

## 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 07 October 2016 9 Millbank, London (L) Cornerstone, Glasgow (G)	08 November 2016
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### 1. Present

Jonathan Booth(G), Bob Wells (By Phone)	Electricity North West
Mark Nicholson (L), Gavin Howarth (L)	Northern Power Grid
Andrzej Michalowski (L)	Western Power Distribution
Lee Speakman (L), Malcolm Bebbington (L), Peter Sherwood (G), David Neilson (G)	SPEN
Landel Johnston (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. Ofgem published the agreed Terms of Reference for the RWG prior to the meeting.

#### Options for rebasing the Network Asset Secondary deliverables

2.2. Ofgem presented the decision on the approach to rebasing.

2.3. ENWL, UKPN and WPD presented their views on identifying the 1 April 2015 starting position.

2.4. WPD presented their view of how they would apply the ED1 forecast interventions to the without intervention profile.

2.5. The presentations are available on request.

#### Identifying the 1 April 2015 start position

2.6. Ofgem presented its minded-to decision to use 2015/16 data to identify the 1 April 2015 starting position. ENWL, UKPN and WPD followed with their own presentations.

2.7. Each of the DNOs indicated that they intended to take the data from a different date in 2015/16. UKPN stated that they felt there were no issues with using 14/15 data. A discussion then took place about whether it mattered on which date the data was taken and whether the criteria should be that the restated NAW starting position (1 April 2015) should reconcile with Annex D of the RIGs. The DNOs agreed that there would not be any material differences and that Ofgem should not prescribe a fixed date on which to take the data.

2.8. Based on the group discussion, Ofgem revised its position to state that the DNOs should ensure that their start position reconciles with the Annex D submission as of 1 April 2015. The DNOs will be required to justify their approach, including the data that was used, as part of the submission.

2.9. There was also a discussion on three different methods that could be used to

reverse age 2015/16 data to reach the 1 April 2015 start position. The DNOs agreed to speak to EATL and further this discussion in advance of the next RWG meeting where they would present their conclusions.

- 2.10. Ofgem requested that DNOs submit a detailed process that will be used to reach the 1 April 2015 start position by the next RWG meeting.

### **Application of the forecast ED1 intervention plan**

- 2.11. Ofgem proposed that no specific method of applying the forecast interventions would be prescribed. As the DNOs all approach their ED1 forecast intervention plans in different ways it was agreed that a single method would not be suitable. Ofgem's proposal was therefore accepted.
- 2.12. The DNOs requested a template for providing commentary on the forecast intervention plan. Ofgem agreed but highlighted that this is a nice to have rather than a priority.

### **Equally challenging assessment**

- 2.13. Ofgem proposed three tests to determine whether the DNO submissions are equally challenging. There was a suggestion that the statistical proof test could also be applied across all asset categories as an additional test, Ofgem took this away to consider.
- 2.14. Ofgem requested that the DNOs feedback any further suggestions on the proposed tests, including any exclusions that Ofgem should consider.
- 2.15. Ofgem will then determine the final set of tests that will be applied and the exemptions that apply to them. It is Ofgem's expectation that each DNO will provide additional detail, in the commentary, where they are aware that they will fail the test.
- 2.16. Ofgem will also arrange bilateral meetings with each of the companies in January 2017. The purpose of these meetings will be for each DNO to present their submissions and for Ofgem to raise any questions.

### **Other items discussed**

- 2.17. The DNOs asked Ofgem to confirm its timescales for taking a decision on the submitted NAWs. They highlighted that for the completion of the 2016/17 RRP the latest approval date should be 31 March 2017.
- 2.18. The DNOs asked Ofgem to confirm the format of the NAW and whether they are also required to submit the Monetised Risk Workbook (MRW). The DNOs will also look at whether there are any standard values from the CNAIM that can be used. UKPN agreed to take this forward.
- 2.19. Ofgem will also confirm whether any licence modifications are required as part of the rebasing process.
- 2.20. There was a discussion on whether non-SDI interventions that currently form part of the Secondary Deliverables Monetised Risk target should be removed. The DNOs agreed that these should be removed to ensure consistency with Annex D of the RIGs which has been amended since the original submission of the NAW. Ofgem will consider this and inform the DNOs of the decision.
- 2.21. The DNOs discussed how refurbishment work that was forecast on count of

interventions but is now based on unit of measure will this be dealt with. The DNOs will take this action forward and feedback to Ofgem.

- 2.22. The DNOs raised the issue that some of the companies have fittings and conductors bundled together but that they use different units of measure (units and km). While some have unpacked these assets, the DNOs agreed collectively that these assets should be unbundled in order to overcome the issue with different units of measure and ensure consistency across DNOs.
- 2.23. It was suggested that Ofgem define the term 'equally challenging' in the context of HI. Ofgem will look into this, keeping in mind the time constraints of the rebasing process.

### 3. Actions arising

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

<b>Rebasing Network Asset Secondary Deliverable targets</b>	
<ul style="list-style-type: none"> <li>Inform DNOs of when the decision to approve or direct the rebased Network Asset Secondary Deliverable targets will be taken. DNOs are clear that the latest date that this should be is 31/03/17 in order to be able to use the updated targets for their RIGS 2016/17 submission. Present at 11/11/16 RWG meeting.</li> </ul>	Ofgem
<ul style="list-style-type: none"> <li>Confirm the format of the NAW that DNOs are required to submit. Issue template or statement by 21/10/16, also see the action for DNOs on Probability of Failure within NAW.</li> </ul>	Ofgem
<ul style="list-style-type: none"> <li>Confirm whether a licence modification is required for the rebasing of the NAW by 21/10/16.</li> </ul>	Ofgem
<ul style="list-style-type: none"> <li>Confirm whether SD monetised risk file needs to be included in the submission by 21/10/16.</li> </ul>	Ofgem
<ul style="list-style-type: none"> <li>Confirm whether only SDI refurbishment activity should be included to ensure consistency with Annex A by 14/10/16.</li> </ul>	Ofgem
<ul style="list-style-type: none"> <li>Confirm whether DNOs can unpack Fittings and Conductors by 14/10/16.</li> </ul>	Ofgem
<ul style="list-style-type: none"> <li>Arrange bilateral meetings for January 2017 by 11/11/16.</li> </ul>	Ofgem
<ul style="list-style-type: none"> <li>Draft and publish the rebasing methodology by 02/12/16.</li> </ul>	Ofgem
<ul style="list-style-type: none"> <li>Provide a template for the commentary that is expected as part of the 30/12/16 submission. Ofgem will aim for 11/11/16 however, it may not be achievable by that date.</li> </ul>	Ofgem
<ul style="list-style-type: none"> <li>Consider the definition of equally challenging in terms of HI's.</li> </ul>	Ofgem
<ul style="list-style-type: none"> <li>Provide feedback on the 'equally challenging' test methodology by 14/10/16. This should include any exceptions that the DNOs want to propose.</li> </ul>	DNOs
<ul style="list-style-type: none"> <li>Each DNO to speak to EA and get guidance on how to apply reverse deterioration. This will need to feed into the action below.</li> </ul>	DNOs
<ul style="list-style-type: none"> <li>Ofgem requested that DNOs confirm via email the detailed process that they will use to reach the 01/04/15 start position (see below for agreed way forward). This should be submitted by 11/11/16 and will be used to get an understanding of what will be in the 30/12/16 submission.</li> </ul>	DNOs
<ul style="list-style-type: none"> <li>Collectively agree proposal for handling the change in unit of measure for refurbishment of fluid filled cables and present on 11/11/16.</li> </ul>	DNOs
<ul style="list-style-type: none"> <li>Collectively agree whether common Probability of Failure can</li> </ul>	DNOs

be used. UKPN to take forward and share with other DNOs. Update Ofgem on 11/11/16.	
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#### **4. Date of next meeting**

4.1. The next meeting will be held on 11<sup>th</sup> November 2016 at Ofgem's London and Glasgow offices.