

RIIO-ED1 Reliability Working Group

This meeting of the RIIO-ED1 Reliability Working Group focused on Network Asset Secondary Deliverables (NASDs).	From Date and time of Meeting Location	Grant McEachran 10:30 to 16:00 09 September 2016 9 Millbank, London (L) Cornerstone, Glasgow (G)	13 September 2016
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1. Present

Jonathan Booth(By phone), Bob Wells (G)	Electricity North West
Mark Nicholson (L), Gavin Howarth (L)	Northern Power Grid
Phil Mann (L), Andrzej Michalowski (L)	Western Power Distribution
Lee Speakman (G)	SPEN
Melanie Bryce (G), Michael Ferguson (G)	SSE
Robert Friel(L), Sophie Motte (L)	UKPN
Kiran Turner (L), Aris Kalogeropoulos (L), Grant McEachran (G)	Ofgem

2. Areas discussed

Terms of Reference for RWG

2.1. Attendees discussed the Terms of Reference. The key changes proposed were:

- to include CRC 5D in the objectives as part of the license review process
- to split the objectives and focus phase one on the rebasing process of the secondary deliverables and phase two on the remaining policy issues
- to widen the scope of the group to allow for consideration of all areas covered by reliability
- the deliverables should be widened to include proposals and options considered
- membership should be changed to Ofgem, DNOs and other interested parties to recognise that a wider range of parties may be interested in attending.

2.2. Ofgem agreed to consider the proposed changes and to circulate updated Terms of Reference for the RWG before the next meeting.

Options for rebasing the Network Asset Secondary deliverables

2.3. NPg presented slides on the options for rebasing the Network Asset Secondary deliverables. These recognised three options for starting the rebasing process, using 2012/13, 2014/15 or 2015/16 data. Also included key constraints for each methodology.

2.4. It was noted that based on the December submission deadline, the WG should reach a decision on the preferred methodology by early October, for the DNOs to be able to meet the deadline. Otherwise, it was noted that the December deadline would need to be reconsidered.

2.5. RIIO-ED1 forecasts were calculated differently by DNOs using a mix of tools including CBRM, run rate analysis, survival model etc. Some DNOs developed CBRM later than others.

2.6. The constraints of each of the three options were discussed. There was not an agreement on a preferred solution and some parties questioned whether different parties could use different approaches. It was agreed that Ofgem will organise bilateral meeting with each DNO group to discuss their preference and concerns.

Also it was agreed that Ofgem will reach a decision by the 7th of October on the preferred methodology, considering the option of having multiple approaches.

Interpretations of ‘equally stretching’

- 2.7. ENWL presented slides on the options for demonstrating “equally stretching” in relation to the resubmission of data for the Network Asset Workbook. These recognised five different options ranging from a high-level ‘percentage based’ model to a granular ‘asset specific’ model.
- 2.8. The benefits and constraints of the options were discussed. It was noted that a mix of options could provide the best result, i.e. starting from the intervention plan, using detailed asset specific option in combination with statistical proof.
- 2.9. Again it was recognised that this might not be a ‘one size fits all’ but that there were potential parallels with the approach adopted in DPCR5 Close out where the onus was placed on the individual DNO to prove that their approach was sensible. Even if this approach is adopted attendees recognised that there would need to be common tests (comparators).
- 2.10. It was decided that the options would also be discussed during the bilateral meetings.

Material changes

- 2.11. The definition of material changes was discussed briefly. It was noted that data refresh should not be considered a material change, but changes because of an additional data point would be.
- 2.12. Further, it was recognised that there were grey areas – particularly in relation to what is considered to constitute ‘new data’. It was noted that borderline cases should be identified and agreed.
- 2.13. Attendees agreed that the RIGs would require to be updated to ensure consistency. The issue will be discussed at a l

Smart meter and IIS

- 2.14. Ofgem raised an issue of the effect of smart meters on the IIS program. Ofgem noted that it had been highlighted that the current drafting of the Quality of Supply RIGs means that DNOs may have to treat an outage alert from a smart meter as the first indication of an interruption from which point the clock starts ticking on Customer Minutes Lost (CML).
- 2.15. Attendees recognised that this could be in the middle of the night and might mean it may not be appropriate for the DNO to call the customer or attend the premises. It was recognised that it may be appropriate to consider a bit of work in thinking how the RIGs change to reflect the alerts which DNOs will get from smart meters. It was agreed that it should be discussed at a later date, with the relevant DNO representatives present.

3. Actions arising

3.1. The following table summarises the actions arising from the meeting.

Terms of Reference for RWG	
• Update and circulate the Terms of Reference	Ofgem

Options for rebasing	
• Arrange bilateral meeting with DNO to discuss preferences on methodologies and options	Ofgem
• Make a decision on the preferred methodology and if more than one methodologies will be acceptable for rebasing	Ofgem
• To set out views on common tests/comparators that DNOs could adopt to ensure NAW equivalence could be measured across DNOs.	DNOs
• Consider updating the RIGs in relation to Material changes to ensure consistency between Annex D and the Glossary	Ofgem

4. Date of next meeting

4.1. The next meeting will be held on 7th October 2016.