

Consultation

RIIO 2 Draft Determinations - Full List of Consultation Questions

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Core Questions

- Q1. What role should Groups play during the price control period and what type of output should Groups be asked to deliver? Who should be the recipients of these outputs (companies, Ofgem and/or stakeholders)?
- Q2. What role should Groups take with respect to scrutinising new investment proposals which are developed through the uncertainty mechanisms?
- Q3. What value would there be in asking Groups to publish a customer-centric annual report, reviewing the performance of the company on their business plan commitments?
- Q4. What value would there be in providing for continuity of Groups (albeit with refresh to membership as necessary) in light of Ofgem commencing preparations for RIIO-3 by 2023?
- Q5. Will the combination of the two proposed Licence Obligations support the delivery of a digitalised energy system and maximise the value of data to consumers?
- Q6. Do you agree with our proposed frequency for publication of updates to the digitalisation strategy and the digitalisation action plan, respectively?
- Q7. What kinds of data do you think should comply with the data best practice guidance to maximise benefits to consumers through better use of data?
- Q8. Do you agree that the Groups could have an enduring role to work with the companies to monitor progress and ensure they deliver the commitments in their engagement strategies?
- Q9. Do you agree with our proposal to accept the proposals for an ODI-R for BCF and the other proposals set out above as EAP commitments and to require progress on them to be reported as part of the AER?
- Q10. Do you agree with our proposed RPEs allowances? Please specifically consider our proposed cost structures, assessment of materiality, and choice of indices in your answer.
- Q11. Do you agree with our proposed ongoing efficiency challenge and its scope?
- Q12. Do you agree with our proposed common approach for re-openers?
- Q13. Do you agree with our proposals on a materiality threshold, a financial incentive, a 'foreseeable' criterion, and who should trigger and make the application?

- Q14. Do you consider that two application windows, or annual application windows, are more appropriate, and should these be in January or May?
- Q15. Do you consider that the RIIO-1 electricity distribution licences should be amended to include the CAM, or wait until in 2023 at the start of their next price control?
- Q16. Do you agree with our proposed re-opener windows for cyber resilience OT and IT, and our proposal to require all licensees to provide an updated Cyber Resilience OT and IT Plan at the beginning of RIIO-2?
- Q17. What are your views on including the delivery of outputs such as: CAF outcome improvement; risk reduction; and cyber maturity improvement, along with projects-specific outputs?
- Q18. Do you agree with our proposal for the Non-operational IT and Telecoms capex re-opener?
- Q19. Do you agree with our approach to using a re-opener mechanism for changes to government physical security policy?
- Q20. Do you agree with our approach regarding legislation, policy and standards?
- Q21. Do you agree with our overall approach to meeting Net Zero at lowest cost to consumers? Specifically, do you agree with our approach to fund known and justified Net Zero investment needs in the baseline, and to use uncertainty mechanisms to provide funding in-period for Net Zero investment when the need becomes clearer?
- Q22. Do you think the package of cross sector and sector-specific UMs provides the appropriate balance to ensure there is sufficient flexibility and coverage to facilitate the potential need for additional Net Zero funding during RIIO-2?
- Q23. Do you have any views on our proposed approach to a Net Zero re-opener?
- Q24. Do you agree with our proposals for the RIIO-2 Strategic Innovation Fund?
- Q25. Do you have any comments on the additional issues that we seek to consider over the coming year ahead of introducing the Strategic Innovation Fund?
- Q26. Do you agree with our approach to benchmarking RIIO-2 NIA requests against RIIO-1 NIA funding?
- Q27. Do you agree with our proposal that all companies' NIA funding should be conditional on the introduction of an improved reporting framework?

- Q28. What are your thoughts on our proposals to strengthen the RIIO-2 NIA framework?
- Q29. Do you have any additional suggestions for quality assurance measures that could be introduced to ensure the robustness of RIIO-2 NIA projects?
- Q30. Do you agree with our proposals to allow network companies and the ESO to carry over any unspent NIA funds from the final year of RIIO-1 into the first year of RIIO-2?
- Q31. Do you agree with our proposal that all work relating to data as part of innovation projects funded via the NIA and SIF will be expected to follow Data Best Practice?
- Q32. Do you agree with our proposed position on late competition?
- Q33. Do you agree with our proposed approach on early competition?
- Q34. Do you agree with our view that SHET, SPT, SGN and WWU passed all of the Minimum Requirements, and as such are considered to have passed Stage 1 of the BPI?
- Q35. Do you agree with our rationale for why NGET and NGGT should be considered to have failed Stage 1 of the BPI?
- Q36. Do you agree with our rationale for why Cadent and NGN are considered to have passed Stage 1 of the BPI?
- Q37. Do you agree with our overall approach regarding treatment of CVP proposals?
- Q38. Do you agree with our proposed clawback mechanism to treat received CVP rewards?
- Q39. Do you have any views on the interlinkages explained throughout this chapter?
- Q40. Are there other interlinkages within our RIIO-2 package that you think are relevant to the three pillars identified in this chapter?
- Q41. Do you have any views on our proposal to include a statement of policy in Final Determinations that in appropriate circumstances, we will carry out a post appeals review and potentially revisit wider aspects of RIIO-2 in the event of a successful appeal to the CMA that had material knock on consequences for the price control settlement?
- Q42. Do you have any views on the proposed pre-action correspondence, including on the proposed timing for sending such to Ofgem?

Q43. Do you think we need specific mechanisms in RIIO-2 to manage the potential longer-term impacts of COVID-19? If yes, what might these mechanisms be?

1. Regulatory Finance Questions

Allowed return on debt questions

FQ1. Do you agree with our approach to estimating efficient debt costs and setting allowances for debt costs?

FQ2. Do you agree with our proposal to use the iBoxx GBP Utilities 10yr+ index rather than a combination of iBoxx GBP A and BBB 10yr + non-financial indices?

FQ3. Do you agree with our proposal that the RAV growth profile of SHET continues to be materially different to other networks and therefore warrants continuation of a bespoke RAV weighted allowance calculation?

FQ4. Do you have any views on the model to implement equity indexation, as published alongside this document, (the "WACC allowance model.xlsx") or on the annual update process?

Equity beta questions

FQ5. In light of RIIO-2 Draft Determinations and Ofwat's final determinations for PR19, do you believe that energy networks will hold similar systematic risk during RIIO-2 to water networks during PR19?

FQ6. Is there evidence of a material difference in systematic risk between:

- a) RIIO-1 and RIIO-2,
- b) distribution and transmission networks,
- c) gas transmission and electricity transmission,
- d) gas and electricity?

Step-2 implied cost of equity consultation questions

FQ7. Do you have any views on how we should consider further the gearing impact on beta and cost of capital estimates?

FQ8. Do you agree with our interpretation of cross-checks?

Step-3 allowed return on equity consultation questions

FQ9. What is your view on the overall in-the-round assessment of allowed returns to equity? Is our judgement of 3.95% at 60% notional gearing reflective of the combined analysis through Steps 1, 2, and 3?

FQ10. What is your view on the expected outperformance estimate of 0.25% at 60% notional gearing? Do you recommend alternative analysis techniques or do you have suggested improvements to the analytical files published alongside this consultation?

- a) "AR-ER database.xlsx"
- b) "Residual outperformance.xlsx"
- c) "Simple MAR application model.xlsx"

FQ11. What is your view on an ex-post adjustment for baseline equity returns? Is there an alternative mechanism or implementation approach that you think could better meet our stated objectives? Do you have specific views on averaging, pooling or suggested simplifications?

Financeability questions

FQ12. Do you agree with our approach to assessing financeability?

FQ13. Do you agree with our approach to determining notional gearing for each notional company?

FQ14. Do you have any evidence that would suggest we should consider adjusting our notional company financing assumptions due to the impact of COVID-19?

Corporation tax questions

FQ15. Do you agree with our proposal to pursue Option A?

FQ16. Do you agree with our proposals to roll forward capital allowance balances and to make allocation and allowance rates Variable Values in the RIIO-2 PCFM?

FQ17. Do you agree with the proposed additional protections? In particular:

- a) do you have any views on a materiality threshold for the tax reconciliation? Do you think that the "deadband" used in RIIO-1 is an appropriate threshold to use?
- b) Do you have any views on our proposals to retain the Tax Trigger and Tax Clawback mechanisms from RIIO-1?
- c) Do you have any views on the proposed process for the Tax Review?
- d) Do you have any views on the proposed board assurance statement?

Return adjustment mechanism questions

FQ18. Do you agree with our proposal to introduce a symmetrical RAMs mechanism as described above?

FQ19. Do you agree with our proposal to introduce a single threshold level of 300 basis points either side of the baseline allowed return on equity?

FQ20. Do you have any other comments on our proposals for RAMs in RIIO-2?

FQ21. Do you agree with our proposal to implement CPIH inflation?

FQ22. Do you agree with our proposals, including the policy alignment for GT and GD, and to recover backlog depreciation for GT RAV additions (2002 to 2021) over 20 years from the start of RIIO-2?

FQ23. Do you agree with our proposed assumptions for capitalisation rates?

FQ24. For one or more of the aggregations of totex we display in Table 40, should we update rates ex-post to reflect reported outturn proportions for capex and opex?

RAV opening balance questions

FQ25. Do you agree with our proposal to use the closing RIIO-1 RAV balances as opening balances for RIIO-2?

FQ26. Do you agree with our proposal to use estimated opening RIIO-2 balances until we have finalised the closing RIIO-1 RAV balances?

RIIO-1 close-out questions

FQ27. Do you agree with the three categories of adjustments outlined below?

FQ28. Do you agree with our approach in using estimated values for closeout adjustments until we are able to close out the RIIO-1 price controls?

Disposal of assets questions

FQ29. Do you agree that proceeds from the disposal of assets during RIIO-2 should be netted-off against totex from the year in which the proceeds occur?

FQ30. Do you agree that we should carry out a review where an asset is transferred to a holding company and then subsequently sold to a third party?

Time value of money questions

FQ31. Do you agree with our proposal to apply one interest rate to revisions to PCFM inputs and charging errors, based on a short-term cost of debt?

FQ32. Do you agree with the margin-based approach, and the methodology used to calculate a margin of 110bps?

FQ33. Do you have any reason why the marginal cost of capital for revisions to PCFM inputs and charging errors should remain distinct from each other, or why WACC may remain a more appropriate time value of money for a particular subset of prior year adjustments?

Revenue forecasting questions

FQ34. Do you agree with our proposal to include forecasts for most PCFM variable values for the purposes of the AIP?

FQ35. Considering re-openers as set out in these Draft Determinations, do you agree with our proposal to exclude them from any forecasting? If not, please submit specific examples or analysis of the potential materiality of actual spend versus initial allowances.

FQ36. Do you agree that additional reporting on executive pay/remuneration and dividend policies will help to improve the legitimacy and transparency of a company's performance under the price control?

Base Revenue definition and ODI cap/collar questions

FQ37. Do you agree with the proposed definition of Base Revenue?

FQ38. Do you agree with the proposal to fix the values used for ODI caps and collars at final determinations?

2. Electricity System Operator Questions

ESOQ1. Do you agree with our proposal to incorporate EMR into the ESO's wider outputs incentives scheme?

ESOQ2. Do you agree that it is appropriate to maintain the ring-fence between the EMR DB and ESO in its current form?

ESOQ3. Do you agree we should regulate system restoration costs in a consistent manner to other external balancing costs?

ESOQ4. Do you agree with our approach to setting up-front performance expectations?

ESOQ5. Do you agree that a financial reward or penalty should be determined every two-years, to align with the period over which we set expectations, costs and outputs?

ESOQ6. Do you agree with our proposed approach to within-scheme feedback, including the timings and approach to performance panel sessions?

ESOQ7. Do you agree with our proposed evaluation criteria for RIIO-2?

ESOQ8. Do you agree with our proposals on the incentive scheme value?

Outputs consultation questions

ESOQ9. Do you think that our proposals will capture the full scope of minimum obligations/standards associated with the ESO's Business Plan activities?

ESOQ10. Do you agree with our proposed changes to the ESO Roles Framework guidance?

ESOQ11. Do you agree with our grading of the ESO's RIIO-2 aims and Delivery Schedule for 2021-23?

ESOQ12. What are the priorities for the ESO to achieve by March 2023 to exceed your expectations?

ESOQ13. Do you agree that these are the right performance metrics to assess ESO's performance?

ESOQ14. Do you agree that these benchmarks are sufficiently challenging?

ESOQ15. Do you have any comments on the revised methodologies we have proposed (in Appendix 3) for assessing ESO's performance on balancing costs and forecasting?

ESOQ16. Do you agree with our proposals for measuring stakeholder satisfaction?

ESOQ17. Do you agree with proposed approach to tracking plan benefits?

ESOQ18. Do you agree with our suggested areas for regularly reported evidence?

Costs consultation questions

ESOQ19. Do you agree with our overall approach to cost regulation for the ESO?

ESOQ20. Do you agree with our assessment of the ESO's totex?

ESOQ21. Do you agree with the method we have taken to set each role-specific cost benchmark, including the proportions of capex and business support allocated to each role?

ESOQ22. Do you agree with our proposed approach to updating the internal costs benchmark within the price control?

ESOQ23. Are our disallowance proposals proportionate and do they provide the ESO with sufficient ex ante certainty?

ESOQ24. Do our proposed changes to the reporting of changes to the ESO's shared services costs offer a sufficient level of consumer protection?

Finance consultation questions

ESOQ25. Is there a better method for setting a debt allowance for the ESO?

ESOQ26. Do you have evidence to suggest the equity allowance should be higher or lower for the ESO?

ESOQ27. Do you agree that our proposals for additional funding reflect the ESO's role during RIIO-2?

ESOQ28. Do you have a strong view on how the ESO should recover its costs for a WCF or whether the implied allowance is sufficiently accurate for the full RIIO-2 period?

ESOQ29. Do you agree that our proposed funding and financing arrangements allow the ESO to efficiently finance its activities?

Innovation consultation questions

ESOQ30. Do you agree with the level of proposed NIA funding for ESO? If not please outline why.

ESOQ31. Do you agree that ESO's NIA funding should be subject to the condition that all projects must involve partnership with other network companies, third party innovators and/or academics?

Uncertainty consultation questions

ESOQ32. Do you believe our price control design is sufficiently flexible to account for uncertainty? Are there any relevant foreseeable future uncertainties which we have not identified here?

ESOQ33. Do you have any views on whether we should introduce a different funding approach or uncertainty mechanism to account for the risk of material changes to the ESO's revenue collection role? Do you have any views on how this should be designed?

Other areas consultation questions

ESOQ34. Do you agree with our assessment that the current approach, with the ESO's IT provided by National Grid Group is not appropriate for the future? Have we identified the correct concerns with the current model?

ESOQ35. Do you agree that the ESO needs full control of its IT provision? Are there other options that you think are preferable?

ESOQ36. Do you have a view on the proposed timing of implementing IT autonomy?

ESOQ37. Do you agree with our position that the ESO should recover its internal costs based on actual spend within year? Do you believe this change would create any new information/forecasting needs to allow industry to anticipate and manage this?

ESOQ38. Do you have views on whether the NIA and other ESO pass-through items should be recovered via TNUOS or BSUOS?

ESOQ39. Where or how can the ESO's existing reporting requirements be streamlined?

ESOQ40. Do the proposed timings for the BP2 process provide sufficient time for the ESO to develop and refine a robust plan, stakeholders to contribute to this and Ofgem to undertake the necessary assessment and decision making?

3. Electricity Transmission Questions

ETQ1. Do you agree with our proposals to switch off the incentive in year one of RIIO-ET2 in order to pilot the Quality of Connections survey and develop the baseline targets?

ETQ2. Do you have views on the common milestones, target audience and question of overall satisfaction for the Quality of Connections survey incentive provided in Appendix 2?

ETQ3. Do you think there are any additional KPIs that have not been included in the final NAP which would support monitoring of performance in adherence to the NAP and/or add transparency of the outage planning, management and implementation process for relevant stakeholders?

ETQ4. Do you agree with our proposed LPD mechanisms and do you agree with the criterion that we are proposing to use for our LPD mechanisms?

ETQ5. What are your views on applying our LPD mechanisms to some or all of the projects identified at paragraph 2.74?

ETQ6. What are your views on our consultation position for the three electricity TOs' EAP proposals in RIIO-2 as set out in this document?

ETQ7. What are your views on our consultation position for setting the expenditure cap for visual amenity mitigation projects in RIIO-2?

ETQ8. Do you have any views on our outputs that have not been covered through any of the specific consultation questions set out elsewhere in this chapter? If so, please set them out, making clear which output you are referring to.

ETQ9. Do you have any views on our overall approach to setting totex allowances?

ETQ10. Do you agree with our proposed eligibility criteria for the LOTI re-opener and do you agree with the assessment stages, and their associated timings?

ETQ11. Do you agree with our proposed definition of PCF for RIIO-2, and the areas of work that we intend that definition to cover?

ETQ12. Do you agree with our proposal to assess PCF costs as part of RIIO-2 Closeout, following the principles set out in Chapter 4?

ETQ13. Do you agree with our proposed scope of, associated eligibility criteria for, and timing of the submission window under the MSIP re-opener?

4. NGET Questions

Q1. Do you agree that an Environmental Scorecard ODI-F would be in the interests of existing and future consumers?

Q2. Do you support our proposed changes to NGET's Environmental Scorecard proposal?

Q3. Do you agree with our proposal to reject the Accelerating Low Carbon Connections ODI-F?

Q4. Do you agree with our consultation position to reject the 'RIIO-T2 System Outage Management Proposals to Reduce Constraint Costs'?

Q5. Do you agree with our proposals on the PCDs? If no, please outline why.

Q6. Do you agree with our proposed approach to facilitating NGET's transition to an EV fleet?

Q7. Do you agree that there is a need for a SF6 asset intervention PCD, and do you agree with our rationale for making this mechanism a PCD rather than a UM?

Q8. Do you agree with our proposals on the CVPs? If no, please outline why.

Q9. Do you agree with our consultation position to accept (subject to eligibility) NGET's caring for the natural environment CVP? Do you agree with our proposal to re-quantify the value of the CVP?

Q10. Do you agree with our proposal to reject NGET's SO:TO optimisation CVP?

Q11. Do you agree with our proposed allowances in relation to load related capex? If not, please outline why.

Q12. Do you agree with our proposed allowances in relation to non-load related capex? If not, please outline why.

Q13. Do you agree with our proposed allowances in relation to non-operational capex? If not, please outline why.

Q14. Do you agree with our proposed allowances in relation to network operating costs? If not, please outline why.

Q15. Do you agree with our proposed allowances in relation to indirect operational expenditure? If not, please outline why.

Q16. Do you have any other comments on our proposed allowances for NGET?

Q17. Do you agree with our proposal to use a funding route more directly linked to actual engineering work on individual projects, and to provide a further route for funding through a re-opener window?

Q18. Do you agree with our proposal to reject NGET's UIP UM?

Q19. Do you agree with our proposal to provide a UIOLI allowance for offsetting capital carbon emissions?

Q20. Do you agree with the level of proposed NIA funding for NGET?

5. SPT Questions

SPTQ1. Do you agree with our proposals on the bespoke ODIs? If you disagree, please outline why.

SPTQ2. Do you agree that SPT's bespoke ODI-R would be in the interests of existing and future consumers and do you have any views on the proposed metrics to track SPT's progress in delivering the ODI-R?

SPTQ3. Do you agree with our proposal to reject SPT's bespoke ODI-F at this time?

Reject: Additional contribution to the low carbon transition ODI-F

SPTQ4. Do you agree that SPT's bespoke ODI-F should be rejected?

SPTQ5. Do you agree with our consultation position to reject the "RIIO-T2 System Outage Management Proposals to Reduce Constraint Costs"?

SPTQ6. Do you agree with our proposals on the PCDs? If not, please outline why.

SPTQ7. Do you agree that SPT's bespoke Net Zero Fund should be included in RIIO-ET2?

SPTQ8. Do you have any views on the conditions we are proposing applying to SPT's bespoke output?

SPTQ9. Do you agree with our proposals on the CVPs? If not, please outline why.

SPTQ10. Do you agree with our consultation position to accept the maximise benefit from non-operational land CVP?

SPTQ11. Do you agree with our proposed allowances in relation to load related capex? If not, please outline why.

SPTQ12. Do you agree with our proposed allowances in relation to non-load related capex? If not, please outline why.

SPTQ13. Do you agree with our proposed allowances in relation to non-operational capex? If not, please outline why.

SPTQ14. Do you agree with our proposed allowances in relation to network operating costs? If not, please outline why.

SPTQ15. Do you agree with our proposed allowances in relation to indirect operational expenditure? If not, please outline why.

SPTQ16. Do you have any other comments on our proposed allowances for SPT?

SPTQ17. Do you agree with our proposals for a re-opener covering these six non-load related projects?

SPTQ18. Do you agree with the level of proposed NIA funding for SPT? If not, please outline why.

6. SHET Questions

Q1. Do you agree with our proposal to continue the ENS Compensation Scheme for SHET in RIIO-2?

Q2. Do you agree with our proposal to approve SHET's Biodiversity No Net Loss / Net Gain CVP?

Q3. Do you agree with our consultation position to accept the proposed SHET subsea cable reopener?

Q4. Do you agree with the level of proposed NIA funding for SHET?

7. Gas Transmission Questions

- Q1. Do you agree with the outputs package that we are proposing for the GT sector?
- Q2. Do you agree with our overall approach to cost assessment in the GT sector?
- Q3. Do you agree with the UM package that we are proposing for the GT sector?

8. NGGT Questions

- NGGTQ1. Do you agree with our proposals for the Customer Satisfaction ODI-F?
- NGGTQ2. Do you agree with our proposals for the Quality of Demand Forecasting incentive?
- NGGTQ3. Do you agree with our proposals for the Maintenance incentive?
- NGGTQ4. Do you agree with our proposals for the CCM incentive?
- NGGTQ5. Do you agree with our proposals for the Residual Balancing incentive?
- NGGTQ6. Do you agree with our proposals for the GHG emissions incentive?
- NGGTQ7. Do you agree with our proposals for the NTS Shrinkage incentive?
- NGGTQ8. Do you agree with our proposals on the bespoke ODIs? If no, please outline why.
- NGGTQ9. Do you agree with our proposals for the Environmental incentive?
- NGGTQ10. Do you agree with our proposals for the proposed Stakeholder Satisfaction incentive?
- NGGTQ11. Do you agree with our proposals on the PCDs? If no, please outline why.
- NGGTQ12. Do you agree with our proposals for LO in relation to NCAM and ANCAR?
- NGGTQ13. Do you agree with our proposal not to set network capability targets for RIIO2?
- NGGTQ14. Do you agree with the proposal to reduce entry baseline capacity at St Fergus?
- NGGTQ15. Do you agree with the proposal to reduce entry baseline capacity at Theddlethorpe?
- NGGTQ16. Do you agree with our proposals on the CVPs? If no, please outline why.

NGGTQ17. Do you agree with our consultation position to allow (subject to eligibility under the BPI) the natural environment improvements CVP?

NGGTQ18. Do you agree with our proposal to re-quantify the value of the CVP?

NGGTQ19. Do you agree with our consultation position to accept (subject to eligibility under the BPI) the community initiatives CVP?

NGGTQ20. Do you agree with our proposal to reject the Blackrod Reinforcement project?

NGGTQ21. Do you agree with our proposed allowances for LRE?

NGGTQ22. Do you agree with our proposed GT Project Assessment Process?

NGGTQ23. Do you agree with our proposal to provide baseline funding for Hatton subject to us conducting further volume and cost assessment prior to our Final Determination?

NGGTQ24. Do you agree with our proposal to accept the need for investment, provide baseline funding for development work and assess the full project costs during RIIO-GT2 for the compressor projects at Stage 1 - Needs Case Assessment (Wormington, St Fergus, King's Lynn and Peterborough and Huntingdon)?

Q25. Do you agree with our assessment approach to asset health work, including our proposal to use a combination of baseline funding, PCDs and a UM for the various cost sub-categories?

Q26. Do you agree with our proposed approach for costs confidence, including our view and rationale for high and low confidence cost categories and costs subject to a BPI Stage 3 penalty?

NGGTQ27. Do you agree with our proposed approach to approve the need for investment, provide development funding and assess the full project costs through a UM during RIIO-GT2, for the Bacton, St Fergus subsidence and King's Lynn subsidence projects?

NGGTQ28. Do you agree with our proposed baseline allowances for Stopples, GRAID and decommissioning of redundant assets and compressors?

Q29. Do you agree with our proposed assessment approach and baseline allowances for non-operational Capex costs, including IT&T, STEPm, property and vehicle fleet investment?

NGGTQ30. Do you agree with our proposed allowances for Physical Security Capex and Opex?

Q31. Do you agree with our assessment approach and baseline allowances for NGGT's Opex costs, including network operation costs, BSC, CAI and Quarry and Loss?

Q32. Do you agree with our proposed approach to Pensions costs?

NGGTQ33. Do you agree with our proposed approach to assessing risk?

Q34. Do you agree with our proposed UM for incremental capacity, specifically the timing and content of the Pre-Application Notification stage, the Needs Case and Cost Assessment timings, and the need for an exceptional events mechanism?

NGGTQ35. Do you agree with our proposed UM, materiality threshold and trigger for pipeline diversion costs?

Q36. Do you agree with our decision to retain a UM for Quarry and Loss costs relating to loss of development and mineral sterilisation only, and do you agree with our proposed UM parameters?

Q37. Do you agree with our proposed asset health UM, specifically basing the UM on improved quality of cost data and volume measurement and assessing costs ex post?

Q38. Do you agree with our proposed GT Opex escalator adjustment mechanism?

Q39. Do you agree with the level of proposed NIA funding for NGGT? If not, please outline why.

9. Gas Distribution Sector Questions

Output consultation questions

GDQ1. Do you have any views on our common outputs that haven't been covered through any of the specific consultation questions set out elsewhere in this chapter? If so, please set them out, making clear which output you are referring to.

GDQ2. What are your views on the reporting metrics we have proposed for the consumer vulnerability ODI-R?

GDQ3. What are your views on the design of the annual showcase events, including whether they should be held at a national or regional level?

GDQ4. Do you agree with our position to change the FPNES from a PCD to a capped volume driver?

GDQ5. For GSOP3, is a 48 hour exclusion period for the provision of access to hot water and food in the event of a major incident appropriate? Should this be extended to cover interruptions that are not a major incident?

GDQ6. In relation to our proposal to extend quotation GSOPs on entry and exit connections, is it sufficient – in regard to green gas entry enquiries – for these GSOPs to apply to the provision of initial and full capacity studies? Are there other parts of the green gas entry process we need to consider to ensure an improved service provision?

GDQ7. What are your views on our consultation position to monitor the provision of and adherence to appointment timeslots for purge and relight activity through an ODI-R? Are our suggested reporting measurements reasonable?

GDQ8. Do you agree with our proposed option to provide Cadent and SGN with consumer funding through totex baseline or a financial ODI reward for collaborative streetworks activities?

GDQ9. How should we set targets for the shrinkage financial incentive?

GDQ10. Do you have any views on what clarifications are needed to ensure a consistent method of calculating the benchmark shrinkage volumes?

GDQ11. Do you think a deadband should apply to the financial incentive? If so, please provide evidence as to how this could be quantified.

GDQ12. What are your views on our consultation position for the four GDNs' EAP proposals in RIIO-2 as set out in this document?

GDQ13. Do you agree with our consultation position to include progress on biomethane in GDN's AERs, alongside standard connections data?

GDQ14. Do you have any other comments in relation to this section?

GDQ15. What are your views on the proposed set of Workload Activities for the Tier 1 mains replacement PCD?

GDQ16. What are your views on our proposal to adjust allowances for the Tier 1 mains replacement PCD on the basis of mains decommissioned?

GDQ17. What are your views on our proposed approach to setting unit costs for the Tier 1 mains replacement PCD?

GDQ18. What are your views on our proposed Allowance Adjustment Mechanism and Allowance Adjustment Restrictions for the Tier 1 mains replacement PCD?

GDQ19. What are your views on our proposed Workload Activities for the Tier 1 services PCD?

GDQ20. What are your views on our proposed approach to setting unit costs for the Tier 1 services PCD?

GDQ21. What are your views on our proposed Allowance Adjustment Mechanism and Allowance Adjustment Restrictions for the Tier 1 services PCD?

GDQ22. What are your views on our proposal for a common PCD for capital investments?

GDQ23. What are your views on our proposals for delivery, clawback and deliverables for the capital projects PCD?

GDQ24. Do you agree with our approach for funding physical security for the GD sector? And do you agree that in light of the proposed baseline totex that the physical security PCD is no longer required for the GD sector?

GDQ25. Do you consider that the enhanced obligations framework for exit capacity and the additional information being sought are appropriate?

Approach to Cost Assessment Consultation Questions

GDQ26. Do you agree with our proposal of using a top-down regression model?

GDQ27. Do you agree with our proposed approach to benchmarking modelled costs at the 85th percentile?

GDQ28. Do you agree with our proposed approach to estimating embedded ongoing efficiency and values calculated?

Normalisation Consultation Questions

GDQ29. Do you agree with our proposed pre-modelling normalisations?

Model Selection Consultation Questions

GDQ30. Do you agree with the selected aggregation level, estimation technique and time period for our econometric modelling?

GDQ31. Do you believe we should take into consideration revised cost information for the remainder of GD1 including 2019-20 (actuals) and 2020-21 (forecast)?

Opex Consultation Questions

GDQ32. Do you agree with our selected cost drivers for Opex?

GDQ33. What are your views on our proposed approach to the synthetic cost driver for repex?

GDQ34. What are your views on our proposed repex workload adjustments?

GDQ35. Where we have disallowed workloads, should we consider making corresponding adjustments to opex costs? If so, how do you think this could be done?

Capex Consultation Questions

GDQ36. What are your views on our proposed approach to the synthetic cost driver for capex?

GDQ37. What are your views on our proposed capex adjustments?

Non-regression Costs Consultation Question

GDQ38. Do you agree with our assessment of non-regression costs and our proposed adjustments?

Technically Assessed Costs Consultation Questions

GDQ39. Do you agree with areas selected for technical assessment?

GDQ40. Do you agree with our proposed approach?

Technically Assessed Costs Consultation Questions

GDQ41. Do you agree with our proposed disaggregation methodology?

Uncertainty Mechanisms consultation questions

GDQ42. Do you have any views on our common UMs that haven't been covered through any of the specific consultation questions set out elsewhere in this chapter? If so, please set them out, making clear which output you are referring to.

GDQ43. What are your views on the proposed re-opener for Tier 1 stubs?

GDQ44. What are your views on our proposal to introduce a <7bar diversions re-opener?

GDQ45. What are your views on the triggers and windows for the MOB's safety re-opener?

GDQ46. What are your views on our consultation position to address bespoke decarbonisation of heat re-openers through our proposed innovation stimulus, Net Zero and Heat Policy re-opener mechanisms?

GDQ47. What are your views on the questions set out in paragraph 4.57 of this document in relation to large hydrogen projects?

GDQ48. Do you have any other comments in relation to this section?

GDQ49. What are your views on our proposal to introduce a new domestic connections volume driver?

GDQ50. What are your views on our proposal to continue with the large loads re-opener?

GDQ51. Do you agree with our definition of a 'large load' to use for this re-opener?

GDQ52. Do you agree with our proposal to continue with a smart meter rollout re-opener?

GDQ53. Do you agree with our proposal to continue with a common streetworks re-opener?

10. Cadent Questions

Bespoke ODIs consultation question

Cadent Q1. Do you agree with our proposals on the bespoke ODIs? If not, please outline why.

Cadent Q2. What should the annual targets be for Cadent's high-rise building plans ODI-R and how can they be made sufficiently stretching?

Bespoke PCDs consultation question

Cadent Q3. Do you agree with our proposals on the bespoke PCDs? If not, please outline why.

CVPs consultation question

Cadent Q4. Do you agree with our proposals on CVPs? If not, please outline why.

Bespoke UMs consultation question

Cadent Q5. Do you agree with our proposals on the bespoke UMs? If not, please outline why.

Innovation consultation question

Cadent Q6. Do you agree with the level of proposed NIA funding for Cadent? If not, please outline why.

11. NGN Questions

RIIO-2 Draft Determinations – Northern Gas Networks

Common outputs consultation question

NGNQ1. What are your views on the values for the common output parameters we have set out in the NGN Annex?

Bespoke ODIs Consultation questions

NGNQ2. Do you agree with our proposals on the bespoke ODIs? If not, please outline why.

NGNQ3. What are your views on our proposal to accept the Job completion lead-time including re-instatement ODI? Do you have a view on what the percentage performance target(s) should be and how is it stretching?

Bespoke LO consultation question

NGNQ4. Do you agree with our proposals on the bespoke LOs? If not, please outline why.

CVP consultation questions

NGNQ5. Do you agree with our proposals on CVPs? If not, please outline why.

NGNQ6. Do you agree with our proposal to accept the CVP for Enhanced Repair for Gas Escapes?

Common UMs consultation question

NGNQ7. What are your views on the baseline values for the Tier 2A iron mains volume driver?

Bespoke UMs consultation question

NGNQ8. Do you agree with our proposals on the bespoke UMs? If no, please outline why.

Innovation consultation question

NGNQ9. Do you agree with the level of proposed NIA funding for NGN? If not, please outline why.

12. SGN Questions

SGNQ1. Do you agree with our proposals on the bespoke ODIs? If not, please outline why.

SGNQ2. Do you agree with our proposals on the bespoke PCDs? If not, please outline why.

SGNQ3. Do you agree with our proposal for SGN's bespoke biomethane technology rollout PCD?

SGNQ4. Should we include Kings Ferry within the Capital Projects PCD, rather than setting a separate PCD?

SGNQ5. Do you agree with our proposal for SGN's IP services reconfigurations PCD?

SGNQ6. Do you agree with our approach for SGN's Remote Pressure Management PCD?

SGNQ7. Do you agree with our proposals on CVPs? If not, please outline why.

SGNQ8. Do you agree with our proposals on the bespoke UMs? If not, please outline why.

SGNQ9. Do you agree with the level of proposed NIA funding for SGN? If not, please outline why.

13. WWU Questions

Common outputs consultation question

WWUQ1. What are your views on the values for the common output parameters we have set out in the WWU Annex?

Bespoke ODI consultation questions

WWUQ2. Do you agree with our proposals on the bespoke ODIs? If not, please outline why.

Bespoke PCD consultation questions

WWUQ3. Do you agree with our proposal on the bespoke PCD? If not, please outline why.

CVP consultation questions

WWUQ4. Do you agree with our proposals on CVPs? If not, please outline why.

Common UMs consultation question

WWUQ5. What are your views on the baseline values for the Tier 2A iron mains volume driver?

Bespoke UM consultation questions

WWUQ6. Do you agree with our proposals on the bespoke UMs? If no, please outline why.

Innovation consultation questions

WWUQ7. Do you agree with the level of proposed NIA funding for WWU? If not, please outline why.

14. NARM Questions

NARMQ1. Do you agree with our proposals on the scope of work within each of the NARM Funding Categories and on the associated funding arrangements?

NARMQ2. Do you agree the funding adjustment principles and our proposals for applying funding adjustments?

NARMQ3. Do you agree with our proposed approaches to calculating funding adjustments and to application of penalties?

NARMQ4. Do you agree with our proposals in regards to requirements for justification cases?