training and on-the-job training. EXCLUDES: • training provision for New Recruits (ie initial training for apprentices and other new employees) • routine operational refreshers and safety briefings, which do not involve any new skills.
Operational Training - Trainer and Course Material Costs	Employment costs for trainers developing and delivering classroom training. INCLUDES: • trainer's own training costs • costs of materials used in training delivery • cost of any outsourced operational activity training activities. • EXCLUDES: • the cost of construction of permanent network simulations (include in training centre and training admin costs) • the cost of supervisors/trainers for on-the-job training activities (report as per the job being undertaken). and
Operational Training - Training Centre	Training Admin Costs Cost of establishing, developing and maintaining training centre, including: • rent paid on training centre and associated training infrastructure • rates and taxes payable on training centre and associated training infrastructure • utilities including electricity, gas and water (supply and sewerage) for training centre and associated training infrastructure • inspection and maintenance costs of training centre and associated training infrastructure • facilities management costs including security and reception for training centre and associated training infrastructure • expenditure on new and replacement assets associated with training centre, whether on building assets or

Operational Training - Training Days	permanent network simulations to be used for training purposes • costs of administering operational training including management of training records, course scheduling and invitations, attendance monitoring etc. EXCLUDES: • any training centre costs associated with the delivery of non-operational training (include under property/Non-Operational Capex). Number of days spent by Operational Staff, Related Party staff and Agency Staff in both classroom and on-the-job training activities. This should be calculated as per the following examples: • 1 employee for 1 working day = 1 training day • 1 employee for ½ working day = ½ training day. EXCLUDES: • Training days of contractors, even if these have been undertaken in Network Company training facilities

2.17 Salary & FTE

Purpose and use by Ofgem	The purpose of this table is to show the total Gas Transmission and business support gross staff costs and FTEs. This will provide a cost per FTE for comparisons of total transmission employment costs and business support employment costs
Instructions for Completion	The licensee should fill in total gross staff costs by type, and FTEs as indicated by the boxes shaded in yellow. Apprentices include craft and engineering apprentices. Other trainees represent Graduate and Other Staff/Management Trainees. NGGT should fill the table in for the total gas transmission staff separating out TO from SO. Where TO and SO FTEs are allocated, the basis of allocation should be stated in the narrative accompanying the tables The business support staff numbers should be the total staff numbers not just the share attributable to the gas transmission business.

Specific definitions for this worksheet

None	

2.18 Excluded, Consented and De minimis Services

Purpose and use by Ofgem	The purpose of this table is to collect costs relating to Excluded, Consented, and De Minimis services provided by the transmission business by type of service.
Instructions for Completion	NGGT should provide RIIO-GT1 actuals in this table, forecasts for RIIO-GT2 are not expected, however, it is expected that any RIIO-GT2 actuals costs will be stated during ongoing reporting. Costs should be input as positive values. The description of services being provided should match those used in the revenue RIGs for the income received. It may be that some services have no identifiable costs The total costs are linked to Table 2.02 below the controllable cost line. If consented and de Minimis services are reported outside of the TO business please do not complete the information but state this in the narrative.

Specific definitions for this worksheet

None	

2.19 Provisions

Purpose and use by Ofgem	The purpose of this table is to collect details of the provisions that have affected the results so that Ofgem can understand any significant events happening in the year.
Instructions for Completion	NGGT should provide RIIO-GT1 actuals in this table, forecasts for RIIO-GT2 are not expected, however, it is expected that any RIIO-GT2 actuals costs will be stated during ongoing reporting. Data should be input as required in the yellow shaded cells. Costs should be input as positive or negative values as appropriate. SO costs should be reported separately from TO costs where appropriate. Provisions are those defined under standard accounting terminology.

Specific definitions for this worksheet

None	

2.20 Related Party Transactions

Purpose and use by Ofgem	The purpose of this table is to provide an analysis and understanding of the nature and size of services provided to the transmission business and other GB regulated network businesses by each related party. The information is split between whether the profit margin is allowed or not allowed under Ofgem's rules.
Instructions for Completion	NGGT should provide RIIO-GT1 actuals in this table, forecasts for RIIO-GT2 are not expected, however, it is expected that any RIIO-GT2 actuals costs will be stated during ongoing reporting. Input a description of the services provided by each related party. Input as positive numbers the turnover data for the related party as charged to the transmission business, other regulated network businesses and external customers. Input as negative numbers the respective costs incurred. Where the total charge from a related party to the transmission business is less than £500k per annum that related party does not need to be included on this table. Whether a related party margin is allowed or not is defined in 2.01 Acc Costs.

Specific definitions for this worksheet

None	

3.01 Project Listing 1

Purpose and use by Ofgem	The purpose of this table is to provide a list of all projects to install, relocate or remove assets on the NTS system, the cost profile and anticipated cost breakdown for Ofgem to undertake assessment of costs.
Instructions for Completion	**Project description (load related baseline)** – State the description for projects (e.g. Scotland 1-in-20 obligation, Seedcorn investment etc.) Storage projects should be listed under either Entry, Exit or Network Capability. Bi-directional projects should be listed under either Entry, Exit or Network Capability depending upon the trigger. If the trigger for an interconnector project is entry or exit, then the project should be listed as either entry or exit. **Non load related baseline –** Projects which cannot be directly linked to the demand for network capability. **Project name** – State the project name. Pipelines are to be identified by start and finish points. Compressors are to be

	identified by compressor station and, where appropriate, under each compressor station each power unit shall be listed. Block valves do not need to be identified separately where they form part of another asset which is listed separately. Pig traps do not need to be identified separately where they form part of another asset which is listed separately. Measure pipeline lengths between recorded start and finish points in km. The anticipated project start and finish years should be entered, or the actual start year for projects which have already commenced. The GNDP phase should be selected from the drop down box and the cost confidence will auto populate. The narrative reference should indicate where the supporting project information can be found. Output referencing has been included for the purposes of ongoing reporting. Available actual annual costs should be entered in 18/19 prices for projects which are underway and forecast costs entered for all other project costs in 18/19 prices. Details of the relevant asset additions and removals associated with the project should be entered. The breakdown of project costs should then be entered for the entire project, split into direct and indirect project costs in line with the definitions below.

Specific definitions for this worksheet

Direct Activities	Those activities which involve physical contact with gas transmission network assets. INCLUDES: • Labour cost of staff whose work involves physical contact with system assets. This can include the element of labour costs associated with trench excavation staff, craftsmen, technicians, technical engineers, administration and support staff, safety inspection, critical infrastructure inspection and environmental control, network planners and designers where a portion of their time involves physical contact with system assets, however only that portion spent on direct activities may be included. It will include downtime of staff (including but not limited to: idle, sick, non-operational training); applicable labour cost should follow their normal time allocations. • Operational engineers working on commissioning of assets, physically changing protection settings, issuing safety documentation or liaising with the control centre are considered direct activities.

	• The cost of contractors being the total charges invoiced by external contractors for the primary purpose of performing direct activities. • The cost of materials drawn from stores or purchased and delivered to site for use in performing direct activities. In addition, this includes the cost of the materials for refurbishing system assets. • Servitude and easement payments to enable the direct activity to be performed. This does not include the cost of management or administration of these. • Related Party Margins charged by a Related Party for work performed on direct activities. In addition, includes, for the purposes of flooding, site surveys and non-site based costs.
Indirect Activities	Activities listed below, which in most cases support work being physically carried out on gas transmission network assets, that could not, on their own, be classed as a direct network activity. Indirect Activities do not involve physical contact with system assets, whereas direct activities do. INCLUDES: • Closely Associated Indirects (see definition below) • Business Support Costs (see definition below) • Non-Operational Capex. Note that operational engineers working on planning and project mobilisation, preparing and planning associated with protection settings, administration of outages, contract specification and liaising with contractors and customers are considered Indirect Activities. EXCLUDES: • site surveys and non-site based costs associated with flooding (in Direct Activities) **<u>Closely Associated Indirects</u>** Collectively includes the activities of: • Operational IT & Telecoms, • Network Design and Engineering, • Network Policy, • Network Planning, • Project Management, • Engineering Management and Clerical Support, • System Mapping, • Stores & Logistics, • Operational Training, • Vehicles and Transport, • Market Facilitation • Health & Safety **<u>Business Support Costs</u>** Collectively includes the activities of: • HR • Non-Operational Training

	• Finance & Regulation • Insurance • Procurement • CEO etc. • IT & Telecoms (Business Support) • Property Management (Business Support). The full definitions for the indirect cost categories are contained in the current rigs.

3.02 Project Listing 2

Purpose and use by Ofgem	The purpose of this table is to provide a list of all projects to install, replace or remove assets on the NTS system, by asset class.
Instructions for Completion	All projects included in Project Listing 1 table are expected to be restated here. The project name and stage will auto populate from the Project Listing 1 table. Cost for each asset class should comprise direct activity costs, indirect project costs should be stated separately and total project costs should reconcile to Project Listing 1. Direct and indirect costs remain as defined in Project Listing 1.

Specific definitions for this worksheet

Civils	Costs associated with Access, Buildings, Bunds, Chambers, Drainage, Ducting, Pathways, Pipe Bridges, Pipe Supports, Pipeline Protection, Pits, Roads, Security Barriers, Security Cameras, Security Fences, Security Gates, Security Site Control Units, Security Towers & Structural Integrity.
Electricals	Costs associated with Cathodic Protection Equipment, Earthing & Lighting Equipment, Frequency Converters, Lighting, Power Cables & Terminations, Power Transformers, Small Power, Switchgear & Uninterruptible Power Supply.
Mechanicals	Costs associated with Heat Exchangers, Heaters & Boilers, Pipe Supports, Pipeline Protection, Pipelines, Pipework, Pressure Vessels, Storage Tanks, Strainers & Water Crossings.
Rotating	Costs associated with Gas Turbines and Pumps.
Safety Controls	Costs associated with Actuators, Control Units, Fire & Gas Controls, Fire & Gas Detection, Fire Fighting Equipment, Inert Gas Equipment, Input Devices, Metering, Nozzles, Regulators, Station Control, Unit Control and Valves.
Utilities	Costs associated with Air Supply Equipment, Heating/Cooling Media & Nitrogen Supply Equipment.
New	Project involves the construction of a new asset, with little or no associated requirement for removal / replacement of existing infrastructure
Replace	Project involves the replacement of an existing asset on a like for like basis, or to a similar specification

Demolish	Project involves the removal or decommissioning of an existing asset only with little or no requirement for intervention on existing infrastructure
N/A	To be used for projects where new/replace/demolish does not apply

3.03 Asset Health

Purpose and use by Ofgem	The purpose of this table is to provide details of asset health works on the NTS and allow Ofgem to undertake unit cost assessment of Asset Health work.
Instructions for Completion	NGGT should provide cost and volume information at the level of intervention type and intervention undertaken against each SAC (Seconary Asset Class). Where NGGT cannot provide the information for historical costs and volumes at the level indicated above, they should make reasonable endeavours to report the information at the level of granularity being forecast for RIIO2, and document the methodology used and any assumptions made in stating this information NGGT must also provide a cost breakdown of the overall asset health spend by cost type for RIIO-GT2 and beyond, based on the cost type definitions.

Specific definitions for this worksheet

Planned Schemes	The table must include all planned baseline asset health schemes during RIIO-T2 and the subsequent price control period. All anticipated primary asset categories should be included where indicated. All anticipated secondary asset categories should be included where indicated. The number of sites/separate locations where work is anticipated should be included where indicated. Forecast spend for the remaining years of RIIO-GT2 and beyond must be included where indicated.
Sanctioned Schemes	The table should include all live sanctioned baseline asset health schemes during RIIO-GT2 and the subsequent price control period, unless the spend within RIIO-GT2 is less than £1m (18/19 prices). The table should also include any asset health baseline schemes closed within the regulatory reporting year unless the spend within RIIO-GT2 is less than £1m (18/19 prices).

	All anticipated primary asset categories should be included where indicated. All anticipated secondary asset categories should be included where indicated. The number of sites/separate locations where work is anticipated should be included where indicated. Where a sanctioned scheme aligns to a planned scheme, this should be recorded where indicated. Actual and forecast spend should be included where indicated.

3.03a Asset Health Projects

Purpose and use by Ofgem	The purpose of this table is to provide details of asset health projects proposed on the NTS and allow Ofgem to analyse the project breakdown
Instructions for Completion	NGGT should enter the project and SAC details for each project, in the same way as on the asset health tab. The proposed interventions to be undertaken as part of the project should be selected from the drop down boxes, and the annual costs and volumes for each entered. The total costs for each project should reconcile with the totals for each project listed in 3.03a Asset Health

Specific definitions for this worksheet

None	

3.04 Unit Costs

Purpose and use by Ofgem	The purpose of this table is for NGGT to provide proposed ranges for unit costs associated with asset health work.
Instructions for Completion	NGGT should provide a breakdown of their asset hierarchy and associated asset health interventions. Proposed unit costs should be provided for each intervention activity comprised of a standard unit cost.

Specific definitions for this worksheet

None	

3.05 Physical Security Capex

Purpose and use by Ofgem	The purpose of this table is to inform Ofgem of the capex spend on physical security in relation to BEIS's enhanced physical security upgrade programme (PSUP).
Instructions for Completion	Licensees must provide information for all sites where physical security has been upgraded, or where work is currently being (or planned to be) carried out, in relation to the PSUP. Input the actual start and end dates for projects. The start date must be when the licensee begins designing the site specific operational requirement (SSOR) solution. The end date must be when the completed works are signed off (by CAST) as meeting the SSOR. Where dates are not known, the planned start/end dates must be populated. Input the current status of works using the following definitions: To be constructed - PSUP site identified, works awaiting sanction and/or award prior to commencement of design, construction or works of any form. Under construction - PSUP site sanctioned and/or awarded. Works associated with delivery have now commenced. Under review - PSUP works have been identified, requirement is to be or is currently being reviewed by BEIS / CPNI. Complete - The works are complete when they receive Technical 2 sign off as meeting the SSOR and are operationally accepted by the ARC. The output is met at this point, however, spend may continue until project closure. Closed - The project will be closed after all snagging issues have been resolved on site and final costs determined (in line with the contractual warranty period). Stopped/terminated - Project was stopped or terminated either prior to works commencement or during works due to reclassification or other reason. The licensee must input all Physical Security capex projects spend during RIIO-T1 and the forecast costs for RIIO-GT2.

Specific definitions for this worksheet

None	

3.06a TO Cyber Security Resilience IT

Purpose and use by Ofgem	This table is to allow Ofgem to assess proposed cyber resilience costs.

Instructions for Completion	Refer to guidance to be published by Cyber Resilience Team on the Ofgem website which can be found at the link below: Cyber Guidelines

Specific definitions for this worksheet

None	

3.06a TO Cyber Security Resilience OT

Purpose and use by Ofgem	This table is to allow Ofgem to assess proposed cyber resilience costs.
Instructions for Completion	Refer to guidance to be published by Cyber Resilience Team on the Ofgem website which can be found at the link below: Cyber Guidelines

Specific definitions for this worksheet

None	

3.07 Non-operational Capex

Purpose and use by Ofgem	This worksheet reports the expenditure on TO non-operational capex.
Instructions for Completion	This table requires the licensee to insert the name of specific IT projects where the total project expenditure is £1m or more. Full project details (not just expenditure in the year) should be entered as indicated by the column headings. Expenditure on all other assets and IT assets less than £1m should be entered in total. <u>Outputs</u> Please enter the appropriate outputs using the RIIO descriptors where possible <u>Non Operational Capex</u> Expenditure on new and replacement assets which are not system assets. Includes: • IT & telecoms (excluding SO IT expenditure). • Vehicles (including mobile plant and generators). • Land and Buildings used for administrative purposes. • Plant & Machinery – including small tools and equipment and office equipment. New It System – A new IT system that is an additional to or replaces an existing IT system.

	Enhancement - A change to an existing IT system that adds to the capabilities of the system. Refresh - A change to the software or hardware of the system due to an upgrade from the supplier.

Specific definitions for this worksheet

None	

3.08 System Operator Capex

Purpose and use by Ofgem	The purpose of this table is to report the expenditure on SO capex including Xoserve costs. Ofgem shall use this table to collate all investments undertaken for the SO over the RIIO period.
Instructions for Completion	*Details of Project / Expenditure within category* The licensee shall enter the appropriate asset heading for the first year the RIGs shall take effect from. Thereafter the licensee shall not change the asset headings without prior consent from Ofgem. Data Centres are a specific asset which Ofgem have separately identified for reporting (please see below). *IT System* Under each asset please enter details the project investment. Once a project investment descriptor has been entered it shall be retained in the table for all years going forward throughout the RIIO control. The licensee shall enter details of new investments as appropriate. *Data Centres* For investments associated with Data Centres please enter the specific projects. Once a project investment descriptor has been entered it shall be retained in the table for all years going forward throughout the RIIO control. The licensee shall enter details of new investments associated with data centres as appropriate. Data Centres shall remain as an asset heading throughout the RIIO price control. *Outputs* Please enter the appropriate outputs using the RIIO descriptors, where appropriate. New It System – A new IT system that is an additional to or replaces an existing IT system. Enhancement - A change to an existing IT system that adds to the capabilities of the system. Refresh - A change to the software or hardware of the system due to an upgrade from the supplier.

Specific definitions for this worksheet

None	

3.09a SO Cyber Security Resilience IT

Purpose and use by Ofgem	This table is to allow Ofgem to assess proposed cyber resilience costs.
Instructions for Completion	Refer to guidance to be published by Cyber Resilience Team on the Ofgem website which can be found at the link below: Cyber Guidelines

Specific definitions for this worksheet

None	

3.09a SO Cyber Security Resilience OT

Purpose and use by Ofgem	This table is to allow Ofgem to assess proposed cyber resilience costs.
Instructions for Completion	Refer to guidance to be published by Cyber Resilience Team on the Ofgem website which can be found at the link below: Cyber Guidelines

Specific definitions for this worksheet

None	

5. System Characteristics

The following sections contain guidance notes on the completion of each table for the purposes of the business plan data template.

5.01 System Characteristics

Purpose and use by Ofgem	The purpose of this table is to collect high-level information relating to physical characteristics of the transmission network, showing changes year on year. Measure is normal Maximum Operating Pressure.
Instructions for Completion	All system characteristics must be entered as at the end of the reporting year (ie 31 March). The data should include all network assets which are operationally available to the Gas National Control Centre (GNCC). Any network assets that are not included and that have not received permission for disposal from Ofgem should be explained in accompanying commentary. The additions/disposals columns should be used to record assets which have been added or removed from the system (ie operationally available or not) since the last reporting year. Populating the position at the end of the 2013 reporting year and recoding the additions and disposals will calculate the position at the end of each reporting year. NGGT should provide actuals for RIIO-GT1 and forecast asset additions and disposals for RIIO-GT2.

Specific definitions for this worksheet

None	

5.02 Activity Indicators

Purpose and use by Ofgem	The purpose of this table is to collect key indicators of the overall level of transmission activity.
Instructions for Completion	All data should be for actual levels of demand showing flows into and out of the network. Gas Distribution Networks (GDN) demand levels from the NTS should be shown by Local Distribution Zone (LDZ). NTS direct connect power stations (by LDZ): power stations must be allocated according to the geographical location. Data for storage sites must be based on net physical flow.

Specific definitions for this worksheet

None	

5.03 Transmission System Utilisation & Performance

Purpose and use by Ofgem	The purpose of this table is to collect information relating to the overall size and quality of transmission service delivered.
Instructions for Completion	Highest daily total demand for historical data is actual maximum demand and for future years should be forecast as the forecast demand under 1 in 20 conditions. Peak day demand by LDZ: LDZ Demand levels to be shown for the highest daily total demand day (NOT the highest demand in the LDZ). All other demands peak day demand: Demand assumed on the peak day from all non-LDZ points should be included within 'all other demand'. This should include storage and interconnector flows if they are normally assumed to be taking gas from the NTS on the highest total demand day. Peak day NTS shrinkage: Shrinkage on the highest daily total demand day during the reporting year. Number of transmission system incidents: an incident is defined as any unplanned system event which results in a single or multiple loss of supply. Forecast compressor availability should be expressed for the compressor fleet as a percentage of the total annual available hours once both planned and unplanned unavailability have been subtracted.

Specific definitions for this worksheet

None	

5.04 System Demand and Capability

Purpose and use by Ofgem	The purpose of this table is to collect information regarding the maximum levels of actual demand.
Instructions for Completion	It is expected that RIIO-GT2 actuals will be stated during ongoing reporting, therefore this table will not be populated for business plan submission, equivalent forecast data will be found in table 5.07 – forecast scenarios.

	Actual flows at each live Aggregated System Entry Point (ASEP) should indicate maximum values observed in the reporting year expressed in GWh/day. Data for storage sites must be based on net physical flow.

Specific definitions for this worksheet

None	

5.05 Compressor Utilisation

Purpose and use by Ofgem	The purpose of this table is to collect data on overall compressor utilisation and enable year on year comparisons to inform about changing patterns of supply and demand.
Instructions for Completion	Actual monthly running hours should be recorded for each compressor unit which has recorded running hours during RIIO-T1 (including units which have been decommissioned during RIIO-T1). An estimate of running hours for each compressor unit should be provided going forward up to the end of RIIO-GT2. NGGT should provide a forecast for the subsequent five years on a rolling basis. It is recognised that this is an estimate, using a variety of intelligence and a process which the TO considers robust and fit for delivering accurate forecasts. This may be a process similar to that used to produce the Network Review document or other, if the TO considers this appropriate. Accompanying commentary should describe the methodology used in detail and the reasons for year-on-year changes. Compressor units and sites which have been decommissioned during RIIO-T1 must be reported in both unit/station utilisation tables and the decommissioned table. NGGT should populate the relevant cells for Unit thermal rating / Unit power rating (MW) sections with "N/A" as decommissioned units capacity should not be included within the overall compressor site capacity calculation. The unit and site maximum flows should be populated in mcm/day. NGGT should indicate compressors subject to running hour limitations as well as the nature of the limitation. For each compressor installation indicate whether it is considered 'Best Available Technology' for the site.

Specific definitions for this worksheet

None	

5.06 Asset Data

Purpose and use by Ofgem	The purpose of this table is to provide a list of all assets installed on the NTS system and to provide forecasts as to when these assets are likely to be scheduled for replacement / removal.
Instructions for Completion	List all assets whose installation has been completed by 1st April for each year. Compressor data is not included in this table as it is captured under Table 5.05. Measure is normal Maximum Operating Pressure. • Pipelines should be identified by start and finish points. • Date constructed: enter year e.g. 1971. • Design life: enter number of years. • Pipeline diameter: enter in mm. • Pipeline length: measure pipeline lengths between recorded start and finish points in km. • Design pressure rating: measured in bars. • Identify each pipeline by its NTS feeder number. Block valves and pig traps do not need to be listed separately where they form part of another asset which is already listed. the volume of asset constructed / abandoned / decommissioned should be entered against the actual or forecast in which it is expected to enter or be removed from service Add more lines as required

Specific definitions for this worksheet

Constructed	New asset constructed
Abandoned	Asset no longer in use, may be on deferred maintenance, and may be brought back into service.
Decomissioned	Asset removed or rendered in such a way as to be beyond return to service.
Year Ending	The financial year in which the asset was constructed/ abandoned/ decommissioned.

5.07 Forecast Scenarios

Purpose and use by Ofgem	The purpose of this table is to collect information to exhibit the gas supply peak projections for each exit point for all forecast scenarios. The peak forecast for exit points is used as a guide which help to inform network reinforcement investment decisions.
Instructions for Completion	The forecast scenarios to be reported on in this table should be the Peak Supply view, and align with data published in the Future Energy Scenarios (FES) or any other equivalent publication by NGGT. The forecast should be provided for a period of 5 years beyond the end of the RIIO-GT1 period, including, where

	necessary, extending beyond the 5 years of the RIIO-GT2 price control.

Specific definitions for this worksheet

None	

6. Supplementary Tables

The following sections contain guidance notes on the completion of each table for the purposes of the business plan data template.

6.01 Business Carbon Footprint

Purpose and use by Ofgem	The purpose of this table is to collect information on the licensee's Business Carbon Footprint (BCF) (in tonnes of CO_2 equivalent) in order for us to review the carbon footprint across all the energy networks..
Instructions for Completion	The associated commentary must contain the methodology used, including detailed emission tables for each of the sections below. The reporting methodology must be compliant with the principles of the Greenhouse Gas Protocol ("GHG Protocol"). In summary, the BCF reporting must be: • Relevant: the inventory must reflect the substance and economic reality of the company's business relationships, not merely its legal form. • Complete: all relevant emission sources must be included. • Consistent: accounting approaches, inventory boundary and calculation methodology must be applied consistently over time. • Transparent: information on the processes, procedures, assumptions and limitations of the BCF reporting must be disclosed in a clear, factual, neutral and understandable manner, enabling internal and external verifiers to attest to its credibility. Accurate: GHG measurements, estimates, or calculations must be systemically neither over nor under the actual emissions value, as far as can be judged, and that uncertainties be reduced as far as practicable. The CO_2 equivalent of shrinkage is auto-populated in this tab to show the total BCF for NGGT with and without shrinkage. NGGT must forecast all Scope 1 and Scope 2 emissions (and a subset of Scope 3 emissions, as detailed below) on an "operational control" basis, ie forecast all emissions from operations on which NGGT has full authority to introduce and implement its operating policy. NGGT must also forecast a subset of Scope 3 emissions (business travel and external contractors), to ensure that the reporting captures all of the emissions arising from the development and operation of the licensee's system, regardless of the legal entity carrying out each activity. According to this, we consider it valuable to focus on contractor emissions relating to the operational transport fleet and mobile power plants.

	The exclusion of any contractors must be justified and any thresholds used for exclusion must be stated in the commentary. The commentary must also include an indication of what proportion of contractors have been excluded. This figure could be calculated based on contract value.
	
	As far as possible, NGGT must try to ensure that data provided from different contractors is based on consistent assumptions.
	
	NGGT are given flexibility to set their own standards for:
	• the reporting year - we expect this generally to align with the statutory or regulatory accounts.
	• The use of estimates rather than direct measurement, and any exclusion from the reporting based on (lack of) materiality considerations.
	• Any assumptions used to make estimates must be included in the commentary. It is anticipated that data will need to be estimated under two scenarios:
	  ○ when the type of emissions is not measured
	  ○ when there is measurement data, but an estimate is required as the data is not at the same level of granularity as required by the summary BCF worksheet.
	
	The commentary must include data tables for each area of emissions (ideally at the same level of granularity as the Defra conversion factors) containing the following information:
	• the licensee in question
	• the level of emissions (in tonnes ofCO2 equivalent (tCO2e)
	• the data source and collection process
	• the relevant physical units e.g. miles
	• the emission conversion factor used
	• the source of the emission conversion factor (this shall be Defra unless there is a compelling case for using another conversion factor)
	• the Scope of the emissions ie Scope 1, 2 or 3
	• whether the emissions have been measured or estimated
	• any tools used in the calculation
	• whether the emissions stem from contractors.
	
	The commentary must also include details of any auditing NGGT has performed to verify its emissions data.
	
	Apportionment of forecast emissions across a corporate group to the GT business units must be transparent. We expect that the basis for calculating the apportionment factor will vary according to the area of emissions. The table below gives the preferred basis for determining the apportionment factor. Other financial allocation methodologies can be used to calculate the apportionment factor.

	Area of emissions / **Basis for apportionment factor** Building usage – Head count Operational Transport – Network length or km^2 of the transmission licence area. Business transport – Head count, or like operational transport Substations usage – Number of substations Enter the historical and forecast emissions in CO^2 equivalent for GT1 – scope 1, 2 and partial scope 3 all together, as reported in RRPs. For GT2, split out NGGT emissions and contractor emissions. Enter forecast volumes of the following emissions categories both for the NGGT and contractors. Enter the conversion factors for each of the emissions categories (more guidance below). The CO^2 equivalent emissions will be auto-populated.

Specific definitions for this worksheet

Operational Transport	The transportation (often a fleet of vehicles) used in the day to day operation of the business – ie in the inspection and maintenance of the network.
Business Transport	The transport undertaken by staff travelling to locations that are other than their normal place of work or moving between sites for purposes such as meetings. Defra guidelines provide for a range of emission conversion factors for transport means, with the aim to provide the best possible estimate of emissions from the vehicle portfolio owned and/or operated by the company. Defra allows for transport to be entered in terms of both mileage and fuel consumption. Use mileage data for transport where possible, using conversion factors at the greatest level of disaggregation that is reasonably practicable. Business travel by road can be entered in terms of company car and private car. The GHG Protocol defines company cars as scope 1 and private car use for business purposes as scope 3. In cases where emission factors for specific transport means are not available (we are aware of this issue for helicopters, but there may be some other instances) the equivalent tonnes of carbon dioxide (tCO_2e) must be estimated and summed to the closest means of transport (eg "air" for helicopters).
Fugitive Emissions	This category caters for GHG emissions from a range of gases that may be relevant to NGGT (eg HFC from air conditioning).
Fuel Combustion (non building)	This is to cover non-building fuel usage, such as mobile plants and the stand-by diesel mobile generators that are deployed from time to time in response to planned outages or faults. Defra emissions factors must be used. All mobile plant and

	generation used by NGGT, related and affiliate undertakings, contactors and sub-contractors must be included in so far as it is reasonably practicable.

6.02 Innovation

Purpose and use by Ofgem	The purpose of this table provide a means for NGGT to outline proposed projects / themes for innovation funding.
Instructions for Completion	This sheet should be populated with proposed Innovation funding in line with the Sector Specific methodology consultation (core document) and Business Plan Guidance which sets out the mechanisms and requirements for innovation funding. One table is for additional funding requested to roll out previously proven innovation The second table is to provide proposed projects for the reformed NIA.

Specific definitions for this worksheet

None	

6.03 Environmental Action Plan

Purpose and use by Ofgem	The purpose of this table is to collect information in relation to licensee's environmental performance using a range of measures that cover the environmental impact areas highlighted in the May 2019 GT SSMD. The collected data will be used to inform a view on the licensee's historical performance in RIIO-1 (where data is available) and to record the licensee's potential performance in RIIO-2, with and without the initiatives set out in the licensee's Environmental Action Plan.
Instructions for Completion	In table 1, NGGT should fill in the boxes shaded in yellow for each of the following measures: • Total - scope 1 emissions • Total - scope 2 emissions (Losses) • Total - scope 2 emissions (Other) • Total - scope 3 emissions • Total emissions - buildings energy use • Total number of staff • Total building floor space • Total emissions – operational transport • Total operational kilometres travelled • Licence area • Total emissions – business transport • Total business kilometres travelled

	• Volume of embedded CO2 • % breakdown – manufacture • % breakdown – transport • % breakdown – construction • % breakdown – end of life • Total waste volume • Total waste weight • % waste source – new projects • % waste source – business operations • % management – reuse/reduce • % management – recycling • % management – landfill • % of existing sites monitored • Biodiversity value • Total biodiversity net gain NGGT is required to submit data where it is available. If the requested data is not available, please explain why this is the case in the 'Notes' column. For Embedded Carbon, Licensees should adopt a methodology to calculate the carbon of new projects that is consistent with best practice. For example, the Environment Agency have a carbon planning tool available for the construction projects. Please record in Notes column the methodology adopted. In table 2 NGGT should fill in the boxes shaded in yellow for its projected values of each measures (as above) in RIIO-2. We expect NGGT to give a projected range of the measure, with a lower and upper bound, for both with and without implementing the initiatives in its Environmental Action Plan. NGGT is to input in column N the unique identifier codes, assigned to initiatives in Table 3, if implementing those initiatives are expected to influence the environmental performance measure over RIIO-2. In Table 3 NGGT should provide details for the initiatives in its Environmental Action Plan. This is to include: • A unique identifier code for each initiative. • A description of the initiative. • A cost estimate. • A link or reference to the Cost Benefit Analysis for the initiative. • A summary of any project dependencies. • Explanation of the proposed metric to measure delivery or implementation of the initiative. • The expected completion date for the initiative. • The expected metric value when the project is completed. • Additional relevant information can be inputted into the 'Notes' column.

Specific definitions for this worksheet

Total - scope 1 emissions	As calculated in the BPDT 6.03 Business Carbon Footprint

Total - scope 2 emissions (Losses)	As calculated in the BPDT 6.03 Business Carbon Footprint
Total - scope 2 emissions (Other)	As calculated in the BPDT 6.03 Business Carbon Footprint
Total - scope 3 emissions	As calculated in the BPDT 6.03 Business Carbon Footprint- if historic Scope 3 data is incomplete, explain why in the notes section in Column J.
Total emissions – buildings energy use	As calculated in the BPDT 6.03 Business Carbon Footprint
Number of staff	Full time equivalent staff in year
Total building floor space	Total floor space of buildings occupied or used by NGGT for business or operational purposes
Total tCO2e – operational transport	As calculated in the BPDT 6.3 Business Carbon Footprint
Total operational kilometres travelled	Sum of distance travelled in year for operational purposes
Network length	Total km length of lines and cables
Licence area	km2 of the licence area
Total tCO2e – business transport	As calculated in the BPDT 6.3 Business Carbon Footprint
Total business kilometres travelled	Sum of distance travelled in year for business purposes
Total embedded CO2 from new projects	Total embedded CO2 from new projects
Average embedded carbon CO2 per £m	Total embedded CO2 from new projects divided by the value of new projects
Average embedded CO2 per unit of built asset – please specify	NGGT to specify and calculate the average embedded carbon per a unit of newly built/installed asset that are relevant to the network. For example, this could be a km of laid pipeline.
% breakdown - manufacture	Proportion of average embedded CO2 arising from manufacturing
% breakdown - transport	Proportion of average embedded CO2 arising from transport
% breakdown - construction	Proportion of average embedded CO2 arising from construction
	Proportion of average embedded CO2 arising from end of life.

% breakdown – end of life	
Embedded carbon	*Will provide further guidance on calculating embedded carbon in advance of the December Business Plan submission
Total waste volume	Total waste arising network business in year in cubic metres
Total waste weight	Total waste arising network business in year in tonnes
% waste source – new projects	Proportion of total waste arising from new projects in year
% waste source – business operations	Proportion of total waste arising from business operations
% management – reuse/reduce	Proportion of potential waste that is diverted through reuse (or reduce)
% management – recycling	Proportion of waste that is recycled
% management – landfill	Proportion of waste that is sent to landfill
Pollution	Type of pollution and number of pollution-causing incidents for each pollution type
% of existing sites monitored	Proportion of existing network sites that are measured for their biodiversity value
Biodiversity value	Measured biodiversity value of each monitored site using the Defra Biodiversity Metric 2.0
Total biodiversity net gain	Total amount of biodiversity net gain delivered on new development in the year

6.04 Bespoke Outputs & Uncertainties

Purpose and use by Ofgem	The purpose of this worksheet is to capture any disaggregated costs, workloads/volumes and CVP value related to any proposed bespoke and uncertain activities. This will enable Ofgem to trace and associate any incremental proposals with corresponding baseline figures reported elsewhere in the BPDT, whilst keeping the two clearly separate from one another.
Instructions for Completion	**General Instructions** This worksheet consists of two separate tables - one for recording proposed bespoke activities and the other for recording proposed uncertain activities.

	If a proposed bespoke activity directly corresponds with a proposed uncertain activity, then use the Notes field in column AF to highlight this interaction. **Bespoke Activities Table** Description of Bespoke Activity Enter a description of the bespoke activity. This description should match the description provided for the corresponding item within the Outputs, UMs and CVP snapshot table that accompanies the RIIO-2 Business Plan Guidance document. Incremental Costs Enter the incremental (i.e. over and above baseline) costs associated with the bespoke activity for each year of RIIO-2. If the bespoke activity has no corresponding baseline component, then the incremental costs equal the total costs. Incremental Workload/Volumes If applicable, enter the incremental (i.e. over and above baseline) workloads or volumes associated with the bespoke activity for each year of RIIO-2. Enter the unit of measure for the workload/volume in the Unit field provided. If the bespoke activity has a corresponding baseline element, then the unit entered here should match the baseline unit used elsewhere in the BPDT. If the bespoke activity has no corresponding baseline component, then the incremental workload/volume equals the total workload/volume. Incremental Value (CVP) If applicable, enter the Consumer Value Proposition (CVP) value associated with the bespoke activity. This should be entered in gross terms – i.e. do not net out the proposed costs entered in columns J to N from the value figure. Value should be entered as a net present value (NPV) in a 2018/19 price base. Value should be limited to the value generated from the proposed costs in RIIO-2 only – i.e. those costs entered in columns J to N. Baseline Category Specify whether the bespoke activity relates to Opex or Capex. If the output relates to multiple categories, list each individual bespoke activity separately on a separate table row. Baseline Activity Specify which specific activity within Opex or Capex the bespoke activity relates to. If it relates to multiple activities, list each individual bespoke activity separately on a separate table row. If the bespoke activity does not have a corresponding baseline component, enter "N/A" rather than leaving the cell empty. Location of Baseline Activity in BPDT Identify which specific data entries within the baseline BPDT tables the bespoke activity relates to. Specify the worksheet name, table name and activity name. Include row and column

	references if possible. This should be at the same level of disaggregation as the corresponding baseline activity. If the bespoke activity does not have a corresponding baseline component, enter "N/A" rather than leaving the cell empty. <u>Reference to Supporting Narrative(s)</u> Provide a list of all locations within the business plan and/or any supporting documentation that support the bespoke activity, including the corresponding item within the Outputs, UMs and CVP snapshot table that accompanies the RIIO-2 Business Plan Guidance document. This will enable Ofgem to associate each bespoke activity across all documents that reference it. <u>Bespoke Output Costs Excluded from BPDT Baseline Figures? (Y/N)</u> Provide confirmation that the incremental bespoke costs reported in this table have been excluded from the corresponding baseline costs by entering Yes in each cell. If the bespoke activity does not have a corresponding baseline component, enter "N/A" rather than leaving the cell empty. <u>Bespoke Output Volumes Excluded from BPDT Baseline Figures? (Y/N)</u> Provide confirmation that the incremental bespoke workloads/volumes reported in this table have been excluded from the corresponding baseline workloads/volumes by entering Yes in each cell. If the bespoke activity does not have a corresponding baseline component, enter "N/A" rather than leaving the cell empty. **Uncertain Activities Table** <u>Description of Uncertainty</u> Enter a description of the bespoke activity. This description should match the description provided for the corresponding item within the Outputs, UMs and CVP snapshot table that accompanies the RIIO-2 Business Plan Guidance document. *Note: Street Works: Permit Schemes and Street Works: Lane Rental are automatically populated from sheet 2.XX Street Works.* <u>Uncertain Costs</u> Enter the uncertain costs associated with the uncertain activity for each year of RIIO-2. If the uncertain activity has no corresponding baseline component, then the uncertain costs equal the total costs. Similar to the above bespoke activity table, the uncertain costs entered here should be incremental to any baseline figures reported elsewhere within the BPDT. <u>Incremental Workload/Volumes</u> If applicable, enter the incremental (i.e. over and above baseline) workloads or volumes associated with the uncertain activity for each year of RIIO-2. Enter the unit of measure for the workload/volume in the Unit field provided. If the

	uncertain activity has a corresponding baseline element, then the unit entered here should match the baseline unit used elsewhere in the BPDT. If the uncertain activity has no corresponding baseline component, then the incremental workload/volume equals the total workload/volume. <u>Incremental Value (CVP)</u> If applicable, enter the Consumer Value Proposition (CVP) value associated with the uncertain activity. This should be entered in gross terms – i.e. do not net out the proposed costs entered in columns J to N. Value should be entered as a net present value (NPV) in a 2018/19 price base. Value should be limited to the value generated from the proposed costs in RIIO-2 only – i.e. those costs entered in columns J to N. If the uncertain activity does not have a corresponding CVP value, enter "N/A" rather than leaving the cell empty. <u>Baseline Category</u> Specify whether the uncertain activity relates to Opex or Capex. If the output relates to multiple categories, list each individual uncertain activity separately on a separate table row. If the bespoke activity does not have a corresponding baseline component, enter "N/A" rather than leaving the cell empty. If the uncertain activity does not have a corresponding baseline component, enter "N/A" rather than leaving the cell empty. <u>Baseline Activity</u> Specify which specific activity within Opex or Capex the bespoke uncertain relates to. If it relates to multiple activities, list each individual bespoke activity separately on a separate table row. If the uncertain activity does not have a corresponding baseline component, enter "N/A" rather than leaving the cell empty. <u>Location of Baseline Activity in BPDT</u> Identify which specific data entries within the baseline BPDT tables the uncertain activity relates to. Specify the worksheet name, table name and activity name. Include row and column references if possible. This should be at the same level of disaggregation as the corresponding baseline activity. If the uncertain activity does not have a corresponding baseline component, enter "N/A" rather than leaving the cell empty. <u>Reference to Supporting Narrative(s)</u> Provide a list of all locations within the business plan and/or any supporting documentation that support the uncertain activity, including the corresponding item within the Outputs, UMs and CVP snapshot table that accompanies the RIIO-2 Business Plan Guidance document. This will enable Ofgem to associate each uncertain activity across all documents that reference it. <u>Uncertain Output Costs Excluded from BPDT Baseline Figures? (Y/N)</u> Provide confirmation that the incremental uncertain costs reported in this table have been excluded from the

	corresponding baseline costs by entering Yes in each cell. If uncertain costs are embedded in baseline figures elsewhere in the BPDT, or if in doubt, enter No and include a clear description of the issue in the Notes field in column AF. If the uncertain activity does not have a corresponding baseline component, enter "N/A" rather than leaving the cell empty. <u>Bespoke Output Volumes Excluded from BPDT Baseline Figures? (Y/N)</u> Provide confirmation that the incremental uncertain workload/volumes reported in this table has been excluded from the corresponding baseline workload/volumes by entering Yes in each cell. If uncertain workload/volumes are embedded in baseline figures elsewhere in the BPDT, or if in doubt, enter No and include a clear explanation in the Notes field in column AF to support traceability. If the uncertain activity does not have a corresponding baseline component, enter "N/A" rather than leaving the cell empty.

Specific definitions for this worksheet

None	