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Dear Mick,

**Response to your public consultation on the Gas Distribution Networks 2015/16 Regulatory Reporting Pack, Regulatory Instructions and Guidance and data tables**

I am writing on behalf of National Grid Gas plc in response to your recent public consultation on the Gas Distribution Networks 2015/16 Regulatory Reporting Pack, Regulatory Instructions and Guidance and data tables.

We are content with almost all aspects of the Regulatory Instructions and Guidance and with the associated data tables.

The table below sets out the areas, which we believe could be improved.

Table	Issue
1.4	Table 1.4 – cell F13 says ‘2015’ – this should be ‘2016’
1.6	<p>The “Former use of site/land” cells are now grey and appear to contain profit and loss calculations. It is unclear whether Ofgem still require the former use of site/land as there is no column to put this information now.</p> <p>The profit and loss calculations mentioned here require a title, and perhaps a reference in the RIGs.</p> <p>Columns C and D are now yellow, but do not have a heading – presumably this would be cost and accumulated depreciation as the totals link through to the top table. Furthermore if they are linked and contain formula shouldn't the cells be grey because they require no input?</p>

1.10 The formulas from row 94 to row 117 do not seem to be correct for example, cell 94 contains the formula:  
 $=IF((D\$19+D\$27)>0,(D15+D23)/(D\$20+D\$28),0)$   
 The figures highlighted in red should be changed to the following:  
 $=IF((D\$20+D\$28)>0,(D15+D23)/(D\$20+D\$28),0)$   
 The same issue applies to all affected rows.

1.13 Table 1.13 – cell E12 says ‘2015’ – this should be ‘2016’

2.2 Sub-deduct allowances have changed (row 136), however the reason for this is not clear.  
 There is a miss-calculation in respect of Non-HSE driven mains & services in 2014/15 where the numbers don’t match once RPI has been included.  
 We struggled to match the previous year forecasts to 2015/16 and could not trace the RPI factor. Last year they matched, this year they do not. We believe the value of 259.4 should be 260.0 - see below:

Monthly figures

Month	RPI	Year on year %	CPI	Year on year %	Release date
January	255.4	1.1	99.3	0.3	17 February
February	256.7	1.0	99.5	0.0	24 March
March	257.1	0.9	99.7	0.0	14 April

  

RPI Index	Reporting year	Average RPI	Year end RPI	Convert from 2009-10 to current year prices	Year on year conversion
2009/10	2010	216.5	215.8	1.00	
2010/11	2011	215.6	226.5	1.05	1.050
2011/12	2012	225.7	237.3	1.10	1.048
2012/13	2013	237.4	244.7	1.13	1.031
2013/14	2014	xxx.x	251.7	1.17	1.029
2014/15	2015	xxx.x	256.7	1.19	1.020
2015/16	2016	xxx.x	259.4	1.20	1.011
2016/17	2017	xxx.x	xxx.x	xxx.x	xxx.x
2017/18	2018	xxx.x	xxx.x	xxx.x	xxx.x

Monthly figures

Month	RPI	Year on year %	CPI	Year on year %	Release date
January	258.8	1.3	99.5	0.3	16 February
February	260.0	1.3	99.8	0.3	22 March
March	261.1	1.6	100.2	0.5	12 April

2.3	<p>Governor intervention formulae have been reset; this is noted in change log, however the previous year's forecast – on row 54 – has just that submitted under last year's RRP request and not the updated classification that was requested in a later supplementary question.</p> <p>The table needs to have the answer we provided in respect of the Supplementary Question put in.</p>
2.4	<p>The formula in cell C15 is now incorrect. It ought to contain the formula =B15+C13 as it did last year however in the new version it shows only as =C13.</p> <p>For Cell B24, in our final submission for last year (East of England) the cell had the sum =B22-B23 but in the new version there is no calculation. This is repeated across the cells for the whole period.</p> <p>For cell B25, in our final submission for last year the cell had the sum =B23 but in the new version there are no calculations. This is repeated across the cells for the whole period so for C25 – I25. It needs the sum =B25+C23</p> <p>Cells 39 &amp; 40 in the new templates show data to 2 decimal places however given the magnitude of these numbers (in the millions) this is a spurious degree of accuracy.</p> <p>For cell L48 in the new version it is missing the calculation =B40-B48</p> <p>C82 &amp; C83 are grey but contain no data or formula.</p> <p>Cells E39 – I39 in the new templates show data to 2 decimal places however given the magnitude of these numbers (in the millions) this is a spurious degree of accuracy.</p>
2.5	<p>In the new version cell B25 (&amp; across the RIIO period) does not have the calculation behind it, which the 2015 version does (these cells contain =SUM(B23:B24) in 2015 version)</p> <p>In the new version the grey cells C112 – 114 for offtake meter errors for 2015, need to show what we submitted last year for example East of England 2015 should be 97,396 GWh in cell C113.</p> <p>Rows D68 – I68 (telemetered faults), the spreadsheet allows the input of data with two decimal places &amp; shows this on the location line at the top of the spreadsheet, but the decimal places do not show in the table itself.</p>
2.6	<p>Cells D13 – I13 and E38 - I38 on the 2014/15 version the data is displayed to one decimal place, and on the 2015/16 this is now a whole number.</p>
4.3	<p>We need additional rows for LTS diversions. In one of our Networks we have 17 jobs to report. We suggest that the table be amended so that it has at least 20 rows for these projects.</p> <p>We also need additional rows for 'Distribution Network embedded gas entry'; this is because we have 22 projects to report in one of our Networks. We suggest that the table be amended so that it has 25 rows for this.</p>

	Year in cell A3 incorrect - should be "2015/16"
4.8	Table 4.8, column G should have a drop-down list for Status as follows which is missing. - To be constructed - Under construction - Complete
5.1	The table appears to have yellow cells (column F), these were grey last year.  The RIGs state that this table auto-populates from tables 5.2-5.8 and requires no input however the table implies that values should be put in.
5.6	Cell B18 description is incorrect - should be "Total"  Cell C19 has no colour shading - we suggest it should be a yellow cell.
7.6	Gas composition fractions and other input assumptions (column I) are unused in calculations – presumably they are being provided for information only.  The formula in G29 appears to reference values within an Ofgem data base and not values within table 3.12, which might be expected to feed it.  All GDNs should be using Shrinkage Model 4 in respect of 2015/16.  If the Shrinkage model changes then baselines ought to be adjusted to avoid the model change feeding into incentive performance outcome. However, this is not an annual event; the model is only changed following appropriate consultation that has achieved agreement from stakeholders.

I hope that you will find our feedback to be of use to you, please do not hesitate to contact me if you would like to discuss anything.

Yours sincerely,

*By Email*

**Jonathan Dennett**  
**Regulatory Reporting Manager**