

Aris Kalogeropoulos
RIIO Implementation
Ofgem

Your ref

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Our Ref

Date
18 January 2016
Contact / Extension
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Dear Aris,

SPEN Electricity Transmission & Distribution Response to Consultation on proposed amendments to the Data Assurance Guidance submissions for network companies, 16 December 2015

This letter contains the SPEN Electricity Transmission and Distribution response to the Consultation on proposed amendments to the Data Assurance Guidance submissions for network companies published on 16 December 2015.

The ENA sent separate proposals to Ofgem on behalf of Distribution and Transmission licences in October 2015 in respect of changes to the DAG Appendices and we are pleased to note that many of our proposals have been incorporated into the DAG Consultation.

DNO's met with Ofgem in November 2015 to discuss Ofgem's proposals in regard to expanding the DAG ED Appendix to contain a number of SLC 46 tables. This was a useful forum and provided an opportunity to discuss the ENA proposals. It would have been beneficial to also have a meeting with TOs as there has been no engagement following the ENA letter.

We note however, not all agreements made at the meeting have been incorporated in the DAG Consultation, for example the agreement that we would not increase workload through creation of an additional version of the risk assessment table for Ofgem's use. Also, follow up actions agreed at the meeting have not taken place i.e. discussion on the treatment of forecast data. This is important if we are to build Ofgem's requirements into our annual assurance plan. It would perhaps be more effective going forward if Ofgem's DAG decision makers were present at meetings. This is particularly important given there have been several changes in personnel over the course of the development of the DAG. Ofgem's intent of activating the changes from 31 January 2016 means there is limited opportunity for Ofgem to fully consider any responses to this consultation, reinforcing the need for effective forums pre consultation.

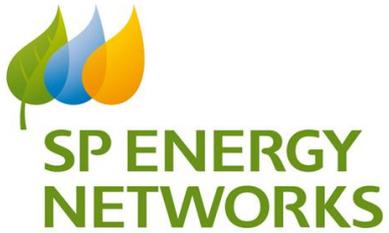
Our comments in relation to the Consultation letter, Data Assurance Guidance v1.2 and associated appendices are attached in Appendix 1.

We look forward to receiving your response bearing in mind changes may impact the 29 February 2016 NetDAR submissions which are currently being compiled.

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Network Planning & Regulation

Please don't hesitate to contact me if you have any questions.

Yours sincerely,



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Appendix 1

Letter

Electricity Distribution

We accept the proposal to increase the reporting requirements in respect of Cost and Volumes RIGs. We would like to note that although we already collate this information as part of our RRP process, by incorporating this into NetDAR we are now time bound by the NetDAR submission date and receiving this change in November has had a significant impact on workload. As such these assessments have been challenging to complete in the timeframe.

DPCR5 Restatement

We accept the restatement being added as an irregular on the DAG. However this is an example of a change in approach by Ofgem compared to what was agreed at the meeting, i.e. DNOs supplied wording to Ofgem on the treatment of the restatement which has not been incorporated.

Reporting requirements for all networks

We do not believe the change to only include in the risk assessment spreadsheet, the submissions where the overall risk rating has changed since the previous year, is helpful. This means that Ofgem may not have visibility of all 'critical' and 'high' submissions and their associated assurance if they score critical/high year on year, yet these are the submissions we are required to include in our NetDAR (Section 4.8 of the DAG and sections 2.1 and 3.1 of the NetDAR template). As we believe Ofgem's focus will be on risk assessments, as advised in the 26th June 2015 feedback letter, we expect Ofgem will ask for the full list of assessments post NetDAR submission.

Ofgem proposed this at the DNO meeting in November and DNOs expressed that providing this 'reduced' version of the risk assessment spreadsheet would actually create additional work. The full list still requires completion to determine what has changed and then companies would need to create a second reduced version to accompany the NetDAR report. No template has been provided to ensure all companies do this consistently. We propose Ofgem filter on the full set of information and extract as required.

DAG Version 1.2

Header

The header change in the Data Assurance for Electricity and Gas Network Companies incorrectly shows 'Version 1' and not 'Version 1.2'.

Section 4.3

We do not agree with this change. Please refer to 'Reporting requirements for all networks' above.

Section 5

Although there are no changes to Section 5, we would like the following proposal considered for future DAG reviews: that the Irregular Submission Assurance Template is removed and in its place, a section added to the Past Year section of the NetDAR. Companies can then provide detail of assurance performed on any irregular submissions made during Past Year that were not anticipated in the previous year's NetDAR. We have been advised by Ofgem that this has been added to the issues log for consideration.

Annex A – Electricity Distribution List

Cost and Volumes RIGS

At the DNO meeting with Ofgem in November 2015 it was agreed that all C&V tables would be listed in the DAG, excluding ‘auto’ tables which require no risk assessment, and ‘forecast’ tables which require further discussions. We note that all tables have not been added and line 6 of the DAG ED listing ‘Cost and Volumes’ has been left to allow roll-up of results of the remaining risk assessments. However these tables are not connected and one risk assessment would not be practical. It would be simpler to treat them all consistently.

Legacy Price Control Adjustments

There are currently ongoing discussions regarding CRC 3A Legacy Price Control Adjustments with submissions dates not clear at this time. We therefore propose the following amendments:

As per your updated list	Amend Date to
CRC 3A - Load Related Reopener	‘As required’
CRC 3A - High Value Projects	
CRC 3A - High Volume Connections Driver	

Annex C – Electricity Transmission List

Cost and Outputs RIGs tables

We note that the Cost and Outputs RIGs tables have not been updated to reflect those issued in RIIO-T1 Electricity Transmission Price Control – Regulatory Instructions and Guidance: Version 2.2 on 26 March 2015. The following amendments are required:

As per your updated list	Amend to
2.1 Totex PCFM: Totex	2.1 Provisional Price Control Financial Model (PCFM) inputs
2.2 Totex Forecast: Totex	2.2 Totex forecasts
2.3 Totex: Totex	2.3a Forecast Allowances
	2.3b Forecast Volumes
	2.4 Published Totex
2.4 Outputs: Totex	2.5 Published Outputs
2.5 Wider Works Totex: Totex	2.6 Published Wider Works

Date and Frequency columns are ‘blank’

The following submissions have been added however the ‘Date’ and ‘Frequency’ columns have not been populated. These are as shown in the table below:

Submission	Date – complete with	Frequency – complete with
SpC 3D Stakeholder Engagement Submission	Last Friday in May	Annual
SpC 3F Environmental Discretionary Reward	30 June	Annual
SpC 6B Supplementary Provision in relation to Transmission asset owner incentives scheme activity in the legacy period	-	Ad hoc

Licence referencing

There are 3 irregular submissions where there is no licence reference – these are:

Licence Condition	Condition Title
RIO-final proposals	Needs Case
RIO-final proposals	Mid Period Review
RIO-final proposals	Project Assessment

We propose the licence condition be added to direct us to the relevant Licence Reference e.g. SpC 6I.

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