

RIGs Development Working Group – Meeting 5

From: Ofgem

Date: 3rd March 2021

Time: 09:30 – 13:00

Location: Teleconference

1. Present

Ofgem

Cadent

NGN

SGN

WWU

GDNs

2. Introduction & action points update

2.1. The Working Group (WG) discussed action points from the previous meeting. This include:

- NGN leading GDNs to provide a clearer definition of Plants, Tools & Equipments and looking to split costs across network and non-network activities. NGN will inform Ofgem when completed.
- WWU developing Covid 19 impact table for GD2 RRP and will also inform Ofgem when completed.

3. GD2 RRP Policy tabs - Data requirements session

3.1. Ofgem Policy Leads presented their proposed GD2 data requirements for discussion.

Key policy areas discussed were:

- Customer complaints – The GD2 reporting changes for this relate to revisions in complaints targets. These have been consulted in 2020 and GDNs were familiar with the changes and there was general agreement on the revisions.

- Customer satisfaction- New questions have been introduced for GD2 reporting. These have also been consulted in 2020 and GDNs were familiar with the changes.

GDNs enquired where Priority Services Register (PSR) metric will be reported in the GD2 template i.e. within the customer satisfaction tab or Output Delivery Incentives (ODI) tab **Action: Ofgem to respond.**

GDNs asked Ofgem to clarify non-PSR term used in the new questions. **Action: Ofgem to review new questions where the term was used and respond.**

SGN noted it had posted suggestions on the re-wording of some of the survey questions. This has been posted on the WG shared folder (i.e. Huddle) for Ofgem to consider. **Action: Ofgem to review SGN suggestions and respond.**
- Fuel Poor Network Extension Scheme (FPNES) – Ofgem stated that it is keen for GDNs to leverage on their partnership networks to drive whole house energy solutions as highlighted in GD2 Sector Specific Methodology Decision publication (SSMD). For GD2, Ofgem is looking to capture the number and types of efficiency measures installed on qualifying customer premises as outlined in the SSMD.

GDNs raised concerns about the purpose for the new data and the potential difficulties in collecting the data. Ofgem said it was willing to re-consider this data requirement if it proves difficult for GDNs to obtain the data. **Action: GDNs will consult their FPNES teams if the data will be easy to collect and feedback to Ofgem.**
- Distributed gas connections – Ofgem highlighted minor revisions made in the Licence Conditions i.e. special condition D10 which will need to be reflected in GD2

RRP. GDNs were aware of the revisions and there was general agreement on the revisions.

- Net zero and re-opener development UIOLI (Use It or Lose It) – This relates to small/pilot net zero carbon schemes where GDNs are required to complete key information of the pilot scheme such as project name, net cost per annum etc. in order to access funding. There was general agreement to the new data requirements.
- Shrinkage – There were discussions that the proposed GD2 reporting does not include incentive elements. Ofgem stated that its Regulatory Finance colleagues will soon issue a statement on shrinkage incentives reporting. GDNs suggested leakage (also having an incentive element) should be linked to shrinkage and reported together. Ofgem confirmed the linkage and stated that they are reported together in the annual environmental report.
- Unplanned interruptions:
 - There were discussions about GDNs inconsistencies in reporting clock stopping and suggested the dedicated working group which was suspended due to Covid should be re-established. Ofgem agreed with the above suggestion. **Action: GDNs to re-establish the dedicated team to resolve clock stopping reporting inconsistencies and share output with Ofgem.**
 - GDNs wanted to know the extent of evidence behind stopping the clock that they should report to Ofgem. Ofgem confirmed its focus is to gain assurance

from GDNs that there is consistency on clock stopping procedures and it is reported correctly in the RRP.

- Planned interruptions – GDNs wanted to know the relevance in reporting planned interruptions. Ofgem confirmed this was to monitor interruption patterns over time periods and currently not looking for it to become a reputational ODI. Ofgem indicated that there is no incremental reporting change for GD2.
- Public Reported Escapes (PRE), Reports & Repairs – Ofgem stated that for GD2, PRE and non-PRE related repairs will be separated out and repairs will be tracked according to whether they occurred due to PREs. GDNs enquired the need for the separation of the repair reports, and the usefulness of the data. **Action: Ofgem to respond on the need to capture PREs and non PREs repairs data separately.**
- 7-day standard on repairs – Ofgem proposed additional fields in the GD2 RRP for those repairs deferred between 0-7 and 7-28 days. Ofgem said this can be used to determine the median repair day. GDNs stated they had no problem with the extra data requirement but wanted to know what the median will be used for. **Action: Ofgem to provide the rationale behind collecting the median day.**
- Guaranteed standards of performance (GSoP) – GDNs enquired about the relevance of the new requirement to report the percentage of payments made on reported failures. GDNs highlighted potential timing issue when a failure happens close to year end, but payment made in the following year. This will make the payment percentage for the year misleading. **Action: Ofgem to provide a feedback on the relevance of the new data requirement and ways to resolve the payment timing issue.**

- Collaborative streetworks – Ofgem confirmed additional data requirements for GD2. This include project length and duration, level of collaboration, estimated days saved, etc. **Action: SGN and Cadent requested time to confer and provide a collective feedback on the proposal.**
- Job completion lead-time including re-instatement – This is a bespoke data requirement for NGN to help reduce connection times for customers. NGN had no issue with the new data requirement and will feedback any concerns if it arises.
- High-rise building plans – This is a bespoke data requirement for Cadent to report on the number of high-rise building and plans done per annum. Cadent had no issue with the new data requirement. **Action: Cadent and Ofgem to agree on a clear definition of a high-rise building plan.**
- Gas Escape Reduction – This is a bespoke data requirement for SGN to report on the number of units of Gas Escape Reduction equipment purchased and installed in their depots to reduce gas escapes. SGN had no issue with the new data requirement.
- Remote pressure management – This is a bespoke data requirement for SGN to report on the quantity and net costs of governors equipped with remote pressure management controls. SGN had no issue with the new data requirement.

4. Hydrogen Readiness Report

- 4.1. Cadent is leading GDNs to develop a reporting tool and presented a starter model based on a selected polygon area to the WG. The model provides the length and percentage level of polyethylene (PE) per area.
- 4.2. When fully loaded the model will show PE length and percentages at the network polygon level based on a standard extract report. These will then be grouped into Areas at a suitable level, based on a common approach agreed across all GDNs. **Action: GDNs to co-ordinate with Cadent to fully populate and test the model and draft model issued to Ofgem. A description of the methodology (including any options) for grouping should also be provided.**

5. Opex Cost Matrix

- 5.1. Ofgem presented the current RRP Opex Cost sheet to the WG and enquired if the data requirements are still relevant and should be maintained for GD2.
- 5.2. Some GDNs noted that the cost categorisation in Opex sheet is different from their own cost categories which makes the sheet very difficult and time consuming to complete. Ofgem confirmed it is willing to adapt the sheet to reduce completion difficulties and encouraged GDNs to provide suggestions through the WG feedback log on Huddle.
- 5.3. There were also discussions on differences in reporting the Full Time Equivalent (FTE) for contactors. GDNs said they first need to understand the relevance of this data in the monitoring regime before working to improve reporting consistencies. It was agreed it will be better to conduct a review after GDNs have sight of the new business support table.
- Action 1: Ofgem to finalise and issue new Business Support table to GDNs for review.**
- Action 2: GDNs after reviewing the new Business Support table to provide feedback on potential changes to the opex cost matrix.**

6. Year on Year Movements

- 6.1. Ofgem confirmed the above sheet in the RRP is important to understand the annual changes of controllable opex costs, excluding the impact of RPEs (Real Price Effects) and recommended no changes to the sheet for GD2 reporting.
- 6.2. Ofgem also proposed to maintain the current i.e. GD1 minimum threshold for GDNs to provide commentaries for GD2. GDNs agreed to the above proposals.

7. AOB

- 7.1. Ofgem confirmed it is continuing to work on building the GD2 RIGs and RRP templates and assured GDNs they will be routinely updated with progress made.
- 7.2. Ofgem also noted that appeals against RIIO GD2 Final Determination is due to be received shortly, and depending on the levels of appeals received, resources may be required to be shifted to cover the appeals. This may potentially impact GD2 RIGs development work and push back publication timetable. Ofgem will inform GDNs if changes to the RIGs development timetable will be impacted by FD appeals.