

Guidance

RIIO-GD3 Business Plan Data Templates instructions & guidance

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This document sets out the instructions and guidance for completing Business Plan data templates, required as part of the process of setting RIIO-GD3.

This document is for people who are filling out the Business Plan data templates and want to know general and specific guidance for reporting Business Plan data. It explains the scope of the Business Plan data templates, what to consider when completing them, and where to find more information.

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1. Introduction

Purpose

- 1.1 This document sets out the instructions and guidance for completing the Business Plan data templates (BPDT) that support the submission of the gas distribution networks' (GDNs') Business Plans.
- 1.2 The BPDT is an Excel workbook. It consists of a number of data entry sheets together with various summaries. The BPDT should support and be consistent with the submitted Business Plan, providing additional detail in support where requested. The BPDT should be completed in accordance with these instructions and definitions provided in this document.
- 1.3 The BPDT and these instructions provide a framework for the collection and provision of consistent information in order to avoid varying interpretations of definitions and reporting requirements.
- 1.4 These instructions are provided in order to ensure consistency of information contained in the BPDTs. They do not set out the process for when draft and final Business Plans should be submitted or provide guidance on what should be included in Business Plans. These instructions should be read alongside the RIIO-3 Business Plan Guidance Document.
- 1.5 These instructions do not change any definitions or obligations contained within the gas transporter licence applicable to the GDNs and to avoid doubt, in the event of any potential or perceived conflict, the licence conditions will always take precedence.

2. General instructions for completing the BPDT

Chapter Summary

The purpose of this chapter is to provide general instructions for completing the data template(s) tables by each GDN. This is to enable Ofgem to effectively monitor the performance of the companies in relation to the allowances set as part of RIIO-GD2 Final Proposals and against previous years' submitted actuals and forecasts.

Overview

- 2.1 The data templates comprise a series of tables in a Microsoft Excel workbook. The purpose of the workbook is to facilitate the submission of uniform and

comparable financial, workload and outputs information from GDNs. This enables comparison across the GDNs, with final proposals and previous years' performance, and comparative regulation on a consistent basis throughout the RIIO-GD3 period. It consists of a number of data entry and various summary tables. The workbook should support and be consistent with the RIIO-GD3 Final Proposals.

- 2.2 GDNs should submit accurate, and where instructed, audited figures of their costs and revenues for the relevant period. Further guidance is provided in this chapter.
- 2.3 The template has been designed to have single data entry where possible in order to avoid duplication and in order to facilitate reconciliations and balance checks.
- 2.4 Unless specified otherwise in the individual table instructions below, the following rules apply:
 - Costs are to be entered as positive values.
 - Contributions (customer or otherwise) are to be entered as negative values.
 - Cost recoveries are to be entered as negative values.
 - Volumes are to be entered as positive numbers.
- 2.5 For the purposes of information provision, a financial year will be a period of 12 months commencing on 1 April of each calendar year and ending on 31 March of the following calendar year.
- 2.6 All forecast costs should be exclusive of Real Price Effects (RPEs) and of ongoing efficiency.
- 2.7 The network company is responsible for ensuring that all annual historical data (costs and workloads/volumes) is fully reconcilable to its latest published Regulatory Reporting Pack (RRP). Where disaggregated reporting categories differ between the BPDTs and the latest RRP, matching parent categories should reconcile. If historic BPDTs figures fail to reconcile to the latest RRP, a clear explanation of the misalignment should accompany the business plan submission.
- 2.8 Financial values should reconcile with audited regulatory accounts. The network company is required to provide all actual financial data to the highest reasonable level of accuracy available from its source systems and, commensurate with the purpose for which such data is intended, taking into consideration the appropriate allocations that are necessary to complete the tables.

- 2.9 Workload and outputs should be entered in the unit of measurement set out in this guidance or in the BPDTs. Workload units and outputs should be reported at the highest reasonable level of accuracy from the source systems and commensurate with the purpose for which such data is intended taking into consideration the appropriate allocations that are necessary to complete the tables.
- 2.10 Any resubmission of the BPDTs shall only be made by agreement between Ofgem and the network company and, in any such instance, the BPDTs should be resubmitted in full. Resubmission of the BPDTs must be accompanied by a letter signed by a director of the network company.
- 2.11 If the network company has any queries about the data template or discovers any errors following the completion of its BPDTs, it should raise those with Ofgem as soon as possible, by email to RIIO3@ofgem.gov.uk.

BPDT Structure and data entry

- 2.12 The BPDT has been separated into the following sections:

General tables: The Contents, Changes Log and Universal Data tables provide constant figures to be referenced whilst populating the BPDT tables.

- Totex tables: The Totex cost, workload summary and Real Price Effects and Ongoing Efficiency.
- Finance and Debt tables: Tables F2.00 to F3.07 collect financial information.
- Activity tables: Tables C4.00 to CV6.12 collect cost and workload data for activities within Opex, Capex and Repex. These tables also typically collect asset specification and population figures.
- Memo tables: Tables M8.00 to M8.24 collect additional data to support deliverables, outputs and innovation.
- Innovation Tables: Tables M9.00 to M9.04 collect information on innovation.

Data entry

- 2.13 As the template is a series of tables in a Microsoft Excel workbook, links and formulae have been included to limit, where possible, the amount of manual data entry required. The workbook cells have not been "locked", but GDNs are not to

change any formulae or formats (including insertion or deletion of rows or columns, moving any cells, or altering any text, figures or formulae in any cells not shaded yellow) without instruction from Ofgem first. If a change is necessary (to correct an error, for example), we will notify all GDNs of the correction to be made.

2.14 The colour scheme used in the spreadsheets is as follows:

- Yellow cells represent input fields.
- Light and dark grey is used to denote cells containing a formula for linked data.

Light blue cells are used for calculations or sum formula.

- White cells with shading are used where cells do not need to be completed.
- White cells are used for error checking.

2.15 Unless otherwise stated in this document or in the BPDTs, actual financial values should be provided in £ million to a minimum of three decimal places. Financial values should reconcile with audited regulatory accounts. GDNs are required to provide all actual financial data to the highest reasonable level of accuracy available from their source systems, and commensurate with the purpose for which such data is intended, taking into consideration the appropriate allocations that are necessary to complete the tables.

Use of estimates and allocations

2.16 Apportionments should be avoided wherever possible. However, where GDNs (and any affiliate or related undertaking of the GDNs) have to do this to complete the tables, the basis of apportionment must be provided. Changes in apportionment should also be highlighted.

Pipe diameter bands

2.17 It is required that all cost and workload / length data, where reported by pipe diameter band, uses a consistently applied pipe allocation. The Repex section defines nine diameter categories, A to I, which are derived by matching the internal pipe diameters of the various pipe materials in use and covers both imperial and metric nominal diameters.

Uncertainties

- 2.18 Where tables have been provided for uncertainties (reopeners) e.g. Net Zero, Cyber and Physical Security, these costs should also be included in the associated Opex, Capex and Repex activity tables.
- 2.19 Where a reopener is triggered, there will be a requirement to provide additional information. This will be agreed by Ofgem and the relevant GDNs.

Additional information

- 2.20 If GDNs consider additional information beyond that requested is necessary to develop a complete understanding of the information presented in the tables of the template, then such information should be included in an appendix to the submission.

Template errors

- 2.21 Where errors in the workbook are identified, Ofgem should be notified as soon as possible. Ofgem will make the necessary corrections, log them in the change log and notify the GDNs.

Definitions

- 2.22 The definitions set out in the Glossary of the RIIO-GD2 Gas Distribution Price Control Regulatory Instructions and Guidance¹ should be used to complete the template in a consistent way. GDNs must ensure that the definitions are clearly understood and are complied with when entering any data into the BPDT. Where there is doubt or uncertainty, please refer to Ofgem for clarification. This is to ensure consistency and comparability of data entry across GDNs.

3. Instructions for completing the Totex tables

¹ <https://www.ofgem.gov.uk/sites/default/files/2024-04/RIIO-GD2%20-%20Regulatory%20Instructions%20and%20Guidance%20v1.16%20clean.pdf>

S1.00 Totex Cost Summary

3.1 Instructions for completion: This table data is auto populated from other tables.

S1.01 Workload Summary

3.2 Instructions for completion: This table data is auto populated from other tables.

S1.02 RPE & OE

3.3 The purpose of this worksheet is to provide an analysis of Real Price Effects (RPE) and Ongoing Efficiency (OE) forecasts and assumptions.

3.4 This table enables licensees to provide their forecast of real price effects (additional to other building block forecasts). All cost forecasts provided elsewhere within the tables should be exclusive of OE's and RPEs. Any increase to ongoing pension contribution rates should be included in main tables and not treated as an RPE.

Real Price Effects

RPE Indices

3.5 For each expenditure category, enter the index that represents your view of inflation relative to CPIH. CPIH data is contained in the Universal Data tab. Indices have a base year of 2023/24 – i.e. if you expect Direct Opex to increase by 1% above CPIH from 2023/24 to 2024/25, enter 1.01 for the year 2024/25.

RPE Weightings

3.6 For each expenditure category, enter the weight of each RPE input category. Some input categories allow for a different index weighting to be entered for Opex, Capex and Repex, e.g. if materials used in Opex are subject to different input price pressures than those used in Capex or Repex, then a different index can be entered for each. Otherwise, all indices can be equal.

3.7 The indices for specialist labour should be exclusive of any materials used by contractors. Instead, the indices for materials should reflect the cost changes associated with both direct materials and those used by contractors. Input weights should sum to 100% for each expenditure category. The Other field should capture any remaining weight not attributable to the defined input categories listed. Different weights can be entered for different years.

3.8 The definitions for general and specialist labour are below:

- General labour – labour costs that include any form of payment, consideration or other benefit, paid or due to or in respect of employees, including the costs of temporary or Agency staff. It excludes:
 - Professional services;
 - Contractors;
 - Company vehicles take home over night, other than company cars (include under Labour costs);
 - Small tools and equipment (include under non-operational new assets and replacement);
 - Pension costs (employer only); and
 - Pension deficit repair payments.

- Specialist labour – people employed in the following standard occupation classification costs (does not include the labour element of any contractor costs):
 - 21: science, research, engineering and technology professionals
 - 31: science, engineering and technology associated professionals
 - 52: skilled metal, electrical and electronic trades
 - 53: skilled construction and building trades

3.9 You should provide evidence within the business plan commentary of how the final indices were deduced and why you expect the weight of each input category to vary over time (if applicable).

Disaggregated Opex RPE Costs

3.10 Enter the forecasted RPE figures for each Opex activity in £m for the remaining years of RIIO-GD2 (2023/24-2025/26) and for the five years of RIIO-GD3 (2026/27-2030/31).

Disaggregated Capex RPE Costs

3.11 Enter the forecasted RPE figures for each Capex activity in £m for the remaining years of RIIO-GD2 (2023/24-2025/26) and for the five years of RIIO-GD3 (2026/27-2030/31).

Disaggregated Repex RPE Costs

- 3.12 Enter the forecasted RPE figures for each Repex activity in £m for the remaining years of RIIO-GD2 (2023/24-2025/26) and for the five years of RIIO-GD3 (2026/27-2030/31).

Ongoing Efficiency

- 3.13 Ongoing efficiencies are productivity improvements expected by even the most efficient GDN. This should represent a GDN's forecast of reductions in input volumes that can be achieved whilst delivering the same outputs.
- 3.14 Ongoing efficiency assumptions have a base year of 2023/24, i.e. if you expect ongoing efficiencies for Direct Opex to decrease costs by 1% per annum from 2023/24 to 2024/25, then enter 0.99 for year 2024/25, and so on. You should provide evidence within the commentary/business plan of how the final ongoing efficiency indices were deduced.

4. Instructions for completing the Finance tables

F2.00 BPFM Inputs

- 4.1 The purpose of this worksheet is to provide a summary of information from the BPDT, to be used as input values in the Business Plan Financial Model.
- 4.2 Certain fields in this worksheet are automatically populated, as they collate and aggregate information from other sections of the workbook, whilst other fields need to be filled in by the GDN.
- 4.3 GDNs will populate yellow input cells.
- 4.4 Non-variant and variant allowances: at Final Business Plan stage there is not a pre-defined definition for which activities should be considered as either non-variant or variant allowances. GDNs may choose to allocate activities into either category. The total of non-variant and variant allowances should equal the total totex from S1.00. Where there are instances of additional variant allowances being proposed which are not part of S1.00 totex, this should be clearly indicated in the row label and in the BPDT Commentary.
- 4.5 Non-variant allowances: this section contains yellow input cells which also already contain formulas linking to the S1.00 worksheet. GDNs may overwrite these cells

- with their own links or values if the provided formulas would not lead to the correct totals, and should explain the changes made in the BPDT Commentary.
- 4.6 Variant attributes: this table, in which GDNs input the attributes of variant activities (TIM or non-TIM; RPEs applicable; capitalisation bucket; natural cap rate), does not accept inputs for activities that existed in RIIO2. The BPFM will use RIIO2's attribute settings, so no input is required.
- 4.7 Financeability inputs: "Statutory depreciation [from BPDT]" and "BPDT capex input"; these inputs are used in the BPFM for the purposes of calculating the licensee's statutory depreciation position. Statutory depreciation should include intangibles. BPDT capex should include accruals and intangibles that are part of totex activities.
- 4.8 BPFMPension inputs: enter EDE values and any known adjustments that may be included as part of the 2023 triennial pensions review. GDNs should make forecasts for values where necessary.

F2.01 BP Tax Inputs

- 4.9 The purpose of this worksheet is to collect information relating to forecast corporation tax information on a regulatory basis, including Capital Allowances and Tax Pool Allocations.
- 4.10 A new "Intangibles" allowance has been added, whereby an appropriate weight average amortization would be chosen and assumed to commence in the period following addition. This has been greyed out for Business Plans but kept as a placeholder for AIP 2025. F2.02 Liquidity Licensee
- 4.11 The purpose of this table is to gather a more complete view of the day-to-day liquidity requirements of licensees. This data will be used as evidence to underpin the sizing of the associated additional borrowing allowances.
- 4.12 The definitions of cash and cash equivalents should align to the applicable statutory accounting definitions.
- 4.13 Reported Revolving Credit Facilities ("RCFs") should include committed facilities, with the ability to draw and repay loans flexibly over the term of the facility. These facilities should be available to draw at each given reporting date. The purpose of these debt facilities should be for general liquidity management or working capital purposes. Facilities which are primarily in place as credit

enhancement for the benefit of lenders should be excluded, for example debt service reserve facilities.

- 4.14 Current data is limited to period end data. This does not provide a clear perspective of the day-to-day operational balances and RCF drawings made by licensees which could be higher or lower than the period end disclosure.
- 4.15 Licensees will populate yellow input cells.
- 4.16 In the BPDT commentary licensees should also provide a written description of their liquidity management policies. Such written disclosure should include:
 - 4.17 Details on any applicable licensee liquidity target or policy.
 - 4.18 Confirmation on whether there are cash pooling or other similar group treasury management policies in effect. If there are these arrangements in place, how they operate.
 - 4.19 If cash equivalents are held, what these investments are composed of.

F2.03 Liquidity Group

- 4.20 This table is optional. It should be completed where respondents consider the standalone reporting for a licensee would give a misleading impression of the required business liquidity due to intra-group treasury management arrangements such as cash pooling.
- 4.21 Where respondents choose to provide this additional data, this table should be completed in addition to F2.02 on a standalone basis.
- 4.22 The provision of information should be provided on an unconsolidated legal entity basis for the group entity which is managing the liquidity.
- 4.23 Additional commentary should be provided where liquidity held at the group level incorporate business or activities outside the cited licensees in the disclosure. This disclosure should explain to what extent available liquidity is attributable to these other businesses or activities.

F2.04 Liquidity Group Structure

- 4.24 This table provides a space for detailing the group structure.
- 4.25 If data is provided in F2.03, we request that the response include a company structure diagram to illustrate the relationship between the group entity cited and participating licensee(s).

F2.05 BP Disposals 1

- 4.26 The purpose of this table is to collect information relating to fixed asset disposals.
- 4.27 Rows 09 to 47: In yellow input cells enter details of disposals in the regulatory year by asset type for the company and individual licensees. For the avoidance of doubt, disposals should include assets transferred from the licensee to a company within the same group (i.e. a property company).
- 4.28 Rows 61 to 114: In yellow input cells insert details of any adjustments or reclassifications relating to disposals.

F2.06 BP Disposals 2

- 4.29 The purpose of this table is to collect information relating to fixed asset disposals.
- 4.30 Rows 09 to 92: In yellow input cells enter property and land disposal income. All areas of the sub-table must be completed. The property and associated land include: in-whole or part of any operational site and in-whole or part of any non-operational site (eg office buildings). Entries should cover the same time period referred to in F2.05.

5. Instructions for completing the Debt tables

F3.00 Debt for BPFM

- 5.1 The main function of this worksheet is to derive average debt volumes for embedded and new debt types that are consistent with the definition of average debt in the BPFM interest calculations (see sheet named Finance&Tax (actual) therein). These recalculated average volumes are then used to derive the actual cost and proportion of new debt issuance by type, also for use in the BPFM.
- 5.2 In the BPFM, average net debt is defined as the average of "Opening net debt after equity issuance" and "Closing net debt before tax, interest and dividends". In summary, the derivation of these opening and closing balances requires to deduct any equity issuance from the opening net debt volumes sourced from F3.02, and deduct interest expense, dividends and net taxes (allowance minus cost) from the closing net debt volumes from F3.02. The average of opening and closing debt thus obtained is consistent with the definition used in the BPFM.
- 5.3 The derivation of opening and closing volumes under the BPFM definition requires some preliminary operations:

- Allocate equity issuance as sourced from tab F3.01 (row 275) to debt types. This is achieved by assuming that any equity issuance reduces new debt issuance requirements, according to the same proportion in which new debt types are issued. No equity issuance is allocated to embedded debt.
- Allocate dividends as sourced from tab F3.01 (row 278) to debt types, by using the proportions of embedded and new closing debt types from F3.02. This is consistent with the dividend calculations in the BPFM, where dividends are derived as a percentage of closing equity.
- Allocate debt adjustments from the yellow input cells in F3.02 (rows 194 to 200) to embedded and new debt types. As for dividends, this is achieved by using the proportions of closing embedded and new debt types on total closing debt from F3.02. This operation allows to reconcile volumes of debt types with total closing debt under the regulatory definition.
- Similarly, interest adjustments from the yellow input cells in F3.01 (rows 219 to 228 and rows 233 to 242) are allocated to interest expense by debt type according to the share of interest expense by debt type on total interest expense. Interest adjustments are entirely allocated to cash interest payments, so that the principal inflation accretion component is unaffected and as sourced from sheet F3.01. This operation ensures that interest expense by debt type thus derived is consistent with total interest expense under the regulatory definition from sheet F3.01.
- In theory, net taxes as defined in the BPFM (tax allowance minus tax paid) should also be allocated to embedded and new debt types. However, this would not only require to source tax allowance and tax paid from the BPFM, but also introduce a circularity issue, as tax paid in the BPFM depends on interest expense, which in turn is derived from average debt from this BPDT:

$$\text{Tax paid (BPFM)} \leftarrow \text{Interest expense (BPFM)} \leftarrow \text{Average debt (BPDT)} \leftarrow \text{Tax allowance (BPFM)} - \text{Tax paid (BPFM)}$$
 - In other words, in order to calculate Tax paid in the BPFM one needs to use average debt from the BPDT, which in turn is derived by deducting net taxes (sourced from the BPFM) from the BPDT closing debt. In this BPDT this predicament is resolved with the simplifying assumption that Tax allowance = Tax paid. The implication is that net taxes have no impact on debt balances and can be ignored in the workings of this sheet F3.00.

5.4 After all the preliminary operations described above are completed, debt balances as per BPFM definition can be determined for embedded and types of new debt.

- 5.5 Actual debt balance by type for BPFM modelling (including adjustments calculated below), rows 14-103. This top section of sheet F3.00 explicitly calculates net debt balances for embedded and new debt types, consistently with the methodology used in the BPFM net debt calculations (sheet Finance&Tax (actual) therein). For example, opening embedded debt (after equity issuance) in row 17 is calculated by deducting the allocated equity issuance (which only in this specific instance is zero) from opening embedded debt. Closing debt (before interest and dividends) in row 20 is derived by adding to opening embedded debt (after equity issuance) the operating result plus the impact of debt adjustments previously calculated. Operating result is ascertained in row 18 as the debt change in year minus embedded debt interest expense (which includes the allocated interest adjustments), allocated dividends and impact of debt adjustments (as previously discussed, net taxes can be ignored and are greyed out accordingly). This procedure is replicated for all debt types, so that the corresponding balance for total embedded and new debt is also determined (rows 89-105).
- 5.6 Average debt balance and cost of debt for use in BPFM (rows 106-132). This section uses information from the detailed debt balances to calculate average debt volumes, actual cost of debt and proportion of new debt issuance by type of debt under the BPFM definition. Ultimately, average embedded debt (row 109) is used in the BPFM to determine the new debt issuance requirement (as total average debt requirement minus average embedded debt), which in turn is allocated to types of new debt according to the proportions calculated in this sheet (rows 126-129). New debt interest expense is calculated in the BPFM by using actual cost of debt also from this sheet (rows 119-122).
- 5.7 Supporting workings for derivation of actual debt balances by type (rows 133-274). The remainder of this sheet features supporting workings to determine the previously discussed allocations of equity issuance (rows 135-167), debt adjustments (rows 168-206), dividends (rows 207-217) and interest adjustments (rows 218-274) to embedded and new debt types, for use in the detailed debt balances constructed above.
- 5.8 Licensees should not make any changes to this worksheet.

F3.01 Financial Summary (TWA)

- 5.9 The purpose of this worksheet is to provide summary information on actual debt volumes and debt cost position of licensees as well as actual equity issuance and dividend forecasts. This will enable actual company financing positions to be used
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as input values into the BPFM, for the purposes of calculating financial ratios based on actual company financing structures and costs. The debt volume amounts in this worksheet are derived on a Time Weighted Average (TWA) basis, whilst all inputs and calculations are expressed in nominal prices (£m).

- 5.10 Rows 30-61 reflect embedded debt volumes and costs pre interest rate and inflation derivatives; rows 62-93 reflect the impact of interest rate and inflation derivatives on embedded debt volumes and costs. Rows 94-128 use the information from the two previous sections to express embedded debt volumes and costs post interest rate and inflation derivatives (on a TWA basis).
- 5.11 The embedded debt sections in rows 30-128 are populated automatically based on the embedded debt data input into F3.06 Debt Dataset and processed into sheets F3.03 Fixed Rate Debt, F3.04 Floating Rate Debt and F3.05 Inflation Linked Debt. As a result, annual TWA embedded debt volumes and interest expense for all financial instruments inputted in F3.06 are aggregated and summarised in said sections of sheet F3.01.
- 5.12 Volumes of new forecasted debt raised starting from year 2021/22 and related interest expenses are determined in the section in rows 129-195 ("New Debt Composition & Expense Pre and Post Derivatives (notional principal outstanding value)"). New debt volumes and interest expenses are assumed as pre and post derivatives, i.e. there is no distinction between debt raised in a particular format directly and that raised in that format indirectly through derivatives. This is because it is assumed a DNO may be able to forecast which format liability they would seek to raise for future years but may not be able to forecast whether this would be raised directly or through derivatives. This new debt section in rows 129-195 is based on a number of additional inputs that DNOs are required to populate.
- 5.13 New debt amounts in this section should reflect the "core totex scenario", that is, they should represent forecasted new debt emissions for financing the Business Plan expenditure submitted in this BPDT.
- 5.14 Forecasts of new volumes of debt raised are distinguished into fixed rate debt; floating rate debt (LIBOR, all assumed 6M for simplicity); floating rate debt (SONIA); RPI linked debt; and CPI/CPIH linked debt. For each type of debt DNOs should input values for new annual volumes raised in year (in rows 131, 136, 141, 146, 152) and the proportion of the issuance year these new volumes are outstanding (in rows 132, 137, 142, 147, 153). The "year proportion new debt

raised is outstanding” should reflect the proportion of the year (between 0 and 1) that the new debt is outstanding (i.e. if assumed to be issued at the start of the year, the year part would be 1; if mid-year, the year part would be 0.5; if assumed on specific dates, this would be (end year date-issue date) / days in year). For simplicity, it is assumed new debt raised would not be repaid prior to the end of RIIO-ED2.

- 5.15 Forecast Refinancing/New Debt: Opening New debt (K160). Input opening balance of new debt as of start of 2021/22 year. We have greyed out and pre-populated this cell as zero because outstanding debt at the start of 2021/22 should be included in and ascertained from the embedded debt data inserted in F3.06 Debt Dataset.
- 5.16 Forecast Refinancing/New Debt: New Debt Interest Expense (row 187). Forecast interest expense arising from new debt raised. This data is included for information and comparison purposes only, as the subsequent calculations in the worksheet use Calculated New Debt Interest Expense (row 188).
- 5.17 Calculated New Debt Interest expense (row 188) is automatically calculated using the interest and inflation rates assumptions pre-populated at the top of the worksheet, rows 12-29 (“Inflation rates to be used [...]” and “Interest rates to be assumed [...]” sections).
- 5.18 Conversion to Regulatory (RIIO-1) Definitions of Net Debt, Net Interest, and Costs excluded from Regulatory (RIIO-1) Definition of Net Interest (rows 198-204, 212-221, 226-235). Where applicable, enter adjustments required to adjust the actual net debt and net interest expense values to their RIIO-1 regulatory definitions. Such adjustments should be inputted in a “Time Weighted Average” basis, consistently with the embedded and new debt volumes calculated in the previous sections of this sheets. Although row 205 refers to net debt per regulatory definition (which includes intercompany loans), where such intercompany loans are equity shareholder loans, these should be excluded. Adjusted Net Interest Expense (row 237) should exclude equity shareholder loan interest.
- 5.19 Forecast actual equity (rows 266-271). Historic actual and forecast data for equity issuance, issuance transaction costs, and dividends or shareholder loan payments. Dividends paid to shareholders are inputted as negative amounts; shareholder loan payments are inputted as positive amounts.

- 5.20 Actual cost of debt and index-linked (rows 242-265). Summary indicators for actual cost of debt (pre and post-derivatives) and index linked debt (proportion of RPI and CPI/CPIH index linked debt on total debt, share of principal inflation accretion on total interest expense, pre and post-derivatives). Note that these indicators are for information purposes only and not used in the BPFM, as the relevant information for the BPFM actual modelling is derived and extracted from the F3.00 Debt for BPFM sheet.

F3.02 Financial Summary (YE)

- 5.21 The purpose of this worksheet is to derive embedded and new debt volumes at the start and end of each year, for use in the BPFM. This is largely accomplished using the embedded debt data and calculations in sheets F3.06 and F3.03 to F3.05, as well as new debt information drawn from sheet F3.01. In order to derive total net debt closing balances under the regulatory definition, Licensees are also required to insert adjustments to the year end (YE) amounts as needed. Accordingly, such adjustments are to be inputted on a YE basis. As in worksheet F3.01, all inputs and calculations are expressed in nominal prices (£m).
- 5.22 The structure of this sheet is similar to F3.01, with embedded debt calculations at the top (rows 12-150), new debt in the middle (rows 151-191) and the derivation of total regulatory closing debt, which includes DNO adjustments, at the bottom (rows 192-209).
- 5.23 Rows 12-52 use sheets F3.03 to F3.05 to derive pre-derivatives embedded debt volumes at the start of the year, as well as embedded debt issuances and repayments during the course of the year and principal accretion amounts on inflation linked debt. This allows to obtain the pre-derivatives embedded debt volumes at the end of the year.
- 5.24 Rows 53-92 follow the same approach to determine the amounts of derivatives at the start of the year. Derivative issuances and repayments are then factored in to calculate the impact of derivatives on closing embedded debt balances.
- 5.25 Rows 93-132 sums pre-derivatives embedded debt amounts and derivatives to obtain post-derivatives opening embedded debt, issuance and repayments and principal accretions. This information is then combined to obtain post-derivatives embedded debt at the end of the year.
- 5.26 Rows 151-191 are used to track new debt opening balances, emissions and principal inflation accretion on inflation linked debt, thus obtaining new debt

closing balances. New debt emissions and principal inflation accretion (rows 161-173) are sourced from the new debt section of sheet F3.01. For simplicity, CPI/CPIH linked debt from F3.01 is allocated in its entirety to the "CPI linked" category in F3.02. This allocation is only presentational and has no impact on the relevant output for the BPFM, where CPI and CPIH linked debt are also aggregated in one single category. Consistently with sheet F3.01, all new debt issuances are assumed to mature after the end of RIIO-2 and rows 175-179 are set to zero and greyed out accordingly.

- 5.27 Row 193 provides the Closing Balance of Debt, as the sum of Closing Embedded Debt and Closing New Debt from the previous sections. In rows 194-200, Licensees are required to input any adjustment needed to obtain (total) Closing Net Debt per Regulatory Definition (row 201). Such adjustments are akin to those in rows 198-204 of sheet F3.01, but in this instance they represent amounts at the end of the year (YE), as opposed to annual time weighted averages (TWA).
- 5.28 Rows 206-209 feature the resulting total net debt regulatory balances (opening, closing and simple average). Licensees are required to input in cell E207 the total Opening Net Debt per Regulatory Definition for year 2016. This is needed because opening embedded debt for 2016 as derived from sheets F3.03 to F3.05, does not capture any previous adjustment and therefore may not be consistent with the regulatory definition.

F3.03 Fixed Rate Debt

- 5.29 The purpose of this worksheet is to select fixed rate debt instruments from the 2.10 Debt Dataset and calculate annual embedded debt volumes and interest payments for each instrument. This information is subsequently aggregated and utilised in tab F3.01 and F3.02.
- 5.30 Licensees should not make any changes to this worksheet, values in this worksheet are automatically populated using inputs inserted into F3.06 Debt Dataset.

F3.04 Floating Rate Debt

- 5.31 The purpose of this worksheet is to select floating rate debt instruments from the F3.06 Debt Dataset and calculate annual embedded debt volumes and interest payments for each instrument. This information is subsequently aggregated and utilised in tab F3.01 and F3.02.

- 5.32 Licensees should not make any changes to this worksheet, values in this worksheet are automatically populated using inputs inserted into F3.06 Debt Dataset.

F3.05 Inflation Linked Debt

- 5.33 The purpose of this worksheet is to select inflation linked debt instruments from the F3.06 Debt Dataset and calculate annual embedded debt volumes and interest payments (including principal inflation accretion) for each instrument. This information is subsequently aggregated and utilised in tab F3.01 and F3.02.
- 5.34 Licensees should not make any changes to this worksheet, values in this worksheet are automatically populated using inputs inserted into F3.06 Debt Dataset.

F3.06 Debt Dataset

- 5.35 The purpose of this worksheet is to collect, in a standardised fashion, granular information related to actual debt and derivative products. For illustrative purposes, the worksheet is pre-populated with example data, which Licensees should overwrite with actuals. Licensees should clear (not delete) columns A to CV for any unused pre-populated rows, so that the dataset only contains their actual data.
- 5.36 Column CX (Identifier by type) generates indices used to automatically populate tabs F3.03 to F3.05 and must not be amended.
- 5.37 Columns DC to EO contains supporting workings to verify a number of set validation criteria. If any data point is not inputted accordingly, the affected cell is automatically highlighted in red. Licensees should ensure that no cells in F3.06 are highlighted in red, thus indicating that essential information has been included for all instruments and data should be processed in tabs F3.00 to F3.05 as intended.
- 5.38 This worksheet should be completed taking into consideration the debt and derivatives outstanding at the time of completing sheet F3.01 and F3.02 for submission with the business plan. The worksheet should only include embedded debt (i.e. debt existing at the time of completion of the worksheet) and should not forecast new debt or derivatives instruments (which is to be included in F3.01).

- 5.39 Where debt is of a short-term/current nature (and can therefore be replaced several times in a year), the balance outstanding at the year end must be entered. The interest rate stated must be the rate that is applicable to the tranche which is outstanding at the regulatory year end.
- 5.40 Licensees should populate only columns A to CV of the worksheet. All debt volumes amounts should be inputted in nominal prices (£m). Please also refer to row 2 of the worksheet for guidance on the data format to use in each column.
- 5.41 Please populate columns A to CV of the worksheet according to the following guidance:
- Sector: choose from the drop-down validation list.
 - Licensee: choose from the drop-down validation list.
 - Category: choose from the drop-down validation list.
 - Rank: choose from the drop-down validation list.
 - Type: choose from the drop-down validation list.
 - Maturity Type: choose from the drop-down validation list.
 - Core Debt / Liquidity: choose from the drop-down validation list.

Derivative Instrument Description: choose from the drop-down validation list.

- Identifier: type instrument identifier code if available.
- Pricing date: insert in date format (dd/mm/yyyy) if available.
- Issue date: insert in date format (dd/mm/yyyy). This column MUST be populated as it is used in the calculations as the instrument issuance date.
- Maturity date: insert in date format (dd/mm/yyyy). This column MUST be populated as it is used in the calculations as the instrument maturity date.
- Early repayment date: insert in date format (dd/mm/yyyy) if applicable. If inserted, Early repayment date overrides the Maturity date in the calculations.
- 1st Call Date: insert in date format (dd/mm/yyyy) if available.
- Currency: choose from the drop-down validation list.
- Amount Issued on Issue Date / Max loan amount: insert amounts in the original currency of issuance, including amounts issued in pound sterling (GBP).
- Current Amount Outstanding: insert amounts in the original currency of issuance, including amounts issued in pound sterling (GBP).
- Amount Issued on Issue Date / Max loan amount_GBP equiv: populate with the GBP conversion (£m) of Amount Issued on Issue Date / Max loan amount. For instruments issued in GBP the two amounts will be the same.

- Current Amount Outstanding_GBP equiv: populate with the GBP conversion (£m) of Current Amount Outstanding. For instruments issued in GBP the two amounts will be the same.
- Amount for Use: populate with the GBP amount (£m) for use in tabs F3.03 to F3.05 to derive instrument debt volume and associated interest payments. This column MUST be populated.
- Coupon / Margin: insert in percentage format (%) if available.
- Issue Price: insert index value (base index = 100) if available.
- Yield to Maturity at Issue Date: insert in percentage format (%) if available.
- Rate for use: insert in percentage format (%). This column MUST be populated as it provides the interest rate driving the calculations in F3.03 to F3.05. This column should be populated using values from Yield to Maturity at Issue Date, rather than from the Coupon / Margin column.
- floating_ref_rate: for Floating instruments, Licensees MUST select one of the LIBOR or SONIA options from the validation list. For Fixed and Inflation Linked instruments Licensees MUST select "N/A" from the validation list.
- inflation_ref_rate: for Inflation Linked instruments, Licensees MUST use the validation list to specify if linked to RPI, CPI or CPIH. For Fixed and Floating rate instruments Licensees MUST select "N/A" from the drop-down.
- Inflation_lag: for Inflation Linked instruments, Licensees MUST use the validation drop-down to specify the number of months lag (with respect to the end of year / maturity date as applicable) for the selection of the price index used for indexation of the principal amount. For Fixed and Floating rate instruments Licensees MUST select "N/A" from the drop-down.
- Inflation_Base_Index: for Inflation Linked instruments, insert reference base index applied at issuance. If not available, this will be automatically determined in tab 2.9 from the monthly inflation dataset in Monthly Inflation, using information on issue date, inflation reference rate and monthly lag.
- Commitment Fee: insert in percentage format (% issued amount) if available.
- LT Issue Rating at Issue Date (S&P/Moodys/Fitch): insert rating information if available.
- Current LT Issue Rating (S&P/Moodys/Fitch): insert rating information if available.
- Counterparty: insert counterparty (type "Market" if not identified).
- Transaction expenses: include rating fees, bank fees, legal costs, audit fees, listing agent fees. Do not include premiums/discounts (above/below par issue

prices) or any costs which are provided for in Totex allowances. Insert amount in GBP (£m).

- Description: insert additional relevant descriptive information.
- If amortising, profile submitted?: for "Fixed" and "Floating" amortising instruments select "Y". For "Inflation Linked" amortising instruments select either: "N" for the initial debt issuance; "Y" for the annual repayment amounts. Select "N/A" for all non-amortising instruments.
- Note that these flags are used in sheets F3.03 to F3.05 to select between the "standard" calculations and the "bespoke" that apply to amortising instruments only, therefore it is essential that these flags are carefully and correctly assigned.
 - See the Supplementary guidance section below for further guidance on amortising instruments.
- Split flag: For "Inflation Linked" amortising instruments that are split into a number of row entries, select "Y" for both initial emission and annual repayments.
 - The "Y" flag can also be attributed to other instruments that are broken down into two or more row entries (such as instruments with margin changes). Select "N/A" for all other instruments.
 - Note that these flags do not impact on the calculations and only have information purposes.
- IssueAmount_2016 to IssueAmount_2031: to be used for "Fixed" or "Floating" amortising instruments. Input annual issued amounts, including the initial debt emission if this occurs in the FY2016-2031 period.
- IssueDate_2016 to IssueDate_2031: to be used for "Fixed" or "Floating" amortising instruments. Input dates for annual issued amounts, including the date of the initial debt emission if this occurs in the FY2016-2031 period. If issuance dates are omitted or inserted in the wrong column, the amounts from "IssueAmount_2016" to "IssueAmount_2031" will not be captured correctly in the calculation sheets.
- RepayAmount_2016 to RepayAmount_2031: to be used for "Fixed" or "Floating" amortising instruments. Input annual repaid amounts, including the final repayment if this occurs in the FY2016-2031 period. Repayments are inputted as negative sums.

- RepayDate_2016 to RepayDate_2031: to be used for "Fixed" or "Floating" amortising instruments. Input dates for annual repaid amounts, including the date of the final repayment if this occurs in the FY2016-2031 period. If repayment dates are omitted or inserted in the wrong column, the amounts from "RepayAmount_2016" to "RepayAmount_2031" will not be captured correctly in the calculation sheets.
- Debt instruments if 'licensee lender'
- Input negative amounts in columns R, S and T for instruments flagged as "licensee lender". These amounts will be deducted from total debt volume accordingly. Interest payments will be also calculated as negative sums and will decrease total interest expense.
- If "licensee lender", an analogous sign reversion is required for annual issuance and repayment amounts for amortising instruments, in columns AK to AZ and BQ to CF.
- Debt instruments with margin changes
- If the applicable interest rate changes during the repayment period, the instrument can be modelled by splitting into three entries in the dataset:
 - 1. First period instrument
 - issue_date = actual date of issuance
 - maturity_date = date of interest rate switch
 - Amount for use = actual volume
 - Rate for use = interest rate in period 1
 - Split flag = "Y" (to denote entry relating to a composite instrument, FYI only)
 - 2. Second period instrument
 - issue_date = actual date of issuance
 - maturity_date = actual date of maturity
 - Amount for use = actual volume
 - Rate for use = interest rate in period 2
 - Split flag = "Y" (to denote entry relating to a composite instrument, FYI only)
 - 3. Offset for second period instrument
 - issue_date = actual date of issuance
 - maturity_date = date of interest rate switch

- Amount for use = - (actual volume) => if actual amount is borrowed, this value is negative (and vice versa if amount is lent)
 - Rate for use = interest rate in period 2
 - Split flag = "Y" (to denote entry relating to a composite instrument, FYI only)
- Instrument (1) models the first period (from issuance to interest rate change), the combined instruments (2) and (3) model the second period. (2) starts at issuance date, so that the principal accretion is calculated correctly when the interest rate switch occurs; however any debt volume or interest payment calculated for (2) before the switch date has to be zeroed and this is achieved by using the offsetting instrument (3).
 - Amortising instruments. If "Fixed" or "Floating" rate, amortising instruments are inputted as a single row entry as follows:
 - Amount for use = volume at issuance date or opening balance for 2016
 - issue_date = actual date of issuance
 - maturity_date = actual date of maturity
 - Issue/RepayAmount_2016 to Issue/RepayAmount_2031 = annual amounts for emissions and repayments. These include initial issuance and final repayment if occurring in the 2016-2031 period.
 - Issue/RepayDate_2016 to Issue/RepayDate_2031: insert annual dates for emissions and repayments, matching annual issuance and repayment amounts.
 - Amortising profile = "Y" (flag essential to trigger bespoke calculations)
 - If "Inflation linked", amortising instruments are decomposed into separate row entries, one for each annual emission and repayment. These are populated as follows:
 - 1. Initial issuance
 - issue_date = actual date of issuance
 - maturity_date = actual date of maturity
 - Amount for use = actual volume at issuance
 - Rate for use = applicable interest rate
 - inflation_ref_rate = applicable inflation index
 - Inflation_lag = applicable inflation lag
 - Inflation_Base_Index = applicable base index
 - Amortising profile = "N" (to denote the initial issuance, FYI only)

- Split flag = "Y" (to denote entry relating to composite instrument, FYI only)
- Issue/RepayAmount_2016 to Issue/RepayAmount_2031: NOT IN USE
- Issue/RepayDate_2016 to Issue/RepayDate_2031: NOT IN USE
- 2. Annual issuance / repayments
 - issue_date = actual date of issuance / repayment
 - maturity_date = final repayment date
 - Amount for use = actual volume issued / repaid (negative amount for repayment)
 - Rate for use = NIL
 - inflation_ref_rate = same as initial issuance (1)
 - Inflation_lag = same as (1)
 - Inflation_Base_Index = same as (1)
 - Amortising profile = "Y" (to denote additional issuance/repayment, FYI only)
 - Split flag = "Y" (to denote entry relating to composite instrument, FYI only)
 - Issue/RepayAmount_2016 to Issue/RepayAmount_2031: NOT IN USE
 - Issue/RepayDate_2016 to Issue/RepayDate_2031: NOT IN USE

5.42 Debt instruments issued in a non-GBP currency converted into an GBP equivalent instrument utilising a cross-currency swap:

- Where the instrument is issued in a non-GBP currency and a cross-currency swap is utilised (meeting the criteria below), the GBP equivalent swapped rate should be provided for in the rate inputs.
- The cross-currency swap should exactly reflect the underlying debt instrument and have no other economic effect or hedging intent than to convert the instrument into a GBP equivalent.
- Where the GBP equivalent rate is inputted in line with this guidance, the associated cross-currency swap should be excluded from direct input into the debt dataset to prevent double counting.

F3.07 Data Validation

5.43 The purpose of this worksheet is to store the definitions of the drop-down validation lists used in the F3.06 Debt Dataset worksheet.

5.44 Licensees should not make any changes to this worksheet.

6. Instructions for completing the Opex tables

C4.00 Opex Cost Matrix

6.1 This table collects details of the operating expenses incurred within the main cost activities by the Gas Distribution Networks (GDNs) to support benchmarking, trend analysis, and monitoring performance against the allowances.

Controllable Costs

6.2 Enter the controllable Opex expenditure by activity type. The activities are split into the following tiered levels to aid understanding and analysis:

- Price controlled activities
 - Work Management – Asset Management
 - Work Management - Operations Management
 - Work Management - Customer Management & Network Support
 - Work Management - System Control
 - Work Execution - Emergency
 - Work Execution - Repairs
 - Work Execution - Maintenance
 - Work Execution – SIU
 - Work Execution – Other direct activities
- Other Direct Activities
 - Business Support Costs
 - Training and Apprentices
- Non-Price controlled activities
 - De minimis
 - Excluded services
 - Metering
 - Consented

6.3 For each Activity type above, enter expenditure by the following expenditure types:

- Net Staff Costs (Including Agency Costs)

- Contractor Labour
- Materials
- Professional and Consultancy Fees
- Non-Salary Staff Costs (Including T+S)
- Rent and Rates
- Transport and Plant
- Interruptible Contracts
- Other

6.4 Disallowed Related party and Substantial Outsourcing Margins:

- Work Management
- Work Execution
- Business Support Costs
- Training and Apprentices

6.5 Allowed Related party and Substantial Outsourcing Margins

- Work Management
- Work Execution
- Business Support Costs
- Training and Apprentices

Non-controllable activity, pension related and network innovation costs

6.6 Enter the total Opex expenditure for each non-controllable item under total operating costs.

6.7 Non-controllable expenditure items include:

- Shrinkage
- Ofgem Licence
- Network Rates
- Established pension deficit recovery plan payment
- NTS Pension Recharge
- Bad debt
- NTS exit costs
- Innovation
- Other - any other non-controllable item not allocated above – which can be aggregated if below £0.1m, but otherwise must be specified individually

C4.01 Emergency

- 6.8 The purpose of this worksheet is to provide an analysis of controllable emergency costs at both price controlled and total cost (including non-price controlled activities such as meter work) levels, identifying the baseline costs from the current emergency policy/model as at 2018/19 and any movement relating to changes for loss of meter work, smart meter rollout and any other activities performed by the emergency function.
- 6.9 Enter the total controllable emergency costs that are delivered as part of baseline activities – i.e. for both price controlled activities and non-price controlled activities (e.g. the component of any smart meter rollout activity that is delivered using spare emergency capacity).

C4.02 Maintenance

- 6.10 The purpose of this table is to provide an analysis of maintenance activities annual spend, based on net costs.
- 6.11 There are two cost sections, Routine and Non-Routine maintenance. Include all maintenance costs, including site husbandry and other general site maintenance.
- 6.12 Both sections consist of the following categories:
- NTS Offtakes
 - LTS Pipelines
 - PRS
 - Storage
 - Distribution Mains
 - Governors
 - Services & MOBs
 - LPG/LNG Networks
 - Other Routine/Non-Routine Maintenance

CV4.03 Statutory Independent Undertakings (SIU)

- 6.13 This table collects information on costs and workload for Statutory Independent Undertakings (SIU).
- 6.14 The information will enable Ofgem to understand the workload and costs associated with SIUs across Opex, Capex and Repex.

- 6.15 Gross Costs: for each category/activity, enter the gross costs incurred/forecasted. For any additional activities not captured by the predefined activities, use the Other fields to specify an activity description.
- 6.16 Contributions (Excluding Cross-Subsidy): for each category/activity, enter any contributions received, not including income from the cross-subsidy, which is to be captured in the cross-subsidy table below. For any additional activities not captured by the predefined activities, use the Other fields to specify an activity description.
- 6.17 Volumes - Total Demand (1-in-20 Peak: Severe LDC): enter the demand in mcm/d under 1-in-20 conditions for each SIU.

C4.04 Business Support Group

- 6.18 The purpose of this table is to provide group gross cash controllable cost analysis of business support costs that are charged to the UK regulated network businesses (and to non-regulated entities where appropriate). These tables show non-operational costs only. The costs captured on this table include both those incurred directly by the networks and those incurred at group level and allocated to the individual networks.
- 6.19 This table must be completed on a group basis and included in each GDN's BPDT submission. For groups with multiple GDNs, the values in this table must be the same in each submission. GDNs that are not part of a group are still expected to complete this table.

C4.05 Business Support Allocation

- 6.20 The purpose of this table is to provide the allocation of group gross cash controllable costs for business support (including any cost transfers to/from direct activity functions of the company's organisation) that are charged to the UK regulated network businesses, and other non-regulated businesses. It captures the costs allocated to Capex and Repex. It also provides the allocation of operational and non-operational costs for certain activities, and the number of end users for IT&T.

- 6.21 This table should be completed once in each BPDT submission, showing the direct network business support costs and the costs allocated from the group for the relevant GDN.
- 6.22 For each activity, input the costs allocated to each GDN, other businesses (UK regulated), and other non-regulated businesses.
- 6.23 Input the following additional detail:
- IT & Telecoms
 - Property Management
 - Insurance
 - HR & Non-Operational Training
 - Audit, Finance & Regulation
 - Procurement
 - Stores & Logistics
 - CEO & Group Management

C4.06 IT & Telecoms Group

- 6.24 The worksheet will collect group gross cash controllable cost information relating to IT & Telecoms expenditure and activities supporting UK regulated network businesses.
- 6.25 This table must be completed on a group basis and included in each network BPDT submission. For multiple network licensees, the values in this table must be the same in each submission.
- Input costs for each IT function by cost category
 - Input staff and contractor numbers in total
- 6.26 IT & Telecoms includes:
- Application Development – costs associated with the development of applications before they are put into the production
 - Application Maintenance & Support – The costs of maintaining and supporting applications that are in production. Includes minor enhancements and bug fixes
 - Desktop Services – the costs involved in supporting desktop hardware and software.
 - Application Server Support – costs involved in maintaining computer servers

- Storage – costs involved in supporting the IT storage
- Central Printing – all printing other than printing to local printers from a desktop pc or other device
- Network (LAN & WAN) – costs involved in implementing and supporting the computer networks, Local Area
- Network (LAN) and Wide Area Network (WAN)
- Training Centres – all the IT costs associated with training centres. This will include elements of the above that relate to training centres.
- Business Telecoms – cost involved in supporting the network of business telephone, mobile and desk phones. It does not include the costs of maintaining the
- Operational telephony linking network assets
- Management Services – IT directors and other costs of running the IT function not covered by other areas
- Contractor costs refer to the additional IT staff recruited on a contractual basis rather than employed directly.
- Bought in Services are the other costs or services bought in that do not fit in other categories.
- Data centres refer to facilities used to house computer systems and associated components, such as telecommunications and storage systems, redundant/backup power supplies and redundant data communications connections.

C4.07 Property Management Group

- 6.27 The worksheet will collect gross cash controllable cost information relating to all property costs supporting UK regulated network businesses.
- 6.28 This table must be completed on a group basis and included in each network BPDT submission. For multiple network licensees, the values in this table must be the same in each submission.
- 6.29 Non-allocated costs: For each cost category, input the costs which cannot be attributed to specific buildings.
- 6.30 The following tables capture costs by property category. For multi-use buildings, calculate the proportion of each building that falls within each building category on a pro-rata basis based on floor space in exclusive use, with shared floor space

(e.g. staff canteens) split pro rata between office space and training centres. For example a building that is 30% office space 20% training centre, 15% depot, and 35% shared (e.g. staff canteen, toilets) would count as 51% ($30\% + 35\% \times (30/50)$) of an office building ($30/(30+20+15)$), 34% training centre and 20% depot.

6.31 Where a site contains multiple buildings/facilities then the site should be counted as one building. The costs entered in the individual tables for each property type should exclude non-allocated costs.

6.32 Enter building costs for the following categories;

- Sum of category 3 buildings (\geq £1m per year)
- Sum of category 2 buildings ($<$ £1m and \geq £0.5m per year)
- Sum of category 1 buildings ($<$ £0.5m per year)
- Sum of training centres, not included in categories 1, 2 and 3 above.

6.33 Enter property management costs for all property categories in the following categories;

- Gross Staff Costs (including Agency Costs)
- Gross Pension Costs
- Professional and consultancy fees
- Rents
- Rates
- Facilities management costs
- Other

CV4.08 Training & Apprentices

6.34 The table records the gross costs, contributions and volumes related to employees engaged on formal training and apprentice programmes, including staff costs as well as other operational training costs.

6.35 Gross costs are divided into the following sections:

- Trainee/Apprenticeship Programme Costs
- Staff costs
- Training costs
- Administration costs

- Non-Programme Costs
- 6.36 Contribution costs relate to external funding which should be input as negative values.
- 6.37 Volumes consist of average FTE apprentices/trainees, split by which year of the programme they are in.
- 6.38 GDNs are required to split their training and apprentice gross costs and volumes into categories of apprentice/trainees:
- Craftsperson Apprentices
 - Engineer Apprentices
 - Graduate and Management Trainees

C4.09 CEO & Corporate

- 6.39 This worksheet shows the group gross cash controllable cost of CEO and corporate function.
- 6.40 The total costs for each corporate activity should be input for the group. CEO & Corporate Costs include:
- Communications – communication within the UK businesses, internal communications, external communications, media relations, issues management, regional communications, community relations, events management.
 - Group Strategy - function has the responsibility of evaluating the strategic options of the Group.
 - Legal / Risk and Compliance/ Comp Secretary –legal department, the management corporate governance for all companies to ensure they comply with legislation, regulations and best practice.
 - Corporate Responsibility and investor relations – corporate responsibility and interaction with institutional equity investors and market analysts also advertising, charity and sponsorship arrangements.
 - Board Members and Other – staff and other costs of Board members and other corporate costs not fitting into other categories.

CV4.10 LP Gasholders

6.41 This table collects costs and volume information on low pressure gasholders demolition programme.

6.42 The information enables Ofgem to monitor the costs of decommissioning, mothballing and demolition of gasholders, against the agreed secondary deliverables.

6.43 Gross and contribution cost are required to be completed with each broken down to Opex and capex elements.

Gross and contribution

6.44 Opex is further split to:

- Full demolition
- Partial demolition
- Decommission
- Mothball
- Other

6.45 Capex is also split to:

- Storage (Non-LTS)
- Other

Volume

6.46 Data required is split by:

- Intervention (further split by below)
 - Full demolition
 - Partial demolition
 - Decommission
 - Mothball
 - Other
 - Number of LP Gasholders
 - LP Gasholder Capacity stated in millions of cubic metres (mcm).

CV4.11 Land Remediation

6.47 This table collects information on costs and volumes of statutory and non-statutory land remediation on gasholder and non-gasholder sites. The information will enable Ofgem to understand the volume and costs associated with land remediation activities.

6.48 Land remediation definition:

- On gasholder site is remediation carried out on GDN landholdings which have had gasholders demolished since April 2008 or have gasholders remaining on site at the time of the remediation.
- On non-gasholder is remediation carried out on GDN landholdings which have had all gasholders demolished prior to April 2008.

6.49 Instructions for completion:

- For all items listed in the table, enter the number or expenditure as appropriate.
- Statutory remediation is the work required to satisfy the minimum legal requirements for a site's current use, which reduces the contaminated land risks to a point whereby the site no longer presents significant risks of significant harm to human health, controlled waters and the wider environment.
- Non-statutory remediation is the work required to satisfy the minimum legal requirements for a site's proposed change of land use, which incorporates a greater scope of work and more stringent standards to be achieved, which reduces the contaminated land risks to a point whereby the site no longer presents significant risks of significant harm to human health, controlled waters and the wider environment for the proposed change of land use.
- Routine statutory monitoring and maintenance includes desk top studies, intrusive site investigations (including drilling, trial pitting, vacuum excavation pitting etc.), qualitative and quantitative risk assessments and modelling, groundwater, ground gas and vapour monitoring regimes and general redundant site clearance to maintain serviceability of monitoring locations.
- The net costs should be entered for each category. All costs should be input as positive values. Forecasts should exclude RPEs.

Statutory activities

6.50 Enter costs and volumes (in whole numbers) for the following activities:

- Routine site monitoring and maintenance
- Statutory remediation of non-gasholder sites
- Statutory remediation of gasholder sites

Non-statutory activities

6.51 Enter costs and volumes (in whole numbers) for the following activities:

- Non-statutory remediation of non-gasholder sites
- Non-statutory remediation of gasholder sites

Volumes

6.52 Enter data for the following activities:

- Area of land remediated (in square metres to nearest whole number). The area of land remediated refers to the area of land which has undergone remediation/treatment (for example the area of an excavation), not the entire surface area of the GDN landholding which include area where remediation has taken place.
- Number of sites remediated (whole number).

CV4.12 Shrinkage

6.53 This table records shrinkage gas split by component and local distribution zone (LDZ) which allows for the monitoring of annual shrinkage volumes and costs.

6.54 Costs reported should be the actual costs incurred in procuring the gas for shrinkage as determined under the UNC.

6.55 The total costs on this table are linked to table 4.01 Opex cost matrix.

6.56 Complete the summary table with the following data:

- Throughput volumes – data by LDZs.
- Shrinkage volumes – data by LDZs and further split by:
 - Leakage volume
 - Own use volume
 - Theft volume
- Shrinkage costs data by LDZs and further split by:
 - Cost of gas(p/kWh)
 - Prior year cost adjustment

- Shrinkage cost

CV4.13 Gas Theft

- 6.57 The tables collect data on theft of gas investigations, including the cost of investigations and the money that has been successfully recovered through investigations.
- 6.58 This data enables Ofgem to understand the scale of GDNs' gas theft investigations and cost recovery activities. This will assist in monitoring GDNs' progress to tackle gas theft and assist Ofgem in monitoring the effectiveness of the gas theft incentive on GDNs.
- 6.59 Complete the summary table with the following data:
- The number of suspected/reported incidences of theft
 - The number of investigations carried out by GDNs
 - The number of cases where cost recovery attempted
 - The number of successful cases
 - The total cost of investigations
 - The total cost of cost recovery activity
 - The amount of money recovered for investigation and cost recovery costs (record as negative figures)
 - The amount of money recovered for gas stolen (record as negative figures)
- 6.60 Theft of gas should include cases reported to the GDNs or cases where the GDN itself suspects theft of gas.
- 6.61 Cost of investigations are costs incurred up to the point at which the GDN decides on whether to attempt cost recovery. This may include the cost of case handler, cost of letters, site visits etc. Include any additional information in the commentary on the breakdown on of the investigation costs.
- 6.62 The number of cases where cost recovery attempted include the number of cases in which following an investigation the GDN attempts cost recovery activities (through courts or otherwise). This may include debt recovery, solicitor costs etc. Include additional information in the commentary on the methods of cost recovery used. If applicable also include comment on the reasons why cost recovery was not attempted.

CV4.14 Streetworks

6.63 This table records all annual street works expenditure and associated workload for the following areas:

- New Roads and Street Works Act (NRSWA)
- Traffic Management Act (TMA)/Transport Scotland Act (T(S)A):
 - Permits
 - Fixed penalty notices
 - Administration costs
 - Other costs (contractors inclusive)
 - S74A Lane rental (contractors inclusive)
 - S74 Daily Charge Rates / Overstay charges (contractors inclusive)
 - Other Street Works costs - Penalties
 - Other Street Works Costs - Inspections
 - Highway Authorities
 - Streetworks costs broken down by activity

6.64 For TMA/T(S)A the costs should be the incremental costs following the implementation of a permit scheme by a highway authority (HA).

New Roads and Street Works Act (NRSWA)

6.65 All business-as-usual NRSWA costs should be reported in this table.

6.66 Enter the number of where a 'Works stop' has been submitted within the reporting period (excluding those cancelled).

Permit Schemes

6.67 TMA/T(S)A (include only incremental costs over and above NRSWA):

- Enter the total number of permits granted and total number of variations, analysing variations between chargeable and non-chargeable.
- Enter total length in kilometres of mains decommissioned and mains reinforced within the Network boundary/year
- Enter number of projects associated with permits.
- Enter the net costs for permits granted and chargeable variations

6.68 The number of permits should be the actual number of all works, within the Highways Authority (HA) that have schemes operating that will be subject to a permit charge.

Administration:

6.69 This category relates to costs over and above NRSWA:

- Enter the number of training hours and number of FTEs trained for TMA activities.
- Enter the non-field based costs e.g. back office, admin & training.
- Enter field-based administration costs and workload, including:
 - Traffic management schemes including traffic control apparatus (special signage) and crew
 - Traffic Management Plans
 - Site meetings to ensure the requirements of the Traffic Managers (inspections) are met
 - Pre-site surveys to meet the planning requirements,
 - Field based administration - other

Fixed Penalty Notices (FPNs) broken down by:

6.70 For this category:

- Enter the volume (approved FPNs) and cost (Invoiced Paid/Received) of FPNs for contravention of NRSWA within the reporting period

Other costs broken down by:

6.71 This category consists of:

- Workload:
 - Parking bay suspensions
 - Temporary traffic restriction orders (including TTRO & TTRN)
 - Other Workload.
- Cost
 - Parking bay suspensions
 - Traffic Restriction Orders (including TTRO & TTRN)
 - Back-office administration
 - Traffic management schemes including traffic control apparatus (special signage) and crew
 - Traffic Management Plans
 - Site meetings to ensure the requirements of the Traffic Managers (inspections) are met
 - Pre-site surveys to meet the planning requirements,

- Field based administration - other
- Scottish Road Work Register (where applicable)
- Other costs
- Cost incurred due to changes in legislation

S74A Lane rental (contractors inclusive)

6.72 For this category enter the:

- Number of jobs
- Number of days
- Costs total days lane rental costs, and
- Lane rental avoidance costs – These costs cost incurred by a GDN in order to avoid a lane rental charge, for example costs of overtime or enhanced materials.

6.73 The above will be entered at the following activity level:

- Repex
- Connections
- Mains reinforcements
- Repairs

S74 Daily Charge Rates / Overstay charges (contractors inclusive)

6.74 For this category enter the:

- Permits/notices issued which are subject to S74 overrun charges
- S74 Charges resolved and Paid
- Number of days where S74 overrun has been incurred
- Cost (Paid) of Overrun Charges

S74 Other Streetworks Costs – Penalties

6.75 For this category enter the:

- Number Of Prosecutions incurred under TMA/NRSWA
- Costs resulting from prosecution (Including Legal costs)
- Number of Improvement Notices Served by Highway Authorities

S74 Other Streetworks Costs- Surveys

6.76 For this category enter numbers and costs for the following:

- Non-compliant
- Sample Inspections

- Compliance Surveys

Streetworks costs broken down by activity

6.77 For this category enter the:

- Opex - Work Management
- Opex - Emergency
- Opex - Repairs
- Opex - Maintenance
- Opex - Other
- Capex - Connections
- Capex - Mains reinforcement
- Capex - Other
- Repex Tier 1
- Repex - Other

CV4.15 Smart Metering

6.78 This worksheet captures costs and workload volumes associated with the smart meter rollout programme, and the allocation of these costs across different activities.

6.79 Instructions for completion, enter the costs and volumes for the categories as follows:

- Work management
- Emergency
- Repairs
- Maintenance
- Business support
- ODA
- Other Capex
- Other Repex Services

7. Instructions for completing the Capital Expenditure (Capex) tables

C5.00 Capex Cost Summary

- 7.1 This table pulls costs subtotals across capex tabs to the Totex summary (S1.00 Totex Cost Summary).
- 7.2 Costs are summarised to fit the Totex breakdown:
- by expenditure group (Load Related / Non-Load Related)
 - by asset/activity category (LTS Pipelines, Connections, Storage & Entry, Reinforcement (<7barg), Governors, Network/non-network).
- 7.3 GDNs do not need to fill in anything in this table.

CV5.01 LTS, Storage and Entry

- 7.4 This table collects expenditure and workload data for LTS pipelines, storage, Pressure Reduction Stations (PRS), Network Transmission System (NTS) offtakes, and distribution network embedded gas entry points.
- 7.5 This table is used to understand the costs and scale of individual projects and their associated incurred workload to enable comparative analysis of expenditure between networks. The data will be used to support benchmarking, trend analysis, and monitoring performance against the allowances.
- 7.6 Activity categories:
- LTS pipelines
 - Reinforcement
 - Diversions
 - Replacement
 - Storage (linepack)
 - Pipelines (Non-Load Related)
 - Storage (non-LTS)
 - PRS
 - NTS Offtakes
 - Distribution network embedded gas entry points (including <7bar)
- 7.7 Each row has a drop-down menu to select between activity categories. Networks should also allocate activities to the appropriate expenditure group (Load Related

- or Non-Load Related). Note that PRS and NTS Offtakes activities can be both load related and non-load related.
- 7.8 Where the work is remedial in nature and does not upgrade or extend the life of the asset it will be recorded as Opex on table CV4.02 Maintenance. OLI Run remedial activities are also captured on table CV4.02.
- 7.9 Expenditure and workload for LTS capital works associated with the removal of gas holders should be captured in this table, however costs and workload for the removal of low-pressure holders (abandonment, demolition and remediation) should be captured under non-routine maintenance or exceptional items (table CV4.02 Maintenance) and LP Gasholder (table CV4.10). Network reinforcement <7barg should be captured under reinforcement (table CV5.02).
- 7.10 Storage (non-LTS) - Do not enter any associated capex expenditure for low pressure (LP) gas holder demolition in this table. This expenditure should be entered in the Opex table CV4.10 LP gasholders.
- 7.11 Exclude LTS and Storage (Non-LTS) projects related to Statutory Independent Undertaking (SIU) from this table; instead , record SIU related costs in CV4.03 SIU under Other Capex.
- 7.12 GDNs should record projects making sure they are avoiding double-counting: where a single project consists of individual cost elements (for example, offtake+ pipeline+ two PRS), the elements of the projects should be listed separately against the appropriate activity category and the same project name should be used to identify the associated costs and incurred workload to date.
- 7.13 Project Specifications for all individually identified projects input the following supporting data as applicable:
- Project Name
 - Total project size (under or over £0.5m)
 - Diameter (mm)
 - Piggable length (km)
 - Non-piggable length (km)
 - Maximum Design Operating Pressure (barg)
 - Maximum Design Capacity (mcm/d or mcm/h)
- 7.14 Gross Costs and contribution received: input gross cost and contribution, if applicable, for each separate items. Contributions should be entered as negative values.

7.15 Volumes: for each cost item, input the corresponding workload.

Memo – LTS

7.16 The purpose of this section is to verify alignment of the data reported in this Cost and Volumes (CV) BPDT with data reported through the NARM BPDT. The data reported in this section will be used to auto-populate table 'M8.21 NARM Summary'. The data reported through the CV BPDT must reconcile with data reported through the NARM BPDT.

7.17 The licensee is required to split both workloads and costs into NARM (i.e. workloads and costs related to NARM Funding Category A1) and into Non-NARM (i.e. total workload and costs minus those in NARM Funding Category A1).

7.18 The licensee is required to ensure that the NARM intervention volumes reported through the NARM BPDT and those reported in the CV BPDT are aligned. Should any misalignment occur due to a resubmission of either the NARM or CV BPDT, then this must be corrected through resubmitting either the NARM or CV BPDT, whichever is incorrect, with the correct input data so the NARM and CV BPDT are back in alignment.

7.19 The licensee must provide explanation of the methodology it has applied in populating the data in this section in its supporting narrative.

CV5.02 Reinforcement (<7barg)

7.20 This table collects gross costs, contributions and volume data for general and specific reinforcement on the below 7 bar network including governors. Reinforcement on above 7 bar network is captured on table CV5.01 LTS, Storage & Entry.

7.21 The table collects sufficient data to support a meaningful comparison of unit costs between activities and networks. The data will be used to support benchmarking, trend analysis, and monitoring performance against allowances.

7.22 All expenditure should be inclusive of capitalised overheads.

7.23 Gross costs and contributions received: enter gross cost and contribution, if applicable, for the categories and activities listed. Contributions should be entered as negative values.

7.24 Volumes (All Diameters & Pressures): enter the total volume in kilometres of mains installed for each project. The volume figure should include all diameters and pressure bands installed as part of that project.

CV5.03 Reinforcement – Projects > £0.5m

- 7.25 This table captures named projects over £0.5m. These projects need to be individually identified with specific costs and asset details relating to them. This is a memo table, all reinforcement projects should be reported in CV 5.02 Reinforcement (<7barg).
- 7.26 Enter details of the following where applicable:
- Project Name/ Identifier
 - Start Year
 - End Year
 - Pressure Tier
 - Mains
 - District Governors – IP
 - District Governors – MP
- 7.27 Gross costs and contributions received: enter gross cost and contribution for the categories and activities listed. Contributions should be entered as negative values.
- 7.28 Volumes (All Diameters & Pressures): enter the total volume in kilometres of mains installed for each project. The volume figure should include all diameters and pressure bands installed as part of that project.

CV5.04 Governors

- 7.29 This table collects cost and volume data relating to district and service governor replacement and decommissioning activities.
- 7.30 This table is used to understand the costs and associated volumes so as to enable comparative analysis of expenditure between networks. The data will be used to support benchmarking, trend analysis, and monitoring performance against allowances.
- 7.31 Governor data relating to reinforcement and connection activities is captured on tables CV5.02 and CV5.05 respectively.
- 7.32 District governors are broken down by intervention type, and also by governor inlet pressure (IP Inlet; MP Inlet). Service governors are broken down by customer type (Domestic; Non-Domestic). For district governors, data is collected for four categories:
-

- Housing Replacement only
 - Component replacement/refurbishment only
 - Replacement of entire installation
 - Decommission
- 7.33 Gross costs and contributions received: enter gross cost and contribution, if applicable, for the categories and activities listed. Contributions should be entered as negative values.
- 7.34 Volumes: enter the number of governors replaced or decommissioned by intervention and governor type.

Memo – Governors

- 7.35 The purpose of this section is to verify alignment of the data reported in this Cost and Volumes (CV) BPDT with data reported through the NARM BPDT. The data reported in this section will be used to auto-populate table 'M8.21 NARM Summary'. The data reported through the CV BPDT must reconcile with data reported through the NARM BPDT.
- 7.36 The licensee is required to split both workloads and costs into NARM (i.e. workloads and costs related to NARM Funding Category A1) and into Non-NARM (i.e. total workload and costs minus those in NARM Funding Category A1).
- 7.37 The licensee is required to ensure that the NARM intervention volumes reported through the NARM BPDT and those reported in the CV BPDT are aligned. Should any misalignment occur due to a resubmission of either the NARM or CV BPDT, then this must be corrected through resubmitting either the NARM or CV BPDT, whichever is incorrect, with the correct input data so the NARM and CV BPDT are back in alignment.
- 7.38 The licensee must provide explanation of the methodology it has applied in populating the data in this section in its supporting narrative.

CV5.05 Connections

- 7.39 This table collects cost and volume data for the provision of new mains and services to supply new and existing domestic and non-domestic premises.
- 7.40 Governors forming part of any new connections and not associated with network reinforcement are captured here. Any associated network reinforcement is captured in tables CV5.01 LTS, Storage & Entry or CV5.02 Reinforcement.

- 7.41 SIU connections costs which were previously reported in this tab will now be reported in 4.03 SIU under 'Capex'/ 'Other'.
- 7.42 This table is used to understand the costs and scale of individual projects and their associated workload to enable comparative analysis of expenditure between networks. The data will be used to support benchmarking, trend analysis, and monitoring performance against the allowances.
- 7.43 Instructions for Completion. This table collects connection data by key work types:
- Mains
 - Services (including service governors)
 - District governors
 - Risers
- 7.44 Key work types are split into four activity categories: new housing, existing housing and non-domestic.
- 7.45 Further, mains installed is required to be split by two diameter bands: above and below 180mm. District governor is required to be split by inlet (IP, MP)
- 7.46 Gross costs and contributions received: enter gross cost and contribution, if applicable, for the categories and activities listed. Contributions should be entered as negative values.
- 7.47 Volumes: in addition to the categories and activities listed, provide data for Design & Quotation. This is the number of quotations/capacity design studies provided by the licensee for customer connections. This data is required to monitor the initial stages of the connections process.
- 7.48 FPNES – 'Fuel poor' rows detail Fuel Poor Network Extension Scheme expenditure and workload data at an aggregated level for RIIO-GD1 and GD2 price controls.
- 7.49 FPNES costs, contributions and workload need to be reported separately from overall costs in the rows labelled 'fuel poor'. Note FPNES data is required to be split out using the same breakdowns (for mains, services, risers and district governors) and that FPNES costs are only apportioned against 'existing housing'.
- 7.50 FPNES data should also be reported by connection type in the memo section at the bottom of this tab. This memo section should reconcile with FPNES data in the main section.

7.51 Input FPNES costs and associated number of connections at an aggregated level for:

- One off Connections
- Community Scheme Connections
- Other Scheme Types (UIP/iGT) Providers [UIP] and Independent Gas Transporters [iGT])

7.52 Ofgem may require detailed information for each scheme and asks GDNs to have such detailed information available.

C5.06 Other Capex

7.53 This table collects data for Non-Load Related expenditure for the following categories:

- Network split by:
 - Security
 - PSUP (auto-filled through tab 5.09 Physical Security)
 - Pipelines (Inc overcrossings, sleeves, CP, valves)
 - Electrical and mechanical instrumentation
- Non network split by:
 - IT and Telecoms (including Xoserve)
 - Plant, tools & equipment
 - Vehicles (auto-filled through tab 5.08 Vehicles)
 - Property and workspace
 - Other – including compensation

7.54 Gross costs and contributions received: enter gross cost and contribution for the categories and activities listed. Contributions should be entered as negative values.

7.55 'Security' - this should include costs for specific security upgrades and network wide security projects but should exclude:

- Security costs already included in any other table, where the security cost was included within an overall rebuild or new site development.
- Security costs associated with PSUP, which are reported in tab 5.09 Physical Security.

Memo – Other Capex

- 7.56 The purpose of this section is to verify alignment of the data reported in this Cost and Volumes (CV) BPDT with data reported through the NARM BPDT. The data reported in this section will be used to auto-populate table 'M8.21 NARM Summary'. The data reported through the CV BPDT must reconcile with data reported through the NARM BPDT.
- 7.57 The licensee is required to split both workloads and costs into NARM (i.e. workloads and costs related to NARM Funding Category A1) and into Non-NARM (i.e. total workload and costs minus those in NARM Funding Category A1).
- 7.58 The licensee is required to ensure that the NARM intervention volumes reported through the NARM BPDT and those reported in the CV BPDT are aligned. Should any misalignment occur due to a resubmission of either the NARM or CV BPDT, then this must be corrected through resubmitting either the NARM or CV BPDT, whichever is incorrect, with the correct input data so the NARM and CV BPDT are back in alignment.
- 7.59 The licensee must provide explanation of the methodology it has applied in populating the data in this section in its supporting narrative.

C5.07 Other Capex Projects > £0.5m

- 7.60 This table captures named projects over £0.5m. These projects should be individually identified with specific costs and asset details relating to them. Please specify project name/ identifier. This is a memo table, all 'other capex' projects should be reported in C5.06 Other Capex.
- 7.61 The data will be used to support benchmarking, trend analysis, and monitoring performance against the allowances.
- 7.62 Complete the data requirements for:
- Activity category 1- Select the relevant Capex category the project falls in:
 - Systems Operations
 - IT and Telecoms
 - Xoserve
 - Plant, tools & equipment
 - Land, buildings, furniture and fitting
 - Vehicles
 - Security

- PSUP
- Other
- Activity category 2 (Network/ Non-Network)
- Activity category 3 (select NARM risk area if applicable)

7.63 Gross costs and contributions received: enter gross cost and contribution for the categories and activities listed. Contributions should be entered as negative values.

CV 5.08 Vehicles

7.64 These tables collect costs and volumes data for operational fleet.

7.65 Forecast data: RIIO-GD3 and the remaining two years of RIIO-GD2, we ask for the data to be split by:

- Size
 - Small Vehicles (<=3.5 tonnes)
 - Medium and Commercial Vehicles (>3.5 tonnes but <7.5 tonnes)
 - Heavy Good Vehicles (>=7.5 tonnes)
- Fuel
 - ICE
 - Hybrid
 - Electric

7.66 Historical data: We understand a comparable breakdown would not be available in RIIO-GD1 and early RIIO-GD2. Please report historic data using the breakdown which had been used previously:

- Zero Emission Vehicles
 - Cars
 - Small Van
 - Medium Van
 - Large Van
 - Support Van
- Non-Zero Emission Vehicles
 - 4x4
 - Cars

- LGV
- HGV

- 7.67 Both tables also capture data for Electric Vehicles Charging Points.
- 7.68 The worksheet makes provision to capture data on both Capex (to pick up vehicles that are bought) and Opex (to pick up leased vehicles) to make comparable assessment for companies operating different procurement models for these assets.
- 7.69 The data entered here autofills the vehicles subset of tab CV5.06 Other capex.
- 7.70 Vehicle population purchases: total of vehicle purchase during the year. Vehicle population total: cumulative total of vehicle population owned by the network in the year.
- 7.71 The entered costs should be directly associated with the price control they relate to only.
- 7.72 Costs entered should include all costs for servicing, tax, insurance, fuel and lease costs where appropriate.

CV5.09 Physical Security

- 7.73 The purpose of this table is to inform Ofgem of the Opex and Capex spend on core physical security in relation to Government's Physical Security Upgrade Programme (PSUP) and the refreshment of PSUP-related IT and Technical assets during the price control. Note that this sheet is specifically for PSUP-related physical security costs and not for any other business as usual physical resilience work.
- 7.74 PSUP costs feed into the totex summary through tab 5.06 Other Capex.
- 7.75 Record annual costs stated in gross values.

Capex

- 7.76 GDNs must provide information for all sites (new and existing) where physical security has been upgraded, or where work is currently being (or planned to be) carried out, in relation to the PSUP.
- 7.77 Data reported split by:
- Existing Projects – These projects commenced in RIIO-GD1 or RIIO-GD2 and planned to be completed in RIIO-GD3.

- New Projects – These are PSUP projects initiated during RIIO-GD3. This further split by projects which will be funded in the RIIO-GD3 Final Determinations (Baseline projects) and other projects funded from other sources (Price Control Deliverable, Re-openers and capex investment).
- PSUP Asset replacement- These are investments to enhance PSUP solutions as recommended in BEIS/CPNI guidance on PSUP assets. The data will provide assurance to Ofgem on GDNs investments in IT and Technical assets to improve security within sites.
 - IT assets consist of server and network infrastructure, such as workstations, video storage, servers. KVM switches, evidence switches and network lockers.
 - Technical assets are those installed within the enhanced PSUP solution, such as CCTV system, PID system, Access control systems and security lighting.

7.78 Input the following:

Project Reference- For Existing and Baseline projects these should correspond with GD1 and GD2 Final Determinations documents. For New projects/ baseline, these should correspond with GD3 Final Determinations documents.

- Start date - The start date must be when the licensee begins designing the site-specific operational requirement (SSOR) solution.

Finish date - The end date must be when the completed works are signed off (by CAST) as meeting the SSOR. Where dates are not known, the planned start/end dates must be populated.

- Status – Select the applicable status i.e.
 - To be constructed - PSUP site identified, works awaiting sanction and/or award prior to commencement of design, construction or works of any form.
 - Under construction - PSUP site sanctioned and/or awarded. Works associated with delivery have now commenced.
 - Complete - The works are complete when they receive Technical 2 sign off as meeting the SSOR and are operationally accepted by the Alarm Receiving Centre (ARC) and final costs determined (in line with the contractual warranty period).
 - Other – When all the above are non-applicable. Provide details in the annual commentaries.

Opex

7.79 GDNs should only provide an aggregated Opex cost and volume split by site occupation type i.e., full or shared occupation. This data split will assist Ofgem in developing the unit costs for PSUP.

8. Instructions for completing the iron pipes Replacement Expenditure (Repex) tables

C6.00 Repex Cost Matrix

8.1 This table is divided into two main sections:

- Repex Summary: this section summarises the information contained in the Repex sheets CV6.01 to CV6.12. There are no entries required for this section.
- Repex Cost Breakdown: this section analyses total net (inclusive of capitalised overheads) Repex costs into four types of costs. This is to understand the proportion of different inputs used in production. For each Repex category, enter the total net cost for direct labour, contract labour, materials and other.

CV6.01 Repex Mains Tier-1

8.2 This table captures the gross costs, contributions, net costs, volumes and specifications related to Tier-1 Repex as enforced by the HSE under its policy for the Iron Mains Risk Reduction Programme.

8.3 Costs are collected on a mains commissioned basis. This is the total cost associated with both decommissioning the existing main and commissioning a new replacement main. Costs are assigned against the characteristics (i.e. material and diameter band) of the main being commissioned.

8.4 Volumes are divided into two sections:

- Mains Commissioned: these sections capture the volumes of new mains which are installed and commissioned.
- Mains Decommissioned: these sections capture volumes of existing metallic mains which are decommissioned.

8.5 For both Mains Commissioned and Mains Decommissioned, mains are first categorised based on the metallic assets they are replacing. Each asset is then categorised by diameter band. Metallic asset categories are defined as follows:

- Cast Iron and Spun Iron: Low-Pressure
 - Cast Iron and Spun Iron: Medium-Pressure
 - Ductile Iron: Low-Pressure
 - Steel $\leq 2''$
- 8.6 Gross Costs: for Mains Commissioned enter the total annual gross costs related to each asset category, entered separately for each predefined diameter band.
- 8.7 Contributions: if applicable, for Mains Commissioned enter the total annual contribution costs related to each asset category, entered separately for each predefined diameter band. These should be entered as negative values.
- 8.8 Volumes: for both Mains Commissioned and Mains Decommissioned, enter the total annual volume related to each asset category, entered separately for each predefined diameter band.
- 8.9 Specifications:
- Length of Mains Inserted Live: enter the total length of mains inserted using the live insertion technique.
 - Length of Mains Inserted Dead: enter the total length of mains inserted using the dead insertion technique.
 - Length of Mains Open Cut: enter the total length of mains installed via open cut (open trench) excavation.
 - Length of Mains Commissioned – Other Techniques: enter the total length of mains commissioned via techniques other than insertion (live or dead) or open cut.

Memo – Repex Tier 1

- 8.10 The purpose of this section is to verify alignment of the data reported in this Cost and Volumes (CV) BPDT with data reported through the NARM BPDT. The data reported in this section will be used to auto-populate table 'M8.21 NARM Summary'. The data reported through the CV BPDT must reconcile with data reported through the NARM BPDT.
- 8.11 The licensee is required to split both workloads and costs into NARM (i.e. workloads and costs related to NARM Funding Category A1) and into Non-NARM (i.e. total workload and costs minus those in NARM Funding Category A1).
- 8.12 The licensee is required to ensure that the NARM intervention volumes reported through the NARM BPDT and those reported in the CV BPDT are aligned. Should any misalignment occur due to a resubmission of either the NARM or CV BPDT,

then this must be corrected through resubmitting either the NARM or CV BPDT, whichever is incorrect, with the correct input data so the NARM and CV BPDT are back in alignment.

- 8.13 The licensee must provide explanation of the methodology it has applied in populating the data in this section in its supporting narrative.

CV6.02 Repex Mains Tier-2A

- 8.14 This table captures the gross costs, contributions, net costs, volumes and specifications related to Tier-2A Repex as enforced by the HSE under their policy for the Iron Mains Risk Reduction Programme.
- 8.15 Costs are collected on a mains commissioned basis. This is the total cost associated with both decommissioning the existing main and commissioning a new replacement main. Costs are assigned against the characteristics (i.e. material and diameter band) of the main being commissioned.
- 8.16 Volumes are divided into two sections:
- Mains Commissioned: these sections capture the volumes of new mains which are installed and commissioned.
 - Mains Decommissioned: these sections capture volumes of existing metallic mains which are decommissioned.
- 8.17 For both Mains Commissioned and Mains Decommissioned, mains are first categorised based on the metallic assets they are replacing. Each asset is then categorised by diameter band. Metallic asset categories are defined as follows:
- Cast Iron and Spun Iron: Low-Pressure
 - Cast Iron and Spun Iron: Medium-Pressure
 - Ductile Iron: Low-Pressure
- 8.18 Gross Costs: for Mains Commissioned enter the total annual gross costs related to each asset category, entered separately for each predefined diameter band.
- 8.19 Contributions: if applicable, for Mains Commissioned enter the total annual contribution costs related to each asset category, entered separately for each predefined diameter band. These should be entered as negative values.
- 8.20 Volumes: for both Mains Commissioned and Mains Decommissioned, enter the total annual volume related to each asset category, entered separately for each predefined diameter band.

8.21 Specifications:

- Length of Mains Inserted Live: enter the total length of mains inserted using the live insertion technique.
- Length of Mains Inserted Dead: enter the total length of mains inserted using the dead insertion technique.
- Length of Mains Open Cut: enter the total length of mains installed via open cut (open trench) excavation.
- Length of Mains Commissioned – Other Techniques: enter the total length of mains commissioned via techniques other than insertion (live or dead) or open cut.

Memo – Repex Tier 2A

8.22 The purpose of this section is to verify alignment of the data reported in this Cost and Volumes (CV) BPDT with data reported through the NARM BPDT. The data reported in this section will be used to auto-populate table 'M8.21 NARM Summary'. The data reported through the CV BPDT must reconcile with data reported through the NARM BPDT.

8.23 The licensee is required to split both workloads and costs into NARM (i.e. workloads and costs related to NARM Funding Category A1) and into Non-NARM (i.e. total workload and costs minus those in NARM Funding Category A1).

8.24 The licensee is required to ensure that the NARM intervention volumes reported through the NARM BPDT and those reported in the CV BPDT are aligned. Should any misalignment occur due to a resubmission of either the NARM or CV BPDT, then this must be corrected through resubmitting either the NARM or CV BPDT, whichever is incorrect, with the correct input data so the NARM and CV BPDT are back in alignment.

8.25 The licensee must provide explanation of the methodology it has applied in populating the data in this section in its supporting narrative.

CV6.03 Repex Mains Tier-2B

8.26 This table captures the gross costs, contributions, net costs, volumes and specifications related to Tier-2B Repex as enforced by the HSE under their policy for the Iron Mains Risk Reduction Programme.

8.27 Costs are collected on a mains commissioned basis. This is the total cost associated with both decommissioning the existing main and commissioning a

new replacement main. Costs are assigned against the characteristics (i.e. material and diameter band) of the main being commissioned.

8.28 Volumes are divided into two sections:

- Mains Commissioned: these sections capture the volumes of new mains which are installed and commissioned.
- Mains Decommissioned: these sections capture volumes of existing metallic mains which are decommissioned.

8.29 For both Mains Commissioned and Mains Decommissioned, mains are first categorised based on the metallic assets they are replacing. Each asset is then categorised by diameter band. Metallic asset categories are defined as follows:

- Cast Iron and Spun Iron: Low-Pressure
- Cast Iron and Spun Iron: Medium-Pressure
- Ductile Iron: Low-Pressure

8.30 Gross Costs: for Mains Commissioned, enter the total annual gross costs related to each asset category, entered separately for each predefined diameter band.

8.31 Contributions: if applicable, for Mains Commissioned enter the total annual contribution costs related to each asset category, entered separately for each predefined diameter band. These should be entered as negative values.

8.32 Volumes: for both Mains Commissioned and Mains Decommissioned, enter the total annual volume related to each asset category, entered separately for each predefined diameter band.

8.33 Specifications:

- Length of Mains Inserted Live: enter the total length of mains inserted using the live insertion technique.
- Length of Mains Inserted Dead: enter the total length of mains inserted using the dead insertion technique.
- Length of Mains Open Cut: enter the total length of mains installed via open cut (open trench) excavation.
- Length of Mains Commissioned – Other Techniques: enter the total length of mains commissioned via techniques other than insertion (live or dead) or open cut. Other techniques do not include robotic intervention, which is captured separately in the Robotic Intervention table.

Memo – Repex Tier 2B

- 8.34 The purpose of this section is to verify alignment of the data reported in this Cost and Volumes (CV) BPDT with data reported through the NARM BPDT. The data reported in this section will be used to auto-populate table 'M8.21 NARM Summary'. The data reported through the CV BPDT must reconcile with data reported through the NARM BPDT.
- 8.35 The licensee is required to split both workloads and costs into NARM (i.e. workloads and costs related to NARM Funding Category A1) and into Non-NARM (i.e. total workload and costs minus those in NARM Funding Category A1).
- 8.36 The licensee is required to ensure that the NARM intervention volumes reported through the NARM BPDT and those reported in the CV BPDT are aligned. Should any misalignment occur due to a resubmission of either the NARM or CV BPDT, then this must be corrected through resubmitting either the NARM or CV BPDT, whichever is incorrect, with the correct input data so the NARM and CV BPDT are back in alignment.
- 8.37 The licensee must provide explanation of the methodology it has applied in populating the data in this section in its supporting narrative.

CV6.04 Repex Mains Tier-3

- 8.38 This table captures the gross costs, contributions, net costs, volumes and specifications related to Tier-3 Repex as enforced by the HSE under their policy for the Iron Mains Risk Reduction Programme.
- 8.39 Costs are collected on a mains commissioned basis. This is the total cost associated with both decommissioning the existing main and commissioning a new replacement main. Costs are assigned against the characteristics (i.e. material and diameter band) of the main being commissioned.
- 8.40 Volumes are divided into two sections:
- Mains Commissioned: these sections capture the volumes of new mains which are installed and commissioned.
 - Mains Decommissioned: these sections capture volumes of existing metallic mains which are decommissioned.
- 8.41 For both Mains Commissioned and Mains Decommissioned, mains are first categorised based on the metallic assets they are replacing. Each asset is then categorised by diameter band. Metallic asset categories are defined as follows:

- Cast Iron and Spun Iron: Low-Pressure
 - Cast Iron and Spun Iron: Medium-Pressure
 - Ductile Iron: Low-Pressure
- 8.42 Gross Costs: for Mains Commissioned, enter the total annual gross costs related to each asset category, entered separately for each predefined diameter band.
- 8.43 Contributions: if applicable, for Mains Commissioned enter the total annual contribution costs related to each asset category, entered separately for each predefined diameter band. These should be entered as negative values.
- 8.44 Volumes: for both Mains Commissioned and Mains Decommissioned, enter the total annual volume related to each asset category, entered separately for each predefined diameter band.
- 8.45 Specifications:
- Length of Mains Inserted Live: enter the total length of mains inserted using the live insertion technique.
 - Length of Mains Inserted Dead: enter the total length of mains inserted using the dead insertion technique.
 - Length of Mains Open Cut: enter the total length of mains installed via open cut (open trench) excavation.
 - Length of Mains Commissioned – Other Techniques: enter the total length of mains commissioned via techniques other than insertion (live or dead) or open cut. Other techniques do not include robotic intervention, which is captured separately in the Robotic Intervention table.

Memo – Repex Tier 3

- 8.46 The purpose of this section is to verify alignment of the data reported in this Cost and Volumes (CV) BPDT with data reported through the NARM BPDT. The data reported in this section will be used to auto-populate table 'M8.21 NARM Summary'. The data reported through the CV BPDT must reconcile with data reported through the NARM BPDT.
- 8.47 The licensee is required to split both workloads and costs into NARM (i.e. workloads and costs related to NARM Funding Category A1) and into Non-NARM (i.e. total workload and costs minus those in NARM Funding Category A1).
- 8.48 The licensee is required to ensure that the NARM intervention volumes reported through the NARM BPDT and those reported in the CV BPDT are aligned. Should any misalignment occur due to a resubmission of either the NARM or CV BPDT,

then this must be corrected through resubmitting either the NARM or CV BPDT, whichever is incorrect, with the correct input data so the NARM and CV BPDT are back in alignment.

- 8.49 The licensee must provide explanation of the methodology it has applied in populating the data in this section in its supporting narrative.

CV6.05 Repex Mains Other

- 8.50 This table captures the gross costs, contributions, net costs, volumes and specifications related to other types of Repex mains activities not captured within the HSE's three-tier system or diversions. This includes iron mains greater than 30 metres from a building (Iron >30m), steel mains greater than 2 inches in diameter (Steel >2"), and three categories of other policy and condition mains: medium pressure ductile iron (Other Policy & Condition - MPDI), replacement of polyethylene (Other Policy & Condition - PE) and other mains (Other Policy & Condition (Excl. MPDI)), which do not fall into any other repex category.
- 8.51 Additionally, there is a section within this table to capture Repex projects which fall under the Capital Projects PCD. Costs and volumes for these projects should only be reported within the Capital Projects section and not included in any other definition of Repex mains or services.
- 8.52 Costs are collected on a mains commissioned basis. This is the total cost associated with both decommissioning the existing main and commissioning a new replacement main. Costs are assigned against the characteristics (i.e. material and diameter band) of the main being commissioned.
- 8.53 Volumes are divided into two sections:
- Mains Commissioned: these sections capture the volumes of new mains which are installed and commissioned.
 - Mains Decommissioned: these sections capture volumes of existing metallic mains which are decommissioned.
- 8.54 For both Mains Commissioned and Mains Decommissioned, mains are first categorised based on the metallic assets they are replacing. Each asset is then categorised by diameter band. Metallic asset categories are defined as follows:
- Iron >30m
 - Steel >2"
 - Other Policy & Condition Mains (Excl. MPDI)

- Other Policy & Condition Mains - MPDI
 - Other Policy & Condition Mains - PE
- 8.55 Gross Costs: for Mains Commissioned, enter the total annual gross costs related to each asset category, entered separately for each predefined diameter band.
- 8.56 Contributions: if applicable, for Mains Commissioned enter the total annual contribution costs related to each asset category, entered separately for each predefined diameter band. These should be entered as negative values.
- 8.57 Volumes: for both Mains Commissioned and Mains Decommissioned, enter the total annual volume related to each asset category, entered separately for each predefined diameter band.
- 8.58 Specifications, with each category split by asset group (e.g. Iron >30m):
- Length of Mains Inserted Live: enter the total length of mains inserted using the live insertion technique.
 - Length of Mains Inserted Dead: enter the total length of mains inserted using the dead insertion technique.
 - Length of Mains Open Cut: enter the total length of mains installed via open cut (open trench) excavation.
 - Length of Mains Commissioned – Other Techniques: enter the total length of mains commissioned via techniques other than insertion (live or dead) or open cut. Other techniques do not include robotic intervention, which is captured separately in the Robotic Intervention table.

Memo – Repex Tier Mains Other

- 8.59 The purpose of this section is to verify alignment of the data reported in this Cost and Volumes (CV) BPDT with data reported through the NARM BPDT. The data reported in this section will be used to auto-populate table 'M8.21 NARM Summary'. The data reported through the CV BPDT must reconcile with data reported through the NARM BPDT.
- 8.60 The licensee is required to split both workloads and costs into NARM (i.e. workloads and costs related to NARM Funding Category A1) and into Non-NARM (i.e. total workload and costs minus those in NARM Funding Category A1).
- 8.61 The licensee is required to ensure that the NARM intervention volumes reported through the NARM BPDT and those reported in the CV BPDT are aligned. Should any misalignment occur due to a resubmission of either the NARM or CV BPDT, then this must be corrected through resubmitting either the NARM or CV BPDT,

whichever is incorrect, with the correct input data so the NARM and CV BPDT are back in alignment.

8.62 The licensee must provide explanation of the methodology it has applied in populating the data in this section in its supporting narrative.

CV6.06 Repex Mains Diversions

8.63 This table captures costs incurred and the volumes and specifications associated with carrying out rechargeable mains diversions and non-rechargeable mains diversions associated with Repex.

8.64 Data reported on this table is to include those diversions that involve the decommissioning of iron mains that fall within the scope of the HSE enforced Policy for Iron Mains Risk Reduction Programme.

8.65 The Cost categories have one section:

- Mains Commissioned: these sections capture the costs related to the installation and commissioning of new mains.

8.66 The Volumes category is divided into two sections:

- Mains Decommissioned: these sections capture the volumes related to the decommissioning of existing metallic mains.
- Mains Commissioned: these sections capture the volumes related to the installation and commissioning of new mains.

8.67 For both Mains Commissioned and Mains Decommissioned, mains are categorised into eight asset groups. Each asset is then categorised by diameter band. The asset groups are defined as:

- Tier 1 (excluding steel <=2")
- Tier 2A
- Tier 2B
- Tier 3
- Other Policy & Condition (Incl. MPDI)
- Steel <=2"
- Steel >2"
- Iron >30m

8.68 Within each of the two main sections, diversions are further classified as either

- Rechargeable Diversions, or

- Non-Rechargeable Diversions
- 8.69 The difference between the above classifications is that rechargeable diversions include a Contributions block.
- 8.70 Gross Costs: enter the total annual gross costs related to each asset category, entered separately for each predefined diameter band.
- 8.71 Contributions: if applicable, enter the total annual contribution costs related to each asset category, entered separately for each predefined diameter band. These should be entered as negative values.
- 8.72 Volumes: enter the total annual volume related to each asset category, entered separately for each predefined diameter band. This represents the length of mains commissioned.
- 8.73 Specifications, with each category split by Tier 1 and Other:
- Length of Mains Inserted Live: enter the total length of mains inserted using the live insertion technique.
 - Length of Mains Inserted Dead: enter the total length of mains inserted using the dead insertion technique.
 - Length of Mains Open Cut: enter the total length of mains installed via open cut (open trench) excavation.
 - Length of Mains Commissioned – Other Techniques: enter the total length of mains commissioned via techniques other than insertion (live or dead) or open cut. Other techniques do not include robotic intervention, which is captured separately in the Robotic Intervention table.

Memo – Repex Mains Diversions

- 8.74 The purpose of this section is to verify alignment of the data reported in this Cost and Volumes (CV) BPDT with data reported through the NARM BPDT. The data reported in this section will be used to auto-populate table 'M8.21 NARM Summary'. The data reported through the CV BPDT must reconcile with data reported through the NARM BPDT.
- 8.75 The licensee is required to split both workloads and costs into NARM (i.e. workloads and costs related to NARM Funding Category A1) and into Non-NARM (i.e. total workload and costs minus those in NARM Funding Category A1).
- 8.76 The licensee is required to ensure that the NARM intervention volumes reported through the NARM BPDT and those reported in the CV BPDT are aligned. Should

any misalignment occur due to a resubmission of either the NARM or CV BPDT, then this must be corrected through resubmitting either the NARM or CV BPDT, whichever is incorrect, with the correct input data so the NARM and CV BPDT are back in alignment.

8.77 The licensee must provide explanation of the methodology it has applied in populating the data in this section in its supporting narrative.

V6.07 Mains Decommissioned

8.78 This table summarises the level of risk removed on an annual basis.

8.79 Complete the four summary tables listed:

- Total mains risk remaining at end of reporting year (incidents/year)
- Baseline Risk Removed Summary (incidents/year $\times 10^6$)
- % Length of Iron Mains Decommissioned which has calculated averaged risk (km)
- Length Decommissioned Main (km)

8.80 Year 8 of RIIO-GD1 should be used as the baseline against which RIIO-GD2 Risk Removed is measured.

CV6.08 Repex Services

8.81 This table captures the gross costs, contributions, net costs, volumes and specifications related to service interventions both associated with mains replacement and not associated with mains replacement.

8.82 Costs and volumes are divided into the asset class of the parent main. These categories are:

- Tier 1 (excluding steel $\leq 2''$)
- Tier 2A
- Tier 2B
- Tier 3
- Iron Mains $> 30\text{m}$ from a building
- Steel Mains $\leq 2''$ in diameter
- Steel Mains $> 2''$ in diameter
- Other Policy & Condition (Incl. MPDI and PE)

8.83 The above categories are in the following sections of the table as well:

- Diversions: Non-Rechargeable

- Diversions: Rechargeable
- 8.84 There is a separate category for Services Not Associated with Mains Replacement.
- 8.85 Gross Costs: enter the total annual gross costs related to each asset category, entered separately for each type of service intervention.
- 8.86 Contributions: if applicable, enter the total annual contribution costs related to each asset category, entered separately for each predefined diameter band. These should be entered as negative values.
- 8.87 Volumes: enter the total annual volume related to each asset category, entered separately for each type of service intervention. This represents the length of mains commissioned.
- 8.88 Specifications, with each category split by asset group:
- Reinstatement (% of gross costs): if applicable, enter the proportion of gross costs that are attributable to reinstatement costs.

Memo – Repex Services

- 8.89 The purpose of this section is to verify alignment of the data reported in this Cost and Volumes (CV) BPDT with data reported through the NARM BPDT. The data reported in this section will be used to auto-populate table 'M8.21 NARM Summary'. The data reported through the CV BPDT must reconcile with data reported through the NARM BPDT.
- 8.90 The licensee is required to split both workloads and costs into NARM (i.e. workloads and costs related to NARM Funding Category A1) and into Non-NARM (i.e. total workload and costs minus those in NARM Funding Category A1).
- 8.91 The licensee is required to ensure that the NARM intervention volumes reported through the NARM BPDT and those reported in the CV BPDT are aligned. Should any misalignment occur due to a resubmission of either the NARM or CV BPDT, then this must be corrected through resubmitting either the NARM or CV BPDT, whichever is incorrect, with the correct input data so the NARM and CV BPDT are back in alignment.
- 8.92 The licensee must provide explanation of the methodology it has applied in populating the data in this section in its supporting narrative.

CV6.09 Risers

8.93 This table captures the gross costs, contributions, net costs and volumes related to the replacement, refurbishment and isolations of risers associated with multiple occupancy buildings. This table also collects information with regard to the risk associated with the GDNs' riser populations, including the number of inspections and expectations around future intervention levels.

8.94 For Gross Costs and Contribution Costs, risers are first categorised by the type of intervention being undertaken. Each asset is then categorised by the number of floors to which gas is supplied in the building. The types of intervention are:

- Planned replacement
- Replacement on failure
- Planned refurbishment
- Refurbishment on failure
- Planned Permanent Isolation
- Permanent Isolation on Failure

Pipeline Isolation Valves

8.95 Pipeline isolation valves allow the riser to be isolated outside the building in the event of an incident.

8.96 Gross Costs: enter the total annual gross costs related to each asset category, entered separately for each type of service intervention.

8.97 Contributions: if applicable, enter the total annual contribution costs related to each asset category, entered separately for each predefined diameter band. These should be entered as negative values.

8.98 Volumes: enter the total number of riser interventions related to each asset category, entered separately for each predefined riser sub-category. The sub-categories are:

- Number of risers
- Number of customers
- Number of isolation valves

Where number of customers is defined as the number of supply points.

8.99 Riser risk control: enter the total number of risers attributable to each risk control metric, entered separately for each predefined riser sub-category.

Memo – Risers

- 8.100 The purpose of this section is to verify alignment of the data reported in this Cost and Volumes (CV) BPDT with data reported through the NARM BPDT. The data reported in this section will be used to auto-populate table 'M8.21 NARM Summary'. The data reported through the CV BPDT must reconcile with data reported through the NARM BPDT.
- 8.101 The licensee is required to split both workloads and costs into NARM (i.e. workloads and costs related to NARM Funding Category A1) and into Non-NARM (i.e. total workload and costs minus those in NARM Funding Category A1).
- 8.102 The licensee is required to ensure that the NARM intervention volumes reported through the NARM BPDT and those reported in the CV BPDT are aligned. Should any misalignment occur due to a resubmission of either the NARM or CV BPDT, then this must be corrected through resubmitting either the NARM or CV BPDT, whichever is incorrect, with the correct input data so the NARM and CV BPDT are back in alignment.
- 8.103 The licensee must provide explanation of the methodology it has applied in populating the data in this section in its supporting narrative.

V6.10 Dynamic Growth

- 8.104 The aim of this table is to record the decommissioned workload associated with Tier 1 Repex mains that has been driven by dynamic growth rather than upfront baseline workload – i.e. any incremental workload resulting from risk migration during the price control period.
- 8.105 Enter number (km) for the following categories:
- Population at beginning of year for 2014 only
 - Dynamic growth - previously unrecorded assets
 - Dynamic growth - <30m boundary changes
- 8.106 The other categories: 'Length Decommissioned' and 'Population at end of year' will be auto populated.

CV6.11 Iron Stubs

- 8.107 These tables capture the gross costs and volumes related to the decommissioning of iron stubs. The definition of a Tier 1 stub is contained within each GDNs safety case agreed with the HSE.

8.108 Costs and volumes are divided into the following categories, based on the asset class of the parent main:

- Replacement by open cut
- Risk managed – recoat foam bagging
- Parent Main Cut-Out
- Other techniques
- Stub Not Found

8.109 Stub Not Found is defined as a job where asset records indicate a stub exists, but no stubs are found during follow-up investigation.

8.110 Costs: enter the total annual costs related to each asset category, entered separately for each type of service intervention.

8.111 Volumes: enter the total annual volume related to each asset category, entered separately for each predefined diameter band. This represents the total length of stubs being replaced and the number of individual stubs being replaced under each asset category.

CV6.12 Robotic Intervention

8.112 These tables are memo tables and therefore are intended to provide details of any costs and workloads related to robotic intervention techniques (e.g. CISBOT) within the main Repex and Opex tables.

8.113 Enter costs and volume for each asset category. The asset categories are:

- Tier 2A
- Tier 2B
- Tier 3
- Iron >30m
- Policy & Condition (Incl. MPDI)

8.114 Costs: enter the total annual costs related to each asset category.

8.115 Volume: enter the length of gas mains on which robotic interventions have been undertaken for each category, entered separately for each predefined diameter band.

Memo – Risers

8.116 The purpose of this section is to verify alignment of the data reported in this Cost and Volumes (CV) BPDT with data reported through the NARM BPDT. The data

reported in this section will be used to auto-populate table 'M8.21 NARM Summary'. The data reported through the CV BPDT must reconcile with data reported through the NARM BPDT.

- 8.117 The licensee is required to split both workloads and costs into NARM (i.e. workloads and costs related to NARM Funding Category A1) and into Non-NARM (i.e. total workload and costs minus those in NARM Funding Category A1).
- 8.118 The licensee is required to ensure that the NARM intervention volumes reported through the NARM BPDT and those reported in the CV BPDT are aligned. Should any misalignment occur due to a resubmission of either the NARM or CV BPDT, then this must be corrected through resubmitting either the NARM or CV BPDT, whichever is incorrect, with the correct input data so the NARM and CV BPDT are back in alignment.
- 8.119 The licensee must provide explanation of the methodology it has applied in populating the data in this section in its supporting narrative.

9. Instructions for completing the Memo tables

M8.00 Drivers

- 9.1 The total number of customers directly connected to the network should be reported in this table. The values in each reporting year should be actuals up to and including that reporting year. For forecast years, values should be based on the planning scenario used.
- 9.2 The remainder of the table is auto populated.

M8.01 MEAV

- 9.3 Modern Equivalent Asset Valuation (MEAV) is one of the tools used by Ofgem for allowance setting.
- 9.4 This table summarises data from various tables necessary for calculating the MEAV. The table is completely auto populated.

M8.02 LTS & Entry Assets

- 9.5 This table collects non-financial data movements in total length of pipelines (by diameter and operating pressure) during each period. It also includes sundry other LTS population data.

9.6 We collect this data to understand changes in the pipeline assets and the changes that investment will make over the period. This table collects asset data by size and pressure tier and tracks installation and removal.

9.7 For each of the diameter bands (km), pressure (bar) and number of installations (NTS offtakes, distribution network embedded gas entry points (including <7bar), PRSs and AGIs) enter the following:

Population b/f.

- Any adjustments to population b/f, where this is material, an explanation is required.
- Enter associated km/bar installed.

Enter associated km/bar decommissioned as a negative.

M8.03 Capacity and Storage

9.8 The table collects non-financial data movements in the amount of storage capacity (by storage type).

9.9 We collect this data to understand the changes in the volume of any contracted seasonal storage and the (contracted or planned) capacity of supplies into the LTS over the period.

9.10 Data is split across the categories below:

- Brought Forward, enter the usable capacity brought forward from the previous year.
- Commission, enter the useable capacity commissioned in the specified year.
- Brought Forward & Commissioned in Year, sum of usable capacity brought forward from previous year and usable capacity commissioned within year. Include booked NTS Flex.
- Decommission, enter the useable capacity decommissioned. Entry should be in negative numbers.
- Asset population, enter the total annual asset population in terms of the number of assets. In the case of low-pressure gasholders, this should be the number of operational gasholders.
- Adjustment to capacity, enter any reported adjustments made to the useable capacity. Adjustments downwards should be entered as a negative number.
- Under Booked NTS capacity enter the Flat Capacity daily volume as an aggregate for all NTS offtakes for the year.

- Linepack, split volume by LTS and NTS Flex for installed and booked.
- Under all off-takes Max Design Capacity and Linepack: enter
 - mcm usable b/f
 - Adjustments to mcm b/fwd
 - Revised mcm b/fw
 - Installed
 - Decommissioned
 - mcm usable c/f
- Under Contracted NTS Linepack enter the Contracted NTS Linepack volume.

9.11 The above category except for Asset Population and Offtake Capacity is further split by:

- Storage – data stated in mcm
- Linepack – Split out by LTS & NTS Flex. Data stated in mcm/d
- Capacity – data also stated in mcm/d

M8.04 Distribution Network

9.12 The table collects pipeline, governor and services asset population data and detailed movements in the distribution pipeline asset population though the reporting period.

9.13 This enables Ofgem to monitor changes in assets and the reasons for those changes, over time and between GDNs. This will also assist in identifying the remaining iron mains risk reduction programme workload and progress towards achieving completion of the programme

Distribution Mains Population:

9.14 Enter the Adjusted Total in-service mains b/f i.e. brought forward pipeline data from the previous year's population and any adjustments by pipe material (PE, steel, CI, SI, DI and other) and pressure tier. Similarly enter the iron mains population (the aggregate of CI, SI and DI) broken down between those mains that are <30m of a property and those >30m of a property.

9.15 Enter the end of year asset population by pipe diameter band, material type and pressure tier, again additionally identifying iron mains <30m and >30m of a property.

Governors:

9.16 Enter the number of district, service, non-domestic I&C (>200scmh) and non-domestic I&C (<200scmh) governors for the following:

Adjusted Population b/f from previous year.

- Enter number installed (new) - Installed New contains all new governors whether that is a new install or new due to replacement, so that both counting in year movement and carry forward calculations. The new section is to just advise how many of the new are due to replacement activities.

Enter the number of decommissioned.

Services:

9.17 Enter the total number of services (excluding multi-occupancy buildings) by material type (PE, steel, mixed PE/steel and Other) at the end of the year.

Connected System Entry Points:

Enter the total actual/forecasted number of CSEPs commissioned and decommissioned in each year specified.

IGT Services:

Enter the total actual/forecasted number of IGT customers downstream of the GDN's network for each year specified

M8.05 Capacity and Demand

9.18 The table collects data by exit zone based on the 1 in 20 planning scenario and annual throughput.

9.19 Collect this data to understand the basis on which capacity-based investment is judged to be required by the GDN.

9.20 Instructions for Completion:

- For each offtake enter the following: offtake name - include proposed offtakes from the year in which they will be constructed.
- NTS Exit Zone - enter the exit zone number. The completed returns should show the offtakes listed by exit zone, alphabetically within each zone.
- Demand - enter the demand in mcm/d under 1 in 20 conditions for each offtake.
- Flow Flat Required - enter the flat capacity daily volume in mcm/d for each offtake under 1 in 20 conditions.

- Flow Flex Required - enter the Flex capacity daily volume in mcm/d for each offtake under 1 in 20 conditions.
- Peak Rate - enter the peak rate in mcm/h taken through each of the offtakes.
- Min Inlet @ SOD - enter the minimum inlet pressure at Start of Day (barg). This is the inlet pressure required to pack the linepack system to the full stock position.
- Min Inlet @ EOD - enter the minimum inlet pressure at End of Day (barg). This is the end of the storage day, i.e. when linepack systems are expected to be at minimum stock values
- Total volume of storage needed - enter the total volume of storage needed for each zone.
- Enter the total for each zone against the first named offtake only.
- Total volume of storage available - enter the total volume of storage available for each zone (excluding use of NTS flex). This should include available LP holder volume, available linepack, HP bullets, and other storage volumes.
- Enter the total for each zone against the first named offtake only.
- Number of sites with a current interruptible contract - enter the number of sites with a current interruptible contract purchased through the auction process.
- Peak interruptible capacity - enter the total capacity in mcm/d which would have to be constructed in the network to provide a firm supply should interruptible contracts not be available.
- Capacity interrupted on peak day - enter the capacity interrupted on the peak day of the reporting year in mcm/d to ensure network capacity remained available to firm consumers.

M8.06 Capacity Output

9.21 The table collects capacity output data. We collect this data as basis of assessment of the delivery of capacity outputs by the GDN.

9.22 Instructions below are a guide. Companies will use common assumptions as developed through the capacity working group:

- Summary capacity utilisation - enter the number of sites (offtakes and PRSs) at the appropriate capacity utilisation.

Baseline capacity data: enter name of LDZ.

- For each LDZ, enter the following data as at 31 March:

- Supply point SOQ - total daily supply point off take quantity in LDZ (GWh).
- DM SHQ - total hourly supply point off take quantity for daily metered customers in LDZ (GWh).
- Peak day demand (mcm/d)

M8.07 Reliability

- 9.23 This table collects information to inform us on GDN performance against a number of reliability metrics. It summarises the output performance of the GDN for reliability including actual and forecast data for the RIIO-GD3.
- 9.24 Enter the customer population (by domestic, MOB and non-domestic) for all time periods stated as well as the actual loss of supply volumes for GDN initiated and non-GDN initiated for all years and the actual loss of supply volumes for the minimum performance level and excessive deterioration level for RIIO-GD2 and RIIO-GD3 only.

M8.08 PRE, Reports and Repairs

- 9.25 This table collects data on Public Reported Escapes (PREs), network condition and timeliness of repairs.
- 9.26 This data is used to understand the trend in PREs and the overall system condition.

PREs

- 9.27 Enter the number of PREs for each of the categories listed:
- Controlled Gas Escapes/Emergencies
 - Uncontrolled Gas Escapes/Emergencies
 - Other: Non-Gas
- 9.28 Under each of the above categories provide data for the following:
- Gas Escapes/Emergencies
 - Responded-to within timescale
 - Percentage responded-to within timescale

Network Related

- 9.29 Enter the number of gas escapes/other via:
- Distribution mains

- Service
- Distribution mains interface
- Service interface

Non-Network Related

9.30 Enter the number of reports with:

- No trace
- CO confirmed & suspected
- Other

Repairs

9.31 Mains

- Enter the number of mains condition repairs by diameter
- Enter the number of repairs and reports following mains interference damage

9.32 Services

- Enter the total number of service condition repairs
- Enter the number of repairs and reports following service interference damage

9.33 Repairs within 28 days

- Enter the total number of repairs undertaken between 0-7 days and 8-28 days

9.34 Repairs beyond 28 days

- Enter the total number of repairs undertaken between
 - 29-35 days
 - 26-42 days
 - 23-49 days
 - 50-56 days
 - >56 days
 - Median repair time > 28 days

M8.09 Safety

9.35 This table collects information on key safety metrics related to each GDNs' gas network. These metrics provide important context for assessing the Repex programme, which is a safety-driven programme.

9.36 GSMR gas in buildings (GIB) events - Enter the number of GIB events reportable under GSMR/RIDDOR (i.e. GIB events where concentrations are 20% LEL and

above or the release of gas is greater than 10kg) by the asset types shown, against the respective material, diameter band and pressure tier.

- 9.37 Other Network GIB events - The data in this table applies to GIBs of any level of gas concentration but not up to reportable limits, i.e. it excludes those GIB events which are reported in the table above
- 9.38 Enter the number of network GIB events by the asset types / causation type shown, against the respective material, diameter band and pressure tier. Where the cause of the escape is third party interference, do not also report the event against a specific asset type – this will ensure a single event is not double counted. The total number of network GIB events by pressure tier is auto-populated by summing the above tables.
- 9.39 Reportable Non-network emergency jobs - Enter the number of emergency jobs where an unsafe downstream installation (i.e. meter, installation pipework or appliance) has been discovered and reported to the Health and Safety Executive.
- 9.40 Loss of containment reported under COMAH - Enter the number of incidents and tonnes of gas lost for incidents involving the release of gas reported under COMAH.
- 9.41 Cast/spun iron fractures and ductile iron corrosion failures - Enter the number of SI/CI fractures or DI corrosion of mains by material, diameter band and pressure.
- 9.42 Network incidents - Enter the number of incidents where gas (excluding Carbon Monoxide Incidents) from a network pipe causes death, RIDDOR reportable injury or significant structural damage (> £10,000 estimated repair cost) caused by iron mains (by diameter) or service pipes.
- 9.43 Repair (annual network risk) - Enter the total accumulative repair risk (10x6). The value reported here is the number of incidents.

M8.10 Disconnections

- 9.44 This worksheet captures costs and workload volumes associated with service disconnections.
- 9.45 Enter the gross costs for the categories as follows:
- Direct activity costs, those costs directly associated with disconnections.
 - Attributed costs, those costs which can be traced specifically back to the activity in question (e.g., the customer team directly administering the delivery of disconnections)

Allocated costs, those costs spread throughout the business to support operations (e.g., IT) that are allocated to disconnections activity.

9.46 Enter the customer contributions/charges and volumes for the categories as follows:

- Customer charges/quotations using standard charging methodology
- Customer charges/quotations using non-standard charging methodology (e.g., Sufficient Complexity works)

9.47 Enter the number of disconnections delivered by GDNs on behalf of gas suppliers under the Gas Safety (Installation and Use) Regulations 1996, Pipelines Safety Regulations (PSR) or Gas Safety (Management) Regulations 1996.

9.48 Enter the volumes of service disconnection by local distribution zone.

M8.11 FTE

9.49 This table collects details regarding the GDNs Full Time Equivalent (FTE) staff numbers within the main cost areas.

9.50 Enter the average net FTE staff numbers for each Opex activity (including related parties staff numbers), broken down into the following categories:

- GDN own Employee FTE
- GDN own Apprentices/Trainees FTE
- Contract Labour FTE
- Related Party FTE

9.51 For external contract and related party FTEs calculation, reasonable assumptions should be made on the labour element of the contract value to derive a proxy staff cost. This can be divided by average staff cost per grade to arrive at an estimated FTE number.

9.52 The above is further split by activity sub-class aligned with Price controlled and non-controlled activities listed in 4.01 (Opex Cost Matrix).

9.53 Any FTEs charged directly to Capex / Repex or charged from Opex to Capex / Repex should be entered into the relevant Capex and Repex rows, so that adding them to the Total Operating Opex FTE will equate to total FTEs across Totex.

9.54 Note that FTEs exclude allocations for overtime, for example

- Employee doing full time hours = 1 FTE
- Employee doing 80% hours = 0.8 FTE
- Employee doing full time hours and 20% overtime = 1 FTE

9.55 If FTEs are not recorded automatically into these activities, then they should be allocated on a best endeavours basis in line with salaries and wages. FTEs should be reported to the nearest whole FTE.

M8.12 Standard Occupational Classification (SOC)

- 9.56 This table collects details regarding the GDNs Full Time Equivalent (FTE) staff numbers by Standard Occupational Classification (SOC).
- 9.57 For each occupational category listed, enter the average net FTE staff numbers for each year, aggregated across all business functions. If FTEs are not recorded automatically into these categories, then they should be allocated on a best endeavours basis.
- 9.58 Section 1, Occupation Breakdown by Standard Occupational Code (SOC) 2010, FTE by occupation for the total of GDN own employee plus contract labour FTE for the years 2014 to 2020 in line with past SOC submission.
- 9.59 Section 2, Occupation Breakdown by Standard Occupational Code (SOC) 2020, FTE by occupation split by GDN own employee and contract labour FTE for the years 2021 to 2031.

M8.13 Company Specific Factors

- 9.60 The purpose of this worksheet is to capture any costs relating to company-specific factors that might result in the efficient level of costs being higher for a specific GDN than others.
- 9.61 For company-specific factors, this worksheet is intended to aid a transparent and comparable submission of normalisation claims across GDNs and provides Ofgem with a view of the scale of and areas impacted by each factor.
- 9.62 In relation to regional factors (e.g. record the impact of regional wage variance). We would expect regional factors to be reported in the Business Plan with supporting the evidence. The costs relating to company-specific factors are to be included within the baseline figures reported elsewhere in the BPDTs.

M8.14 Bespoke, Uncertain and Separate Activities (BUS)

- 9.63 The purpose of this worksheet is to capture the disaggregated costs, workloads and volumes related to any proposed bespoke, uncertain and separate assessment activities. This will enable Ofgem to associate any incremental proposals with corresponding baseline figures reported elsewhere in the BPDT, whilst keeping the two clearly separate from one another.
- 9.64 If a proposed bespoke activity directly corresponds with a proposed uncertain activity or separate assessment, then use the GDN Notes field to highlight this interaction.
- 9.65 Enter a description of the bespoke/uncertain/separate assessment activity. This description should match the description provided for the corresponding item within the Outputs, UMs snapshot table that accompanies the RIIO-3 Business Plan Guidance document.
- 9.66 Enter the incremental (i.e. over and above baseline) costs associated with the bespoke/uncertain/separate assessment activity for each year. If the bespoke activity has no corresponding baseline component, then the incremental costs equal the total costs.
- 9.67 If applicable, enter the incremental (i.e. over and above baseline) workloads or volumes associated with the bespoke/uncertain/separate assessment activity for each year. Enter the unit of measure for the workload/volume in the Unit field provided. If the bespoke/uncertain activity has a corresponding baseline element, then the unit entered here should match the baseline unit used elsewhere in the BPDT. If the bespoke/uncertain activity has no corresponding baseline component, then the incremental workload/volume equals the total workload/volume.

Baseline Category

- 9.68 Specify whether the bespoke/uncertain/separate assessment activity relates to Opex, Capex or Repex. If the output relates to multiple categories, list each individual bespoke/uncertain/separate assessment activity separately on a separate row.

Baseline Activity

- 9.69 Specify which specific activity within Opex, Capex or Repex the bespoke/uncertain/separate assessment activity relates to. If it relates to multiple

activities, list each individual bespoke/uncertain/separate assessment activity separately on a separate row. If the bespoke/uncertain/separate assessment activity does not have a corresponding baseline component, enter "N/A" rather than leaving the cell empty.

Location of Baseline Activity in BPDT

9.70 Identify which specific data entries within the baseline BPDT tables the bespoke/uncertain/separate assessment activity relates to. Specify the worksheet name, table name and activity name. Include row and column references if possible. This should be at the same level of disaggregation as the corresponding baseline activity. If the bespoke/uncertain/separate assessment activity does not have a corresponding baseline component, enter "N/A" rather than leaving the cell empty.

Reference to Supporting Narrative(s)

9.71 Provide a list of all locations within the business plan and/or any supporting documentation that support the bespoke/uncertain/separate assessment activity, including the corresponding item within the Outputs, UMs snapshot table that accompanies the RIIO-3 Business Plan Guidance document. This will enable Ofgem to associate each bespoke/uncertain/separate assessment activity across all documents that reference it.

Bespoke Output Costs Excluded from BPDT Baseline Figures? (Y/N)

9.72 Provide confirmation that the incremental bespoke/uncertain costs reported in this table have been excluded from the corresponding baseline costs by entering Yes in each cell. If the bespoke/uncertain activity does not have a corresponding baseline component, enter "N/A" rather than leaving the cell empty.

Bespoke Output Volumes Excluded from BPDT Baseline Figures? (Y/N)

9.73 Provide confirmation that the incremental bespoke/uncertain workloads/volumes reported in this table have been excluded from the corresponding baseline workloads/volumes by entering Yes in each cell. If the bespoke/uncertain activity does not have a corresponding baseline component, enter "N/A" rather than leaving the cell empty.

M8.15 Re-Opener Pipeline

- 9.74 This table records information relating to all future Re-opener applications but with greater emphasis on those due to be submitted within the next 12 months/regulatory year.
- 9.75 This table will be used by Ofgem for ongoing monitoring purposes and for sourcing the estimated value of the adjustment to baseline allowances which will feed into the relevant Re-opener PCFM Variable Value and will be reflected in its allowed revenue at the next Annual Iteration Process.
- 9.76 The information is to be forecast as far as is reasonably practicable.
- 9.77 The fields to be completed as follows:
- Re-opener mechanism (All). These fields have been pre-populated
 - Licence condition: The Special Licence Condition number for the relevant Re-opener mechanism
 - Relevant paragraph of licence condition: the specific paragraph number of the Special Licence Condition of the relevant Re-opener mechanism
 - Likely date of submission: relevant application window
 - Probability of submission: low, medium or high
 - Estimated value of adjustment to baseline allowances: a value in £m for Opex/Capex/Repex/Totex for each regulatory year, which will feed into the relevant Re-opener PCFM Variable Value
- 9.78 The following fields (under Details of application) are intended as free text boxes. Information can be provided in the appendances of the RRP strategic commentary accompanying the annual RRP submissions.
- Trigger for application (e.g. change in legislation)
 - Outline of needs case
 - Methodology used to arrive at preferred option
 - Outline of preferred option
 - Evidence used to justify level of costs requested
- 9.79 Any broader regulatory/policy issues. Information should be brief and provide more detail for those applications expected in the next 12 months/regulatory year.

Re-opener Appendix

9.80 This table is related to the information provided in the tables above and is intended to collate a breakdown of individual projects with a greater detail.

9.81 The fields to be completed are:

- Re-opener mechanism
- Project name: breakdown of individual projects even if under the same re-opener
- Description of project including brief description of driver for project and any interdependencies
- Likely date
- Project start date: the actual date of physical work
- Project end date
- Planned submission date
- Scope of submission: needs case, options and costs
- Probability of submission: low, medium, high
- Has there been recent engagement with Ofgem on the project?: some details on the nature of engagement and detail Ofgem colleague.
- Lifetime cost (£m): sum of all costs related to a project over its lifetime including beyond RIIO 2 period.

M8.16 Related Party Transactions

9.82 The purpose of this table is to provide an analysis and understanding of the nature and size of services provided to the distribution business and other GB regulated network businesses by each related party. The information is split between whether the profit margin is allowed or not allowed under Ofgem's rules.

9.83 Input a description of the services provided by each related party. Input as positive numbers the turnover data for the related party as charged to the distribution business, other regulated network businesses and external customers. Input as negative numbers the respective costs incurred.

9.84 Where the total charge from a related party to the distribution business is less than £500k per annum that related party does not need to be included on this table.

M8.17 Environment

9.85 The purpose of this worksheet is to collect data on the licensee's:

- Scope 1, 2 and 3 business carbon footprint (BCF) and other environmental performance indicators. This includes data on the licensee's targets, historical performance, projections for upcoming years and price control periods, and
 - Proposed initiatives in the licensee's RIIO-3 Environmental Action Plan (EAP).
- 9.86 Ofgem will use the information to assess the ambition, benefit and cost efficiency of proposed initiatives in the licensee's EAP.
- 9.87 Table 1: Long-term CO₂e emission reduction target
- Input short answers to the questions laid out in the table. You may use the commentary section to add additional information and context.
- 9.88 Table 2: Business Carbon Footprint
- The general requirements and instructions for reporting BCF data in this table are the same as those in the RIGs for the annual regulatory return, eg data must be compliant with the principles of the Greenhouse Gas Reporting Protocol. Please refer to the current version of the RIGs for further guidance on the individual categories.
 - Input all data on a carbon dioxide equivalent basis.
 - Input historical and projected forecast data for scopes 1 and 2 greenhouse gases for all price control periods.
 - Input projected/forecast data for scope 3, as well as historical data to the extent the latter is available.
 - The licensee should highlight if there has been any change in the categories or reporting methodology for the historical data which cannot be back dated and include an explanation in the accompanying narrative.
 - It is up to the licensee to decide how it derives the BCF projections/forecast data for the remainder of RIIO-2 and for the RIIO-3 period. For example, the licensee might decide to use a driver-based approach (eg gas consumption, electricity consumption, miles travelled, floor-space occupancy) to forecast levels/changes in the different emission categories. Alternatively, the licensee may decide to derive a projection based on emission mitigation interventions or changes in other factors that are expected to affect emission levels. The licensee should explain its approach in the narrative.
- 9.89 Tables 3a to 3d: Environmental baseline measures under RIIO-GD1
- The purpose of Tables 3a to 3d is to get baseline data on a range of performance indicators not covered in the Table 2.

- The licensee should input data for start of RIIO-2 in the column headed 'Measure for start of RIIO-GD2 (2021/22) and input latest available data (ie 2023/24) in the column headed 'Measure for latest year (RIIO-GD2). The licensee should input the average for all completed years in RIIO-2 in the column headed 'Average measure for RIIO-GD2 to date'.
- The licensee should use the 'Notes' column to explain any data values the licensee has specified; any missing or incomplete data values; changes in the data collection and reporting methodology that might have occurred over the period, etc.

9.90 Table 3a: Embodied carbon of new projects

- The emissions that are generated to produce a built asset can be calculated on the basis of 'in design' and 'as built'. The licensee should input 'as built' emissions data into the table. Some licensees may have limited data available, on 'as built' projects. In such cases, the licensee should input data on an 'in design' basis and include an explanation in the 'Notes' column.
- All data should also be normalised to 2020/21 cost basis to remove inflationary effects.

9.91 Table 3b: Environmental incidents

- Input the number of environmental incidents which have occurred during RIIO-2. If there are no incidents to report, please detail this in the notes column.

9.92 Table 3c: Waste

- Input total waste created and manner of waste disposal/management during the RIIO-2 price control.

9.93 Table 3d: Biodiversity/environmental improvement at network sites

- Input data on biodiversity/environmental improvements carried out at network sites during the RIIO-2 price control.

9.94 Table 4a to 4e: Impact of EAP initiatives at end of RIIO-3

- The purpose of Tables 4a to 4e is to identify and highlight the impact that the EAP initiatives are expected to have on each of the key performance indicators. This is shown by comparing the expected value of the KPI under a 'counterfactual scenario', where none of the licensee's RIIO-3 EAP is

implemented, to the expected KPI value under the 'RIIO-3 EAP scenario' where initiatives in the licensee's RIIO-3 EAP are successfully implemented.

- For each table, the licensee should input a lower and upper estimate of the expected KPI value at the end of RIIO-3 under each scenario. The range of expected KPI values at the end of RIIO-3 will be wider in cases where there is significant uncertainty on the impact an intervention might have. Please use the 'Notes' column to provide a short explanation of the uncertainty. If the impact is more certain, the difference between the lower and upper estimates of the KPI will be smaller or potentially zero.
- The licensee should also input in the 'Initiative identifiers' column a specific identifier or code for each of the EAP initiatives that are contributing the most to the expected change in the KPI over the RIIO-3 period. The identifier code used for the EAP initiatives must align with the identifier code used in the Table 5.

9.95 Table 4a: BCF

- This table should be used to identify and highlight the EAP initiatives that are expected to have the most impact on the licensee's BCF at the end of the RIIO-3 price control.

9.96 Table 4b: Embodied carbon of new projects

- This table should be used to identify and highlight the EAP initiatives that are expected to have the most impact on emissions generated to produce a built asset at the end of the RIIO-3 price control.

9.97 Table 4c: Environmental incidents

- This table should be used to identify and highlight the EAP initiatives that are expected to have the most impact on reducing environmental incidents over the RIIO-3 price control.

9.98 Table 4d: Waste

- This table should be used to identify and highlight the EAP initiatives that are expected to have the most positive impact on the KPIs for waste management at the end of the RIIO-3 period.

9.99 Table 4e: Biodiversity/environmental improvement at network sites

- This table should be used to identify and highlight the EAP initiatives that are expected to have the most positive impact on KPIs for biodiversity/environmental improvement at the end the RIIO-3 price control.

9.100 Table 5: RIIO-GD3 EAP initiatives

- This table should be used to list and provide information about all of the initiatives that the licensee has included in its EAP to improve the key environmental performance indicators throughout the RIIO-3 price control. Each initiative should be assigned an identifying code and these should align with those referenced in tables 4a to 4e.
- In addition, this table should be used by the GDNs to detail the costs to roll-out the Digital Platform for Leakage Analytics (DPLA) and the costs to maintain the DPLA in RIIO-3. DPLA costs will not require an assigned identification code referenced in tables 4a to 4e.

9.101 Table 6: Discretionary/Additional Environmental Reporting

- This table can be used to report on additional information in relation to the licensee's EAP which does not align with the tables provided previously. The format of this table can be amended to suit whichever metrics the company deems appropriate.

M8.18 NIS-R Cyber Resilience

9.102 The purpose of this table is to inform Ofgem of the Opex and Capex expenditure in a network company's NIS-R Cyber Resilience Business Plans. The cost allocation for each of the investments required by the network company is split into three high-level categories covering People, Process and Technology. In the cyber BPDT network companies should provide the opex and capex expenditure at a company level not at a licensee/network level.

9.103 All costs should be rounded to two decimal places and in £m.

9.104 There is a summary at the top which is to inform Ofgem of the total defined investment (TIM) and uncertain investment (UIOLI) costs in a network company's NIS-R Cyber Resilience Business Plan. We have included an automated calculation which will sum the TIM and UIOLI cost split where an Investment Category is selected from the drop down menu in each of the detailed activity tables. We have included a check formula to flag any discrepancies. We provide more

detailed guidance on the two investment categories in the 'NIS Cyber Resilience Business Plan Submission Assessment Methodology and Requirements Document.'²

- 9.105 Within the People, Process and Technology categories there are 10 sub-categories split into capex and opex expenditure. At the top of the cyber BPDT there is a sub-category summary table. We have included a calculation which should pull up the total cost as indicated in the detailed activity tables. We have included a check formula to flag any discrepancies. All improvement programmes / projects that require funding must be linked to the primary CAF Principle and Contributing Outcome that the programme / project is aiming to deliver.
- 9.106 By mapping each project to the primary CAF Principle and Contributing Outcome Ofgem will be able to see where network companies are focusing their NIS-R Cyber Resilience improvement efforts in RIIO-3. We ask network companies to use the drop down menus provided to ensure consistency in referencing to the CAF Principles and Contributing Outcomes.
- 9.107 To enable a comparison between RIIO-2 and RIIO-3 expenditure, network companies should include all RIIO-2 awarded allowances for cyber resilience covering both IT and OT even where there is no corresponding project for RIIO-3. For those projects where no RIIO-3 continuation allowance is required, network companies should add a single line item per RIIO-2 project in the sub-table RIIO-2 Project Summary. All RIIO-2 costs should align to the July 2024 PCD report, where relevant, we expect companies to include actual spend for years 1-3 and awarded allowances for years 4-5.
- 9.108 For projects where funding has been awarded in RIIO-2 and further funding is required in RIIO-3 for the same project, network companies should include the RIIO-2 and RIIO-3 expenditure information in the BPDT in the relevant detailed activity sub-table for People, Process and Technology. All NIS-R Cyber Resilience allowances being requested in RIIO-3 must be included in the cyber BPDT.
- 9.109 For the RIIO-2 Project Summary table: all RIIO-2 awarded allowances for cyber resilience covering both IT and OT should be added where there is no corresponding project / allowance request in RIIO-3. Network companies should provide the following information:

² [RIIO-3 Business Plan Guidance | Ofgem](#) – see Annex 6

- RIIO-2 project name,
- Primary CAF Principle (use drop down list),
- Investment Category (use drop down list),
- Annual costs (RIIO-2).

9.110 For the People: FTE Opex table all cyber FTE resources, existing and forecast, should be added. We do not expect a line per individual cyber team member, the roles should be combined e.g. 2 x CSOC analyst should be entered as one line item with the head count column updated to indicate 2 people in this role.

Network companies should provide the following information:

- Role title,
- Primary CAF Principle (use drop down list),
- Primary CAF Contributing Outcome (use drop down list),
- Unit cost in £m (annual salary),
- Head count,
- Annual costs (RIIO-2 and RIIO-3).

For the People: FTE Capex table all cyber FTE resources, existing and forecast, involved in a specific project should be added here. We do not expect a line per individual cyber team member, in this case we ask companies to roll up the people costs to reflect the project team in totality so one line per project where FTE resources are capitalised. The detailed breakdown on the project team roles should be included in the Detailed Cost template submitted alongside the NIS-R Cyber Resilience Business Plan. Network companies should provide the following information:

- Project Name,
- Primary CAF Principle (use drop down list),
- Primary CAF Contributing Outcome (use drop down list),
- Average unit cost in £m (annual salary),
- Head count,
- Investment Category (use drop down list), Annual costs (RIIO-2 and RIIO-3).

9.111 For the People: FTC Opex table all cyber FTC resources, existing and forecast, should be added. We do not expect a line per individual cyber team member, the roles should be combined e.g. 2 x CSOC analyst should be entered as one line item with the head count column updated to indicate 2 people in this role.

Network companies should provide the following information:

- Role title,

- Primary CAF Principle (use drop down list),
- Primary CAF Contributing Outcome (use drop down list),
- Unit cost in £m (annual salary),
- Head count,
- Annual costs (RIIO-2 and RIIO-3).

For the People: FTC Capex table all cyber FTC resources, existing and forecast, involved in a specific project should be added here. We do not expect a line per individual cyber team member, in this case we ask companies to roll up the people costs to reflect the project team in totality so one line per project where FTC resources are capitalised. The detailed breakdown on the project team roles should be included in the Detailed Cost template submitted alongside the NIS-R Cyber Resilience Business Plan. Network companies should provide the following information:

- Project Name,
- Primary CAF Principle (use drop down list),
- Primary CAF Contributing Outcome (use drop down list),
- Average unit cost in £m (annual salary),
- Head count,
- Investment Category (use drop down list),
- Annual costs (RIIO-2 and RIIO-3).

9.112 For the Process: 3rd Party Services Opex table, the 3rd party services required to deliver specific NIS-R cyber resilience improvement programmes / projects should be added:

- Project Name,
- Primary CAF Principle (use drop down list),
- Primary CAF Contributing Outcome (use drop down list),
- Investment Category (use drop down list),
- Annual costs (RIIO-2 and RIIO-3).

9.113 For the Process: Professional Services or 3rd Party Services Capex table, the professional services or 3rd party services required to deliver specific NIS-R cyber resilience improvement programmes / projects should be added:

- Project Name,
- Primary CAF Principle (use drop down list),
- Primary CAF Contributing Outcome (use drop down list),
- Investment Category (use drop down list),

- Annual costs (RIIO-2 and RIIO-3).
- 9.114 For the Process: 3rd Party Services Opex table, the 3rd party services required to deliver specific NIS-R cyber resilience improvement programmes / projects should be added:
- Project Name,
 - Primary CAF Principle (use drop down list),
 - Primary CAF Contributing Outcome (use drop down list),
 - Investment Category (use drop down list),
 - Annual costs (RIIO-2 and RIIO-3).
- 9.115 For the Technology: Software Opex table, network companies should include one line item per project to indicate the software opex costs in totality associated with each project. The detailed breakdown of the software required per project should be included in the Detailed Cost template submitted alongside the NIS-R Cyber Resilience Business Plan. Network companies should provide the following information:
- Project Name,
 - Primary CAF Principle (use drop down list),
 - Primary CAF Contributing Outcome (use drop down list),
 - Investment Category (use drop down list),
 - Annual costs (RIIO-2 and RIIO-3).
- 9.116 For the Technology: Software Capex table, network companies should include one line item per project to indicate the software opex costs in totality associated with each project. The detailed breakdown of the software required per project should be included in the Detailed Cost template submitted alongside the NIS-R Cyber Resilience Business Plan. Network companies should provide the following information:
- Project Name,
 - Primary CAF Principle (use drop down list),
 - Primary CAF Contributing Outcome (use drop down list),
 - Investment Category (use drop down list),
 - Annual costs (RIIO-2 and RIIO-3).
- 9.117 For the Technology: Hardware Opex table, network companies should include one line item per project to indicate the hardware opex costs in totality associated with each project. The detailed breakdown of the hardware required per project

should be included in the Detailed Cost template submitted alongside the NIS-R Cyber Resilience Business Plan. Network companies should provide the following information:

- Project Name,
- Primary CAF Principle (use drop down list),
- Primary CAF Contributing Outcome (use drop down list),
- Investment Category (use drop down list),
- Annual costs (RIIO-2 and RIIO-3).

9.118 For the Technology: Hardware Capex table, network companies should include one line item per project to indicate the hardware capex costs in totality associated with each project. The detailed breakdown of the hardware required per project should be included in the Detailed Cost template submitted alongside the NIS-R Cyber Resilience Business Plan. Network companies should provide the following information:

- Project Name,
- Primary CAF Principle (use drop down list),
- Primary CAF Contributing Outcome (use drop down list),
- Investment Category (use drop down list),
- Annual costs (RIIO-2 and RIIO-3).

Definitions

9.119 People - Full time equivalent (FTE) resources:

- A full time, permanent employee deployed.
- Unit costs include any form of payment, consideration or other benefit, paid or due to or in respect of full-time employees as part of their annual salary.
- Head count is the total number of FTE resources, per role, forecast by the end of RIIO-3. The annual costs in the BPDT should reflect if this resource will be phased in over the RIIO-3 period.

9.120 People - Fixed term contract (FTC) resources:

- An employment contract where there is a fixed end date for the contractor.
- Unit costs include any form of payment, consideration or other benefit, paid or due to or in respect to temporary contractors, fixed term contracts or Agency Staff as part of their annual salary.

- Head count is the total number of FTC resources, per role, forecast by the end of RIIO-3. The annual costs in the BPDT should reflect if this resource will be phased in over the RIIO-3 period.

9.121 Process - Professional services:

- Services provided on a consultancy basis
- It represents costs incurred by contracting with organisations for the provision of services

9.122 Process - 3rd party services:

- Services provided by vendors/OEMs.
- Costs that have been identified through an RFI/RFP process to deliver a specific service e.g. operate a security operations centre.

9.123 Technology - Software:

- A set of instructions, data or programs used to operate computers or similar devices to perform specific tasks.
- Expenditure on new and replacement software used to support the operation of the NIS-R assets. These types of software support compliance activities within the CAF and address the needs of the organisation to minimise the impact of risk and incidents to its network and information systems.
- This software extends to applications and systems that must have a NIS-R Cyber Resilience focus and are not part of general IT systems, applications and services used by the network company.

9.124 Technology - Hardware:

- Hardware refers to the external and internal devices and equipment to perform functions such as input, output, storage, and communication.
- Expenditure on new and replacement hardware used to support the operation of the NIS-R assets. These types of hardware support compliance activities within the CAF and address the needs of the organisation to minimise the impact of risk and incidents to its network and information systems.
- This hardware must have a NIS-R Cyber Resilience focus and not part of general OT appliances used by the network company.

9.125 Investment Category (see Chapters 2 and 3 of the 'NIS Cyber Resilience Business Plan Submission Assessment Methodology and Requirements Document' for more detailed guidance):

- **Defined Investments:** For programmes and/or projects where there is a justified needs case, proposed delivery, cost to deliver and defined output to mitigate an identified risk as the proposed solutions are well understood and readily available. A price control deliverable ('PCD') can be set to evaluate the success of the delivery in terms of benefits and outcomes.
- **Uncertain Investments:** For small projects where the needs case has been identified but the solutions are in their infancy or are novel in nature and require allowances to support further development of detailed requirements, scoping and assessment of appropriate technologies to mitigate an identified risk.

M8.19 Data and Digitalisation

- 9.126 The purpose of this table is to inform Ofgem on expenditure on data and digitalisation. The cost allocation is split into six high-level categories covering digital infrastructure, digital processes, digital platforms, Digitising field works, Network monitoring and other best practice investments.
- 9.127 Digital infrastructure, this includes internal digital models to manage data including allowing data to flow smoothly across an organisation, such as enterprise architecture.
- 9.128 Digital processes, this is about improving the efficiency of core services and processes by leveraging digital technologies. Can include digitising processes or analogue processes. Includes system mapping & network design.
- 9.129 Digital platforms, these are tools for internal and external stakeholders to interact with network data e.g. open data platforms, consumer engagement platforms, and visual representations of networks.
- 9.130 Digitising field works, tools for onsite employees to improve efficiency and safety of field works, such as using machine learning to analyse historical accident data and change behaviours to prevent repeats.
- 9.131 Network monitoring, direct investment in metering and other data capture to improve internal data quality and value of associated services.
- 9.132 Other data best practice investments, anything else that doesn't fit into the above but is a good example of best practice for data/digitalisation.

M8.20 List of Buildings

- 9.133 For every building, insert the name, and the following specifications:
-

- Category
- Lease type
- Owned by
- Net Internal Area (m2)

9.134 For multi-use buildings, re-enter the same building name on multiple rows for each associated category, as this will enable for an accurate aggregation of properties by category, as listed in the adjoining Specifications table.

M8.21 NARM Summary

9.135 This table is auto populated from other sections of the BPDT template.

M8.22 Future Energy Scenarios (FES)

9.136 The purpose of this worksheet is:

- To identify and justify where they use alternative data values to those in the NESO's 2024 FES P1 Holistic pathway and Counterfactual scenario for the purpose of developing their RIIO-3 business plan.
- To show the change that using the alternative assumptions have on the RIIO-3 cost category expenditure forecasts.

9.137 In the pathways assumptions and adjustments section, the GDN should input data from FES P1 Holistic Pathway in final BPs for each category in columns Y to AC. The company should also add any other data categories from the same scenario/pathway that it considers relevant for its planning, completing descriptor 3 details.

9.138 In the FES24 Holistic Pathway with adjustments section (columns AE to AI), the GDN should input any adjusted figure it has used for business planning instead of the FES 24 value for a data category, where relevant.

9.139 A GDN may diverge from a data value given in the relevant scenario/pathway if it can justify why this is necessary and that the alternative value is appropriate. Relevant justifications could include complying with requirements from the safety regulations, resilience standards, network planning obligations etc. Appropriate sources of alternative data values could include expert knowledge, statutory obligations and relevant information from customers and stakeholders etc.

9.140 The GDN company should add a clear explanation why it has used an alternative value and the relevant source (eg legislation, own methodology,

customer/stakeholder intel etc) in the corresponding cell in column S of the template.

- 9.141 In the sensitivity analysis section starting on row 58, the GDN should input its RIIO-3 expenditure forecasts for each cost category on the basis of the unadjusted scenario/pathway and forecasts for each cost category on the basis of the adjusted scenario/pathway.

M8.23 Climate Resilience

- 9.142 This worksheet is a memo table to collect costs on Climate Resilience activity. The purpose of this table is to provide a summary of information on Climate Resilience expenditure that is reported across the tables within the BPDT.
- 9.143 Climate Resilience is the ability for an individual, group, asset or system to anticipate, prevent, respond to and recover from a climate-driven stress event.
- 9.144 Climate Resilience expenditure should be reported against the key cost building blocks of Totex identified.

M8.24 Vulnerability

- 9.145 Post-SSMD, we have shared guidance with the GDNs on the BAU vulnerability and carbon monoxide safety activities for which we will consider proposals to fund through their baseline allowances. The GDNs should use this guidance to inform the activities that they include in baseline allowances within their business plans. All assessment of baseline allowances will be carried out as part of Ofgem's business plan assessment and the guidance is not, and should not be seen as indicative of Ofgem's future assessment.

Deliverable Area

- 9.146 These are the overarching deliverable themes associated with the proposed vulnerability or CO safety activities. These deliverable areas are based on the GDNs' BAU activity submissions, and are common to all GDNs. Please do not make any changes to this column, unless adding additional reporting metrics associated with the existing named activities in the blank rows below.

Description

- 9.147 These are the high-level descriptions of the proposed vulnerability or CO safety activities, and align with the guidance we have previously shared with the GDNs.
-

These descriptions are common to all GDNs. Please do not make any changes to this column, unless adding additional reporting metrics associated with the existing named activities in the blank rows below.

Description of Reportable Metric of Baseline Activity (Quantitative or Qualitative)

9.148 This column outlines the reportable metrics associated with each high-level vulnerability or CO safety activity, and includes quantitative and qualitative reporting requirements. The purpose of these common reporting metrics is to ensure consistency and comparability in the GDNs' Business Plan submissions. The GDNs should, wherever possible, provide an indicative annual forecast for these metrics. We have included 15 blank rows below, and are open to considering suggestions from the GDNs on additional and/or alternative common metrics to enable accurate and insightful reporting of the activities. Unless specifically agreed with Ofgem, please do not make changes to this column as the reportable metrics should be common to all GDNs.

Reportable Metric of Baseline Activity (Quantitative or Qualitative)

9.149 In this column, the GDNs should define how they have calculated the reporting metrics. For example, detailing how the forecast total number of people reached through a PSR or CO awareness campaign has been calculated. To ensure comparability, we encourage the GDNs to collaboratively agree how these reporting metrics should be defined.

Baseline Category

9.150 The GDNs should specify whether the activity relates to Opex, Capex or Repex. If the output relates to multiple categories, list each individual activity separately on a separate table row.

General location of Baseline Activity in BPDT

9.151 Specify which specific tab within Opex, Capex or Repex the activity relates to. If it relates to multiple activities, list each individual activity separately on a separate table row.

Specific Location of Baseline Activity in BPDT

9.152 Use this free text box to identify which specific data entries within the baseline BPDT tables correspond with the activity. If related RIIO-GD3 costs are located elsewhere in the BPDT, specify the worksheet name, table name and activity name. Include row and column references, if possible. This should be at the same

level of disaggregation as the corresponding baseline activity. If the activity does not have a corresponding baseline component elsewhere in the BPDT, enter "N/A" rather than leaving the cell empty.

Metric Reporting

9.153 Please complete columns AJ to AP in as much detail as possible. Should the activity currently be funded through baseline allowances, include the costs and (wherever possible) volume metrics associated with both the final two years of RIIO-GD2. Please provide an annual breakdown of costs and all other reporting metrics for each activity in RIIO-GD3.

10. Instructions for completing the Innovation tables

M9.00 Innovation

- 10.1 The purpose of this table is to show a breakdown and total of baseline allowance requested to fund deployment of previously proven innovation.
- 10.2 Costs linked to innovation will be reported twice across BPDTs – here and in 4.00 Opex cost matrix under 'Non-controllable Other'. Costs will feed into Totex summary through Opex only.
- 10.3 Only if the licensee is seeking additional baseline funding to deploy proven innovation, they should fill in the boxes shaded in yellow in the following categories:

- Project name / innovation name
- Description of the innovation

Expenditure category (Opex/Capex/Repex)

- Business Plan reference – please note here the page in your Business Plan or Annex where you provide a detailed justification of the requested allowance
- Amount of allowance requested
- Please list any baseline funding you were granted by Ofgem for innovation deployment activities in T-2, if applicable. In the description, please briefly comment on the extent to which these activities took place and funds were spent as intended.
- Please list any projects you wish to receive baseline funding for during T3, and indicate, where relevant, if you expect these activities to last into >T3.

10.4 Contributions are not applicable for these activities. Costs are reported as Gross/Net.

C9.01 NIA

10.5 The purpose of this table is to report the GDN's expenditure under the RIIO-2, and RIIO-3, Network Innovation Allowance (NIA). The NIA is a set allowance that the GDN can use to spend on innovation projects which comply with the RIIO-3 NIA Governance Document.

10.6 NIA is over and above base revenue. This table captures the amounts spent under the NIA. The amount of NIA that can be recovered is calculated as set out in Special Condition 5.2 and must not exceed the licensee's stated allowance as specified in the RIIO-3 Final Determinations. Costs reported in this table must be incurred in accordance with the most recent version of the NIA Governance Document.³

10.7 For expenditure by project section, GDNs should input details of each RIIO-3 NIA activity / project: its unique reference number, name, and status. GDNs should also provide reporting year actual and remaining RIIO GD3 forecast expenditure.

10.8 Unrecoverable NIA Expenditure - GDNs should input details of any expenditure that has been declared as Unrecoverable NIA Expenditure by Ofgem in accordance with the RIIO-3 NIA Governance Document.

10.9 GDNs should also report how much of their Total NIA Expenditure has been spent on internal resources. The NIA Expenditure is required to monitor the total amount spent by the Licensee in order to align with the regulatory accounts. Allowable NIA Expenditure is required to monitor the amounts being claimed through the NIA Funding Mechanism.

C9.02 NIC

10.10 The purpose of this table is to report funding for NIC projects that the GDN received funding for in RIIO-1 and remain in-flight during the RIIO-3 price control. Additionally, the table also seeks to capture other categories of NIC funding that will be relevant if the GDN has to return any funds on these projects.

³ Ofgem (2023) RIIO-2 NIA Governance Document
<https://www.ofgem.gov.uk/sites/default/files/2023-02/RIIO-2%20NIA%20Governance%20Document%20-%20V3%20-%20clean.pdf>

10.11 The expenditure is recorded by project. Enter the project name and total assigned expenditure/income for each of the categories listed:

- Funding by project
- Halted Project Revenue
- Disallowed Project Revenue
- NIC Royalties Revenues by project
- NIC Directly Attributable costs
- NIC Royalties Return Income by Project
- NIC Retained Royalties Revenues by project

C9.03 CNIA

10.12 The purpose of this table is to report the GDN's expenditure under the carryover of the RIIO-2 NIA (CNIA). The CNIA allows the GDN to spend and recover any remaining unspent funds from the 2025-26 NIA, providing that projects were started before 31 March 2026 and comply with the NIA Governance Document.

10.13 CNIA is allowed only for the next 1.5 reporting year of the commencement of projects and no subsequent years. This means that 1 April 2026-30 September 2027 is the only timeframe that CNIA from 2025-26 commenced projects can be recovered. The 2027-28 column in the spreadsheet should only be filled in for the period 1 April-30 September 2027.

C9.04 SIF

10.14 The objective of the Strategic Innovation Fund (SIF) is to support network innovation that contributes to the achievement of Net Zero target, while delivering net benefits to energy consumers. It intends to coordinate network innovation funding with other public sector funding initiatives, thereby ensuring greater flexibility and strategic alignment in innovation funding and eliminating both unnecessary duplication and funding gaps. Costs reported in this table must

be incurred in accordance with the most recent version of the SIF Governance Document.⁴

- 10.15 The purpose of this table is to report Strategic Innovation Fund (SIF) projects that the GDN will receive funding for in RIIO-3 based on SIF projects that were started in RIIO-2. Additionally, the table also seeks to capture other categories of SIF funding that will be relevant if the GDN has to return any funds on these projects. The different SIF categories are all defined in the SIF Governance Document.
- 10.16 The table is meant to give an idea of how projects initiated in RIIO-2 (when SIF started) are being continued into RIIO-3. This table does not require companies to input SIF projects they have not started yet/may start in RIIO-3.
- 10.17 GDNs should input details of each SIF project it receives funding, providing the outturn and forecast expenditure for RIIO GD3. The different SIF categories are all defined in the SIF Governance Document. SIF revenue and cost associated with the following categories should be input:
- SIF Funding by project
 - SIF Halted Project Revenues
 - SIF Disallowed Project Revenues
 - SIF Royalties Revenues by project
 - SIF Directly Attributed Costs
 - SIF Royalties Return Income by project
 - SIF Retained Royalties by project

⁴ Ofgem (2023), RIIO-2 SIF Governance Document
<https://www.ofgem.gov.uk/sites/default/files/2023-02/SIF%20Governance%20Document%20v2.1%20final%20clean.pdf>