



Regulatory Instructions and Guidance for Annual/Cost Reporting

January 2024



About the Utility Regulator

The Utility Regulator is the economic regulator for electricity, gas and water in Northern Ireland. We are the only multi-sectoral economic regulator in the UK covering both energy and water.

We are an independent non-ministerial government department and our main duty is to promote and protect the short- and long-term interests of consumers.

Our role is to make sure that the energy and water utility industries in Northern Ireland are regulated, and developed within ministerial policy, as set out in our statutory duties.

We are governed by a Board of Directors and are accountable to the Northern Ireland Assembly.

We are based at Queens House in Belfast. The Chief Executive and two Executive Directors lead teams in each of the main functional areas in the organisation: CEO Office; Price Controls, Networks and Energy Futures; and Markets and Consumer Protection.



Our mission

To protect the short- and long-term interests of consumers of electricity, gas and water.



Our vision

To ensure value and sustainability in energy and water.



Our values

- Be a best practice regulator: transparent, consistent, proportionate, accountable and targeted.
- Be professional – listening, explaining and acting with integrity.
- Be a collaborative, co-operative and learning team.
- Be motivated and empowered to make a difference.



Abstract

We are publishing the Regulatory Instructions and Guidance for the annual/cost reporting, for the gas distribution companies in Northern Ireland. There are three such companies in Northern Ireland: Phoenix Energy (PE), firmus energy (Distribution) Ltd (FE) and Evolve (Evolve). The purpose of this document is to provide a framework to allow us to collect accurate and consistent information from the gas distribution network operators (Licensees).

Audience

Gas distribution network operators (GDNs) in Northern Ireland.

Consumer impact

Provision of the annual/cost reports in line with the Regulatory Instructions and Guidance set out in this document will provide a basis for monitoring and benchmarking of GDN performance and allow us to build a solid information basis to inform price control decisions and determinations. This will, over time, translate into transparent price control decisions to the benefit of the consumers in Northern Ireland. Gas distribution price controls will set out the allowed distribution charges for the gas distribution companies. At the time of the GD23 final determination publication in October 2022, distribution charges made up around 15% of the total domestic customer bill.



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1. Introduction

Chapter Summary

- 1.1 This chapter sets out the purpose and structure of the Regulatory Instructions and Guidance (RIGs) which will apply for the gas distribution network operators (GDNs) until further notice. It also sets out guidance on the process for reporting under the regulatory instructions and guidance and our audit requirements.

Background

- 1.2 In the gas distribution business, regulators, such as ourselves, use price controls in order to promote, through a range of cost allowances, incentive mechanisms and targets, a natural gas industry with more connections and increased pipeline network that extends the benefits of natural gas to more consumers. Price control packages are designed to encourage the GDNs to innovate to achieve more connections and to continue to find efficiencies to ensure they remain amongst the most efficient operators in the UK.
- 1.3 In this context, it is important to have a robust and transparent system in place to monitor GDN performance and outputs on a regular, annual basis.
- 1.4 Having annual/cost reporting in place not only allows us to assess and monitor the GDN performance against price control determinations, but also provides an opportunity to check and verify information presented to us as part of and outside the price control process. This aspect of monitoring is important to ensure that consistent, accurate information is provided at all times, with a right and opportunity for actual verification, if appropriate.
- 1.5 The annual/cost reporting and related monitoring does not just look at costs, but also at other information such as customer numbers by category, pipe laid in ground, volume of gas used, standards of performance etc.
- 1.6 We have used the RIGs for the 2022 annual/cost reporting as a starting point for the present RIGs for the GD23 annual/cost reporting. This is to facilitate consistency of reporting and monitoring of GDN performance, as well as to facilitate benchmarking between the NI GDNs and with GB GDNs where reasonably possible. That said we recognise that the nature of the work in NI compared with GB is different in certain areas and that it would be inappropriate to use the Ofgem template without amendment.
- 1.7 For the GD23 annual/cost reporting we made amendments, through consultation with the GDNs, in an attempt to reduce the annual regulatory

burden, to focus on capturing data used for the GD23 determination and to aid actual versus determination variance analysis. A key change from the 2022 template is the expansion of the template from only capturing data for a single reporting year, to capturing data for all reporting years, over the full duration of the price control period.

Purpose

1.8 The main purposes of these RIGs are as follows:

- Ensure consistency and comparability for annual/cost reporting between NI GDNs.
- Provide a basis for benchmarking, between the NI GDNs, with other GDNs in GB and potentially on a cross-utility basis.
- Ensure consistency and comparability of different regulatory submissions provided by the same GDN and facilitate improved reconciliation between these submissions.
- Consolidate our information requirements to improve efficiency of the information provision process.
- Enhance information basis to inform price control considerations and determinations.
- Improve transparency of GDN performance against price control determinations.

1.9 We consider that the RIGs as presented in this document will contribute significantly to achieving the objectives outlined above. However, we also recognise that there is potential for further learnings and improvements; see chapter 11 for further details on next steps.

Applicability

1.10 These RIGs apply for the annual/cost reporting of GDNs in Northern Ireland and will apply for all further price control periods until further notice. This will begin with the GD23 price control period and be reported annually across the full price control period cycle.

1.11 At the time of writing, there are three GDNs in Northern Ireland:

- Phoenix Energy (PE);
- firmus energy (Distribution) Ltd (FE); and
- Evolve (Evolve).

Components of the RIGs

1.12 The RIGs comprise two main elements:

- templates for reporting the data (in MS Excel v.2007 or newer); and
- instructions and guidance on how to report the data.

Instructions and Guidance

1.13 The purpose of this document is to provide instructions and guidance to support the GDNs in completing their annual/cost reporting. This document provides information on:

- the systems, processes, procedures, recording and provision of the required data;
- reporting units;
- levels of accuracy (including rounding);
- the methodology for calculating or deriving required numbers;
- the provision of the data to us (e.g. format);
- any audit or examiner requirements;
- reasons for the data requirement;
- explanations of how we will monitor, assess, and enforce compliance; and
- technical definitions and a glossary of terms used in the tables.

1.14 For the avoidance of doubt, Appendix 1: Glossary and Appendix 2: Technical Definitions will not change any definitions or obligations contained within the gas conveyance licence applicable to the GDNs, and in the event of any dispute, the licence conditions will always take precedence.

Annual/Cost Reporting Submission under the RIGs

Form of Submission and Timelines

1.15 The annual/cost reporting submission should be well-justified, self-explanatory, consistent in itself and with other submissions the GDN has made to us, and comprise as a minimum the following documents:

- Completed annual/cost reporting data template (ACRT) (in line with the requirements set out in chapters 2 to 9).
 - Commentary to the annual/cost reporting submission (in line with the requirements set out in chapter 10).
 - Data accuracy statement as detailed in paragraphs 1.21 to 1.24.
- 1.16 In line with the GD23 determination the following documents should also be included with the submission:
- Updated Uncertainty Mechanism workbook with the reporting year actuals.
 - A copy of the underpinning calculations for actual network rates bill(s) for the reporting year.
 - Updated Rate of Return Adjustment Mechanism workbook. For completeness, this workbook should be returned, with the relevant parameters updated, whether or not new debt has been raised within the reporting year.
- 1.17 In addition to the documents listed above, each GDN may submit any additional documents they consider useful, relevant and appropriate.
- 1.18 GDNs must provide the information required under the RIGs as soon as reasonably practicable and in any event **no later than 30 June each year at 12 noon**. These timelines define latest date that GDNs can submit information unless we have previously consented otherwise in writing.
- 1.19 The annual/cost reporting, including the elements set out in paragraphs 1.15 and 1.16 as well as any additional appendices the GDNs may consider useful, relevant and appropriate, shall be submitted electronically to Gas_networks_responses@uregni.gov.uk. by the submission deadline as per paragraph 1.18.
- 1.20 The annual/cost reporting data template must be submitted as an Excel file: submission of the template as a portable document format (“PDF”) file is not permissible.
- 1.21 The submission must be accompanied by a letter and statement signed by a director on behalf of the licensee confirming that the data is accurate and has been provided in accordance with the RIGs. A copy of this letter is to be submitted electronically by the submission deadline referred to in paragraph 1.18 to Gas_networks_responses@uregni.gov.uk. together with the documents referred to in paragraph 1.19.

1.22 This letter must include a statement explaining how the board of the licensee has satisfied itself that the information provided in the ACRT is reliable, accurate and complete. This should include, but not be limited to:

- A high-level description of the GDNs processes for completion of the ACRT.
- A description of the GDNs internal quality assurance processes.
- An explanation of the role and involvement of the Board as a whole (including non-executive directors) in the ACRT reporting process.
- An explanation of how the Board has satisfied itself that the processes and systems of internal control summarised above are operating as expected.
- An explanation of how the Board has satisfied itself that all material assumptions and judgements have been set out in the commentary provided by the GDN is appropriate.
- The role (if any) of both the Audit Committee and Internal Audit in the ACRT process.

1.23 We expect the statement to be provided by the board of the licensee to include details of how it has satisfied itself that all OO connections and, if applicable, relevant I&C connections submitted as qualifying for per connection marketing allowances, related to properties which had a supplier and which were burning a minimum quantity of gas.

1.24 We expect the statement to be provided by the board of the licensee to comply fully with the domestic property definitions in paragraph 13.22 of appendix 2 in this document and, if applicable, the I&C connection qualification criteria detailed in annex D paragraph 6.174 of the GD23 final determination¹.

Resubmissions

1.25 The GDNs are required to seek the agreement of us, or a person nominated by us, before resubmitting any information in accordance with these RIGs.

1.26 In any such instance any component of the annual/cost reporting submission which is being resubmitted must be resubmitted in full. The resubmission must only be accompanied by a letter signed by a director where significant changes have been made and where we and/or the licensee decide such a letter is required. The volume of supporting information the licensee will be

¹ <https://www.uregni.gov.uk/files/uregni/documents/2022-10/Annex%20D%20-%20Opex%20Detail.pdf>

required to submit to support any resubmission will be dependent on the nature of any required resubmission.

- 1.27 For each resubmission a detailed explanation must be provided on what has been amended and on the reasons for the required resubmission. For any changes made in the Excel template the GDN must update the Changes Log Table, on Worksheet: Changes Log listing every cell that has been amended.

Review

- 1.28 Once the GDNs have submitted the information to us, we will undertake a detailed review of the information. Such a review may include a meeting with or visit to each GDN for discussion of the information submitted. Such meetings or visits will be agreed with the GDN in advance.
- 1.29 We reserve the right to nominate a person (a “reviewer”) to assist us with the review or undertake it on our behalf. Should we decide to do so, we will agree the related arrangements with the reviewer and the GDNs. This may involve the reviewer entering into an agreement with the licensee to maintain confidentiality on reasonable terms.

Appointing an Examiner

- 1.30 We reserve the right to appoint an “examiner” to substantively look at specified areas of the annual/cost reporting and audit any issues that may arise from time to time. Should we decide to do so, we will agree the related arrangements with the examiner and the GDNs.
- 1.31 The role of the examiner may involve examination of:
- the systems, processes and procedures for measuring the specified information;
 - the specified information collected by the licensee; and
 - the extent to which the systems, process and procedures and the specified information complies with the RIGs.

Audit Requirements in Relation to Annual/Cost Reporting

- 1.32 We reserve the right to identify any specified information to be audited, the terms on which an auditor is to be appointed for that purpose and the nature of the audit to be carried out by that person.

Structure of this Document

- 1.33 This document is divided into sections reflecting the different component parts of the annual/cost reporting. These are as follows:
- Chapter 2 General Instructions for Completing the Data Template Tables provides general instructions for the completion of the data template tables.
 - Chapter 3 Instructions for Completing the General Section of the Template provides instructions for the completion of the general section's tables of the data template.
 - Chapter 4 Instructions for Completing the Finance Tables provides instructions for the completion of the series 1 finance tables.
 - Chapter 5 Instructions for Completing the Summary Tables provides instructions for the completion of the series 2 summary tables.
 - Chapter 6 Instructions for Completing the Opex Tables provides instructions for the completion of the series 3 opex tables.
 - Chapter 7 Instructions for Completing the Capex Tables provides instructions for the completion of the series 4 capex tables.
 - Chapter 8 Instructions for Completing the Network Assets Tables provides instructions for the completion of the series 5 network assets tables.
 - Chapter 9 Instructions for Completing the Outputs & Environment Tables provides instructions for the completion of the series 6 outputs and environment tables.
 - Chapter 10 Instructions for Completing the Annual/Cost Reporting Commentary provides instructions for completion of the RIGs Commentary.
 - Chapter 11 Further Developments and Next Steps provides information on next steps and further developments.
 - Appendix 1: Glossary provides a glossary defining key terms and abbreviations used in this document.
 - Appendix 2: Technical Definitions provides technical definitions and differentiation of technical terms and concepts of similar or related nature.

2. General Instructions for Completing the Data Template Tables

Chapter Summary

- 2.1 The purpose of this chapter is to provide general instructions for completion of the data template tables by each GDN. This is to enable us to effectively assess the annual/cost reporting submissions, monitor performance and benchmark businesses against other GDNs in NI and/or GB, where relevant and appropriate.

Overview of Template

- 2.2 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, outputs, cost and quality information from GDNs. This enables comparison of past and forecast costs and performance as documented e.g., in business plans and annual/cost reports submitted for previous years, and comparative regulation on a consistent basis. The template consists of a number of data entry and various summary and check tables.
- 2.3 The template has been designed to have single data entry where possible in order to avoid duplication and to facilitate reconciliations and balance checks.
- 2.4 The template has been separated into the following sections:
- General section;
 - Series 1 Finance;
 - Series 2 Summary;
 - Series 3 Opex;
 - Series 4 Capex;
 - Series 5 Network Assets;
 - Series 6 Outputs and Environment.

Guidance on Template Completion

Accounting Policies

- 2.5 The GDNs should use the same accounting policies as in the preparation of the regulatory financial statements, in accordance with UK GAAP or IFRS unless otherwise stated. Where this is not the case, appropriate details including quantification of the difference must be included in the commentary to the annual/cost reporting submission.

Gas Distribution Business

- 2.6 The financial information presented in the template should relate to activities of the GDN, whether carried out by the GDN directly or by any contractors (be it external contractors or internal ones providing services to the GDN as related parties or under service level agreements).
- 2.7 For the purposes of filling out the template, all costs relating to non price control activities should be reported separately from the transportation costs. Specific columns have been included in the template to capture such costs.
- 2.8 For the avoidance of doubt, any costs considered to be pass-through costs should also be included in the annual/cost reporting template.
- 2.9 Except where otherwise indicated, costs of related parties in performing the licensee's activities should be reported including any margin for those related parties. These margins should be disclosed by activity so that they can be removed from the total cost of those activities.
- 2.10 The treatment of any margin for a contractor will depend on whether or not that contractor is a related party and whether the contract for carrying out those activities has been awarded as part of a competitive tender process.
- If the contractor is not a related party and the work has been awarded to the contractor through a competitive tender process, the margins of the contractor will be an allowed cost.
 - If the contractor is a related party, or if the contract has not been awarded through a competitive tender process (or both), then the margins are not an allowed cost and should be disclosed together with details of how these margins have been allocated across activities.

Definitions

- 2.11 Appendix 1 contains the detailed glossary of definitions to be used.
- 2.12 Appendix 2 gives further detailed technical definitions.

- 2.13 GDNs must ensure that the definitions in appendices 1 and 2 are clearly understood and are complied with when entering any data into the template. Deviations from these definitions are not permitted unless instructed by us. Where there is doubt or uncertainty, please refer to us for clarification. This is to ensure consistency and comparability of data entry across GDNs.

Reporting Year

- 2.14 The relevant reporting period for a reporting year under these RIGs is from 1 January to 31 December, for each reporting year for the duration of the price control period.

Workload and Cost Capture

- 2.15 All workloads should be accounted for in the period for which the activity was carried out. This includes all capex and opex activities. The costs for all activities shall be matched to the workloads carried out. If data is disclosed on a different basis, this should be disclosed in the accompanying commentary, with justification of why and with details of the implications. We note that the provision of costs and workloads on design rather than built basis is not considered to be acceptable.
- 2.16 Where relevant, contractor costs should be recorded inclusive of management fee, and exclusive of TMA.
- 2.17 Where costs for materials provided by a contractor have been separately identified, they are to be excluded from Contractor Costs and to be reported under Materials instead; where such costs have not been separately identified, they are to be included under Contractor Costs.

Treatment of the Contractor Management Fees

- 2.18 Where any contractor management fees are part of the terms of the contract, GDNs shall allocate the fee to all relevant activities to which the fee is associated. The commentary to the submission shall outline the principles used by the GDN for this allocation.

Use of Estimates and Allocations

- 2.19 Apportionments should be avoided wherever possible. However, where GDNs (and any affiliate or related undertaking of the GDNs) have to use estimates or allocations to complete the tables, any apportionments required shall be done in line with existing apportionment policies, where relevant and applicable. Should apportionment be required for circumstances not covered by an apportionment policy, such apportionment shall be done on a reasonable basis. For example, in the case of contributions for connections

and projects relating to mains and services, the contributions could be apportioned pro-rata based on costs.

- 2.20 In any case, the rules and basis used for apportionment shall be detailed in the commentary, and any apportionment policy referred to shall be provided together with the annual/cost reporting submission. Changes in apportionment compared to other regulatory submissions for previous reporting years and for the price control determination, as well as the impact of such changes, should also be highlighted.

Data Entry

- 2.21 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 formulas 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 permission from us first. If a change is necessary (to correct an error, for example), we will notify all GDNs of the correction to be made.

- 2.22 Key points to note when completing the tables are:

- Some cells in some tables have been designed to link to cells in other tables. These links must be retained by the GDN in the version submitted to us. Failure to do so will be considered non-compliance with the RIGs.
- The RIGs tables are colour coded to reflect the action required:
 - ◆ Yellow cells represent input fields.
 - ◆ Light grey is used to denote cells containing a formula.
 - ◆ White cells and dark grey cells are used where cells do not need to be completed.
 - ◆ Blue cells are used to denote where information has been or will be prepopulated by us.
- If a GDN considers any data prepopulated in the blue cells to be incorrect, an explanation together with indication of the data considered to be correct shall be provided in the commentary.
- The workbook contains a number of consistency checks. These should all show OK; any anomalies must be explained in the commentary to this annual/cost reporting submission.

- All years referred to in the reporting templates are calendar years, running from 1 January to 31 December.
- Unless otherwise indicated in the guidance document or templates, financial values should be provided in whole £ and reconcile, where applicable, with the audited regulatory accounts. The 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.
- 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.
- Workload and outputs should be entered in the unit of measurement set out in this guidance or in the template.
- Unless otherwise indicated in the guidance or templates, financial values should be input as positive values.
- Where a reportable value is zero or not applicable to the licensee, then a zero must be input rather than the cell being left blank.
- Some cells have been provided with dropdown validation values where only specific values will be accepted by us. It is recognised that for parts of the template GDNs will gather data in other spreadsheets prior to the data being “pasted” into this template. Please note that this will override the validation of these cells and GDNs will be expected to ensure the validity of the data being pasted into these cells.
- In some areas conditional formatting has been introduced to assist in the identification of invalid data.

Additional Information

- 2.23 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 the commentary to the submission or in additional appendices to the submission referenced therein.

Template Errors

2.24 In the event of any errors in the annual/cost reporting templates and/or these RIGs being identified after they have been sent out to GDNs, the following procedure shall be followed:

- a) Upon identifying an error, notify us by email, detailing the nature of the error. CC the email to representatives from the other GDN(s) for their information. Do not correct the error in the version to be submitted to us.
- b) We will respond and if necessary, provide guidance on correcting the error.
- c) We will maintain a log of known issues for consideration when preparing future business plan data and annual/cost reporting master templates and related guidance.

3. Instructions for Completing the General Section of the Template

Chapter Summary

- 3.1 This chapter provides an overview over the general sections of the template. The main purpose of general section is to provide an overview over all the worksheets contained in the template and to provide information and data that is relevant to all the other worksheets.
- 3.2 Whilst the general section of the template is mainly informative in nature, limited data entry by the GDNs is required, as detailed below.

Overview of Tables

- 3.3 The worksheets and tables included within the general section of the template are:
- Worksheet: Cover
 - ◆ Cover Table
 - Worksheet: Corrections
 - ◆ Corrections Table
 - Worksheet: Index
 - ◆ Index Table
 - Worksheet: List of Tables
 - ◆ Table of Tables
 - Worksheet: Changes Log
 - ◆ Changes Log Table
 - Worksheet: Universal Data
 - ◆ Table A Historic RPI Index
 - ◆ Table B CPIH Index

Guidance on Table Completion

Worksheet Cover

Cover Table	
Purpose and Use	This table provides the cover sheet for the annual/cost reporting template. It summarises which GDN has completed the template, the reporting year, the version and the date of template submission. The name of the GDN and reporting year provides headings throughout the data template worksheets. The reporting year also drives formulas where relevant.
Instructions for Completion	Cell E11 is prepopulated by the UR with the name of the GDN that will complete the template. GDNs should complete cell E13 by selecting the relevant reporting year from the drop-down list, cell E15 by entering the version number for the annual/cost reporting template submitted and cell E17 by entering the date of submission.

Worksheet Corrections

Corrections Table	
Purpose and Use	The purpose of this table is to provide an overview over the corrections history of the annual/cost reporting template.
Instructions for Completion	This table will be updated by us if, after publication of the annual/cost reporting template, submission of a revised version becomes necessary, e.g., to correct any errors and issues identified.

Worksheet Index

Index Table	
Purpose and Use	The Index Table presents an overview over all worksheets contained in the annual/cost reporting template. It is designed to help understand the general structure of the template and to support navigation within the template through hyperlinks to the different worksheets.
Instructions for Completion	Enter, for each completed worksheet, an "X" in column D by selecting the relevant value from the dropdown list. At the time of submission of the spreadsheet, all worksheets listed should be highlighted as complete. Enter, in column F rows 14 to 28, the details and the designation of additional information submitted with the annual/cost reporting pack.

Worksheet List of Tables

Table of Tables	
Purpose of Use	The Table of Tables presents an overview over all tables contained in the annual/cost reporting template. It is designed to help understand the general structure of the template.
Instructions for Completion	No data entry by the GDNs is required for this table.

Worksheet Changes Log

Changes Log Table	
Purpose and Use	The purpose of this table is to provide an overview of the GDN change history of the annual/cost reporting template.
Instructions for Completion	The changes log shall be completed by the GDNs if, following agreement with us (and only then) a GDN makes changes to the template structure or provides a resubmission to a previously submitted version of the annual/cost reporting template. In both cases, all changes made shall be clearly indicated using a separate line for each table that is modified.

Worksheet Universal Data

Table A Historic RPI Index	
Purpose and Use	The purpose of table A of this worksheet is to provide a list of RPI indices which may be used for price base conversions by the UR.
Instructions for Completion	No data entry by the GDNs is required in this table.

Table B CPIH Index	
Purpose and Use	The purpose of table B of this worksheet is to provide a list of CPIH indices which are used for price base conversions elsewhere in the data template.
Instructions for Completion	The GDN should update the GDN input cells with the relevant values once published by the United Kingdom Office for National Statistics. The current weblink ² to the appropriate index has been provided in cell D15.

² <https://www.ons.gov.uk/economy/inflationandpriceindices/timeseries/l522/mm23>

4. Instructions for Completing the Finance Tables

Chapter Summary

- 4.1 This section provides an overview over the finance worksheets of the template. The main purpose of the Finance section is reconcile to the Regulatory Accounts.

Overview of Tables

- 4.2 The worksheets and tables included within the finance section of the template are:
- Worksheet: 1.1 Reconcile to Regulatory Accounts
 - ◆ Table: 1.1a Reconcile to Regulatory Accounts

Guidance on Table Completion

Worksheet: 1.1 Reconcile to Regulatory Accounts

Table: 1.1a Reconcile to Regulatory Accounts	
Purpose and Use	This table is used to collate information consistently on opex and capex. The information is used to reconcile the values for opex and capex reported in the regulatory accounts.
Instructions and Completion	<p>For each reporting year, enter opex and capex figures from the regulatory accounts in nominal prices, on the same basis on which the GDN prepares its regulatory accounts, at the top of each section (in rows 9 and 44 respectively) then provide details of all reconciling items to get back to the total opex and capex figures in the annual/cost reporting submission.</p> <p>Amongst the opex and capex listed there should be one line each referring to differences due to the use of different price bases in the regulatory accounts and the annual/cost reporting template.</p> <p>The description of each reconciling item should be sufficient to enable us to understand what it relates to, or a separate narrative explanation should be provided in the submission commentary.</p> <p>The opex after reconciliation in row 37 must equal the total price control Opex after income received and after capitalisation from Table: 3.1a Opex Summary by Activity. Also, the capex after reconciliation in row 68 must equal the total net capex from Table: 4.1a Capital Net Expenditure Summary. All consistency checks (in rows 39 and 70) should show the result OK; any anomalies must be explained in the commentary.</p>

5. Instructions for Completing the Summary Tables

Chapter summary

- 5.1 This section provides an overview over actual data versus determination data for total expenditure, workload and outputs.
- 5.2 The tables contained in this section summarise data from other sections of the workbook.
- 5.3 The purpose of these tables is to provide an enhanced understanding of the GDN performance with respect to the price control period.

Overview of Tables

- 5.4 The worksheets and tables included within the Summary Tables section of the template are:
- Worksheet: 2.1 Cost Summary
 - ◆ Table: 2.1a Annual RRP Submission in nominal Prices
 - ◆ Table: 2.1b Actuals Adjusted to Price Base
 - ◆ Table: 2.1c GD23 Final Determination (including adjustments) in price control base prices post frontier shift
 - ◆ Table: 2.1d Variance from Final Determination
 - ◆ Table: 2.1e % Variance from Final Determination
 - Worksheet: 2.2 Workload Summary
 - ◆ Table: 2.2a Current Year RRP Workload Submission
 - ◆ Table: 2.2b Final Determination Workload
 - ◆ Table: 2.2c Workload Adjustments during Price Control
 - ◆ Table: 2.2d Final Determination Workload including Adjustments
 - ◆ Table: 2.2e Workload Variance from Final Determination including Adjustments
 - ◆ Table: 2.2f Workload % Variance from Final Determination including Adjustments

- Worksheet: 2.3 Total Volumes
 - ◆ Table: 2.3a Total Volume Actuals and Forecasts (in kWh)
 - ◆ Table: 2.3b Total Volume Actuals and Forecasts (in Therms)
 - ◆ Table: 2.3c Final Determination Volumes
 - ◆ Table: 2.3d Volumes Adjustments during Price Control
 - ◆ Table: 2.3e Final Determination Volumes including Adjustments
 - ◆ Table: 2.3f Variance from Final Determination including Adjustments
 - ◆ Table: 2.3g Cumulative Net Number of Customers by Tenure - Brought Forward
 - ◆ Table: 2.3h Cumulative Net Number of Customers by Tenure - Year End
 - ◆ Table: 2.3i Average Volume p.a. by Tenure
- Worksheet: 2.4 Opex Cost Summary
 - ◆ Table: 2.4a Opex Summary by Activity Adjusted to Price Base
 - ◆ Table: 2.4b GD23 Final Determination in price control base prices post frontier shift
 - ◆ Table: 2.4c Adjustments during price control in price control base prices post frontier shift
 - ◆ Table: 2.4d GD23 Final Determination (including adjustments) in price control base prices post frontier shift
 - ◆ Table: 2.4e Variance from Final Determination (including adjustments)
 - ◆ Table: 2.4f % Variance from Final Determination
- Worksheet: 2.5 Capex Cost Summary
 - ◆ Table: 2.5a Capital Net Expenditure Summary Adjusted to Price Base
 - ◆ Table: 2.5b GD23 Final Determination in price control base prices post frontier shift
 - ◆ Table: 2.5c Adjustments during price control in price control base prices post frontier shift

- ◆ Table: 2.5d GD23 Final Determination (including adjustments) in price control base prices post frontier shift
- ◆ Table: 2.5e Variance from Final Determination
- ◆ Table: 2.5f % Variance from Final Determination

Guidance on Table Completion

Worksheet: 2.1 Cost Summary

Table: 2.1a Annual RRP Submission in nominal Prices	
Purpose and Use	The purpose of this table is to provide an overview over the overall price-controlled costs based on actuals for the reporting years and the price control period. This information is used for monitoring and benchmarking purposes.
Instructions for Completion	<p>General Comments All data entered in this table must be post-efficiencies.</p> <p>Opex The actual opex for the reporting year populates automatically based on the entries in table 3.1a.</p> <p>Capex The actual capex for the reporting year populates automatically based on the entries in table 4.1a. As there is no uncontrollable capex, the related entries in row 17 have been left blank.</p> <p>Totex The totex data in row 20 is populated automatically based on the opex and capex details provided above.</p>

Table: 2.1b Actuals Adjusted to Price Base	
Purpose and Use	<p>The purpose of this table is to convert actual costs stated in nominal prices in Table 2.1a to the price control period's determination price base using the inflation index applicable to the GDN.</p> <p>This data provides a basis for a comparison of actual performance against the final determination with respect to the price control period.</p>
Instructions for Completion	<p>All inputted data will update automatically based on input from Table 2.1a and Worksheet – Universal Data.</p> <p>In order for the calculated values to display for any reporting year, the GDN is required to input the inflation index data for that reporting year in table B CPIH Index of the Universal Data worksheet.</p>

Table: 2.1c GD23 Final Determination (including adjustments) in price control base prices post frontier shift

Purpose and Use	This table shows the Final Determination (including adjustments) in price control base prices post frontier shift, as calculated from worksheets 2.4 and 2.5. Note the capex data includes the TMA allowances.
Instructions for Completion	No input is required as this table is prepopulated.

Table: 2.1d Variance from Final Determination

Purpose and Use	This table provides the variance of actual performance against the final determination (including adjustments) data, as calculated from tables 2.1b and 2.1c, for the reporting year(s).
Instructions for Completion	No input is required directly to this table as it is auto-populated, however, in order for the calculated values to display for any reporting year, the GDN is required to input the inflation index data for that reporting year in Table B CPIH Index of the Universal Data worksheet..

Table: 2.1e % Variance from Final Determination

Purpose and Use	This table provides the % variance of actual performance against the final determination (including adjustments) data, as calculated from tables 2.1c and 2.1d, for the reporting year(s).
Instructions for Completion	No input is required directly to this table as it is auto-populated, however, in order for the calculated values to display for any reporting year, the GDN is required to input the inflation index data for that reporting year in Table B CPIH Index of the Universal Data worksheet.

Worksheet: 2.2 Workload Summary

Table: 2.2a Current Year RRP Workload Submission

Purpose and Use	This table brings together all of the workload data for the reporting year which has been entered into the template. This data is required to provide a basis for a comparison of actual performance against the final determination with respect to the price control period.
Instructions for Completion	All of the data relating to the reporting year is automatically populated from other worksheets.

Table: 2.2b Final Determination Workload

Purpose and Use	This table is completed by the UR with the relevant final determination data, in order to provide the basis for a comparison with the reporting year(s) actuals.
Instructions for Completion	No input is required as this table is prepopulated.

Table: 2.2c Workload Adjustments during Price Control

Purpose and Use	This table shows any agreed workload adjustments (+/-) to the final determination during the price control period.
Instructions for Completion	No input is required as this table will be prepopulated by the UR, in a reissued data template, should within price control period adjustments be agreed.

Table: 2.2d Final Determination Workload including Adjustments

Purpose and Use	This table shows the Final Determination workload including adjustments, as calculated from tables 2.2b and 2.2c.
Instructions for Completion	No input is required as this table is pre/auto-populated.

Table: 2.2e Workload Variance from Final Determination including Adjustments

Purpose and Use	This table provides the variance of actual workload against the final determination (including adjustments) data, as calculated from tables 2.2a and 2.2d, with respect to the price control period.
Instructions for Completion	No input is required as this table is auto-populated.

Table: 2.2f Workload % Variance from Final Determination including Adjustments

Purpose and Use	This table provides the % variance of actual workload against the final determination (including adjustments) data, as calculated from tables 2.2d and 2.2e, with respect to the price control period.
Instructions for Completion	No input is required as this table is auto-populated.

Worksheet: 2.3 Total Volumes

Table: 2.3a Total Volume Actuals and Forecasts (in kWh)

Purpose and Use	<p>The purpose of this table is to provide an overview over the actual volumes (in kWh) for the reporting year(s).</p> <p>This information is used for the calculation of shrinkage and environmental impact of the natural gas business. For GDNs that have a price cap form of price control, with maximum tariffs being fixed based on determined volumes, the volume data will also be used to give (provisional) input into the price control formula.</p> <p>This data is also required to provide a basis for a comparison of actual volumes and the final determination volumes.</p>
Instructions for Completion	<p>Enter the actual volumes for the reporting year in the appropriate column. All volume data must be expressed in kWh, net of shrinkage and should be broken down into the following customer categories:</p> <ul style="list-style-type: none"> • Domestic <ul style="list-style-type: none"> ◆ Owner Occupied (V <= 73,200 kWh (2,500 Th)); ◆ New Build (V <= 73,200 kWh (2,500 Th)); ◆ NIHE (V <= 73,200 kWh (2,500 Th)). • I&C

Table: 2.3a Total Volume Actuals and Forecasts (in kWh)

	<p>The customer categories for I & C customers differ for each GDN and are shown in the applicable worksheet for the relevant GDN in line with each GDN conveyance statement.</p> <p>The Domestic subtotal, P1 subtotal, the I&C subtotal, as well as the total volume are populated automatically based on the information provided for the different customer categories.</p>
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Table: 2.3b Total Volume Actuals and Forecasts (in Therms)

Purpose and Use	The purpose of this table is to convert the data provided in table 2.3a in kwh into therms, using the standard conversion factor 29.3071.
Instructions for Completion	No input is required as this table is auto-populated.

Table: 2.3c Final Determination Volumes

Purpose and Use	This table shows the final determination volumes for the relevant price control in therms.
Instructions for Completion	No input is required as this table is prepopulated.

Table: 2.3d Volumes Adjustments during Price Control

Purpose and Use	This table shows any agreed adjustments (+/-) to the final determination volumes during the price control period in therms.
Instructions for Completion	No input is required as this table will be prepopulated by the UR, in a reissued data template, should within price control period adjustments be agreed.

Table: 2.3e Final Determination Volumes including Adjustments

Purpose and Use	This table shows the final determination volumes including any agreed adjustments in therms, as calculated from tables 2.3c and 2.3d.
Instructions for Completion	No input is required as this table is auto-populated.

Table: 2.3f Variance from Final Determination including Adjustments

Purpose and Use	This table provides the variance of actual volumes in therms against the final determination (including adjustments) data, as calculated from tables 2.3b and 2.3e, with respect to the price control period.
Instructions for Completion	No input is required as this table is auto-populated.

Table: 2.3g Cumulative Net Number of Customers by Tenure - Brought Forward

Purpose and Use	The purpose of this table is to record the net number of customers by tenure brought forward from the previous reporting year(s). This information is needed to determine the average number of net customers in a reporting year from which the average consumption volume is calculated.
Instructions for Completion	This should be completed based on the net number of customers on 1 January in the relevant reporting year in each category

Table: 2.3g Cumulative Net Number of Customers by Tenure - Brought Forward

	<p>classification. Note this is not auto-populated based on the previous reporting year end figures in Table: 2.3h Cumulative Net Number of Customers by Tenure - Year End to facilitate adjustments.</p> <p>A check has been provided to ensure the net number of customers brought forward equals the number of in-service meters brought forward adjusted data in Table: 5.2a Meter Population Detailed.</p>
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Table: 2.3h Cumulative Net Number of Customers by Tenure - Year End

Purpose and Use	The purpose of this table is to give an actual net number of customers at end of year (31 December) by volume category classification.
Instructions for Completion	<p>This should be completed based on the net number of customers on 31 December in the relevant reporting year in each category classification.</p> <p>A check has been provided to ensure the net number of customers at year end equals the number of in-service meters carried forward data in Table: 5.2a Meter Population Detailed.</p>

Table: 2.3i Average Volume p.a. by Tenure

Purpose and Use	The purpose of this table is to establish the average volume by tenure and other categorisations in the reporting year in therms. This information is required for monitoring and benchmarking purposes.
Instructions for Completion	No input is required as this table is auto-populated, however data will not display/be accurate unless the reporting year has been selected on the cover worksheet, and the previous and current reporting year(s) data has been input into tables 2.3a, 2.3g and 2.3h.

Worksheet: 2.4 Opex Cost Summary

Table: 2.4a Opex Summary by Activity Adjusted to Price Base

Purpose and Use	<p>The purpose of this table is to convert actual opex costs stated in nominal prices in Table 3.1a to the price control period's determination price base using the inflation index applicable to the GDN.</p> <p>This data provides a basis for a comparison of actual performance against the final determination with respect to the price control period.</p>
Instructions for Completion	<p>All inputted data will update automatically based on input from Table 3.1a and Worksheet – Universal Data.</p> <p>In order for the calculated values to display for any reporting year, the GDN is required to input the inflation index data for that reporting year in table B CPIH Index of the Universal Data worksheet.</p>

Table: 2.4b GD23 Final Determination in price control base prices post frontier shift

Purpose and Use	This table shows the final determination values, post frontier shift, in the price control period's determination price base.
Instructions for Completion	No input is required as this table is prepopulated.

Table: 2.4c Adjustments during price control in price control base prices post frontier shift

Purpose and Use	This table shows any agreed adjustments (+/-) to the final determination during the price control period, in the price control period's determination base prices post frontier shift.
Instructions for Completion	No input is required as this table will be prepopulated by the UR, in a reissued data template, should within price control period adjustments be agreed.

Table: 2.4d GD23 Final Determination (including adjustments) in price control base prices post frontier shift

Purpose and Use	This table shows the Final Determination (including adjustments) in price control base prices post frontier shift, as calculated from tables 2.4b and 2.4c.
Instructions for Completion	No input is required as this table is auto-populated.

Table: 2.4e Variance from Final Determination (including adjustments)

Purpose and Use	This table provides the variance of actual performance against the final determination (including adjustments) data, as calculated from tables 2.4a and 2.4d, for the reporting year(s).
Instructions for Completion	No input is required directly to this table as it is auto-populated, however, in order for the calculated values to display for any reporting year, the GDN is required to input the inflation index data for that reporting year in Table B CPIH Index of the Universal Data worksheet.

Table: 2.4f % Variance from Final Determination

Purpose and Use	This table provides the % variance of actual performance against the final determination (including adjustments) data, as calculated from tables 2.4a and 2.4d, for the reporting year(s).
Instructions for Completion	No input is required directly to this table as it is auto-populated, however, in order for the calculated values to display for any reporting year, the GDN is required to input the inflation index data for that reporting year in Table B CPIH Index of the Universal Data worksheet.

Worksheet: 2.5 Capex Cost Summary

Table: 2.5a Capital Net Expenditure Summary Adjusted to Price Base

Purpose and Use	<p>The purpose of this table is to convert actual capex costs stated in nominal prices in Table 4.1a to the price control period's determination price base using the inflation index applicable to the GDN.</p> <p>This data provides a basis for a comparison of actual performance against the final determination with respect to the price control period.</p>
Instructions for Completion	<p>All inputted data will update automatically based on input from Table 4.1a and Worksheet – Universal Data.</p> <p>In order for the calculated values to display for any reporting year, the GDN is required to input the inflation index data for that reporting year in Table B CPIH Index of the Universal Data worksheet.</p>

Table: 2.5b GD23 Final Determination in price control base prices post frontier shift

Purpose and Use	This table shows the final determination values, post frontier shift, in the price control period's determination price base.
Instructions for Completion	No input is required as this table is prepopulated.

Table: 2.5c Adjustments during price control in price control base prices post frontier shift

Purpose and Use	This table shows any agreed adjustments (+/-) to the final determination during the price control period, in the price control period's determination base prices post frontier shift.
Instructions for Completion	No input is required as this table will be prepopulated by the UR, in a reissued data template, should within price control period adjustments be agreed.

Table: 2.5d GD23 Final Determination (including adjustments) in price control base prices post frontier shift

Purpose and Use	<p>This table shows the Final Determination (including adjustments) in price control base prices post frontier shift, as calculated from tables 2.5b and 2.5c.</p> <p>To aid variation analysis, the allowances in the final determination that are ringfenced and provisional on the traffic management act being implemented are excluded from the determination values by default. Should the act be implemented, the allowances can be included by selecting "Yes" using the drop-down list in the cells in row 125.</p>
Instructions for Completion	<p>The GDN should adjust the traffic management act cells as appropriate in row 125.</p> <p>No input is required for the rest of this table as it is auto-populated.</p>

Table: 2.5e Variance from Final Determination

Purpose and Use	This table provides the variance of actual performance against the final determination (including adjustments) data, as calculated from tables 2.5a and 2.5d, for the reporting year(s).
Instructions for Completion	No input is required directly to this table as it is auto-populated, however, in order for the calculated values to display for any reporting year, the GDN is required to input the inflation index data for that reporting year in Table B CPIH Index of the Universal Data worksheet.

Table: 2.5f % Variance from Final Determination

Purpose and Use	This table provides the % variance of actual performance against the final determination (including adjustments) data, as calculated from tables 2.5a and 2.5d, for the reporting year(s).
Instructions for Completion	No input is required directly to this table as it is auto-populated, however, in order for the calculated values to display for any reporting year, the GDN is required to input the inflation index data for that reporting year in Table B CPIH Index of the Universal Data worksheet.

6. Instructions for Completing the Opex Tables

Chapter Summary

- 6.1 This section collects details on the operating expenditure, and associated workload, within the main cost activities.
- 6.2 Total price control operating expenditure after income received and capitalisation should equal the control total in Table: 1.1a Reconcile to Regulatory Accounts, which details any variances between these tables and the Regulatory Accounts for that year.
- 6.3 The following information gives guidance for completing the opex tables within the annual/cost reporting data template. The guidance on the technical terms and definition of the classifications used in the template is given in Appendix 2: Technical Definitions.

Overview of Tables

- 6.4 The worksheets and tables included within the Opex section of the template are:
- Worksheet: 3.1 Opex Summary
 - ◆ Table: 3.1a Opex Summary by Activity
 - ◆ Table: 3.1b Opex Summary by Cost Type
 - ◆ Table: 3.1c Staff and Agency – FTE Head Count by Activity
 - ◆ Table: 3.1d Staff FTE Head Count by Standard Occupational Classification (SOC) Code
 - ◆ Table: 3.1e Agency FTE Head Count by Standard Occupational Classification (SOC) Code
 - ◆ Table: 3.1f Contractor Head Count (FTE)
 - Worksheet: 3.2 (Opex Activity)
 - ◆ Table: 3.2a (Opex Activity) Costs
 - ◆ Table: 3.2b (Opex Activity) FTE Head Count

A version of worksheet 3.2 with tables 3.2a and 3.2b is replicated for each of 25 Opex activities.

- Worksheet 3.3 Business Support
 - ◆ Table: 3.3a IT & Telecoms
 - ◆ Table: 3.3b Property Management
 - ◆ Table: 3.3c Insurance
 - ◆ Table: 3.3d CEO and Group Management
 - ◆ Table: 3.3e Professional and Legal Fees
- Worksheet 3.4 Int and Ext Contractors
 - ◆ Table: 3.4a Transactions with Contractors and Related Parties
- Worksheet 3.5 Group Transactions
 - ◆ Table: 3.5a Group Transactions
- Worksheet 3.6 Maintenance Summary
 - ◆ Table: 3.6a Maintenance Activity Summary
 - ◆ Table: 3.6b Maintenance Costs Summary
- Worksheet 3.7 Maintenance (Year)
 - ◆ Table: 3.7a Maintenance Summary (Year)
 - ◆ Table: 3.7b Maintenance Detailed (Year)

A version of worksheet 3.7 with tables 3.7a and 3.7b is replicated for each reporting year of the price control period.
- Worksheet 3.8 Metering Summary
 - ◆ Table: 3.8a Metering Activity Summary
 - ◆ Table: 3.8b Metering Costs Summary
- Worksheet 3.9 Metering (Year)
 - ◆ Table: 3.9a Metering Summary (Year)
 - ◆ Table: 3.9b Metering Detailed (Year)

A version of worksheet 3.9 with tables 3.9a and 3.9b is replicated for each reporting year of the price control period.

Guidance on Table Completion

Worksheet: 3.1 Opex Summary

Table: 3.1a Opex Summary by Activity	
Purpose and Use	<p>This table provides summary total expenditure, net of capitalisation and income deductions, for each of the main opex cost activities. The data presented is a summary of the cost information entered in each of the opex activity 3.2a tables.</p> <p>The intention of this table is to:</p> <ul style="list-style-type: none"> • monitor and report this data to meet the requirements of the price control; and • facilitate comparative analysis of expenditure between GDNs. <p>The data will be used to support benchmarking, trend analysis and for monitoring of performance against the allowances.</p>
Instructions for Completion	<p>The table is auto-populated for each year with the total activity opex after capitalised activity opex and after income received information entered in each of the opex activity 3.2a tables.</p>

Table: 3.1b Opex Summary by Cost Type	
Purpose and Use	<p>This table provides summary total expenditure for each of the main opex cost types, across all of the opex activities. It also provides the subtotals for total costs, income received, capitalised costs and total costs following deductions for income received and capitalisation. The data presented is a summary of the cost information entered in each of the opex activity 3.2a tables.</p> <p>The intention of this table is to:</p> <ul style="list-style-type: none"> • monitor and report this data to meet the requirements of the price control; and • facilitate comparative analysis of expenditure between GDNs. <p>The data will be used to support benchmarking, trend analysis and for monitoring of performance against the allowances.</p>
Instructions for Completion	<p>The table is auto-populated for each year, for each cost type, with the cost information entered in each of the opex activity 3.2a tables.</p>

Table: 3.1c Staff and Agency – FTE Head Count by Activity

<p>Purpose and Use</p>	<p>This table provides summary total staff (including agency staff) head count (expressed in FTE) for the main opex activities. The data presented is a summary of the head count information entered in each of the opex activity 3.2b tables.</p> <p>The intention of this table is to:</p> <ul style="list-style-type: none"> • monitor and report this data to meet the requirements of the price control; and • facilitate comparative analysis of staff levels between GDNs. <p>The data will be used to support benchmarking, trend analysis and for monitoring of performance against the allowances.</p>
<p>Instructions for Completion</p>	<p>The table is auto-populated for each year, for each opex activity, with the head count information entered in each of the opex activity 3.2b tables.</p>

Table: 3.1d Staff FTE Head Count by Standard Occupational Classification (SOC) Code

<p>Purpose and Use</p>	<p>The purpose of this table is to record the staff numbers, working on price-controlled activities, broken down by SOC (Standard Occupational Classification) Codes. This information is required for analysis and benchmarking purposes.</p>
<p>Instruction for Completion</p>	<p>Populate, for each of the relevant SOC Codes (on the two-digit level) the relevant number of own staff FTEs.</p> <p>All head count data in this table is to be recorded as average net FTE excluding overtime allocations. For example:</p> <ul style="list-style-type: none"> • 1 employee working full time during the year = 1 FTE; • 1 employee working part time at 80% during the year = 0.8 FTE; • 1 employee working full time during the year and doing 20% overtime = 1 FTE; and • 1 employee working full time, but only during 6 months of a year = 0.5 FTE. <p>Staff working across multiple activities shall be allocated using appropriate, cost-reflective drivers, with head count data being rounded to 1 decimal point. The assumptions and rules used for the allocation shall be clearly documented in the commentary.</p> <p>The totals for the one-digit SOC Code levels, and overall total, are populated automatically.</p>

Table: 3.1e Agency FTE Head Count by Standard Occupational Classification (SOC) Code

<p>Purpose and Use</p>	<p>The purpose of this table is to record the agency staff numbers, working on price-controlled activities, broken down by SOC (Standard Occupational Classification) Codes. This information is required for analysis and benchmarking purposes.</p>
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Table: 3.1e Agency FTE Head Count by Standard Occupational Classification (SOC) Code

<p>Instruction for Completion</p>	<p>Populate for each of the relevant SOC Codes (on the two-digit level) the relevant number of agency staff FTEs.</p> <p>All head count data in this table is to be recorded as average net FTE excluding overtime allocations. For example:</p> <ul style="list-style-type: none"> • 1 employee working full time during the year = 1 FTE; • 1 employee working part time at 80% during the year = 0.8 FTE; • 1 employee working full time during the year and doing 20% overtime = 1 FTE; and • 1 employee working full time, but only during 6 months of a year = 0.5 FTE. <p>Agency staff working across multiple activities shall be allocated using appropriate, cost-reflective drivers, with head count data being rounded to 1 decimal point. The assumptions and rules used for the allocation shall be clearly documented in the commentary.</p> <p>The totals for the one-digit SOC Code levels, and overall total, are populated automatically.</p> <p>The consistency check in row 177 verifies if the total staff and agency SOC code head count data equals the total price controlled opex activity head count data as summarised in table 3.1c.</p>
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Table: 3.1f Contractor Head Count (FTE)

<p>Purpose and Use</p>	<p>This table details the contractor head count (expressed in FTE). The intention of this table is to:</p> <ul style="list-style-type: none"> • monitor and report this data to meet the requirements of the price control; and • facilitate comparative analysis of staff levels between GDNs. <p>The data will be used to support benchmarking, trend analysis and for monitoring of performance against the allowances.</p>
<p>Instructions for Completion</p>	<p>Populate the name of the non-related party (rows 182 to 197) or related party (rows 200 to 215) and the relevant number of staff FTEs for that party.</p> <p>All head count data in this table is to be recorded as average net FTE excluding overtime allocations. For example:</p> <ul style="list-style-type: none"> • 1 employee working full time during the year = 1 FTE; • 1 employee working part time at 80% during the year = 0.8 FTE; • 1 employee working full time during the year and doing 20% overtime = 1 FTE; and • 1 employee working full time, but only during 6 months of a year = 0.5 FTE. <p>Contractor staff working across multiple activities shall be allocated using appropriate, cost-reflective drivers, with head count data being rounded to 1 decimal point. The assumptions</p>

Table: 3.1f Contractor Head Count (FTE)

	<p>and rules used for the allocation shall be clearly documented in the commentary.</p> <p>The totals across all non-related parties, related parties and total contractor head count, are populated automatically.</p>
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Worksheet: 3.2 (Opex Activity)

Table: 3.2a (Opex Activity) Costs

<p>Purpose and Use</p>	<p>These tables collect details of the operating expenses incurred for each of the main opex activities by the GDNs. The intention of this table is to:</p> <ul style="list-style-type: none"> • monitor and report this data to meet the requirements of the price control; and • facilitate comparative analysis of expenditure between GDNs. <p>The data will be used to support benchmarking, trend analysis and for monitoring of performance against the allowances.</p>
<p>Instructions for Completion</p>	<p>All opex is to be reported, in the relevant version of table 3.2a, on the following activity types:</p> <ul style="list-style-type: none"> • Asset Management (including Network Policy) • Operations Management (including Contract Management) • Emergency Call Centre • Customer Management (including Non-Emergency Customer Call Centre) • System Control • Emergency • Metering • PRE Repairs • Maintenance • Other Direct Activities • IT & Telecoms • Property Management • HR & Non-operational Training • Audit, Finance & Regulation • Insurance • Procurement • CEO & Group Management • Stores & Logistics • Advertising & Market Development (OO Properties) • Advertising & Market Development (Non-OO Properties) • Training & Apprentices • Non-Controllable Costs • Supplier of Last Resort • Energy Strategy • Non-Price Control Activities

Table: 3.2a (Opex Activity) Costs

Where non-price-controlled activities are undertaken, it is necessary for us to have been notified of the activities and reasons for them prior to them being undertaken. Also, a description of such activities shall then be included in the commentary.

For each opex activity the costs should be provided broken down into the following expenditure types:

- Staff Costs
- Agency Costs
- Contractor Costs (auto-populated from data entered in Table: 3.4a Transactions with Contractors and Related Parties Table: 3.4a Transactions with Contractors and Related Parties)
- Materials
- Vehicles & Wheeled Plant
- Transport & Plant
- TMA (Streetworks)*
- Professional and Legal Fees
- Rent & Rates
- Network Rates
- Stationery, Communications & Billing
- Entertainment
- MDR Allowance
- Shrinkage (including Own Use)
- Bad Debt
- Other**
- Licence fees (in 3.2 Non-Controllable Costs Other)

Any income received for each opex activity should be provided, entered as a negative figure. For maintenance and metering, income is auto-populated from contributions data entered in the 3.7 Maintenance (Year) and 3.9 Metering (Year) worksheets.

Any capitalised costs for each opex activity should be provided, broken down as follows:

- Capitalised Staff and Agency Costs
- Other Capitalised Activity Opex

*Note 1: The expenditure type TMA (Streetworks) refers to opex-related TMA costs only; capex-related TMA costs are recorded separately in section 4 of the annual/cost reporting template.

**Note 2: The expenditure type Other can be used for recording any expenditure which cannot be attributed to any of the other expenditure type categories. Where the expenditure type Other is used for controllable costs, a meaningful designation shall be provided in cells B24 to B29, and an explanatory note shall be included in the commentary.

Table: 3.2a (Opex Activity) Costs

	<p>Note 3: For some of the activity types, certain expenditure types are not applicable. This is reflected in the template by the dark grey shading of such cells.</p> <p>Note 4: Please refer to Appendix 2: Technical Definitions for clarifications on the activity and expenditure types. Note that, in particular:</p> <ul style="list-style-type: none"> • Costs for materials provided by a contractor where the costs have been separately identified should be recorded under Material; costs for materials provided by a contractor where the costs have not been separately identified should be recorded under Contractor Costs; • Non-operational training costs are to be recorded under HR & Non-operational training whilst operational training costs are to be recorded under Training & Apprentices; • Business gifts are to be recorded under Entertainment, not under Professional and Legal Fees; • Costs for security equipment should be recorded under Property Management, Rent & Rates; and • Costs for general heating and light should be recorded under Property Management, Rent & Rates.
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Table: 3.2b (Opex Activity) FTE Head Count

<p>Purpose and Use</p>	<p>These tables collect details on the staff and agency headcount for each of the main opex activities. The intention of this table is to:</p> <ul style="list-style-type: none"> • monitor and report this data to meet the requirements of the price control; and • facilitate comparative analysis of staff levels between GDNs. <p>The data will be used to support benchmarking, trend analysis and for monitoring of performance against the allowances.</p>
<p>Instructions for Completion</p>	<p>All head count data is to be reported, in the relevant version of table 3.2b, on the following activity types:</p> <ul style="list-style-type: none"> • Asset Management (including Network Policy) • Operations Management (including Contract Management) • Emergency Call Centre • Customer Management (including Non-Emergency Customer Call Centre) • System Control • Emergency • Metering • PRE Repairs • Maintenance • Other Direct Activities • IT & Telecoms • Property Management • HR & Non-operational Training • Audit, Finance & Regulation

Table: 3.2b (Opex Activity) FTE Head Count

	<ul style="list-style-type: none"> • Insurance • Procurement • CEO & Group Management • Stores & Logistics • Advertising & Market Development (OO Properties) • Advertising & Market Development (Non-OO Properties) • Training & Apprentices • Non-Controllable Costs • Supplier of Last Resort • Energy Strategy • Non-Price Control Activities <p>To aid understanding and analysis, the head count data for each activity type is differentiated into head count data for own staff and for agency staff. In addition, for each activity type, the amount of capitalised head count (across all staff and agency staff assigned to that activity type) is to be indicated.</p> <p>Head count data for own staff shall be further broken down into the following salary bands:</p> <ul style="list-style-type: none"> • <£150,000 • >=£150,000 <p>All head count data in this table is to be recorded as average net FTE excluding overtime allocations. For example:</p> <ul style="list-style-type: none"> • 1 employee working full time during the year = 1 FTE; • 1 employee working part time at 80% during the year = 0.8 FTE; • 1 employee working full time during the year and doing 20% overtime = 1 FTE; and • 1 employee working full time, but only during 6 months of a year = 0.5 FTE. <p>Staff working across multiple activities shall be allocated using appropriate, cost-reflective drivers, with head count data being rounded to 1 decimal point. The assumptions and rules used for the allocation shall be clearly documented in the commentary.</p> <p>All totals will auto-populate. The consistency check in row 49 verifies if the total of Net Head Count in row 48 is great than 0. The check shall be OK; any anomalies shall be explained in the commentary.</p>
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Worksheet: 3.3 Business Support

Table: 3.3a IT & Telecoms

Purpose and Use	The purpose of this table is to provide supplementary details on IT & Telecoms business support services required to run the business. This data informs the analysis of the opex cost base and may be used for benchmarking purposes.
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Table: 3.3a IT & Telecoms

<p>Instructions for Completion</p>	<p>Provide details on the IT & Telecoms costs, broken down into the following subcategories:</p> <ul style="list-style-type: none"> • Application Development (including GIS related development costs) • Application Maintenance & Support (including GIS related licence fees) • Desktop Services • Application Server Support • Storage • Network (LAN & WLAN) • Business Telecoms • Management Services • Data Centres • Other Costs <p>Where the subcategory Other Costs is used, an explanatory note shall be included in the commentary.</p> <p>The consistency check verifies if the total of IT & Telecoms costs entered in this table equals the total controllable IT & Telecoms cost before Income received and capitalisation recorded in Table: 3.2a IT & Telecoms Costs. The check shall be OK; any anomalies shall be explained in the commentary.</p>
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Table: 3.3b Property Management

<p>Purpose and Use</p>	<p>The purpose of this table is to provide supplementary details on Property Management business support services required to run the business. This data informs the analysis of the opex cost base and may be used for benchmarking purposes.</p>
<p>Instructions for Completion</p>	<p>Under the Building Data sections, provide details on the number of buildings as well as the surface (in sqm) of owned and leased buildings. This data shall be broken down in for the following types of buildings:</p> <ul style="list-style-type: none"> • Office • Depots • Training Centres <p>Under the Property Management Costs section provide cost details broken down into the subcategories provided:</p> <ul style="list-style-type: none"> • Rental of premises • Depreciation of own premises and Fixtures and Fittings • Building Rates • Water Rates • Fees for Property Agents/Service Charges • Building Maintenance • Security • Cleaning • Heating and Light • Network Rates • Other Costs <p>Where the subcategory Other Costs is used, an explanatory note shall be included in the commentary.</p>

Table: 3.3b Property Management

	<p>Where leased premises are recorded and rent is paid to a related party, an explanatory note shall be included in the commentary explaining the ownership of the asset and the leasing arrangements.</p> <p>The consistency check verifies if the total of Property Management costs entered in this table equals the total controllable Property Management cost before Income received and capitalisation recorded in Table: 3.2a Property Management Costs. The check shall be OK; any anomalies shall be explained in the commentary.</p>
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Table: 3.3c Insurance

<p>Purpose and Use</p>	<p>The purpose of this table is to provide supplementary details on Insurance business support services required to run the business. This data informs the analysis of the opex cost base and may be used for benchmarking purposes.</p>
<p>Instructions for Completion</p>	<p>Provide details on the Insurance costs, broken down into the following subcategories:</p> <ul style="list-style-type: none"> • Insurance Premiums <ul style="list-style-type: none"> ◆ Loss or Damage due to Adverse Events <ul style="list-style-type: none"> • Property – Building and Contents • Engineering Failure • Crime and Theft • Goods in Transit • Business Interruption • Trade Credit Insurance • Motor Vehicles • Legal Expenses • Network Assets • Terrorism and Sabotage • Aviation • Other Costs ◆ Third Party Legal Liability <ul style="list-style-type: none"> • Employer’s Liability • Public and Product Liability and Professional Indemnity • Motor Vehicle Liability • Environmental Impairment Liability • Other Costs ◆ Employee <ul style="list-style-type: none"> • Personal Accident and Sickness Insurance • Income Protection Insurance • Private Medical Insurance • Life Assurance

Table: 3.3c Insurance

	<ul style="list-style-type: none"> • Travel • Directors & Officers • Employment Practice Liability • Pension Trustees Indemnity (recharged to pensions) • Other Costs <ul style="list-style-type: none"> ◆ Self Retained Claimed Costs (below deductible) ◆ Broker Fees • Other Insurance Costs <p>Where the subcategory Other Costs or Other Insurance Costs is used, an explanatory note shall be included in the commentary.</p> <p>The consistency check verifies if the total of Insurance costs entered in this table equals the total controllable Insurance cost before Income received and capitalisation recorded in Table: 3.2a Insurance Costs. The check shall be OK; any anomalies shall be explained in the commentary.</p>
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Table: 3.3d CEO and Group Management

<p>Purpose and Use</p>	<p>The purpose of this table is to provide supplementary details on CEO & Group Management required to run the business. This data informs the analysis of the opex cost base and may be used for benchmarking purposes.</p>
<p>Instructions for Completion</p>	<p>Provide details on the CEO & Group Management costs, broken down into the following subcategories:</p> <ul style="list-style-type: none"> • Communications • Group Strategy and Group Corporate Affairs • Legal/Risk and Compliance/Company Secretariat • Corporate Responsibility and Investor Relations • Board Members and Other • Incremental Ring-Fence Compliance Costs • Credit Agencies • Other Costs <p>Where the subcategory Other Costs is used, an explanatory note shall be included in the commentary.</p> <p>The consistency check verifies if the total of CEO and Group Management costs entered in this table equals the total controllable CEO and Group Management cost before Income received and capitalisation recorded in Table: 3.2a CEO & Group Management Costs. The check shall be OK; any anomalies shall be explained in the commentary.</p>

Table: 3.3e Professional and Legal Fees	
Purpose and Use	The purpose of this table is to provide supplementary details on Professional and Legal Fees required to run the business. This data informs the analysis of the opex cost base and may be used for benchmarking purposes.
Instructions for Completion	<p>Provide details on the Professional and Legal Fees, broken down into the following subcategories:</p> <ul style="list-style-type: none"> • Consultancy • Legal • Audit and Accountancy • Rating Agencies • Non-executive Directors • Other Costs <p>Where the subcategory Other Costs is used, an explanatory note shall be included in the commentary.</p> <p>The consistency check in row 110 verifies if the total of Professional and Legal Fees entered in this table equals the sum total of controllable Professional and Legal Fees before Income received and capitalisation, recorded across all the 3.2a tables</p> <p>The consistency check in row 111 verifies that the Audit and Accountancy fees recorded in this table are not greater than the Professional and Legal fees recorded in Table 3.2a Audit, Finance and Regulation Costs.</p> <p>The consistency check in row 112 verifies that the costs for non-executive Directors recorded in this table are not greater than the Professional and Legal fees recorded under CEO & Group Management in Table: 3.2a CEO & Group Management Costs.</p> <p>All checks shall be OK; any anomalies shall be explained in the commentary.</p>

Worksheet: 3.4 Internal and External Contractors

Table: 3.4a Transactions with Contractors and Related Parties	
Purpose and Use	<p>The purpose of this table is to fully understand how costs are allocated within a group and between the GDN and external contractors. This information is required for benchmarking purposes, to improve comparability of data between the GDNs independent of their business models and to build an information basis to inform real price analysis.</p> <p>The data provided needs to tie in with the licensee's apportionment policy.</p>
Instructions for Completion	<p>In this table all costs shall be recorded that:</p> <ul style="list-style-type: none"> • have been charged from contractors for goods and services they delivered to your business (Charges In);(Rows 9 to 24 for non-related parties and rows 26 to 41 for related parties) • you have charged to contractors for the goods and services you delivered to them (Charges Out) (Rows 44 to 59 for non-related parties and rows 61 to 76 for related parties)

Table: 3.4a Transactions with Contractors and Related Parties

	<p>All costs in this table is to be reported on by opex activity type, which must be selected from the drop list in column B.</p> <p>The cost shall be further broken down by contractor, and the contractor name should be specified in column C.</p> <p>Note: The term contractor covers all of the following:</p> <ul style="list-style-type: none"> • Non-related contractors; • Each part of the parental group with which contractual arrangements (including service level agreements) are in place for the provision of goods and services to the GDN or by the GDN; and • Each related party (including, but not limited to, any associated supply business).
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Worksheet: 3.5 Group Transactions

Table: 3.5a Group Transactions

<p>Purpose and Use</p>	<p>The purpose of this table is to fully understand how costs are allocated within a group.</p> <p>This information is required to improve comparability of data between the GDNs, independently of their business models, and will be used to inform the setting of allowances.</p>
<p>Instructions for Completion</p>	<p>All information in this table is to be reported on by opex activity type.</p> <p>For each activity type, the following details are to be recorded:</p> <ul style="list-style-type: none"> • Group Costs <ul style="list-style-type: none"> ○ Costs allocated to the GDN (populated automatically from the Total Activity Costs before Income received recorded in the version of Table: 3.2a for that activity) ○ Costs allocated to the rest of the group the GDN belongs to ○ GDN Percentage Cost of Total Group will auto-populate • Group Revenue <ul style="list-style-type: none"> ○ Revenues realised by the GDN ○ Revenues realised by the rest of the group the GDN belongs to ○ Other Group Profit Margin will auto-populate <p>Both, costs and revenues shall be entered as positive values.</p> <p>Where applicable, the data provided needs to tie in with the GDN's apportionment policy.</p> <p>Note: The costs referred to in this table are operating costs before income received and capitalisation.</p> <p>Note: Several categories will auto-populate based on calculations from other rows</p> <p>Each year is populated individually.</p>

Worksheet: 3.6 Maintenance Summary

Table: 3.6a Maintenance Activity Summary	
Purpose and Use	<p>This table is used to capture the volume of assets undergoing maintenance activities classified in a consistent manner. The intention of this table is to:</p> <ul style="list-style-type: none"> • monitor and report this data to meet the requirements of the price control; • facilitate comparative analysis of activity between GDNs; and • automatically summarise the data for reporting of opex on asset maintenance activities. <p>The data will be used to support benchmarking, trend analysis and for monitoring of performance against the allowances.</p>
Instructions for Completion	<p>The table provides a summary of the volume of assets undergoing maintenance activity split by the following activity drivers:</p> <ul style="list-style-type: none"> • Planned Activity • Reactive Activity <p>Each activity driver category is further broken down into the following high-level categories:</p> <ul style="list-style-type: none"> • Mains • PRS Installations • Valve Maintenance • Telemetry • Riser / Build Entry Inspection and Maintenance • Customer Requested Work • Other Maintenance cost <p>The data in this table is automatically populated from the data entered in worksheets 3.7 Maintenance (Year).</p>

Table: 3.6b Maintenance Costs Summary	
Purpose and Use	<p>This table is used to capture the costs of all activities classified as asset maintenance in a consistent manner. The intention of this table is to:</p> <ul style="list-style-type: none"> • monitor and report this data to meet the requirements of the price control; • facilitate comparative analysis of expenditure between GDNs; and • automatically summarise the data for reporting of opex on asset maintenance activities. <p>The data will be used to support benchmarking, trend analysis and for monitoring of performance against the allowances.</p>

Table: 3.6b Maintenance Costs Summary

<p>Instructions for Completion</p>	<p>The table provides a summary of maintenance opex in the following high-level categories:</p> <ul style="list-style-type: none"> • Mains • PRS Installations • Valve Maintenance • Telemetry • Riser / Build Entry Inspection and Maintenance • Customer Requested Work • Other Maintenance cost <p>For each opex activity category is further broken down further into:</p> <ul style="list-style-type: none"> • Total Maintenance Net Costs • Total Maintenance Gross Costs • Total Planned Maintenance Costs • Total Reactive Maintenance Costs • Total Exceptional Items Costs • Total Contributions <p>The data in this table is automatically populated from the data entered in worksheets 3.7 Maintenance (Year).</p>
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Worksheet: 3.7 Maintenance (Year)

Table: 3.7a Maintenance Summary (Year)

<p>Purpose and Use</p>	<p>These tables are used to capture the costs of all activities classified as asset maintenance in a consistent manner. The intention of these tables is to:</p> <ul style="list-style-type: none"> • monitor and report this data to meet the requirements of the price control; • facilitate comparative analysis of expenditure between GDNs; and • automatically summarise the data for reporting of opex on asset maintenance activities. <p>The data will be used to support benchmarking, trend analysis and for monitoring of performance against the allowances.</p>
<p>Instructions for Completion</p>	<p>These tables, of which there is a version for each reporting year, provide a summary of maintenance opex in the following high-level categories:</p> <ul style="list-style-type: none"> • Mains • PRS Installations • Valve Maintenance • Telemetry • Riser / Building Entry Inspections • Customer Requested Work

Table: 3.7a Maintenance Summary (Year)

	<ul style="list-style-type: none"> • Other Maintenance cost <p>For each opex activity category the Gross Expenditure is disaggregated to provide information for the following types of maintenance activity driver:</p> <ul style="list-style-type: none"> • Columns B-L are not populated • Planned maintenance by cycle interval (column O-V) • Reactive maintenance (column W) • Exceptional maintenance items (column X) <p>The total gross expenditure is shown in column Y. The total net expenditure for each high-level category is shown in column AB, following deduction of any contributions shown in column AA.</p> <p>The data in this table is automatically populated from the data entered in the relevant version of Table 3.7b Maintenance Detailed (Year)</p>
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Table: 3.7b Maintenance Detailed (Year)

<p>Purpose and Use</p>	<p>These tables are used to capture details of the opex for each of the high-level maintenance activity categories, disaggregated to sub-activity level, in a consistent manner. The intention of these tables is to:</p> <ul style="list-style-type: none"> • monitor and report this data to meet the requirements of the price control; and • facilitate comparative analysis of expenditure between GDNs. <p>The data will be used to support benchmarking, trend analysis and for monitoring of performance against the allowances.</p>
<p>Instructions for Completion</p>	<p>In the reporting year version of this table, provide details on the total number of individual assets in service for each activity (column C), number of individual assets in each planned maintenance interval (columns D-K), number of individual assets in reactive maintenance (column L), the expenditure for each activity by interval (columns O-V), expenditure in reactive maintenance (column W), exceptional maintenance (column X), and contributions from customers or other third parties for asset investments (column AA) broken down into the following sub categories:</p> <ul style="list-style-type: none"> • Mains: <ul style="list-style-type: none"> ◆ Steel <ul style="list-style-type: none"> • Bridge Crossings Inspections • Bridge Crossings Remedial • Steel Mains Inspections / Cathodic Protection Checks • Steel Mains Remedial • Flexible Joints in areas of Subsidence ◆ PE

Table: 3.7b Maintenance Detailed (Year)

	<ul style="list-style-type: none"> • Bridge Crossings Inspections • Bridge Crossings Remedial • PE Mains Inspections • PE Mains Remedial ◆ General <ul style="list-style-type: none"> • Rhinology / Gas Samples • Marker posts / Bollards • Vent Points Clearance and Remedial • Towns gas service removal ◆ Structures <ul style="list-style-type: none"> • Archways / Other • PRS Installations: <ul style="list-style-type: none"> ◆ IPRS District ◆ MPRS District ◆ MPRS <= 160scmh • Valve Maintenance: <ul style="list-style-type: none"> ◆ Valve Clearance and Remedial ◆ IP Strategic / Sector / SPED / Bridge Valves, Checks and Remedial ◆ MP Strategic / Sector / SPED / Bridge Valves, Checks and Remedial ◆ LP Strategic / Sector / SPED / Bridge Valves Checks and Remedial ◆ Building Entry Valves Checks and Remedial ◆ Valve Cathodic Protection Checks and Remedial ◆ Sample Valve Condition Checks and Remedial ◆ Other • Telemetry: <ul style="list-style-type: none"> ◆ District Telemetry <ul style="list-style-type: none"> • Calibration/ Functional Check • Remedial ◆ Customer Telemetry <ul style="list-style-type: none"> • Calibration/ Functional Check • Remedial • Riser / Build Entry Inspection and Maintenance: <ul style="list-style-type: none"> ◆ Riser / Large Multi-occ / high rise Checks and Remedial ◆ Riser expansion bellows Checks and Remedial ◆ Other Building Entry Checks and Remedial • Customer Requested Work: <ul style="list-style-type: none"> ◆ Quotation Service / Customer Service visit ◆ Move Meter Position (Including Service Alteration) ◆ Abortive Visit Cost
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Table: 3.7b Maintenance Detailed (Year)

	<ul style="list-style-type: none"> ◆ Purge & Relight Cost ◆ Disconnection / Reconnection ◆ Valve Faults ◆ Other Customer Requested Work • Other Maintenance Cost <ul style="list-style-type: none"> ◆ Other (to be specified by the GDN in column A) <p>For each category above the number of units refers to the number of individual assets contained in the category. If more than one activity is undertaken on an individual asset (e.g., inspection and remedial work) the asset should be counted only once.</p> <p>If more than one activity is undertaken on an individual asset (e.g., inspection followed by remedial work) the total expenditure for all of the activities undertaken should be summed.</p> <p>The planned maintenance cycle intervals refers to how often an activity or group of activities is undertaken on an asset.</p> <p>The commentary should expand on the above headings where necessary to explain the activities completed under each heading.</p> <p>For each main category of work listed above, if costs exist which are relevant to that category but not relevant to any of the specific named activities, please enter the details in Other. A supporting commentary should then provide an explanation of the activities which have been included in these categories.</p>
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Worksheet: 3.8 Metering Summary

Table: 3.8a Metering Activity Summary

<p>Purpose and Use</p>	<p>This table is used to capture the volume of metering assets undergoing meterwork in a consistent manner. The intention of this table is to:</p> <ul style="list-style-type: none"> • monitor and report this data to meet the requirements of the price control; • facilitate comparative analysis of activity between GDNs; and • automatically summarise the data for reporting of opex on metering activities. <p>The data will be used to support benchmarking, trend analysis and for monitoring of performance against the allowances.</p>
<p>Instructions for Completion</p>	<p>The table provides a summary of the volume of metering assets undergoing meterwork split by the following activity drivers:</p> <ul style="list-style-type: none"> • Planned Activity • Reactive Activity <p>Each activity driver category is further broken down into the following high-level categories:</p> <ul style="list-style-type: none"> • Meters & Meter Governors • Customer Requested Work • Other Meterwork Cost

Table: 3.8a Metering Activity Summary

	The data in this table is automatically populated from the data entered in worksheets 3.9 Metering (Year).
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Table: 3.8b Metering Costs Summary

Purpose and Use	<p>This table is used to capture the costs of all activities classified as meterwork in a consistent manner. The intention of this table is to:</p> <ul style="list-style-type: none">• monitor and report this data to meet the requirements of the price control;• facilitate comparative analysis of expenditure between GDNs; and• automatically summarise the data for reporting of opex on metering activities. <p>The data will be used to support benchmarking, trend analysis and for monitoring of performance against the allowances.</p>
Instructions for Completion	<p>The table provides a summary of metering opex in the following high-level categories:</p> <ul style="list-style-type: none">• Meters & Meter Governors• Customer Requested Work• Other Meterwork Cost <p>For each opex activity category is further broken down further into:</p> <ul style="list-style-type: none">• Total Metering Net Costs• Total Metering Gross Costs• Total Planned Metering Costs• Total Reactive Metering Costs• Total Exceptional Items Costs• Total Contributions <p>The data in this table is automatically populated from the data entered in worksheets 3.9 Metering (Year).</p>

Worksheet: 3.9 Metering (Year)

Table: 3.9a Metering Summary (Year)

Purpose and Use	<p>These tables are used to capture the costs of all activities classified as meterwork in a consistent manner. The intention of these tables is to:</p> <ul style="list-style-type: none">• monitor and report this data to meet the requirements of the price control;• facilitate comparative analysis of expenditure between GDNs; and• automatically summarise the data for reporting of opex on metering activities. <p>The data will be used to support benchmarking, trend analysis</p>
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Table: 3.9a Metering Summary (Year)	
	and for monitoring of performance against the allowances.
Instructions for Completion	<p>These tables, of which there is a version for each reporting year, provide a summary of metering opex in the following high-level categories:</p> <ul style="list-style-type: none"> • Meters & Meter Governors • Customer Requested Work • Other Meterwork Cost <p>For each opex activity category the Gross Expenditure is disaggregated to provide information for the following types of meterwork activity driver:</p> <ul style="list-style-type: none"> • Columns B-L are not populated • Planned metering maintenance (columns O-V) • Reactive metering maintenance (column W) • Exceptional maintenance items (column X) <p>The total gross expenditure is shown in column Y.</p> <p>The total net expenditure for each high-level activity is calculated and shown in column AB, following deduction of any contributions shown in column AA.</p> <p>The data in this table is automatically populated from the data entered in the relevant version of Table 3.9b Metering Detailed (Year)</p>

Table: 3.9b Metering Detailed (Year)	
Purpose and Use	<p>This table is used to capture details of the opex for each of the high level meterwork activity categories, disaggregated to sub-activity level, in a consistent manner. The intention of this table is to:</p> <ul style="list-style-type: none"> • monitor and report this data to meet the requirements of the price control; and • facilitate comparative analysis of expenditure between GDNs. <p>The data will be used to support benchmarking, trend analysis and for monitoring of performance against the allowances.</p>
Instructions for Completion	<p>Provide details on the total number of individual assets in service for each asset/activity (column C), the number of individual assets in each planned metering maintenance interval (columns D-K), the number of individual assets in reactive metering maintenance (column L), the expenditure for each activity by interval (columns O-V), expenditure in reactive maintenance (column W), exceptional maintenance (column X), and contributions from customers or other third parties for asset investments (column AA) broken down into the following sub-categories:</p> <ul style="list-style-type: none"> • Meters & Meter Governors: <ul style="list-style-type: none"> ◆ U6 Meter - Battery Replacement ◆ U6 Meter - Maintenance / Replacement ◆ U16 Meter - Maintenance / Replacement

Table: 3.9b Metering Detailed (Year)

	<ul style="list-style-type: none"> ◆ U25 Meter - Maintenance / Replacement ◆ U40 Meter - Maintenance / Replacement ◆ U65 Meter - Maintenance / Replacement ◆ U100 Meter - Maintenance / Replacement ◆ U250 Meter - Maintenance / Replacement ◆ U400 Meter - Maintenance / Replacement ◆ U650 Meter - Maintenance / Replacement ◆ U1000 Meter - Maintenance / Replacement ◆ U2500 Meter - Maintenance / Replacement ◆ Other • Customer Requested Work <ul style="list-style-type: none"> ◆ Provide Meter & Meterbox (LP) ◆ Provide Meter & Meterbox (MP) ◆ Reposition Meter (Vulnerable Customers) ◆ Meter Exchange Credit to Prepayment / Smart Meter ◆ Meter Exchange Prepayment / Smart Meter to Credit ◆ Meter Exchange Prepayment to Smart Meter ◆ Meter Exchange (Other) ◆ Stolen Meter ◆ Revenue Protection Charge ◆ Customer Energy Management System ◆ Lateral Clamp Disconnection ◆ Ducting ◆ Meterbox/Meterbox Door Repair ◆ Meter Test / Inspection ◆ Data Logging Connection (Note: Includes customer requests for a chatterbox to relay information to their energy management system) • Other Meterwork Cost <ul style="list-style-type: none"> ◆ Staff Costs Equipment and Training ◆ Other (to be specified by the GDN in column A) <p>The commentary should expand on the above headings where necessary to explain the activities completed under each heading.</p> <p>For each main category of work listed above, if costs exist which are relevant to that category but not relevant to any of the specific named activities, please enter the costs in Other. A supporting commentary should then provide an explanation of the activities which have been included in these categories.</p> <p>All figures reported should be after any transfer of Capitalised Overheads to Capex.</p> <p>Note:</p> <ul style="list-style-type: none"> • For stolen meters, the cost of the attendance should be recorded in this table, and the capital cost against replacement meters in the 4.9 Capex Workload (Year) worksheets..
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Table: 3.9b Metering Detailed (Year)

	<ul style="list-style-type: none">• Any meter removal or cut-off within the property/ meterbox shall be recorded in Other Meterwork Cost.• Any disconnection of the service at the main shall be recorded in the relevant version of Table: 3.7b Maintenance Detailed (Year).• If a meter is removed associated with emergency (e.g., house fire) that shall be recorded under emergency.
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7. Instructions for Completing the Capex Tables

Chapter Summary

- 7.1 These tables collect details of the capital expenditure, and associated workload, incurred by the GDNs within the main cost activities.
- 7.2 The following information gives guidance for completing the capex tables within the annual/cost reporting data template. The guidance on the technical terms and definition of the classifications used in the template is given in Appendix 2: Technical Definitions.

Overview of Tables

- 7.3 The worksheets and tables included within the capex section of the template are:
- Worksheet: 4.1 Capex Summary
 - ◆ Table: 4.1a Capital Net Expenditure Summary
 - ◆ Table: 4.1b Capital Gross Expenditure Summary
 - ◆ Table: 4.1c Contractor Costs Capital Expenditure Summary
 - ◆ Table: 4.1d Capitalised Opex Expenditure Summary
 - ◆ Table: 4.1e Capital Contributions Summary
 - ◆ Table: 4.1f Traffic Management Act Capital Expenditure Summary
 - Worksheet: 4.2 Capex Analysis
 - ◆ Table: 4.2a Capital Gross Expenditure
 - ◆ Table: 4.2b Opex Input Factor Weighting
 - ◆ Table: 4.2c Capex Input Factor Weighting
 - ◆ Table: 4.2d Contract Cost Percentage Split
 - ◆ Table: 4.2e Capitalised Overheads Percentage Split
 - ◆ Table: 4.2f Total Gross Capital Expenditure Analysis
 - Worksheet: 4.3 Project List summaries (Year)

- ◆ Table: 4.3a Summary by Cost Driver (Year)
- ◆ Table: 4.3b Summary New Build and Other Mains (Year)
- ◆ Table: 4.3c Summary by Pressure Tier/Material (Year)
- ◆ Table: 4.3d Individually Funded or Nominated Output Projects (Year)
- ◆ Table: 4.3e Summary of Individually Funded or Nominated Output Projects by Pressure Tier/Material

A version of worksheet 4.3, with tables 4.3a to 4.3e, is replicated for each reporting year of the price control period.

- Worksheet: 4.4 District Governors Detail
 - ◆ Table: 4.4a Detailed District Governor Installation
- Worksheet: 4.5 District Governors Summary
 - ◆ Table: 4.5a District Governor Summary by Cost Driver
- Worksheet: 4.6 Other Capex
 - ◆ Table: 4.6a Total Other Capital Expenditure
 - ◆ Table: 4.6b Other Aggregated Capital Expenditure (Projects <= £100k)
 - ◆ Table: 4.6c Projects >£100k Capital Expenditure (excluding vehicles and wheeled plant)
 - Table: 4.6d Vehicles & Wheeled Plant - above and below £100k Capital Expenditure and Opex
- Worksheet: 4.7 Capex Workload Summary
 - ◆ Table: 4.7a Capex including Basket of Works Workload Summary
- Worksheet: 4.8 Capex Workload (Year)
 - ◆ Table: 4.8a Capex including Basket of Works Workload Summary (Year)
- Worksheet: 4.9 Connections Profile
 - ◆ Table: 4.9a Connections and Properties Passed Profile - New Build

- ◆ Table: 4.9b Connections and Properties Passed Profile - Owner Occupied
- ◆ Table: 4.9c Connections and Properties Passed Profile - NIHE
- ◆ Table: 4.9d Connections and Properties Passed Profile - I&C
- Worksheet: 4.10 Network Development
 - ◆ Table: 4.10a Total Network Development
 - ◆ Table: 4.10b Network Development in year

Guidance on Table Completion

Worksheet: 4.1 Capex Summary

Table: 4.1a Capital Net Expenditure Summary	
Purpose and Use	<p>This table summarises the capex net cost information from data entered in the 4.3 Project List summaries (Year), 4.4 District Governors Detail, 4.6 Other Capex and 4.8 Capex Workload (Year) worksheets.</p> <p>The costs are summarised into the following Items:</p> <ul style="list-style-type: none"> • Growth <ul style="list-style-type: none"> ◆ Mains <ul style="list-style-type: none"> • New Build Mains • OO Housing Mains • NIHE Housing Mains • I&C Mains • Diversions (DRD) (LP/MP) • Feeder (LP/MP) • Reinforcement (LP/MP) • Supply Security (LP/MP) • Diversions (DRD) (IP) • Feeder (IP) • Reinforcement (IP) • Supply Security (IP) • Individually Funded ◆ Governors <ul style="list-style-type: none"> • New (Growth) • Replacement (Growth) ◆ Connections <ul style="list-style-type: none"> • New Domestic Credit Meters (U6 and U16) • New Domestic Prepayment Meters • New I&C Meters (<=U40) • New I&C Meters (>U40) • Domestic Services (New Build)

Table: 4.1a Capital Net Expenditure Summary

	<ul style="list-style-type: none"> • Domestic Services (OO) • Domestic Services (NIHE) • I&C Services (<=U40) • I&C Services (>U40) • Replacement <ul style="list-style-type: none"> ◆ Meter <ul style="list-style-type: none"> • Domestic Life Expired Meter Replacement • Domestic Other Meter Replacement • I&C Life Expired Meter Replacement • I&C Other Meter Replacement ◆ Meter Installation ◆ I&C Life Expired Meter Installation Replacement Governor <ul style="list-style-type: none"> • Replacement (End of Life) ◆ Other Capex <p>The intention of this table is to:</p> <ul style="list-style-type: none"> • monitor and report this data to meet the requirements of the price control; and • facilitate comparative analysis of expenditure between GDNs. <p>The data will be used to support benchmarking, trend analysis and for monitoring of performance against the allowances.</p>
Instructions for Completion	<p>The table is auto-populated for each year and calculated from deducting contributions information in Table: 4.1e Capital Contributions Summary from gross costs information in Table: 4.1b Capital Gross Expenditure Summary.</p>

Table: 4.1b Capital Gross Expenditure Summary

Purpose and Use	<p>This table summarises the gross cost information from data entered in the 4.3 Project List summaries (Year), 4.4 District Governors Detail, 4.6 Other Capex and 4.8 Capex Workload (Year) worksheets.</p> <p>The costs are summarised into the same items as Table: 4.1a Capital Net Expenditure Summary.</p> <p>The intention of this table is to:</p> <ul style="list-style-type: none"> • monitor and report this data to meet the requirements of the price control; and • facilitate comparative analysis of expenditure between GDNs. <p>The data will be used to support benchmarking, trend analysis and for monitoring of performance against the allowances.</p>
Instructions for Completion	<p>The table is auto-populated for each year and calculated from adding contractor costs information in Table: 4.1c Contractor Costs Capital Expenditure Summary, capitalised opex costs information in Table: 4.1d Capitalised Opex Expenditure Summary and traffic management act costs information in Table: 4.1f Traffic Management Act Capital Expenditure Summary.</p>

Table: 4.1c Contractor Costs Capital Expenditure Summary

<p>Purpose and Use</p>	<p>This table summarises the contractor cost information from data entered in the 4.3 Project List summaries (Year), 4.4 District Governors Detail, 4.6 Other Capex and 4.8 Capex Workload (Year) worksheets.</p> <p>The costs are summarised into the same items as Table: 4.1a Capital Net Expenditure Summary.</p> <p>The intention of this table is to:</p> <ul style="list-style-type: none"> • monitor and report this data to meet the requirements of the price control; and • facilitate comparative analysis of expenditure between GDNs. <p>The data will be used to support benchmarking, trend analysis and for monitoring of performance against the allowances.</p>
<p>Instructions for Completion</p>	<p>The table is auto-populated for each year from contractor cost data entered in the 4.3 Project List summaries (Year), 4.4 District Governors Detail, 4.6 Other Capex and 4.8 Capex Workload (Year) worksheets.</p>

Table: 4.1d Capitalised Opex Expenditure Summary

<p>Purpose and Use</p>	<p>This table summarises the capitalised opex cost information from data entered in the 4.3 Project List summaries (Year), 4.4 District Governors Detail, 4.6 Other Capex and 4.8 Capex Workload (Year) worksheets.</p> <p>The costs are summarised into the same items as Table: 4.1a Capital Net Expenditure Summary.</p> <p>The intention of this table is to:</p> <ul style="list-style-type: none"> • monitor and report this data to meet the requirements of the price control; and • facilitate comparative analysis of expenditure between GDNs. <p>The data will be used to support benchmarking, trend analysis and for monitoring of performance against the allowances.</p>
<p>Instructions for Completion</p>	<p>The table is auto-populated for each year from capitalised opex cost data entered in the 4.3 Project List summaries (Year), 4.4 District Governors Detail, 4.6 Other Capex and 4.8 Capex Workload (Year) worksheets.</p>

Table: 4.1e Capital Contributions Summary

<p>Purpose and Use</p>	<p>This table summarises the contributions information from data entered in the 4.3 Project List summaries (Year), 4.4 District Governors Detail, 4.6 Other Capex and 4.8 Capex Workload (Year) worksheets.</p> <p>The costs are summarised into the same items as Table: 4.1a Capital Net Expenditure Summary.</p> <p>The intention of this table is to:</p> <ul style="list-style-type: none"> • monitor and report this data to meet the requirements of the price control; and • facilitate comparative analysis of contributions between GDNs.
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Table: 4.1e Capital Contributions Summary	
	The data will be used to support trend analysis.
Instructions for Completion	The table is auto-populated from contributions data entered in the 4.3 Project List summaries (Year), 4.4 District Governors Detail, 4.6 Other Capex and 4.8 Capex Workload (Year) worksheets.

Table: 4.1f Traffic Management Act Capital Expenditure Summary	
Purpose and Use	<p>This table summarises the traffic management act (TMA) capital cost information from data entered in the 4.3 Project List summaries (Year), 4.4 District Governors Detail, 4.6 Other Capex and 4.8 Capex Workload (Year) worksheets.</p> <p>The costs are summarised into the same items as Table: 4.1a Capital Net Expenditure Summary, though the cells for those items where TMA costs should not apply have been shaded dark grey.</p> <p>The intention of this table is to:</p> <ul style="list-style-type: none"> • monitor and report this data to meet the requirements of the price control; and • facilitate comparative analysis of expenditure between GDNs. <p>The data will be used to support benchmarking, trend analysis and for monitoring of performance against the allowances.</p>
Instructions for Completion	The table is auto-populated from TMA cost data entered in the 4.3 Project List summaries (Year), 4.4 District Governors Detail, 4.6 Other Capex and 4.8 Capex Workload (Year) worksheets.

Worksheet: 4.2 Capex Analysis

Table: 4.2a Capital Gross Expenditure	
Purpose and Use	<p>This table summarises the capital Gross Expenditure during the reporting period in order to capture further breakdown of these costs between Contractor Costs, Capitalised Overheads and Traffic Management Act Cost</p> <p>The data will be used to support benchmarking, trend analysis and for monitoring of performance against the allowances.</p>
Instructions for Completion	No input is required as this table is auto-populated from worksheet 4.1 Capex Summary.

Table: 4.2b Opex Input Factor Weighting	
Purpose and Use	The purpose of this table is to capture the GDN's assumptions on input price development for different opex cost categories. This information will be used to inform future price controls.

Table: 4.2b Opex Input Factor Weighting

<p>Instructions for Completion</p>	<p>Rows 17 to 21 for each cost category and year will be prepopulated based on the relevant final price control determination.</p> <p>Input Factor Cost Categories The column Cost Category (column A) displays the different input factor cost categories. Please enter any additional input factor cost categories you consider relevant for costs incurred in the reporting period, but which are not prepopulated, into cells A28 to A32 and provide additional substantiation in the supporting commentary.</p> <p>Input Factor Cost Weightings For each of the input factor cost categories listed in column A, list in column D the relative weight in percent that you consider should be given to this cost category with consideration of the relative importance of such costs in your cost base for the reporting period. Rows 23 to 32 should be input by the GDNs. The sum across the relative weights shall equal 100%. This is verified by the consistency check in row 33, which shall show OK; any anomalies shall be explained in the supporting commentary. If the sum across the total weights in columns C to H equals 100%, these weights will automatically copy into rows 35 to 44.</p>
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Table: 4.2c Capex Input Factor Weighting

<p>Purpose and Use</p>	<p>The purpose of this table is to capture the GDN's assumptions on input price development for different capex cost categories. This information will be used to inform future price controls.</p>
<p>Instructions for Completion</p>	<p>Rows 50 to 54 for each cost category and year will be prepopulated based on the relevant final price control determination.</p> <p>Input Factor Cost Categories The column Cost Category (column A) displays the different input factor cost categories. The cost categories are the same as those in Table: 4.2b Opex Input Factor Weighting.</p> <p>Input Factor Weightings For each of the input factor cost categories listed in column A, list in column D the relative weight in percent that you consider should be given to this cost category with consideration of the relative importance of such costs in your cost base for the reporting period. Rows 56 to 65 should be input by the GDNs. The sum across the relative weights shall equal 100%. This is verified by the consistency check in row 66, which shall show OK; any anomalies shall be explained in the supporting commentary. If the sum across the total weights in columns C to H equals 100%, these weights will automatically copy into rows 68 to 77.</p>

Table: 4.2d Contract Cost Percentage Split	
Purpose and Use	The purpose of this table is to illustrate the breakdown of the contract cost between cost categories. The breakdown is calculated using the contractor cost gross expenditure data shown in Table: 4.2a Capital Gross Expenditure multiplied by the capex input factor weighting percentage used for each of the cost categories, as displayed in Table: 4.2c Capex Input Factor Weighting. This information will be used for analysis purposes and to inform future price controls.
Instructions for Completion	No input is required as this table is auto-populated.

Table: 4.2e Capitalised Overheads Percentage Split	
Purpose and Use	The purpose of this table is to illustrate the breakdown of the Capitalised Overheads between cost categories. The breakdown is calculated using the capitalised opex gross expenditure data shown in Table: 4.2a Capital Gross Expenditure multiplied by the opex input factor weighting percentage used for each of the cost categories, as displayed in Table: 4.2b Opex Input Factor Weighting. This information will be used for analysis purposes and to inform future price controls.
Instructions for Completion	No input is required as this table is auto-populated.

Table: 4.2f Total Gross Capital Expenditure Analysis	
Purpose and Use	The purpose of this table is to illustrate the breakdown of the total Capex between cost categories: The figures are the summation of figures shown in Table: 4.2d Contract Cost Percentage Split and Table: 4.2e Capitalised Overheads Percentage Split. The total TMA Cost from Table: 4.2a Capital Gross Expenditure is replicated in the table and added to the overall total. This information will be used for analysis purposes and to inform future price controls.
Instructions for Completion	No input is required as this table is auto-populated.

Worksheet: 4.3 Project List summaries (Year)

Table: 4.3a Summary by Cost Driver (Year)	
Purpose and Use	<p>This table summarises information, for the reporting period, against each project driver below:</p> <ul style="list-style-type: none"> • New Build • OO • NIHE • I&C • Diversions (DRD) (LP/MP) • Feeder (LP/MP) • Reinforcement (LP/MP) • Diversions (DRD) (IP) • Supply Security (LP/MP)

Table: 4.3a Summary by Cost Driver (Year)

	<ul style="list-style-type: none"> • Feeder (IP) • Reinforcement (IP) • Supply Security (IP) <p>The table shows cost, properties passed and mains laid details for each of the above categories. This will allow comparisons with the levels of reporting given in previous years.</p> <p>The total gross cost is further broken down as follows:</p> <ul style="list-style-type: none"> • Contractor Cost • Capitalised Opex • TMA Cost <p>Contributions are summarised and netted off the Total Gross Cost.</p> <p>The properties passed are further broken down as follows:</p> <ul style="list-style-type: none"> • OO (Owner Occupied) • NB (New Build) • NIHE • I&C <p>A calculation is also made of the metres of main per property passed for each category.</p> <p>The intention of this table is to:</p> <ul style="list-style-type: none"> • monitor and report this data to meet the requirements of the price control; and • facilitate comparative analysis between GDNs. <p>The data will be used to support benchmarking and trend analysis.</p>
<p>Instructions for Completion</p>	<p>In the reporting year version of this table, for each project driver summary total information should be provided where: -</p> <ul style="list-style-type: none"> • Project Driver (column A) – The principal driver for the group include: <ul style="list-style-type: none"> ◆ New Build – gas supply to new housing developments. ◆ OO – gas supply to owner occupied properties. ◆ NIHE – gas supply to Northern Ireland Housing Executive/Housing Association properties. ◆ I&C – gas supply to industrial & commercial properties. ◆ Feeder mains – mains constructed principally to enable gas supply to areas of (potential) demand; generally, these mains are not located within the associated area of demand and may provide the potential for connections to various properties that are passed on the route. Depending on the pressure, feeder mains are further subdivided as follows: <ul style="list-style-type: none"> • Feeder (LP/MP) • Feeder (IP) ◆ Reinforcement – additional network capacity as a result of increase in demand. Depending on the

Table: 4.3a Summary by Cost Driver (Year)

	<p>pressure, reinforcements are further subdivided as follows:</p> <ul style="list-style-type: none"> • Reinforcement (LP/MP) • Reinforcement (IP) <ul style="list-style-type: none"> ◆ Supply Security – additional network capacity to improve the security of transportation to existing demand. Depending on the pressure, security of supply projects are further subdivided as follows: <ul style="list-style-type: none"> • Supply Security (LP/MP) • Supply Security (IP) ◆ Diversions – only done because of need to move an existing main due to redevelopment or highway changes. Depending on the pressure, diversion projects are further subdivided as follows: <ul style="list-style-type: none"> • Diversions (DRD) (LP/MP) • Diversions (DRD) (IP) <ul style="list-style-type: none"> • Contractor Cost (column C) – Enter the total cost of mains laid for the group of projects. Note that the cost recorded should be inclusive of a management fee, where applicable. • Capitalised Opex (column D) – Enter any Opex which has been charged to the group of projects. • TMA Cost (column E) – Enter any TMA Cost which has been incurred by or assigned to the group of projects. • Total Gross Cost (column F) – this data is populated automatically. • Contributions (column H) - From customers or other third parties for asset investments. • Total Net Cost (column J) – this data is populated automatically. • Properties Passed (columns N, O, P, Q) – Enter the number of properties that have been passed for each category of property during the reporting year; properties that have been passed as part of the projects in previous reporting years shall not be included. The total number of properties passed across the different categories is populated automatically in column R. <ul style="list-style-type: none"> ◆ OO ◆ NB ◆ NIHE ◆ I&C • Mains Length Laid (columns V-AI) – Enter the total mains length in metres of all diameters for each Project Driver. <ul style="list-style-type: none"> ◆ 32mm ◆ 50mm ◆ 63mm ◆ 75mm ◆ 90mm
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Table: 4.3a Summary by Cost Driver (Year)

	<ul style="list-style-type: none"> ◆ 125mm ◆ 180mm ◆ 200mm ◆ 250mm ◆ 315mm ◆ 355mm ◆ 400mm ◆ 450mm ◆ 600mm <ul style="list-style-type: none"> • Total Mains Laid (column AJ) – The total mains laid for each project is automatically populated. • Metres of Main per Property Passed (column AK) – This is an auto-calculated average figure for the row. • Road Surface Categories by length (columns AO to AU) – Enter the length of mains laid in metres, for each Project Driver, broken down by surface category as listed below <ul style="list-style-type: none"> ◆ 1 Trunk Roads ◆ 2 Main Roads ◆ 3 Minor Roads ◆ 4 Local Roads ◆ 5 Footways ◆ 6 Grass/Unsurfaced ◆ Open Trench (O/T) <p>A check in cell AJ22 verifies that the sum on totals mains laid in cell AE21 equals the sum of mains laid shown in cells AO21 to AU21.</p> <p>All checks shall show OK; any inconsistencies shall be explained in the commentary.</p> <p>Individually funded or nominated output projects will be reported separately under in the reporting version of Table: 4.3d Individually Funded or Nominated Output Projects (Year).</p>
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Table: 4.3b Summary New Build and Other Mains (Year)

Purpose and Use	<p>This table summarises the properties passed, and mains laid from Table: 4.3a Summary by Cost Driver (Year) for the New Build and Other mains types.</p> <p>A calculation is also made of the metres of main per property passed for each category. This information is used to support benchmarking and trend analysis.</p>
Instructions for completion	<p>No input is required as this table auto-populates from Table: 4.3a Summary by Cost Driver (Year) and Table: 4.3d Individually Funded or Nominated Output Projects (Year).</p>

Table: 4.3c Summary by Pressure Tier/Material (Year)

Purpose and Use	<p>This table summarises details on mains pressure/material combination. The data will be used to support benchmarking and trend analysis. Data is captured for the following Pressure/</p>
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Table: 4.3c Summary by Pressure Tier/Material (Year)

	<p>Material Combinations (rows 35 to 40):</p> <ul style="list-style-type: none"> • LP-PE • MP-PE • IP-PE • LP-Steel • MP-Steel • IP-Steel
<p>Instructions for Completion</p>	<p>In the reporting year version of this table, for each material/pressure combination, enter the length of mains installed during the year of each pipe diameter listed below (columns V to AI):</p> <ul style="list-style-type: none"> • 32mm • 50mm • 63mm • 75mm • 90mm • 125mm • 180mm • 200mm • 250mm • 315mm • 355mm • 400mm • 450mm • 600mm <p>A cross check is undertaken in cell AJ41 to ensure the total length declared is the same as the length declared in Table: 4.3a Summary by Cost Driver (Year). The check shall show OK; any anomalies shall be explained in the commentary.</p>

Table: 4.3d Individually Funded or Nominated Output Projects (Year)

<p>Purpose and Use</p>	<p>This table summarises information, for the reporting period, against each Individually Funded or Nominated Output Project:</p> <p>This table is in essence a duplicate of Table: 4.3a Summary by Cost Driver (Year). GDNs should populate this table with information for projects which have been named by the UR either in a price control determination or a regulatory letter which determined funding for a specific project. GDNs should add to the list where appropriate.</p> <p>Where determinations include allowances for infill mains which are provided for under the uncertainty mechanism, these should be reported in Table: 4.3a Summary by Cost Driver (Year). The table shows the cost, properties passed, and mains laid details for each of the individually funded or nominated output project.</p> <p>The total gross cost is further broken down as follows:</p> <ul style="list-style-type: none"> • Contractor Cost • Capitalised Opex
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Table: 4.3d Individually Funded or Nominated Output Projects (Year)

	<ul style="list-style-type: none"> • TMA Cost <p>Contributions are summarised and netted off the Total Gross Cost.</p> <p>The properties passed are further broken down as follows:</p> <ul style="list-style-type: none"> • OO (Owner Occupied) • NB (New Build) • NIHE • I&C <p>A calculation is also made of the metres of main per property passed for each category.</p> <p>The data will be used to support benchmarking, trend analysis and for monitoring of performance against the allowances.</p>
<p>Instructions for Completion</p>	<p>In the reporting year version of this table, for each project the summary total information should be provided where: -</p> <ul style="list-style-type: none"> • Project Name (column A) – A recognised name which identifies the individually funded project. • Contractor Cost (column C) – Enter the total cost of mains laid for the group of projects. Note that the cost recorded should be inclusive of a management fee, where applicable. • Capitalised Opex (column D) – Enter any Opex which has been charged to the group of projects. • TMA Cost (column E) – Enter any TMA Cost which has been incurred by or assigned to the group of projects. • Total Gross Cost (column F) – this data is populated automatically. • Contributions (column H) - From customers or other third parties for asset investments. • Total Net Cost (column J) – this data is populated automatically. • Properties Passed (columns N, O, P, Q) – Enter the number of properties that have been passed for each category of property during the reporting year; properties that have been passed as part of the projects in previous reporting years shall not be included. The total number of properties passed across the different categories is populated automatically in column R. <ul style="list-style-type: none"> ◆ OO ◆ NB ◆ NIHE ◆ I&C • Mains Length Laid (columns V-AI) – Enter the total mains length in metres of all diameters for each project. <ul style="list-style-type: none"> ◆ 32mm ◆ 50mm ◆ 63mm ◆ 75mm ◆ 90mm

Table: 4.3d Individually Funded or Nominated Output Projects (Year)

	<ul style="list-style-type: none"> ◆ 125mm ◆ 180mm ◆ 200mm ◆ 250mm ◆ 315mm ◆ 355mm ◆ 400mm ◆ 450mm ◆ 600mm <ul style="list-style-type: none"> • Total Mains Laid (column AJ) – The total mains laid for each project is automatically populated. • Metres of Main per Property Passed (column AK) – This is a calculated average figure for the row. • Road Surface Categories by length (columns AO to AU) – Enter the length of mains laid in metres, for each Project Driver, broken down by surface category as listed below <ul style="list-style-type: none"> ◆ 1 Trunk Roads ◆ 2 Main Roads ◆ 3 Minor Roads ◆ 4 Local Roads ◆ 5 Footways ◆ 6 Grass/Unsurfaced ◆ Open Trench (O/T) <p>A check in cell AJ68 verifies that the sum total mains laid in cell AJ67 equals the sum of mains laid shown in cells AO67 to AU67. All checks shall show OK; any inconsistencies shall be explained in the commentary.</p>
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Table: 4.3e Summary of Individually Funded or Nominated Output Projects by Pressure Tier/Material

<p>Purpose and Use</p>	<p>This table summarises details on mains pressure/material combination.</p> <p>The data will be used to support benchmarking, trend analysis and for monitoring of performance against the allowances.</p> <p>Data is captured for the following Pressure/Material Combinations (rows 74 to 79):</p> <ul style="list-style-type: none"> • LP-PE • MP-PE • IP-PE • LP-Steel • MP-Steel • IP-Steel
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Table: 4.3e Summary of Individually Funded or Nominated Output Projects by Pressure Tier/Material

<p>Instructions for Completion</p>	<p>In the reporting year version of this table, for each material/pressure combination, enter the length of mains installed during the year of each pipe diameter listed below (columns V to AI):</p> <ul style="list-style-type: none"> • 32mm • 50mm • 63mm • 75mm • 90mm • 125mm • 180mm • 200mm • 250mm • 315mm • 355mm • 400mm • 450mm • 600mm <p>A cross check is undertaken in cell AJ80 to ensure the total length declared is the same as the length declared in Table: 4.3d Individually Funded or Nominated Output Projects (Year). The check shall show OK; any anomalies shall be explained in the commentary.</p>
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Worksheet: 4.4 District Governors Detail

Table: 4.4a Detailed District Governor Installation	
Purpose and Use	<p>This table is used to capture the detailed workload associated with individual projects in a consistent manner which is intended to:</p> <ul style="list-style-type: none"> • monitor and report this data to meet price control requirements; and • facilitate comparative analysis of expenditure between GDNs. <p>The data will be used to support benchmarking, trend analysis and for monitoring of performance against the allowances.</p>
Instructions for Completion	<p>For each district governor installed the following information is required:</p> <ul style="list-style-type: none"> • The Reporting Year (column A) - Select from drop-down list. • Project Reference (column B) • Governor Name (column C) • Project Driver (column D) - Select the Project Driver/Installation Reason from the drop-down list. The categories are New (Growth), Replacement (End of Life), Replacement (Growth) • Governor Type (column E) - Select the Governor Type from the drop-down list. The categories are In-Ground Module, IP Governor, MP Governor • Contractor Cost (column G) • Capitalised Opex (column H) • TMA Cost (column I) • Contributions (column K) - From customers or other third parties for asset investments. <p>The table automatically calculates the Gross Expenditure in column J and Total Net Cost in column L.</p> <p>Note 1: Details for the financial justification of any replacements undertaken shall be retained and may be requested on a sample basis. This may include details on the economic test used to establish the need for such replacements.</p> <p>Note 2: The specific costs for governors should be stated here. If they cannot be provided, an explanation should be given in the commentary and a best estimate given, along with justification for the estimate.</p>

Worksheet: 4.5 District Governors Summary

Table: 4.5a District Governor Summary by Cost Driver	
Purpose and Use	This table summarises the detailed district governor workload by cost type, district governor type and project driver for each reporting year. The data will be used to support benchmarking, trend analysis and the monitoring of performance against the allowances.
Instructions for Completion	No input is required as this table auto-populates from Table: 4.4a Detailed District Governor Installation.

Worksheet: 4.6 Other Capex

Table: 4.6a Total Other Capital Expenditure	
Purpose and Use	<p>This table summarises data for Other Capital Expenditure for the following categories.</p> <ul style="list-style-type: none"> • System Operations • IT (infrastructure and systems) and Telecoms • Commercial Gas Trading IT • Plant, tools and equipment • Land, buildings, furniture and fittings • Security • Other <p>Vehicles & Wheeled Plant</p> <p>This are set out in separate tables to between columns D and I in the following headings:</p> <ul style="list-style-type: none"> • Total Net Cost • Total Gross Cost • Contractor Cost • Capitalised Opex • Contributions <p>The data will be used to support benchmarking, trend analysis and for monitoring of performance against the allowances.</p>
Instructions for Completion	<p>No input is required as this table is auto-populated from:</p> <ul style="list-style-type: none"> • Table: 4.6b Other Aggregated Capital Expenditure (Projects <= £100k), • Table: 4.6c Projects >£100k Capital Expenditure (excluding vehicles and wheeled plant); and • Table: 4.6d Vehicles & Wheeled Plant - above and below £100k Capital Expenditure and Opex.

Table: 4.6b Other Aggregated Capital Expenditure (Projects <= £100k)	
Purpose and Use	<p>The purpose of this table is to summarise capital expenditure in projects which have a total planned expenditure of up to £100k. The data will be used to support benchmarking, trend analysis,</p>

Table: 4.6b Other Aggregated Capital Expenditure (Projects <= £100k)

	and monitoring performance against the allowances.
Instructions for Completion	<p>For each of the following categories, the total project expenditure shall be provided split between contract expenditure and capitalised opex:</p> <ul style="list-style-type: none"> • System Operations • IT (infrastructure and systems) and Telecoms • Commercial Gas Trading IT • Plant, tools & equipment • Land, buildings, furniture and fittings • Security • Other <p>The following information shall be provided for each category:</p> <ul style="list-style-type: none"> • Contractor Cost (Row 87 to 93) • Capitalised Opex (Row 97 to 103) • Contributions (Row 107 to 113) - From customers or other third parties for asset investments <p>Rows 77 to 84 calculate the total Gross Expenditure automatically for each category and overall. Rows 67 to 74 perform the same function for total Net Cost.</p> <p>Note 1: Security cost - This covers capital expenditure on enhancing or replacing security related assets for all sites. This should exclude security cost already included in any other category, where the security cost was included within an overall rebuild or new site development.</p> <p>Note 2: Other - Where the following activities are carried out on the distribution network assets, to upgrade or extend the useful life of the assets, the cost should be included with the project they relate to:</p> <ul style="list-style-type: none"> • Cathodic protection activities • Valve activities • Special/Over crossings • Bank Erosion • Sleeves <p>Where the work is remedial in nature and does not upgrade or extend the life of the asset it shall be recorded as opex in Table: 3.7b Maintenance Detailed (Year).</p> <p>The expense category Other may be selected for capex not covered by any other classification category. Within the commentary, areas of expenditure >£50k should be identified and justifications for the level of expenditure given.</p> <p>Note 3: Where other costs not described above exist, they should be identified, itemised and included in their natural parent tables if they exist e.g. TMA costs should be included in mains and services. Any assumptions made should be described e.g., apportionment. Other costs with no natural parent table should be described here.</p>

Table: 4.6c Projects >£100k Capital Expenditure (excluding vehicles and wheeled plant)

<p>Purpose and Use</p>	<p>To capture specific projects listed by name. Each project shall have a total planned expenditure of >£100k (irrespective of which financial year the expenditure occurs, provided some expenditure is within the reporting period).</p> <p>The data will be used to support benchmarking, trend analysis, and monitoring performance against the allowances.</p>
<p>Instructions for Completion</p>	<p>Project Name (column A – rows 120 to 129) Enter a name for each project.</p> <p>Category (column B – rows 120 to 129) For each project select the relevant expenditure category from the drop-down menu.</p> <ul style="list-style-type: none"> • System Operations • IT (infrastructure and systems) and Telecoms • Commercial Gas Trading IT • Plant, tools & equipment • Land, buildings, furniture and fittings • Security • Other <p>Where a single project consists of individual cost elements less than £100k, but the project cost total exceeds £100k, this should be identified as one integrated project (for example, land and buildings, IT, security). The elements of the projects should be listed separately against the appropriate category and the same project name should be used to identify the associated costs and workload.</p> <p>Expenditure in reporting year Enter the following information;</p> <ul style="list-style-type: none"> • Contractor Cost (rows 146 to 155) • Capitalised Opex (rows 159 to 168) • Contributions (rows 172 to 181) - From customers or other third parties for asset investments. <p>Forecast project total expenditure For each project, input in column J the total projected contractor expenditure, capitalised opex and contributions, including any incurred/received in prior years.</p> <p>Note 1: The expense category Other may be selected for capex not covered by any other classification category. Within the commentary of the annual/cost reporting submission, areas of expenditure >£50k should be identified and justifications for the level of expenditure given.</p> <p>Note 2: For renewals, details of the economic test used to establish the need for such renewals, shall be provided as part of the commentary.</p>

Table: 4.6d Vehicles & Wheeled Plant - above and below £100k Capital Expenditure and Opex

<p>Purpose and Use</p>	<p>Summary of expenditure on vehicles and wheeled plant that is either purchased and added to the Fixed asset Register or leased.</p> <p>This table captures data for vehicles and wheeled plant for both</p>
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Table: 4.6d Vehicles & Wheeled Plant - above and below £100k Capital Expenditure and Opex

	<p>capex and opex in order to make comparable assessment for companies operating different procurement models for these asset categories.</p> <p>The data will be used to support benchmarking, trend analysis, and monitoring performance against the allowances.</p>
<p>Instructions for Completion</p>	<p>The asset categories are:</p> <ul style="list-style-type: none"> • Cars • Commercial vehicles, which includes: <ul style="list-style-type: none"> ◆ Car derived vans ◆ LGVs – vehicles up to 3.5 tonnes Gross Vehicle Weight (GVW) excluding car derived vans ◆ HGVs – vehicles >3.5 tonnes GVW • Wheeled Plant, which includes: <ul style="list-style-type: none"> ◆ mobile compressors, cranes, excavators and dumpers <p>Input the following data for each of the asset categories listed:</p> <ul style="list-style-type: none"> • Ownership <ul style="list-style-type: none"> ◆ enter the percentage of vehicles that are leased for each vehicle type (rows 189 to 193) ◆ the percentage of vehicles that are owned, for each vehicle type, is calculated automatically (rows 194 to 198) • Total Cost <ul style="list-style-type: none"> ◆ Operating Expenditure – input the total operating cost which includes vehicle maintenance and servicing, vehicle tax, insurance, and lease cost where appropriate. ◆ Capital Expenditure – input the total expenditure. • Fleet size and usage <ul style="list-style-type: none"> ◆ for the first reporting year in the price control period, input the number of vehicles brought forward, for subsequent reporting years this data is auto-populated*. ◆ adjustments to the brought forward figures as declared in the last reporting period, the commentary shall include the reasons for any adjustments ◆ the number of new/replacement vehicles purchased or leased in the reporting year ◆ number of vehicles disposed or returned to leaseholder in the reporting year, and ◆ planned life of vehicles at purchase/lease <p>*For reporting years subsequent to the first reporting year, the reporting year must be selected in the Cover Table for auto-populated/calculated data to display.</p>

Worksheet: 4.7 Capex Workload Summary

Table: 4.7a Capex including Basket of Works Workload Summary	
Purpose of Use	<p>This table summarises the workload volume and cost information for capex work items and the basket of works items, that is used to aid benchmarking and set appropriate allowances for the major work items.</p> <p>The quantities and costs are summarised into the following Items:</p> <ul style="list-style-type: none"> • New Build Mains <ul style="list-style-type: none"> ◆ By diameter • Other Mains <ul style="list-style-type: none"> ◆ By diameter • Domestic Services <ul style="list-style-type: none"> ◆ Existing <ul style="list-style-type: none"> ▪ Owner Occupied ▪ NIHE ◆ New build ◆ I&C Services <ul style="list-style-type: none"> ◆ By meter size • Domestic Meters <ul style="list-style-type: none"> ◆ By type – credit, PAYG, smart ◆ By size ◆ By installation driver – new, replacement end of life or replacement other • I&C Meters <ul style="list-style-type: none"> ◆ By size ◆ By installation driver – new, replacement end of life, replacement other or replacement installation end of life. <p>Column K denotes the price control determination basket of works summary category, with non-basket of works categories left blank.</p> <p>The data will be used to support benchmarking, trend analysis and for monitoring of performance against the allowances.</p>
Instructions for Completion	<p>All cells with the exception of rows 100 to 104 and 207 to 210 (intentionally blank) will auto-populate from data entered in the reporting year version of Table: 4.8a Capex including Basket of Works Workload Summary (Year)</p>

Worksheet: 4.8 Capex Workload (Year)

Table: 4.8a Capex including Basket of Works Workload Summary (Year)	
Purpose of Use	<p>This table summarises the quantity and cost information for the capex work items and the basket of works items, that is used to aid benchmarking and set appropriate allowances for the major work items.</p>

Table: 4.8a Capex including Basket of Works Workload Summary (Year)

	<p>The quantities and costs are summarised into the following Items:</p> <ul style="list-style-type: none"> • New Build Mains <ul style="list-style-type: none"> ◆ By diameter • Other Mains <ul style="list-style-type: none"> ◆ By diameter • Domestic Services <ul style="list-style-type: none"> ◆ Existing <ul style="list-style-type: none"> ▪ Owner Occupied ▪ NIHE ◆ New build ◆ I&C Services <ul style="list-style-type: none"> ◆ By meter size • Domestic Meters <ul style="list-style-type: none"> ◆ By type – credit, PAYG, smart ◆ By size ◆ By installation driver – new, replacement end of life or replacement other • I&C Meters <ul style="list-style-type: none"> ◆ By size ◆ By installation driver – new, replacement end of life, replacement other or replacement installation end of life. <p>Column O denotes the price control determination basket of works summary category, with non-basket of works categories left blank.</p> <p>The data will be used to support benchmarking, trend analysis and for monitoring of performance against the allowances.</p>
<p>Instructions for Completion</p>	<p>In the reporting year version of this table, the following information shall be provided for each activity listed in column B:</p> <ul style="list-style-type: none"> • Number of units (unit specified in column C) for each work item (column D) • Contractor Cost (column G) • Capitalised Opex (column H) • TMA Cost (column I) • Total Gross Cost (column J) No data entry is required as the column is calculated automatically. • Contributions (column L) • Total Net Cost (column N) No data entry is required as the column is calculated automatically • Value of Contractor Management Fee allocated (column P) – note only in template for GDNs with this contract type <p>End of life means those meters which are being replaced based on an economic test which confirms that replacement of the meter is a lower long-term cost to the network than the cost of</p>

Table: 4.8a Capex including Basket of Works Workload Summary (Year)

	<p>increased maintenance and/or the consequence of failure. For these replacements, details of the economic test shall be retained by the GDN and may be requested on a sample basis.</p> <p>Replacement Other means meter replacements other than end of life</p>
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Worksheet: 4.9 Connections Profile

Table: 4.9a Connections and Properties Passed Profile - New Build

<p>Purpose and Use</p>	<p>This table summarises the number of properties passed, and the number of connections in the reporting year split by the year the connecting property was passed/connection main was commissioned.</p> <p>The information will enable the UR to build up connection profile information by tenure to inform future price controls.</p>
<p>Instructions for Completion</p>	<p>The following information shall be provided for New Build properties:</p> <ul style="list-style-type: none"> • Number of new build properties passed in each reporting year. • Number of new build connections in each reporting year, split by the year in which the connecting property was passed/connection main was commissioned. <p>Column C will provide the total connections for any reporting year denoted by column B, which should equal the total number of connections in that reporting year by tenure type.</p> <p>For the GD23 price control reporting years, a check is provided in column AK back to Table: 4.7a Capex including Basket of Works Workload Summary, on the total new build connections for each reporting year, to aid consistency.</p> <p>The GDNs should where possible populate and, if subsequently necessary, correct the data for applicable years prior to the GD23 price control.</p>

Table: 4.9b Connections and Properties Passed Profile - Owner Occupied

<p>Purpose and Use</p>	<p>This table summarises the number of properties passed, and the number of connections in the reporting year split by the year the connecting property was passed/connection main was commissioned.</p> <p>The information will enable the UR to build up connection profile information by tenure to inform future price controls.</p>
<p>Instructions for Completion</p>	<p>The following information shall be provided for owner occupied (OO) properties:</p> <ul style="list-style-type: none"> • Number of OO properties passed in each reporting year. • Number of OO connections in each reporting year, split by the year in which the connecting property was passed/connection main was commissioned. <p>Column C will provide the total connections for any reporting year denoted by column B, which should equal the total number of connections in that reporting year by tenure type.</p>

Table: 4.9b Connections and Properties Passed Profile - Owner Occupied

	<p>For the GD23 price control reporting years, a check is provided in column AK back to Table: 4.7a Capex including Basket of Works Workload Summary, on the total OO connections for each reporting year, to aid consistency.</p> <p>The GDNs should where possible populate and, if subsequently necessary, correct the data for applicable years prior to the GD23 price control.</p>
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Table: 4.9c Connections and Properties Passed Profile - NIHE

Purpose and Use	<p>This table summarises the number of properties passed, and the number of connections in the reporting year split by the year the connecting property was passed/connection main was commissioned.</p> <p>The information will enable the UR to build up connection profile information by tenure to inform future price controls.</p>
Instructions for Completion	<p>The following information shall be provided for NIHE properties:</p> <ul style="list-style-type: none"> • Number of NIHE properties passed in each reporting year. • Number of NIHE connections in each reporting year, split by the year in which the connecting property was passed/connection main was commissioned. <p>Column C will provide the total connections for any reporting year denoted by column B, which should equal the total number of connections in that reporting year by tenure type.</p> <p>For the GD23 price control reporting years, a check is provided in column AK back to Table: 4.7a Capex including Basket of Works Workload Summary, on the total NIHE connections for each reporting year, to aid consistency.</p> <p>The GDNs should where possible populate and, if subsequently necessary, correct the data for applicable years prior to the GD23 price control.</p>

Table: 4.9d Connections and Properties Passed Profile - I&C

Purpose and Use	<p>This table summarises the number of properties passed, and the number of connections in the reporting year split by the year the connecting property was passed/connection main was commissioned.</p> <p>The information will enable the UR to build up connection profile information by tenure to inform future price controls.</p>
Instructions for Completion	<p>The following information shall be provided for Industrial & Commercial (I&C) properties:</p> <ul style="list-style-type: none"> • Number of I&C properties passed in each reporting year • Number of I&C connections in each reporting year, split by the year in which the connecting property was passed/connection main was commissioned. <p>Column C will provide the total connections for any reporting year denoted by column B, which should equal the total number of connections in that reporting year by tenure type.</p> <p>For the GD23 price control reporting years, a check is provided in</p>

Table: 4.9d Connections and Properties Passed Profile - I&C

	<p>column AK back to Table: 4.7a Capex including Basket of Works Workload Summary, on the total I&C connections for each reporting year, to aid consistency.</p> <p>The GDNs should where possible populate and, if subsequently necessary, correct the data for applicable years prior to the GD23 price control.</p>
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Worksheet: 4.10 Network Development

Table: 4.10a Total Network Development

Purpose and Use	<p>This table summarises the cumulative number of properties passed, and the number of connections, year on year and by tenure type</p> <p>The number of connections is provided in gross connections, and for the GD23 price control reporting years, net connections.</p> <p>The information will enable the UR to build up connection and property passed profile by tenure to provide an overview of network development.</p>
Instructions for Completion	<p>Properties passed and connections gross data will auto-populate based on data entered in Worksheet: 4.9 Connections Profile.</p> <p>Connections net data will auto-populate based on data entered in Table: 5.2a Meter Population Detailed.</p>

Table: 4.10b Network Development in year

Purpose and Use	<p>This table summarises the within year number of properties passed, and the number of connections by tenure type</p> <p>The number of connections is provided in gross connections.</p> <p>The information will enable the UR to build up connection and property passed profile by tenure to provide an overview of network development.</p>
Instructions for Completion	<p>Properties passed and connections gross data will auto-populate based on data entered in Worksheet: 4.9 Connections Profile.</p>

8. Instructions for Completing the Network Assets Tables

Chapter Summary

- 8.1 This section collects details of the asset inventory count at the start of the reporting period for each asset type and uses the workloads incurred by the GDNs to determine the closing balances. The opening balances are prepopulated with the closing balances from the previous period and there is provision for these figures to be adjusted if necessary.
- 8.2 The following information gives guidance for completing the network asset tables within the annual/cost reporting data template. The guidance on the technical terms and definition of the classifications used in the template is given in Appendix 2: Technical Definitions.

Overview of Tables

- 8.3 The worksheets and tables included within the Network Assets section of the template are:
- Worksheet 5.1 Network Assets
 - ◆ Table: 5.1a Distribution Mains Population
 - ◆ Table: 5.1b Governors
 - ◆ Table: 5.1c Services Domestic
 - ◆ Table: 5.1d Services I&C
 - ◆ Table: 5.1e Risers (Asset Populations)
 - Worksheet 5.2 Metering Assets
 - ◆ Table: 5.2a Meter Population Detailed
 - ◆ Table: 5.2b Meter Population Summary
 - Worksheet 5.3 MEAV (Modern Equivalent Asset Value)
 - ◆ Table: 5.3a Distribution Mains MEAV
 - ◆ Table: 5.3b Governors MEAV
 - ◆ Table: 5.3c Number of Services (excl. Risers) MEAV

- ◆ Table: 5.3d Number of Riser Assets MEAV
- ◆ Table: 5.3e Meters MEAV
- ◆ Table: 5.3f Meter Governors MEAV

Guidance on Table Completion

Worksheet 5.1 Network Assets

Table: 5.1a Distribution Mains Population	
Purpose and Use	<p>The purpose of this table is to capture the change in the length of mains on the network during the reporting period. The table also holds the total mains populations</p> <p>The data will be used to support benchmarking, trend analysis, and the monitoring of performance against the allowances. In particular the asset population will be used to calculate MEAV value for the network.</p>
Instructions for Completion	<p>The installed mains length (km) information is captured for the following pressure/material combinations;</p> <ul style="list-style-type: none"> • PE (Polyethylene) <ul style="list-style-type: none"> ◆ Low Pressure ◆ Medium Pressure ◆ Intermediate Pressure • Steel <ul style="list-style-type: none"> ◆ Low Pressure ◆ Medium Pressure ◆ Intermediate Pressure <p>The totals across all pressure/material combinations are calculated automatically</p> <p>All data shall be broken down into the following pipe diameters:</p> <ul style="list-style-type: none"> • 32mm • 50mm • 63mm • 75mm • 90mm • 125mm • 180mm • 200mm • 250mm • 315mm • 355mm • 400mm • 450mm • 600mm <p>In order for any of the below auto-calculated/populated data to display, the relevant reporting year must be selected on the cover worksheet.</p>

Table: 5.1a Distribution Mains Population

	<p>The brought forward data will auto-populate based on the carried forward data from the previous reporting year, with the exception of the 2023 information which must be input by the GDNs.</p> <p>Any adjustments to previously reported figures should be supported by providing the reason for the adjustments in the commentary to the annual/cost reporting submission.</p> <p>A revised brought forward amount is auto-calculated.</p> <p>GDNs should enter details of any decommissioned mains lengths.</p> <p>The installed amounts are automatically populated from data entered in Worksheet: 4.3 Project List summaries (Year).</p> <p>The carried forward population figures are auto-calculated.</p>
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Table: 5.1b Governors

<p>Purpose and Use</p>	<p>The purpose of this table is to capture the change in the number of governors installed on the network during the reporting period. The table also holds the total governor population.</p> <p>The data will be used to support benchmarking, trend analysis, and the monitoring of performance against the allowances. In particular the asset population will be used to calculate MEAV value for the network.</p>
<p>Instructions for Completion</p>	<p>The installed governor information is captured for the following types;</p> <ul style="list-style-type: none"> • District <ul style="list-style-type: none"> ◆ IP Inlet ◆ MP Inlet ◆ BINS <p>In order for any of the below auto-calculated/populated data to display, the relevant reporting year must be selected on the cover worksheet.</p> <p>The brought forward data will auto-populate based on the carried forward data from the previous reporting year, with the exception of the 2023 information which must be input by the GDNs.</p> <p>Any adjustments to previously reported figures should be supported by providing the reason for the adjustments in the commentary to the annual/cost reporting submission.</p> <p>A revised brought forward amount is auto-calculated.</p> <p>GDNs should enter details of any decommissioned governors.</p> <p>The installed amounts are automatically populated from data from Worksheet: 4.5 District Governors Summary.</p> <p>The carried forward population figures are auto-calculated.</p>

Table: 5.1c Services Domestic

<p>Purpose and Use</p>	<p>The purpose of this table is to capture the change in the number of domestic services installed on the network during the reporting year. The table also holds the total domestic service population.</p> <p>The data will be used to support benchmarking, trend analysis, and the monitoring of performance against the allowances. In particular the asset population will be used to calculate MEAV value for the network.</p>
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Table: 5.1c Services Domestic

<p>Instructions for Completion</p>	<p>The installed domestic service information is captured for the following types:</p> <ul style="list-style-type: none"> • PE • Steel • Mixed PE/Steel • Other <p>When the Other category is used, an explanatory note shall be included in the commentary to this annual/cost reporting submission.</p> <p>In order for any of the below auto-calculated/populated data to display, the relevant reporting year must be selected on the cover worksheet.</p> <p>The brought forward data will auto-populate based on the carried forward data from the previous reporting year, with the exception of the 2023 information which must be input by the GDNs.</p> <p>Any adjustments to previously reported figures should be supported by providing the reason for the adjustments in the commentary to the annual/cost reporting submission.</p> <p>A revised brought forward amount is auto-calculated.</p> <p>GDNs should enter details of any decommissioned domestic services.</p> <p>GDNs should enter details of any installed new domestic services</p> <p>The carried forward population figures are auto-calculated.</p>
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Table: 5.1d Services I&C

<p>Purpose and Use</p>	<p>The purpose of this table is to capture the change in number of I&C services installed on the network during the reporting year. The table also holds the total I&C service population.</p> <p>The data will be used to support benchmarking, trend analysis, and the monitoring of performance against the allowances. In particular the asset population will be used to calculate MEAV value for the network.</p>
<p>Instructions for Completion</p>	<p>The installed I&C service information is captured for the following types;</p> <ul style="list-style-type: none"> • PE • Steel • Mixed PE/Steel • Other <p>When the Other category is used, an explanatory note shall be included in the commentary to this annual/cost reporting submission.</p> <p>In order for any of the below auto-calculated/populated data to display, the relevant reporting year must be selected on the cover worksheet.</p> <p>The brought forward data will auto-populate based on the carried forward data from the previous reporting year, with the exception of the 2023 information which must be input by the GDNs.</p> <p>Any adjustments to previously reported figures should be supported by providing the reason for the adjustments in the commentary to the annual/cost reporting submission.</p>

Table: 5.1d Services I&C	
	<p>A revised brought forward amount is auto-calculated.</p> <p>GDNs should enter details of any decommissioned I&C services.</p> <p>GDNs should enter details of any installed new I&C services</p> <p>The carried forward population figures are auto-calculated.</p>

Table: 5.1e Risers (Asset Populations)	
Purpose and Use	<p>The purpose of this table is to capture the change in the numbers of risers installed on the network during the reporting year. The table also holds the total riser population.</p> <p>The data will be used to support benchmarking, trend analysis, and the monitoring of performance against the allowances. In particular the asset population will be used to calculate MEAV value for the network.</p>
Instructions for Completion	<p>The table captures the number of risers in all riser lengths/heights.</p> <p>In order for any of the below auto-calculated/populated data to display, the relevant reporting year must be selected on the cover worksheet.</p> <p>The brought forward data will auto-populate based on the carried forward data from the previous reporting year, with the exception of the 2023 information which must be input by the GDNs.</p> <p>Any adjustments to previously reported figures should be supported by providing the reason for the adjustments in the commentary to the annual/cost reporting submission.</p> <p>A revised brought forward amount is auto-calculated.</p> <p>GDNs should enter details of any decommissioned risers.</p> <p>GDNs should enter details of any installed new risers</p> <p>The carried forward population figures are auto-calculated.</p>

Worksheet 5.2 Metering Assets

Table: 5.2a Meter Population Detailed	
Purpose and Use	<p>The purpose of this table is to capture the change in the number of meters installed on the network during the reporting year. The table also holds the total meter population.</p> <p>The data will be used to support benchmarking, trend analysis, and the monitoring of performance against the allowances. In particular the asset population will be used to calculate MEAV value for the network.</p>
Instructions for Completion	<p>The installed meter information is captured for the following types:</p> <ul style="list-style-type: none"> • Domestic <ul style="list-style-type: none"> ◆ Credit Meter (U6) ◆ Credit Meter (U16) ◆ Prepayment Meter ◆ Smart Meter

Table: 5.2a Meter Population Detailed

	<ul style="list-style-type: none"> • I&C <ul style="list-style-type: none"> ◆ U6 ◆ U16 ◆ U25 ◆ U40 ◆ U65 ◆ U100 ◆ U160 ◆ U250 ◆ U400 ◆ U650 ◆ U1000 ◆ U1600 ◆ U2500 <p>In order for any of the below auto-calculated/populated data to display, the relevant reporting year must be selected on the cover worksheet.</p> <p>The brought forward data will auto-populate based on the carried forward data from the previous reporting year, with the exception of the 2023 information which must be input by the GDNs.</p> <p>Any adjustments to previously reported figures should be supported by providing the reason for the adjustments in the commentary to the annual/cost reporting submission.</p> <p>A revised brought forward amount is auto-calculated.</p> <p>GDNs should enter details of any decommissioned meters.</p> <p>The installed amounts are automatically populated from data from Table: 4.7a Capex including Basket of Works Workload Summary.</p> <p>The carried forward population figures are auto-calculated.</p>
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Table: 5.2b Meter Population Summary

Purpose and Use	<p>The purpose of this table is to provide a summary of the change in the number of meters installed on the network during the reporting year. The table also holds the total meter population, summarised into the following categories:</p> <ul style="list-style-type: none"> • Domestic • I&C <=160 scmh • I&C >160 scmh <p>The data will be used to support benchmarking, trend analysis, and the monitoring of performance against the allowances. In particular the asset population will be used to calculate MEAV value for the network.</p>
Instructions for Completion	<p>No input is required as this table is auto-populated from Table: 5.2a Meter Population Detailed data.</p>

Worksheet 5.3 MEAV (Modern Equivalent Asset Value)

Table: 5.3a Distribution Mains MEAV	
Purpose and Use	The purpose of this table is to summarise the distribution mains asset information which will be used to calculate MEAV values for the components of the network in order to potentially provide scaling options for benchmarking purposes.
Instructions for Completion	No input is required as this table auto-populates from Worksheet 5.1 Network Assets.

Table: 5.3b Governors MEAV	
Purpose and Use	The purpose of this table is to summarise the governor asset information which will be used to calculate MEAV values for the components of the network in order to potentially provide scaling options for benchmarking purposes.
Instructions for Completion	No input is required as this table auto-populates from Worksheet 5.1 Network Assets.

Table: 5.3c Number of Services (excl. Risers) MEAV	
Purpose and Use	The purpose of this table is to summarise the service asset information which will be used to calculate MEAV values for the components of the network in order to potentially provide scaling options for benchmarking purposes.
Instructions for Completion	No input is required as this table auto-populates from Worksheet 5.1 Network Assets.

Table: 5.3d Number of Riser Assets MEAV	
Purpose and Use	The purpose of this table is to summarise the riser asset information which will be used to calculate MEAV values for the components of the network in order to potentially provide scaling options for benchmarking purposes.
Instructions for Completion	No input is required as this table auto-populates from Worksheet 5.1 Network Assets.

Table: 5.3e Meters MEAV	
Purpose and Use	The purpose of this table is to summarise the meter asset information which will be used to calculate MEAV values for the components of the network in order to potentially provide scaling options for benchmarking purposes.
Instructions for Completion	No input is required as this table auto-populates.

Table: 5.3f Meter Governors MEAV	
Purpose and Use	The purpose of this table is to summarise the meter governor asset information which will be used to calculate MEAV values for the components of the network in order to potentially provide scaling options for benchmarking purposes.
Instructions for Completion	No input is required as this table auto-populates.

9. Instructions for Completing the Outputs & Environment Tables

Chapter Summary

9.1 This section collects details on outputs, with a particular focus on PREs and on environmental impact information.

Overview of Tables

9.2 The worksheets and tables included within the Outputs & Environment section of the template are:

- Worksheet: 6.1 PREs Report & Repairs
 - ◆ Table: 6.1a Call Analysis
 - ◆ Table: 6.1b Job Analysis as Passed from Emergency Call Centre
- Worksheet: 6.2 Environmental Impact
 - ◆ Table: 6.2a Alternative Fuel Assumptions (Long-Term Average)
 - ◆ Table: 6.2b Emission Conversion Factors
 - ◆ Table 6.2c Shrinkage
- Worksheet: 6.3 Business Carbon Footprint
 - ◆ Table: 6.3a Business Carbon Footprint

Guidance on Table Completion

Worksheet: 6.1 PREs Report & Repairs

Table: 6.1a Call Analysis	
Purpose and Use	The purpose of this table is to capture the number of calls which are received on the NI Gas Emergency telephone number, and the number of calls received on other numbers that have resulted in a network emergency job action.
Instructions for Completion	<p>For the purpose of reporting, all call centre raised emergency jobs are considered to be valid emergency jobs, even if subsequently they may prove otherwise.</p> <p>Calls Received on the Emergency Telephone Number</p> <p>A breakdown of the number of calls received on the dedicated Emergency Telephone Number (0800 002 001) shall be given</p>

	<p>against the following categories:</p> <ul style="list-style-type: none"> • Calls not deemed to require an emergency job to be raised • Gas Escape Calls • Other Actioned Calls <p>Calls Received on Number Other than the Emergency Telephone Number</p> <p>A breakdown of the number of calls requiring emergency action, received on telephone numbers other than the dedicated Emergency Telephone Number (0800 002 001), shall be given against the following categories:</p> <ul style="list-style-type: none"> • Gas Escape Calls • Other Actioned Calls <p>For calls received on other numbers, only calls which result in a job issued to the GDN's First Call Operative shall be recorded.</p> <p>Further detail is provided on emergency calls in the Emergency Call & Job Classifications section in appendix 2 of this document.</p>
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Table: 6.1b Job Analysis as Passed from Emergency Call Centre	
Purpose and Use	The purpose of this table is to capture and provide details on the number of emergency jobs which are attended and dealt with by the GDN's First Call Operative (FCO), and the number of jobs requiring a repair team to undertake physical repairs to distribution mains and services.
Instructions for Completion	<p>The following classification of the jobs shall be reported:</p> <ul style="list-style-type: none"> • Job closed by telephone without visit • Jobs Visited (auto-populated) • Attended by First Call Operative (auto-populated) • Attended by First Call Operative Only • Attended by Repair Team • Cause Attributed to Third Party <p>Note it is assumed an FCO will attend all jobs requiring a visit.</p>

Worksheet: 6.2 Environmental Impact

Table: 6.2a Alternative Fuel Assumptions (Long-Term Average)	
Purpose and Use	The purpose of Table: 6.2a Alternative Fuel Assumptions (Long-Term Average) and Table: 6.2b Emission Conversion Factors is to provide information required when establishing the environmental impact of the introduction of natural gas in the GDN's licensed area, by comparing greenhouse gas emissions resulting from the natural gas expected to be consumed during a given period with the greenhouse gas emissions expected to occur if the same amount of energy was used without natural gas being available.
Instructions for Completion	Enter, for each tenure/load customer base as at the end of the reporting year, the percentage of customers that would have used the different types of alternative fuels had natural gas not been available. The table differentiates between the following

Table: 6.2a Alternative Fuel Assumptions (Long-Term Average)

	<p>alternative fuels:</p> <ul style="list-style-type: none"> • Oil • Coal • LPG • Electricity/Economy 7 • Tallow • Other <p>If the other rows are used, an indication must be provided in the row title (column C) of what fuel type is referred to.</p> <p>For existing premises that have switched to natural gas from another fuel-source, the fuel that was used before the conversion to natural gas should be provided. For new build premises the fuel that would likely have been chosen by the customer had natural gas not been available, should be provided.</p> <p>All alternative fuel information must be broken down by customer category. For each customer category, the total of the alternative fuel percentages across all fuel types is calculated automatically and must equal 100%. Any anomalies must be explained in the commentary.</p>
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Table: 6.2b Emission Conversion Factors

<p>Purpose and Use</p>	<p>The purpose of Table: 6.2a Alternative Fuel Assumptions (Long-Term Average) and Table: 6.2b Emission Conversion Factors is to provide information required when establishing the environmental impact of the introduction of natural gas in the GDN's licensed area, by comparing greenhouse gas emissions resulting from the natural gas expected to be consumed during a given period with the greenhouse gas emissions expected to occur if the same amount of energy was used without natural gas being available.</p>
<p>Instructions for Completion</p>	<p>Population of this table is only required if the other fuel rows of Table: 6.2a Alternative Fuel Assumptions (Long-Term Average) have been populated.</p> <p>For each of the relevant other fuels, the following information is to be recorded:</p> <ul style="list-style-type: none"> • tCO₂e/kWh (in column B) • tCO₂/kWh (in column C) • Source(s) from which the emission conversion factors have been obtained (in column D) <p>Note: Where possible, the environmental emission conversion factors listed in Table: 6.2b Emission Conversion Factors shall be established in line with official government guidance³ in its latest version.</p>

³ See e.g. Green Book supplementary guidance: valuation of energy use and greenhouse gas emissions for appraisal (<https://www.gov.uk/government/publications/valuation-of-energy-use-and-greenhouse-gas-emissions-for-appraisal>) and relevant government department greenhouse gas reporting: conversion factors 2020 (<https://www.gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2020>).

Table 6.2c Shrinkage	
Purpose and Use	<p>The purpose of this table is to record the shrinkage volume and cost. The intention of this table is to:</p> <ul style="list-style-type: none"> to monitor and report this data to meet the requirements of the price control; and to facilitate comparative analysis between GDNs. <p>The data will be used as input for the calculation of the total Business Carbon Footprint in Table: 6.3a Business Carbon Footprint and to support benchmarking and, trend analysis.</p>
Instructions for Completion	<p>Shrinkage Enter the shrinkage volume kWh in row 65. The monetary value of the shrinkage is automatically populated from the details recorded in Table: 3.2a Customer Management Costs.</p> <p>Shrinkage Factor The shrinkage factor in row 67 is populated automatically, based on the shrinkage volume entered in row 65 and the total gas volume from Table: 2.3a Total Volume Actuals and Forecasts (in kWh).</p> <p>Breakdown of Causes of Shrinkage Enter the percentage of shrinkage that is due to either theft, leaks/emergencies or own use, in rows 75, 76 or 77. The total shrinkage percentage is calculated automatically based on these figures and must equal 100%. This is verified by the consistency check which shall show OK; any anomalies shall be explained in the commentary.</p> <p>The volume of shrinkage attributed to either theft, leaks/emergencies or own use, is auto-calculated.</p>

Worksheet: 6.3 Business Carbon Footprint

Table: 6.3a Business Carbon Footprint	
Purpose and Use	<p>This table provides a quantification of all aspects of a GDN's business carbon footprint (BCF) in tonnes of CO₂e. This will allow the footprint of each licensee to be individually assessed.</p> <p>The data will be used to support benchmarking and to assess the expected environmental impact of the natural gas business.</p>
Instructions for Completion	<p>Guidance on methodology GDNs must report BCF to align with each reporting calendar year.</p> <p>The reporting methodology must be compliant with the principles of the Greenhouse Gas Protocol (GHG Protocol)⁴. In summary, the BCF reporting must be:</p> <ul style="list-style-type: none"> Relevant: the inventory must reflect the substance and economic reality of the company's business relationships, not merely its legal form; Complete: all relevant emission sources must be included (where in practice lack of data or cost of

⁴ See World Business Council for Sustainable Development/World Resource Institute: The Greenhouse Gas Protocol – A Corporate Accounting and Reporting Standard <https://ghgprotocol.org/sites/default/files/standards/ghg-protocol-revised.pdf> for further details.

Table: 6.3a Business Carbon Footprint

	<p>gathering could be a limiting factor, justification must be provided in the commentary);</p> <ul style="list-style-type: none"> • Consistent: accounting approaches, inventory boundary and calculation methodology must be applied consistently over time; • Transparent: information on the processes, procedures, assumptions and limitations of the BCF reporting must be disclosed in a clear, factual, neutral and understandable manner, enabling internal and external verifiers to attest to its credibility; • Accurate: GHG measurements, estimates, or calculations must be systemically neither over nor under the emissions value, as far as can be judged, and uncertainties be reduced as far as practicable. <p>GDNs must report on all Scope 1 and Scope 2 emissions on an “operational control” basis, i.e., report all emissions from operations on which the GDN has full authority to introduce and implement its operating policy.</p> <p>GDNs must also report Scope 3 emissions. The boundary of Scope 3 emissions is to be defined and to be in accordance with the GHG protocol.</p> <p>GDNs that form part of a larger corporate group must provide in the commentary a brief introduction outlining the structure of the group. The commentary must detail which organisations are considered to be within the reporting boundary for the purpose of the BCF calculations.</p> <p>Apportionment of emissions across a corporate group to the GDN business units must be undertaken through an existing finance allocation model, with an explanation of same to be included in the commentary.</p> <p>Guidance on completing the tables</p> <p>Scope 1</p> <p><u>Energy consumption</u></p> <p>Enter the tCO₂e for energy consumption. Note that natural gas, diesel and other fuels are all categorised as fuel combustion and must be converted to tCO₂e on a Gross Calorific Value (Gross CV) basis.</p> <p><u>Transport</u></p> <p>Enter the tCO₂e for direct commercial vehicles and business mileage.</p> <p>Direct commercial vehicles is the transportation (often a fleet of vehicles) used in the day to day operation of the business.</p> <p>Business mileage is that undertaken by staff travelling in their own vehicles to locations other than their normal place of work or moving between sites for business-related purposes.</p> <p>Direct commercial vehicle emissions calculations should be based on fuel consumption, which includes fuel used, for example, in compressors, pumps, generators, road saws and strimmers, bought on vehicle fuel cards.</p> <p>The appropriate conversion factors shall be applied.</p> <p>In cases where emission factors for specific transport means are not available (we are aware of this issue for helicopters, but there may be some other instances), the equivalent tonnes of carbon</p>
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Table: 6.3a Business Carbon Footprint

	<p>dioxide (tCO₂e) must be estimated and summed to the closest means of transport (e.g., “air” for helicopters). The methodology and assumptions used for estimating/measuring these emissions must be included in the commentary.</p> <p>Official government guidance⁵ provides for a range of emission conversion factors for transport means, with the aim to provide the best possible estimate of emissions from the vehicle portfolio owned and/or operated by the company. The reporting must, as far as reasonably practicable, use the full range of emission conversion factors available (as applicable to the range of means of transport actually used by the company) unless there is a compelling case for using another conversion factor. Business road transport, including company cars and casual users, will be measured in mileage.</p> <p>Spare lines are provided for recording any tCO₂e emissions that form part of scope 1 emissions, but are not suitable for inclusion in the other named categories. If any of the spare rows are completed, an explanatory note detailing what the emissions relate to must be included in the commentary.</p> <p>Total Scope 1</p> <p>The subtotals of scope 1 emissions for energy consumption (excluding electricity) and transport, as well as the total of scope 1 emissions are calculated automatically.</p> <p>Scope 2</p> <p><u>Electricity consumption</u></p> <p>Enter the emissions for electricity use which must be converted using the grid average conversion factor, unless there is a compelling case for using another conversion factor. Any such compelling case, where relevant, must be stated in the commentary.</p> <p>A spare line is provided for recording any tCO₂e emissions that form part of scope 2 emissions, but are not suitable for inclusion under the named electricity consumption category. If the spare row is completed, an explanatory note detailing what the emissions relate to must be included in the commentary.</p> <p>Total Scope 2</p> <p>The subtotals of scope 2 emissions for electricity consumption as well as the total of scope 2 emissions are calculated automatically.</p> <p>Scope 3</p> <p>Indirect emissions</p> <p>PE pipe</p> <p>Enter the PE pipe emissions which relate to the procurement of PE pipe used in network activities.</p> <p>Contractor vehicles</p> <p>Enter the emissions for contractor vehicle which arise from work undertaken on the network by contractors not directly employed by the GDN. It should be noted that – in difference to the definition for the term Contractor provided in Appendix 1: Glossary and Appendix 2: Technical Definitions, Opex – Expenditure Types – the term contractor as used for the purpose of this table does not include related parties.</p>
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⁵ <https://www.gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2020>

Table: 6.3a Business Carbon Footprint

	<p>Rail/Air/Ferry Enter the emissions from third party transport services.</p> <p>Spare A spare line is provided for recording any tCO₂e emissions that form part of scope 3 emissions, but are not suitable for inclusion in the other named categories. If the spare row is completed, an explanatory note detailing what the emissions relate to must be included in the commentary.</p> <p>Total Scope 3 The totals of indirect and of scope 3 emissions are calculated automatically.</p> <p>Total Total BCF (excluding shrinkage) The total business carbon footprint (excluding shrinkage) is populated automatically as the sum of scope 1, scope 2 and scope 3 emissions.</p> <p>Shrinkage This field will be populated automatically using the Leakage, Theft of Gas and Own-Use Gas reporting fields in Table 6.2c Shrinkage. This data is then used in conjunction with the following assumptions, which are provided by Ofgem and applied across all GDNs:</p> <ul style="list-style-type: none"> • Assumed CV MJ/m³ • Assumed proportion of methane in natural gas • Assumed density of Methane kg/m³ • Assumed Global Warming Potential of Methane (tCO₂e) • Assumed proportion of Carbon Dioxide in natural gas • Assumed density of Carbon Dioxide kg/m³ • Relevant DEFRA (now DAERA) emission potential for natural gas kg/kWh <p>Total BCF (including shrinkage) The total business carbon footprint (including shrinkage) is populated automatically as the sum of business carbon footprint (excluding shrinkage) and the emissions linked to shrinkage.</p> <p>Commentary The commentary must include details of any auditing/certification completed to verify emissions data. As pointed out above, the commentary must also include details on the reporting boundaries and on any allocation model used to apportion emissions across a corporate group to the GDN. Furthermore, the commentary must include data tables for each area of emissions (ideally at the same level of granularity as the Defra conversion factors) containing the following information:</p> <ul style="list-style-type: none"> • the GDN in question; • the level of emissions (in tCO₂e); • the data source and collection process; • the relevant physical units e.g., miles; • the emission conversion factor used;
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Table: 6.3a Business Carbon Footprint

	<ul style="list-style-type: none">• the source of the emission conversion factor (this shall be Defra unless there is a compelling case for using another conversion factor; the case being, substantiation for such a compelling reason must be provided in the commentary);• the Scope of the emissions i.e., scope 1, 2 or 3;• whether the emissions have been measured or estimated;• any tools used in the calculation.
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10. Instructions for Completing the Annual/Cost Reporting Commentary

Introduction

- 10.1 This chapter sets out the guidance for the completion of a commentary that supports the GDN's annual/cost reporting returns.
- 10.2 The GDN's annual/cost reporting submission should be accompanied by a commentary. The main purpose of the commentary is as follows:
- Explain the strategic context in which the reporting year was set.
 - Provide a summary of the key outputs you have delivered during the year and set them in context of the delivery against the overall price control outputs for the price control period. The commentary should explain the reasons for any material differences
 - ◆ between our determined allowances and the actual price control performance. GDN commentary on actual performance against final determination allowances should take into account any relevant post FD agreed adjustments.
 - Provide an appropriate narrative that explains the reasons for actual spend and performance to support the data provided in the reporting template and provide additional details to aid our understanding of that data.
 - Inform us of any organisational changes/performance improvements, including modification/enhancements to allocation methodology and/or data capture (e.g., systems) with indication of effective date of such changes/improvements.
 - Provide a breakdown of actual costs in relation to domestic owner occupied connections for each year of the price control period, for example costs for Advertising, marketing and PR, and Connection Incentives offered directly by the GDN.
- 10.3 The appropriateness and materiality should be set at a level that avoids the need for us to ask supplementary questions.
- 10.4 The commentary should be reflective of how the actual costs link with outputs. As discussed in chapter 11, the Utility Regulator intends to publish a Cost and Performance report associated with the price control period.

Outline Structure of the Commentary

10.5 The outline structure of the commentary should be as follows:

- Part 1: Executive Summary
- Part 2: Price Control Period Review:
 - ◆ Key overall messages on actual spend versus allowances with reference to workloads.
 - ◆ Key outputs delivered during the price control period in the context of the overall price control period.
 - ◆ Commentary on overall price control period performance.
- Part 3: Finance: Any supplementary information that may help us to better understand the data provided in the reporting template. This will include, where relevant, but does not need to be limited to:
 - ◆ explanation of accounting practice applied changes to same compared to the previous reporting year as well as effective date and impact of such changes;
 - ◆ methodologies and rules used for allocations and estimation, changes to same compared to previous reporting year and impact of such changes;
 - ◆ substantiation of significant changes from figures relating to the previous reporting year as well as to forecasts and allowances previously set out;
 - ◆ where any other cost categories are used, details on the costs comprised therein; and
 - ◆ explanation of any consistency check anomalies.
- Part 4: Summary Tables: Any supplementary information that may help us to better understand the data provided in the reporting template. This will include, where relevant, but does not need to be limited to:
 - ◆ substantiation of significant changes from figures relating to financial and non-financial forecasts and of material differences between our determined and the actual/price control performance;
 - ◆ impact of uncertainties over the full period up to the end of price control period, including both uncertainties that have been triggered and those yet to be triggered;

- ◆ methodologies and rules used for allocations, estimation, changes to same compared to the previous reporting year as well as effective date and impact of such changes;
 - ◆ explanation of any consistency check anomalies; and
 - ◆ explanation of any assumptions prepopulated in the blue cells considered to be incorrect with indication of the data considered to be correct by the GDN.
- Part 5: Opex: Any supplementary information that may help us to better understand the data provided in the reporting template. This will include, where relevant, but does not need to be limited to:
 - ◆ methodologies and rules used for allocations and estimation, changes to same compared to the previous reporting year as well as effective date and impact of such changes;
 - ◆ basis on which workload and cost data has been accounted for, substantiation of any deviations of the guidance for cost and workload reporting detailed in chapter 2 of this document under the heading Workload and Cost Capture as well as substantiation of any changes to the accounting practice used for previous reporting years, with effective date and impact of any such changes;
 - ◆ additional details on cost movements in the reporting period;
 - ◆ additional details about changes in workload, their timing and impact of same on the business, now and in the future;
 - ◆ details on any non-price-controlled activities listed;
 - ◆ where any other cost categories are used, details on the costs comprised therein; and
 - ◆ explanation of any consistency check anomalies.
 - Part 6: Capex: Any supplementary information that may help us to better understand the data provided in the reporting template. This will include, where relevant, but does not need to be limited to:
 - ◆ methodologies and rules used for allocations and estimation, changes to same compared to the previous reporting year as well as effective date and impact of such changes;

- ◆ basis on which workload and cost data has been accounted for, substantiation of any deviations of the guidance for cost and workload reporting detailed in chapter 2 of this document under the heading Workload and Cost Capture as well as substantiation of any changes to the accounting practice used for previous reporting years, with effective date and impact of any such changes;
 - ◆ additional details on cost movements in the year;
 - ◆ additional details about changes in workload, their timing and impact of same on the business, now and in the future;
 - ◆ financial justification for mains diversion, feeder mains, reinforcement and security of supply projects;
 - ◆ details on any capex classified as other capex, amounting to >£100k and not falling into any of the following expenditure categories: system operations; IT (infrastructure and systems) and telecoms; commercial gas trading IT; plant, tools and equipment, land, buildings, furniture and fittings, security, vehicles & wheeled plant;
 - ◆ substantiation of adjustments to brought forward vehicles and wheeled plant details;
 - ◆ where any other cost categories are used, details on the costs comprised therein;
 - ◆ explanation of any consistency check anomalies; and
 - ◆ explanation of any assumptions prepopulated in the blue cells considered to be incorrect with indication of the data considered to be correct by the GDN.
- Part 7: Network Assets: Any supplementary information that may help us to better understand the data provided in the reporting template. This will include, where relevant, but does not need to be limited to:
 - ◆ methodologies and rules used for allocations and estimation, changes to same compared to the previous reporting years as well as effective date and impact of such changes;
 - ◆ substantiation of adjustments to brought forward asset population details;
 - ◆ where any other cost categories are used, details on the costs comprised therein;
 - ◆ explanation of any consistency check anomalies; and

- ◆ explanation of any assumptions prepopulated in the blue cells considered to be incorrect with indication of the data considered to be correct by the GDN.
- Part 8: Outputs and Environment: Any supplementary information that may help us to better understand the data provided in the reporting template. This will include, where relevant, but does not need to be limited to:
 - ◆ methodologies and rules used for allocations and estimation, changes to same compared to the previous reporting years as well as effective date and impact of such changes;
 - ◆ details on events and occurrences that have impacted significantly on the PRE reports and repairs numbers and performance indicators, including timing of such events and occurrences;
 - ◆ methodologies and rules used for allocations and estimation, changes to same compared to the previous reporting year as well as effective date and impact of such changes;
 - ◆ explanatory details on the underlying data and calculations used for completion of the carbon footprint details in Worksheet: 6.3 Business Carbon Footprint;
 - ◆ where any spare/other cost categories are used, details on the costs comprised therein; and
 - ◆ explanation of any consistency check anomalies.
- Part 10: Real price effects and efficiencies
 - ◆ company view of real price effects that it has faced in the year and may face in the future;
 - ◆ details of what GDN has undertaken in the year or proposes for the future with respect to benchmarking/performance/efficiency improvements, findings of these actions and how they are expected to be used; and
 - ◆ details of any capex/opex trade-offs and their effects on the results and forecasts for the future.

- Part 11: Special factors and atypical expenditure: Any supplementary information that may help us to better understand the data provided in the data template, in particular with respect to comparability across time and/or, where relevant and appropriate, against similar data from other NI and GB GDNs. Particular consideration should be given, where relevant, to atypical expenditure, i.e., costs (or reductions) which are not repeatable and are exceptional in nature ('one-off' costs). In order to be considered as an atypical expenditure, the GDN must adequately demonstrate the following:
 - ◆ What is different about the circumstance which causes it to be exceptional or 'one-off'?
 - ◆ Why does it result in cost variances?
 - ◆ Which data sources has the GDN used to assess the impact of the atypical expenditure and what results have been established?
 - ◆ When was the atypical expenditure incurred?
 - ◆ This may include (but is not limited to) details on the implications of any projects or initiatives to be undertaken by the GDN that entail substantial costs for the GDN which were not foreseen at the time of the last price control and are outside the control of the GDN.
- Part 12: Organisational changes: details of any changes in the company's structure, timing of such changes and the effect this may have on the future performance.
- Part 13: Emerging Issues: the GDN should inform us of any new or emerging issues identified that may affect the current approach to the construction and/or operation of its network. Information should be provided on the origin of the issue e.g. as a result of condition assessments, industry safety bulletins, updated industry best practices, legislation changes or other internal/external factor. We may request further detail on the emerging issue and its impact, following our review of the annual cost reporting submission.
- Part 14: Additional Reporting: The GDN should provide brief details on progress and findings on projects we marked in the GD23 final determination (Annex D⁶ paragraphs 4.89 and 5.101) that we would consider the need for the GDN to submit interim reports. GDNs should note that fuller details and data will be expected for the next price control submission should the GDN consider there is a requirement to continue or expand these projects beyond GD23.

⁶ <https://www.uregni.gov.uk/files/uregni/documents/2022-10/Annex%20D%20-%20Opex%20Detail.pdf>

- Part 15: Further Developments: any suggestions the GDN might have to further improve the quality and robustness of the annual/cost reporting template and guidance in future versions of same. This might include the GDN's views on further developments outlined in chapter 11 Further Developments and Next Steps.
- Part 16: Other (where relevant): Any other information the GDN considers relevant and/or necessary to develop a complete understanding of the information presented in the tables of the template and which is not covered under any of the other commentary headings.

10.6 Where any aspects listed under paragraph 10.5 as aspects that should be included in the outline structure of the commentary are considered by a GDN as not being relevant to them, this should be stated explicitly in the commentary (rather than not mentioning the aspect at all).

11. Further Developments and Next Steps

Introduction

11.1 This chapter sets out how we intend to progress the annual/cost reporting, with respect to both:

- the annual/cost reporting submission;
- the further development and future enhancement of the annual/cost reporting templates and RIGs.

Further Developments

Overview

- 11.2 The introduction of annual/cost reporting templates and regulatory instructions and guidance in 2013 reporting year marked a major milestone towards the implementation of an effective cost reporting system which is aligned between the GDNs and with their price controls.
- 11.3 The annual/cost reporting template and regulatory instructions and guidance for the new price control period builds onto this foundation as well as taking account of issues arising from price control business plan template submissions. This has allowed us to increase the robustness of the templates and regulatory instructions by making corrections, providing clarifications and implementing refinements where relevant and appropriate.
- 11.4 We recognise, however, that further amendments and enhancements will be necessary to ensure the annual/cost reporting templates and related regulatory instructions and guidance are and remain fully fit for purpose.
- 11.5 Whilst it is not possible to foresee all future developments that may entail a modification of the annual/cost reporting system at this stage, there are some areas for potential future developments we are aware of today and which – in line with the concept of transparency – we wish to highlight at this stage. These areas for future development of the annual/cost reporting system can be classified as follows:
- Enhancement of level of detail of reporting in areas where the required data cannot currently be provided by the GDNs due to limitations of the GDN's reporting systems.
 - Enhancement of reporting in areas in which we consider further monitoring and/or analysis to be appropriate, e.g., in response to lessons learnt from issues investigations;

- Consideration of additional reporting requirements entailed by changes in legislation and regulations;
- Ongoing alignment between annual/cost reporting and price control determinations;
- Ongoing alignment with Ofgem reporting for GDNs, where reasonable, and improved alignment of annual/cost reporting on a cross-utility basis, where reasonable and possible; and
- Reduction of required information should it be considered that data is not required.

11.6 We intend to capture information in one template for the entire price control period opposed to single yearly templates to aid annual comparison.

11.7 We intend to publish one Cost & Performance report for the entire price control period as opposed to the intended current yearly process.

Enhancement of Level of Detail in Areas where the Required Data Cannot Currently be Provided by the GDNs

11.8 It has become clear in discussions with the GDNs that some details we believe should be included in the annual/cost reporting cannot, at this stage, reasonably be provided in the required format as the data has not been recorded accordingly in the past. As a result, we have concluded the following:

General

Where the data available to the GDNs for the reporting year has been recorded in cost categories different from the ones required by these RIGs, methods such as apportionment and aggregation may be used when completing the reporting template. Where apportionment is used, an explanatory note, detailing the basis used for the apportionment, shall be included in the commentary to this annual cost reporting submission.

Breakdown of Mains Laid

We consider that the GDNs have had sufficient opportunity to implement a reporting solution, even if it requires manual analysis of data, which allows for reporting of mains laid information on built data and consider this to be mandatory from now on. Reporting of mains laid information based on design data is no longer acceptable.

Enhancements to Facilitate Further Monitoring and/or Analysis

11.9 As part of our ongoing analysis of the natural gas market and of the GDN submissions, and/or as a result of our continuous improvement of regulation

we may consider that further enhancement of the annual/cost reporting template and RIGs is required for future reporting years.

- 11.10 We are also mindful that, in the GDNs preparing their annual/cost reporting submissions and in us analysing them, further areas for improvement may be identified to provide further clarity and reduce the need for follow-up questions. In this context, we will consider engagement and feedback with the GDNs following analysis of the annual submission.

Consideration of Additional Reporting Requirements Entailed by Changes in Legislation and Regulations

- 11.11 Sometimes, changes in legislation and regulations may entail new reporting requirements. We will assess the implications of such changes for the annual/cost reporting template and RIGs if and as need arises.

Ongoing Alignment between Annual/Cost Reporting and Price Control Determinations

- 11.12 It is our intention that the annual/cost reporting should tie-in, where reasonably possible, with the price controls.
- In particular, business plan templates and submissions for upcoming price controls should build upon the structure for the annual/cost reporting, even if differences between the annual/cost reporting and business plan templates will be necessary, e.g., to accommodate the fact that business plans require forecast data to a much greater extent as is the case with annual/cost reporting.
 - Also, the annual/cost reporting should provide a good indication of how the GDN is performing in the wider price control context. To do so, ideally, the level of detail reported on in the annual/cost reporting – in particular in the summary tables – should be consistent with the level of detail used in the price control determinations.
- 11.13 For GD23, we sought to align the business plan templates and RIGs with those used for annual/cost reporting, incorporating lessons learnt if and as appropriate.
- 11.14 We have aligned the structures of our annual/cost reporting template with that of the GD23 final determination, and provided determination data with built in actual versus determination tables, to facilitate improved reconciliation and monitoring.
- 11.15 We have also removed worksheets not required on an annual basis outside the price control determination process, particularly financial data, that will likely be reimplemented for the next price control business plan submission.

- 11.16 The basket of works unit rates was a key part of the determination of the GD17 and GD23 price controls. Collecting costs and outputs annually in this format will allow us to track progress against the determinations, compare costs between companies and provide a contemporary record which will reduce the need for cost allocation and the potential for error when preparing for the next price control.
- 11.17 Where relevant and appropriate, we may also consider adjusting the structure of the annual/cost reporting to account for price control elements that may be introduced as part of the GD23 determination and will then require ongoing monitoring of performance. This may involve provision of details on Energy Strategy related projects.
- 11.18 We intend to publish a Cost and Performance report on the GDNs for the GD23 period. This will provide increased transparency to stakeholders on the GDN's price control performance.

Ongoing alignment with Ofgem reporting for GDNs and Improved Alignment of Annual/Cost Reporting on a Cross-Utility Basis

- 11.19 When initially developing the annual/cost reporting template and RIGs for the NI GDNs, we sought to align it with those used by Ofgem, where reasonable. This allowed us to avail of best practice established by Ofgem and facilitate benchmarking with GB GDNs, where reasonable and possible.
- 11.20 That said, we have also recognised and account for the fact that nature of the work in NI compared with GB is different in certain areas and that it would be inappropriate to use the Ofgem template without amendment.
- 11.21 Where Ofgem implements changes to reporting structures used in the same or similar way in Northern Ireland, it may be necessary to reflect some or all of these changes in future revisions of the annual/cost reporting template and RIGs for the NI GDNs, to address lessons learnt and/or maintain the comparability of benchmarking data.

Next Steps

- 11.22 GDNs must submit their completed cost reporting templates for the reporting year within the timelines set out in paragraph 1.18.
- 11.23 In the event of any errors in the RIGs templates identified after they are sent out to GDNs for completion, the process as outlined in paragraph 2.24 will be followed.
- 11.24 Any questions or issues the GDNs might find when completing the annual/cost reporting template and preparing the related commentary shall

be notified as soon as possible to Gas_networks_responses@uregni.gov.uk.
We will respond and provide guidance, as appropriate.

12. Appendix 1: Glossary

- 12.1 The purpose of this appendix is to provide definition of the terms included in these instructions and in the associated tables.
- 12.2 This appendix provides definitions of key terms included in these Instruction and Guidance and in the templates. Where no definition is given for specific gas-related items, those in the Gas (Northern Ireland) Order 1996 and subsequent legislation applicable to the GDNs should be applied, similarly for standard accounting terms, IFRS/IAS and/or UK GAAP and Companies Act 2006 (or 1985 where still relevant) (“CA85”) definitions should be applied.
- 12.3 This appendix is complemented by Appendix 2: Technical Definitions which provides technical definitions and differentiation of technical terms and concepts of similar or related nature.
- 12.4 In the circumstance where no definition is given, the licensee should include in explanatory notes details of the treatment it has applied and inform us of the omission. Where a definition set out in this appendix is not the same as that applied by a licensee for other purposes, the definition set out herein must be used in the preparation of the annual/cost reporting submission.

Item	Description
1.1 (-ve)	Value to be entered as negative figure.
1.2 (+ve)	Value to be entered as positive figure.
1.3 £	Pound sterling.
1.4 Actioned repairs	The number of reports which result in a physical permanent repair to a mains or service pipe or fitting taking place. See Appendix 2: Technical Definitions, Opex – Direct Activities, PRE Repairs for more details.
1.5 Advertising & Market Development	The costs for advertising & market development. See Appendix 2: Technical Definitions, Opex – Direct Activities, Advertising & Market Development for more details.
1.6 Agency Costs	Costs associated with agency manpower. See Appendix 2: Technical Definitions, Opex – Other Activities, Agency Costs for more details.
1.7 Agency Manpower	Persons who are not under a direct contract of employment with the licensee or an affiliate of the licensee but are hired through a third party or employment agency. See Appendix 2: Technical Definitions, Opex – Expenditure Types, Agency Costs for more details.
1.8 Asset Management (incl. Network Policy)	This covers the activity of managing the network’s assets. See Appendix 2: Technical Definitions, Opex – Direct Activities, Asset Management for more details.

1.9	Atypical Expenditure	Costs (or reductions) which are not repeatable and are exceptional in nature.
1.10	Audit, Finance & Regulation (Business Support Activity)	Performing the statutory, regulatory and internal management cost and (business support activity) performance reporting requirements and customary financial and regulatory compliance activities for the network. See Appendix 2: Technical Definitions, Opex – Business Support Activities, Audit, Finance & Regulation for more details.
1.11	b/f	Brought forward.
1.12	Bad Debt	Amount owed by a third party that is unlikely to be paid due. See Appendix 2: Technical Definitions, Opex – Expenditure Types, Bad Debt for more details.
1.13	BCF	Business Carbon Footprint.
1.14	BINs	MP to LP In-ground District Governor Modules.
1.15	Board Members and Other	Staff and other costs of Board members and other corporate costs not fitting into other categories.
1.16	BPT	Business Plan Template.
1.17	BSI	British Standards Institution.
1.18	Business Mileage	Mileage undertaken by staff travelling in their own vehicles to locations other than their normal place of work or moving between sites for business-related purposes.
1.19	Business Support Costs	<p>Costs relating to all indirect activities, with the exception of the following:</p> <ul style="list-style-type: none"> • Training & apprentices; • Advertising & Market Development (OO Properties); and • Advertising & Market Development (Non OO Properties). <p>Note: These three indirect activities are considered separately, outside the business support costs, for benchmarking reasons. See Appendix 2: Technical Definitions, Opex – Business Support Activities for more details.</p>
1.20	c/f	Carried forward.
1.21	Calorific Value	<p>The amount of heat released during the combustion of a specified amount of a substance.</p> <p>The gross Calorific Value is determined by bringing all the products of combustion back to the original pre-combustion temperature, and in particular condensing any vapour produced.</p>

1.22	Capital expenditure	<p>Any expenditure which, for the purpose of the regulatory accounts, has been included in the value of the fixed assets of the gas distribution business provided that:</p> <ul style="list-style-type: none"> • the expenditure conforms with at least one of the following: <ul style="list-style-type: none"> ◆ the expenditure relates to the purchase, development or construction of a new asset; ◆ the expenditure will increase the capacity or functionality of the distribution assets; ◆ the expenditure will significantly reduce the ongoing maintenance of the assets; and/or ◆ the expenditure will extend the service life of distribution assets beyond that expected when the assets were originally installed; and • the expenditure is determined in accordance with applicable accounting standards. • Excludes: <ul style="list-style-type: none"> ◆ Replacement expenditure; ◆ Capitalised interest; and ◆ Revaluation amounts.
1.23	Capex	Capital expenditure.
1.24	Capitalised Labour	Labour costs included within capex rather than opex.
1.25	Capitalised Overheads	GDN opex costs which have been specifically identified and charged to capital projects.
1.26	CCNI	Consumer Council for Northern Ireland.
1.27	CEME	Centre for Engineering and Manufacturing Excellence.
1.28	CEO	Chief Executive Officer.
1.29	CEO and Group Management (Business Support Activity)	Costs for communications, group strategy, legal/risk and compliance/company secretary, corporate responsibility and investor relations, board members and other, incremental ring-fence compliance and credit reference agencies. See Appendix 2: Technical Definitions, Opex – Business Support Activities, CEO & Group Management for more details.
1.30	CO	Carbon Monoxide.
1.31	CO ₂	Carbon Dioxide.
1.32	CO _{2e}	Carbon Dioxide equivalent, i.e., the equivalent amount of CO ₂ that would have the same global warming potential as a given greenhouse gas emission.
1.33	Commercial Gas Trading System (capex)	System used for managing the volumes of gas transported.
1.34	Connection	A property passed is considered to be a connection when the service and meter for this property have been put in place, a supplier has been assigned and the downstream installation has been completed. See Appendix 2: Technical Definitions, Properties Passed, Connections and Customers for more details.
1.35	Connections Gross	Properties that connected to the network and had a supply in place at some point, that may or may not be currently connected.

1.36	Connections Net	Properties that are currently connected to the network and currently have a supply in place, net of any historically connected properties that have now disconnected.
1.37	Contractor	A third party that has entered into contractual relations (including service level agreements with the parental group) with the GDN to supply goods and/or services or a related party of the GDN that supplies goods and/or services to it. See Appendix 2: Technical Definitions, Opex – Expenditure Types, Contractor Costs for more details.
1.38	Contractor Costs	The charges invoiced by (external or related party) Contractors. See Appendix 2: Technical Definitions, Opex – Expenditure Types, Contractor Costs for more details.
1.39	Contributions	Payments to the GDN or a related party for works undertaken that are not covered by Use of System Charges. Includes both Capex contributions from customers or other third parties for asset investments (i.e. new connections, meters) and also Opex (Operating expenditure) Contributions (e.g. relating to third party damages, see also See Appendix 2: Technical Definitions, Opex – Expenditure Types, Income Received for more details).
1.40	Controllable Activity Costs	Those operating activity costs that are deemed as part of the price control allowances as being within the control of the licence holder.
1.41	Controlled Gas Escape or Other Controlled Gas Emergency	A gas escape or other gas emergency where the person reporting the escape or other emergency, after carrying out (or causing to be carried out) the actions advised by the telephone service (such as turning off the gas emergency control valve), advises the operator that the escape of gas or other emergency appears to have ceased. All other gas escapes are considered uncontrolled.
1.42	CP	Cathodic Protection.
1.43	CPIH	Consumer Prices Index including owner occupiers' housing costs
1.44	Customer	Any person to whose premises or pipe-line system gas has been conveyed by a GDN. See Appendix 2: Technical Definitions, Properties Passed, Connections and Customers for more details.
1.45	Customer management	The Work Management activities associated with dealing with customers or members of the public. Appendix 2: Technical Definitions, Opex – Direct Activities, Customer Management & Network Support for more details.

1.46	Customers Requiring Special Arrangements	<p>The occupier of any premises to which gas is conveyed by the Licensee who</p> <ul style="list-style-type: none"> • is a domestic consumer; • is chronically sick, disabled or of pensionable age; • does not share the occupancy of the premises with any person who is not chronically sick, disabled or of pensionable age or a minor; and • is included in the list of domestic consumers which has been provided to the Licensee by any gas supplier under the conditions of that party's licence or exemption. <p>See also Appendix 2: Technical Definitions, Properties Passed, Connections and Customers.</p>
1.47	CV	Calorific Value.
1.48	DAERA	Department of Agriculture, Environment and Rural Affairs, formally known as DEFRA
1.49	Decommissioned Asset	<p>A network asset which was previously recorded on the Asset Database which:</p> <ul style="list-style-type: none"> • Is physically removed; • has been disconnected from the network; or • is no longer capable of fulfilling its intended purpose.
1.50	Defra	Department for Environment Food & Rural Affairs, now DAERA.
1.51	Depot	A building other than an office (see definition below) used for operational purposes.
1.52	Desktop Services	The costs involved in supporting desktop hardware and software. See also Appendix 2: Technical Definitions, Opex – Business Support Activities, IT and Telecoms.
1.53	DfE	Department for the Economy (Northern Ireland), formally known as DETI
1.54	DfI	Department for Infrastructure (Northern Ireland), formally known as the DRD, and referred to as DRD in cost reporting template.
1.55	Direct Activity	<p>Includes the following activities:</p> <ul style="list-style-type: none"> • Work Management (i.e., Asset Management, Operations Management, Customer Management & Network Support and System Control); • Work Execution (i.e., Emergency, Metering, PRE Repairs and Maintenance); and • Other Direct Activities.
1.56	Direct Commercial Vehicles	The transportation (often a fleet of vehicles) used in the day-to-day operation of the business.
1.57	Direct Costs	Costs that can be completely attributed to the production of specific goods or services.
1.58	District Governor	Pressure reduction equipment having an inlet pressure of up to 7 bar installed in the distribution mains network to reduce the operating pressure of gas to a lower operating pressure. See Appendix 2: Technical Definitions, Governors, PRS and Meter Installation, District Governor for more details.

1.59	Domestic Credit Meter	<p>Any credit meter installed at premises (primarily) used for domestic purposes. Typically, domestic meters will be U6 meters, but some larger domestic premises require a larger U16 meter installed.</p> <p>See also Appendix 2: Technical Definitions, Meters and for further details on domestic meter installations and for details on how to account for meter boxes Appendix 2: Technical Definitions, Governors, PRS and Meter Installation, Meter Installation.</p>
1.60	Domestic New Build	<p>Domestic Premises which have never previously been owned or occupied by any person (that is they are, or are to be, newly built premises) and in respect of which the connection to the Network shall be made prior to the premises first being occupied, including any such premises which are being constructed for the Northern Ireland Housing Executive or a Housing Association in Northern Ireland. See also Appendix 2: Technical Definitions, Properties Passed, Connections and Customers.</p>
1.61	Domestic Premises	<p>Any premises at which the supply of gas is, or is to be, taken wholly or mainly for domestic purposes. See Appendix 2: Technical Definitions, Properties Passed, Connections and Customers for more details.</p>
1.62	Domestic Prepayment Meter	<p>Any prepayment meter installed at premises (primarily) used for domestic purposes. This includes Libra meters as well as Quantum meters. See also Appendix 2: Technical Definitions, Meters and for further details on domestic meter installations and for details on how to account for meter boxes Appendix 2: Technical Definitions, Governors, PRS and Meter Installation, Meter Installation.</p>
1.63	DRD	<p>Department of Regional Development, now called Department for Infrastructure (Northern Ireland). This department in NI is responsible for transport and associated street works.</p>
1.64	DSEAR	<p>Dangerous Substances and Explosives Atmospheres Regulations.</p>
1.65	ECV	<p>Emergency Control Valve.</p>
1.66	e.g.	<p>For example.</p>
1.67	E&I	<p>Electrical & Instrumentation.</p>
1.68	Emergency	<p>Relates to providing a service to respond to a report from a customer or a member of the public relating to a gas emergency. See Appendix 2: Technical Definitions, Emergency Call & Job Classifications and Opex – Direct Activities, Emergency for more details.</p>
1.69	ENA	<p>Energy Networks Association.</p>
1.70	Energy Strategy	<p>The DfE Energy Strategy for Northern Ireland.</p>
1.71	Entertainment	<p>Entertainment costs as defined by the HMRC guidelines. See Appendix 2: Technical Definitions, Opex – Expenditure Types, Entertainment; for more details.</p>
1.72	ERDC	<p>Early retirement deficiency costs.</p>
1.73	Etc.	<p>Et cetera (and so forth).</p>
1.74	Evolve	<p>Northern Ireland gas distribution network operator, previously known as SGN Natural Gas.</p>

1.75	Exceptional Items Maintenance	Any maintenance activities that are neither routine maintenance nor non-routine maintenance. See Appendix 2: Technical Definitions, Opex – Direct Activities, Maintenance for more details.
1.76	FCO	First call operative or first response operative who will normally be the first attendant to an emergency job to assess and categorise the job, take safety actions and escalate if required.
1.77	Feeder mains	This driver shall only be selected for projects which offer no potential for gas connections directly to the main installed by the project. Thus, the project facilitates an extension to the network by an extended length of main through typically areas of low-density population. See Appendix 2: Technical Definitions, Drivers for Mains Projects, Feeder for more details.
1.78	Firmus	Northern Ireland gas distribution network operator, firmus energy (Distribution) Ltd.
1.79	FTE	Full-time equivalent.
1.80	Full-time equivalent	The number of normal hours worked by an employee divided by the normal hours of a full-time member of staff in an equivalent role according to his or her contract of employment.
1.81	GB	Great Britain.
1.82	GD14	The price control for both PNL and firmus, covering calendar years 2014, 2015 and 2016.
1.83	GD17	Price control for the Northern Ireland GDNs that covered the period 2017 – 2022 (calendar years)
1.84	GD23	Price control for the Northern Ireland GDNs proposed to cover the period 2023 – 2028 (calendar years)
1.85	GDN	Gas distribution network operators.
1.86	GHG	Greenhouse Gas.
1.87	Governor	See the definition of the different types of governor as set out in this list below: <ul style="list-style-type: none"> • District Governor • Domestic Service Governor • I&C Service Governor • Meter Governor See Appendix 2: Technical Definitions, Governors, PRS and Meter Installation for more details.
1.88	Gross Connections/ Customers	Number of properties that connected to the network and had a supply in place at some point historically, that may or may not have a current gas supply. (Net Connections + Disconnections),
1.89	Gross Expenditure	Total expenditure before any Contributions have been subtracted (Net Expenditure + Contributions).
1.90	Group	A group consists of a parent company and its participating interests (participating interest as used in the licences).
1.91	GS(M)R	Gas Safety (Management) Regulations.
1.92	GVW	Gross Vehicle Weight – total permissible weight of vehicle including load.

1.93	HGV	Heavy goods vehicle (>3.5 tonnes).
1.94	HMRC	Her Majesty's Revenue and Customs.
1.95	HR	Human Resources.
1.96	HR & Non-operational Training	This includes provisions of the HR function i.e., the full range of professional activity for an individual's career path from recruitment to retirement and post retirement where applicable. Non-operational training covers facilitating and operating training courses of a non-technical nature for office-based staff. See Appendix 2: Technical Definitions, Opex – Business Support Activities, HR & Non-Operational Training for more details.
1.97	HSE	Health and Safety Executive.
1.98	I&C	Industrial and commercial.
1.99	I&C premises	Any premises at which the supply of gas is, or is to be, taken wholly or mainly for non-domestic purposes. See Appendix 2: Technical Definitions, Properties Passed, Connections and Customers for more details.
1.100	I&C Contract Customers	Customers at I&C premises with a natural gas consumption over 732,000 Kwh (25,000 Th) per annum. See Appendix 2: Technical Definitions, Properties Passed, Connections and Customers for more details.
1.101	I&C Meter	Any meter that is not classified as a domestic credit or domestic prepayment meter. See also Appendix 2: Technical Definitions, Meters and for further details on I&C meter installations Appendix 2: Technical Definitions, Governors, PRS and Meter Installation, Meter Installation.
1.102	I&C Service Governor	A governor installed as part of the distribution network supplying one I&C connection. See Appendix 2: Technical Definitions, Governors, PRS and Meter Installation, I&C Service Governors for more details.
1.103	I&C Tariff Customers	Customers at I&C premises with a natural gas consumption of up to 732,000 Kwh (25,000 Th) (inclusive) per annum. I&C Tariff customers can be further differentiated as follows: <ul style="list-style-type: none"> • I&C1 Customers: I&C Customers with a natural gas consumption of up to 73,200Kwh (2,500 Th) (inclusive) • I&C2 Customers: I&C Customers with a natural gas consumption of more than 73,200Kwh (2,500 Th) See Appendix 2: Technical Definitions, Properties Passed, Connections and Customers for details.
1.104	IBA	Industrial Buildings Allowance.
1.105	i.e.	Id est (that is).
1.106	IFRS	International Financial Reporting Standards.
1.107	IAS	International Accounting Standards (IAS).
1.108	Income Received	Income collected from third parties in relation to pipe-line damage, service alterations, disconnections etc. See also Appendix 2: Technical Definitions, Opex – Expenditure Types, Income Received.

1.109	Indirect Activities	<p>The separately defined activities of:</p> <ul style="list-style-type: none"> • Stores & Logistics; • IT & Telecoms; • Property Management; • Human Resources and Non-operational Training; • Audit, Finance and Regulation; • Insurance; • Procurement; • CEO and Group Management; • Training & Apprentices; • Advertising & Market Development (OO Properties); and • Advertising & Market Development (Non-OO Properties). <p>See also Appendix 2: Technical Definitions, Opex – Business Support Activities and Opex – Other Activities for more details.</p>
1.110	Insurance (Business Support Activity)	Support and expertise to develop the business risk profile, managing the claims process and provision of information and understanding to the business in relation to insurable and uninsurable risks. See also Appendix 2: Technical Definitions, Opex – Business Support Activities, Insurance for more details.
1.111	Insurance Premiums	Cost of insurance premiums including insurance premium tax and brokers fees. See also Appendix 2: Technical Definitions, Opex – Business Support Activities, Insurance for more details.
1.112	IP	Gas pressure operation in the range from above 4 barg (2 barg in GB) to 7 barg. See also Appendix 2: Technical Definitions, Gas Distribution Mains Pressure Tiers for more details.
1.113	ISDN	Integrated services digital network.
1.114	IT	Information technology.
1.115	IT & Telecoms (Business Support Activity)	Provision of IT services for the day-to-day service delivery. See Appendix 2: Technical Definitions, Opex – Business Support Activities, IT & Telecoms for more details.
1.116	IT & Telecoms Capital Expenditure	Costs associated with purchasing, replacing and upgrading IT Infrastructure IT Systems, and any directly impacted telecoms assets. See Appendix 2: Technical Definitions, Other Capital Expenditure (Other Capex), IT (Infrastructure and Systems) and Telecoms for more details.
1.117	kWh	Kilowatt hour.
1.118	Labour/Manpower	Costs including any form of payment, consideration or other benefit, paid or due to or in respect of employees. See Appendix 2: Technical Definitions, Opex – Expenditure Types, Staff Costs for more details.
1.119	LAN	Local Area Network.
1.120	Land, Building, Furniture and Fittings (incl. Telecoms driven by office moves)	Capital expenditure related to the purchase, upgrading and fitting out of all buildings, including depots and offices. This includes any telecoms investment directly driven by the above. See Appendix 2: Technical Definitions, Other Capital Expenditure (Other Capex), Land, Buildings, Furniture and fittings for more details.

1.121	Lateral	A horizontal pipe, connected to a riser that conveys gas along one floor level within a building and includes any branches supplying individual or groups of premises. See also Appendix 2: Technical Definitions, Definition of Pipes Conveying Gas, Lateral and Risers & Laterals for further details.
1.122	Leased	Any asset (e.g., property) on which the regulated businesses pay rent. Where rent is paid to a related party then ownership of the asset and the leasing arrangements should be explained in the commentary. See Appendix 2: Technical Definitions, Opex – Business Support Activities, Property Management.
1.123	Legal/Company Secretariat	Legal department, the management corporate governance for all companies to ensure they comply with legislation, regulations and best practice. See Appendix 2: Technical Definitions, Opex – Business Support Activities, CEO & Group Management.
1.124	LGV	Large goods vehicle (up to 3.5t, excluding cars derived vans).
1.125	Licence fees	Payments by the licensee to us as defined in the licence.
1.126	Licensee	Holder of a licence for the conveyance of gas through distribution pipelines in Northern Ireland.
1.127	LP	Low pressure is the gas pressure operating in the range of 0-75 mbarg. See also Appendix 2: Technical Definitions, Gas Distribution Mains Pressure Tiers for more details.
1.128	LPG	Liquefied Petroleum Gas.
1.129	Mains/Infill (distribution)	Pipes used to distribute gas at a pressure ≤ 4 barg to more than two supply points (or with the potential to supply more than two supply points) but not including risers. See Appendix 2: Technical Definitions, Definition of Pipes Conveying Gas, Mains Pipe and Drivers for Mains Projects, Network Extension (Infill) for more details.
1.130	Maintenance	The examination and repair of plant and equipment within the Network. This includes costs associated with operational property and IT. These activities are split into three types (see separate definitions): <ul style="list-style-type: none"> • Routine Maintenance; • Non-routine maintenance; • Exceptional items maintenance. See Appendix 2: Technical Definitions, Opex – Direct Activities, Maintenance for more details.
1.131	Manpower	See labour.
1.132	Materials	The physical components that go into the make-up of a tangible asset or are used for maintenance or other duties for the activities undertaken by the licensee and related parties. See Appendix 2: Technical Definitions, Opex – Expenditure Types, Materials; for more details.
1.133	MDR	Market Development Review: Covers costs relating to: <ul style="list-style-type: none"> • Advertising, marketing and PR; and • Incentives. See Appendix 2: Technical Definitions, Opex – Other Activities, Advertising & Market Development.

1.134 MEAV	<p>The Modern Equivalent Asset Value is the cost of creating an equivalent new network and essentially captures a weighted average of the licensee's asset volume. The MEAV for the licensees is calculated from reported assets in the data templates and the new build unit cost for the following assets:</p> <ul style="list-style-type: none"> • Distribution network embedded gas entry points; • PRSs; • Distribution mains; • Governors; • Number of services; • Multiple occupancy buildings (MOBs) supply infrastructure; and • Meters.
1.135 Meter Governor	<p>A pressure regulation and protection device which is installed as part of the meter installation (i.e., not part of the distribution network). See Appendix 2: Technical Definitions, Governors, PRS and Meter Installation, Meter Installation for more details.</p>
1.136 Metering	<p>Activities associated with the maintenance of a meter to record the quantity of gas consumed at a domestic or I&C premise. See Appendix 2: Technical Definitions, Opex – Direct Activities, Metering for details.</p>
1.137 MP	<p>Medium Pressure is the gas pressure operating in the range from above 75 mbarg to 4 barg (75 mbarg to 2 barg in GB networks). See also Appendix 2: Technical Definitions, Gas Distribution Mains Pressure Tiers for more details.</p>
1.138 Multi-occupancy Buildings	<p>Buildings containing multiple individual dwellings, i.e., more than one dwelling within a single building. This excludes detached, semi-detached and terraced houses or bungalows predominantly occupied by a single family. For the purposes of the annual/cost reporting submission, the connection of new, and the replacement of existing supplies to multi-occupancy buildings relate only to those buildings utilising an internal or external riser pipe supplying three or more supply points in a building.</p>
1.139 NB	<p>See New Build (Domestic).</p>
1.140 Net Connections/ Customers	<p>Number of properties that are currently connected to the network and currently have a supply in place i.e., number excludes historically connected properties that have now disconnected.</p>

1.141 Net Debt	<p>Net debt is the net borrowing of a business at a given date.</p> <p>Includes:</p> <ul style="list-style-type: none"> • Cash at bank; • Bank overdrafts; • Short term investments; • External borrowings (adjusted to reflect the ultimate liability in sterling resulting from any cross-currency swaps relating to that debt instrument and excluding the impact of fair value adjustments and accrued interest); • Inter-company borrowings; • Short term loans to related parties (except where they have demonstrated the characteristics of being long term in nature, for example by repeated renewal); and • Long term loans to related parties only where they can be justified as for the benefit of the regulated business and are not in the nature of a distribution. • Inter-company debtors/creditors/working capital: where these can clearly be identified as such, they are excluded. However, if they cannot, because the licensee does not clear these balances on a regular basis, they will be treated as effective inter-company loans and included in net debt. <p>Excludes:</p> <ul style="list-style-type: none"> • Year end balances of fair value adjustments on derivatives in regulatory accounts (except cross currency swaps); • Unamortised issue costs; • Fixed asset investments where not readily converted to cash; • Preference shares; • Long term loans to related parties except where they can be demonstrated as for the benefit of the regulated business and are not in the nature of a distribution; and • Short term loans to related parties except where they have characteristics of long-term loans.
1.142 Net Expenditure	The Gross Expenditure less all Contributions received.
1.143 Net Emergency Costs	The cost of the emergency activity following the allocation FCOs' time and costs to other activities e.g., repairs, maintenance, other price-controlled activities and non-price-controlled activities.

1.144	Net Interest	<p>Net interest includes actual net interest (payable less receivable) for the price-controlled business extracted from regulatory accounts, used on an accruals basis and total interest on index-linked debt based on the charge to the income statement in regulatory accounts.</p> <p>Includes:</p> <ul style="list-style-type: none"> • Actual net interest (payable less receivable) for the price-controlled business extracted from regulatory accounts, used on an accruals basis; and • Interest on index-linked debt based on the charge to the income statement in regulatory accounts (i.e., on an accruals basis). <p>Excludes:</p> <ul style="list-style-type: none"> • Fair value adjustments (e.g., losses on derivatives); • Dividends on preference shares; • The cost of retiring long term debt early (including exceptional debt redemption costs); • Debt issuance expenses (including amortisation charges relating to discounts on debt issuance that had previously benefitted from a deduction against taxable profits); and • The cost of maintaining committed undrawn liquidity backup lines (i.e., commitment fees).
1.145	Network (LAN & WAN)	The costs involved in implementing and supporting the computer networks, Local Area Network (LAN) and Wide Area Network (WAN). See also Appendix 2: Technical Definitions, Opex – Business Support Activities, IT & Telecoms.
1.146	Network Rates	Prescribed rates levied on distribution network assets. See Appendix 2: Technical Definitions, Opex – Expenditure Types, Network Rates.
1.147	New Build (Domestic)	Domestic Premises which have never previously been owned or occupied by any person (that is they are, or are to be, newly built premises) and in respect of which the connection to the Network shall be made prior to the premises first being occupied, including any such premises which are being constructed for the Northern Ireland Housing Executive or a Housing Association in Northern Ireland. See Appendix 2: Technical Definitions, Properties Passed, Connections and Customers for more details.
1.148	New Connections	The costs incurred to connect new supply points to the gas distribution network.
1.149	NI	Northern Ireland.
1.150	NICs	National Insurance Contributions.
1.151	NIHE	Northern Ireland Housing Executive. means Domestic Premises (excluding any New Build Domestic Premises) which are owned by (i) the Northern Ireland Housing Executive, or (ii) a housing association in Northern Ireland. See Appendix 2: Technical Definitions, Properties Passed, Connections and Customers for more details.

1.152	No Trace	The attendance at a public reported gas escape which fails to discover any escape of gas. See also Appendix 2: Technical Definitions, Emergency Call & Job Classifications, Classification at the Time of Job Closure.
1.153	Non-Controllable Activity Costs	Those operating activity costs that are deemed as part of the price control allowances as not being within the direct control of the licence holder. See also Appendix 2: Technical Definitions, Opex – Other Activities, Non-Controllable Costs.
1.154	Non-Price Controlled Activities	Activities which the regulated company undertakes which are not directly associated with the gas transportation licensed activities. Where such activities are undertaken, it is necessary for us to have been notified of the activities and reasons for them prior to them being undertaken. Also, a description if such activities shall then be included in the commentary. See also Appendix 2: Technical Definitions, Opex – Other Activities, Non-Price control Activities.
1.155	Non-operational premises	Premises used by people (e.g., stores, depots and offices) and which are not operational premises.
1.156	Non-routine maintenance (NRM)	Non-Routine Maintenance activities are those which are irregular in both timing and costs, and have a material effect on cost from year to year. See Appendix 2: Technical Definitions, Opex – Direct Activities, Maintenance for more details.
1.157	NRM	Non-routine maintenance.
1.158	NRSWA	New Road and Streetworks Act.
1.159	O/T	Open trench.
1.160	ODA	Other direct activities. See also Appendix 2: Technical Definitions, Opex – Direct Activities, Other Direct Activities (ODA) for more details.
1.161	Office	A property is defined as an office if its primary function is to accommodate office-based staff during their business hours. See Appendix 2: Technical Definitions, Opex – Business Support Activities, Property Management.
1.162	Ofgem	Office of Gas and Electricity Markets. Regulates the electricity and gas markets in Great Britain.
1.163	OLI	On-line inspection.
1.164	OO	Owner occupied is a classification of domestic property ownership. See Appendix 2: Technical Definitions, Properties Passed, Connections and Customers for more details.
1.165	Opex (Operating expenditure)	The operating costs of the GDN excluding capital expenditure (capex), depreciation, amortisation, profit on sale of assets, release of deferred contributions and charges/releases of provisions.
1.166	Operational IT & Telecoms	IT equipment which is used exclusively in the real time management of network assets, but which does not form part of those network assets.

1.167	Operational premises	Premises used for the operation of the GDN's business. Excludes: <ul style="list-style-type: none"> • Stores; • Depots; and • Offices.
1.168	Operations Management (including Operations Support)	The Work Management activities associated with planning and supervising delivery of the work activities of the network. See Appendix 2: Technical Definitions, Opex – Direct Activities, Operations Management for more details.
1.169	Opex	Operating expenditure.
1.170	Opex activities	Opex activities are: <ul style="list-style-type: none"> • Asset Management • Operations Management • Customer Management & Network Support • System Control • Work Management • Emergency • Metering • PRE Repairs • Maintenance • Other Direct Activities • IT & Telecoms • Property Management • HR & Non-operational Training • Audit, Finance & Regulation • Insurance • Procurement • CEO & Group Management • Stores & Logistics • Advertising & Marketing Development (OO Properties) • Advertising & Marketing Development (Non-OO Properties) • Training & Apprentices See Appendix 2: Technical Definitions, Opex – Direct Activities, Opex – Business Support Activities and Opex – Other Activities for more details.
1.171	Other Direct Activities (ODA)	Other operational activities not covered elsewhere. See Appendix 2: Technical Definitions, Opex – Direct Activities, for more details.
1.172	PAS55	The British Standards Institution's (BSI) "Publicly Available Specification" for the optimised management of physical assets.
1.173	PAYE	Pay-as-you-earn. This is a withholding tax on income payments to employees.
1.174	PC	Personal computer.

1.175	PE (material)	Polyethylene (PE) is a form of plastic used for manufacturing gas distribution mains and services.
1.176	PE (GDN)	Northern Ireland gas distribution network operator Phoenix Energy, previously known as Phoenix Natural Gas Limited.
1.177	Plant, Tools & Equipment (capex)	Includes fixed plant and machinery forming part of the gas transportation network, part of a gas installation, or used to process gas, as well as tools and other equipment used for the day-to-day management of the gas network. See also Appendix 2: Technical Definitions, Other Capital Expenditure (Other Capex), Plant, tools and equipment.
1.178	PPF	Pension Protection Fund.
1.179	PRE	Public reported escape.
1.180	PRE Repairs	The repair of mains and services following public reported escapes. See Appendix 2: Technical Definitions, Emergency Call & Job Classifications and Opex – Direct Activities, PRE Repairs for more details.
1.181	Pressure Reduction Station	A pressure reduction equipment having an inlet pressure greater than 7 barg. See Appendix 2: Technical Definitions, Governors, PRS and Meter Installation, Pressure reduction Station (PRS) for more details.
1.182	Price Base	All monetary figures presented herein, unless otherwise stated, have been rebased using the Retail Price Index (RPI).
1.183	Procurement (Business Support Activity)	Costs relating to the procurement of goods & services in the support of the business operations, through the management of procurement contracts with suppliers. See Appendix 2: Technical Definitions, Opex – Business Support Activities, Procurement for more details.
1.184	Professional and Legal Fees	Professional, legal and consultancy services employed by the licensee or related party. See Appendix 2: Technical Definitions, Opex – Expenditure Types, Professional and Legal Fees for more details.
1.185	Properties Passed	A property which could reasonably be expected to be able to be connected with a gas service after the installation of new gas mains. See Appendix 2: Technical Definitions, Properties Passed, Connections and Customers for more details.
1.186	Property Management (Business Support Activity)	The activity of managing, providing and maintaining non-operational premises. See Appendix 2: Technical Definitions, Opex – Business Support Activities, Property Management; for more details.
1.187	PRS	Pressure Reduction Station. A pressure reduction equipment having an inlet pressure greater than 7 barg. See Appendix 2: Technical Definitions, Governors, PRS and Meter Installation, Pressure Reduction Station (PRS) for more details.
1.188	Public reported escape (PRE)	The number of unique addresses public reported escapes received by the GDN for which a FCO will be called out. See Appendix 2: Technical Definitions, Emergency Call & Job Classifications and Opex – Direct Activities, PRE Repairs for more details.
1.189	Purge and relight after domestic service work	Re-commissioning of a customer's gas supply service and appliances following interruption.

1.190	Re	Regarding.
1.191	Regulatory Accounts	Accounts to be maintained by the licensee in line with their licence.
1.192	Regulatory Year	A period of 12 months beginning on the 1st of January and ending on the 31st of December of the year.
1.193	Reinforcement	Additional network capacity provided as a result of increase of demand. See also Appendix 2: Technical Definitions, Drivers for Mains Projects, Reinforcement.
1.194	Reinstatement	The cost of making good the highway, verge or footpath to a permanent standard after excavation including labour costs, contractor costs, materials purchased, cost of waste disposal and any taxes or levies imposed on waste disposal.
1.195	Related Party	An affiliate, a joint venture of the licensee or of an affiliate or associate of the licensee or of an affiliate or a relevant associate of the licensee. See also Appendix 2: Technical Definitions, Opex – Expenditure Types, Contractor costs.
1.196	Rent & Rates	Rent and lease payments for buildings used for business purposes as well as rates for the premises these buildings are on. See also Appendix 2: Technical Definitions, Opex – Expenditure Types, Rent & Rates.
1.197	Repair Team	Undertakes physical emergency repairs to distribution mains and services.
1.198	Reports	An emergency job. See Appendix 2: Technical Definitions, Emergency Call & Job Classifications and Opex – Direct Activities, Emergency for more details.
1.199	RIGs	Regulatory Instructions and Guidance.
1.200	Riser	A pipe which is essentially a mains pipe, albeit the pipe is installed in a vertical orientation. See Appendix 2: Technical Definitions, Definition of Pipes Conveying Gas, Riser and Risers & Laterals for more details.
1.201	Road Surface Categories	These are intended to be the nature and type of surface category that work is carried out in. The categories are specified by the Dfl database. See Appendix 2: Technical Definitions, Road surface Categories for more details.
1.202	Routine Maintenance	Those activities that are recurring at least annually and largely predictable in both costs and timing. See Appendix 2: Technical Definitions, Opex – Direct Activities, Maintenance for more details.
1.203	RPI	Retail Price Index.
1.204	RRP	Regulatory Reporting.
1.205	SCADA	Supervisory Control and Data Acquisition. A generic name for control systems that operate over a large area such as system control systems of a GDN.
1.206	SCMH	Standard cubic metres per hour.
1.207	Security (capex)	Capital expenditure on enhancing or replacing security related assets for all sites. See Appendix 2: Technical Definitions, Other Capital Expenditure (Other Capex), Security for more details.

1.208	Service Alteration	Changes to the position and/or size of a customer's service pipe and associated plant including regulators, meters, valves, loggers etc.
1.209	Shrinkage	Difference between the amount of gas that was recorded to have entered the distribution system and to have exited it. See Appendix 2: Technical Definitions, Opex – Expenditure Types, Shrinkage (including own use) for more details.
1.210	Smart Meter	Smart meters are the next generation of gas and electricity meters that offer a range of intelligent functions. This includes telling consumers how much energy they are using through a display in the home. They can also communicate directly with energy suppliers. See Appendix 2: Technical Definitions, Meters for more details.
1.211	SOC Code	Standard Occupational Classification Code.
1.212	Software Licences	The License fees incurred in respect of the use of IT application software.
1.213	SoP Regulations	Gas (Individual Standards of Performance) Regulations (Northern Ireland) 2014.
1.214	Special Factor	A special factor is a variable outside of management control which results in either higher or lower costs than comparators.
1.215	Special Arrangements	See Customers Requiring Special Arrangements.
1.216	Sqm	Square meter.
1.217	Staff Costs	Any form of payment, consideration or other benefit, paid or due to or in respect of employees. See Appendix 2: Technical Definitions, Opex – Expenditure Types, Staff Costs for more details.
1.218	Standby Costs	The costs incurred when employees are on standby to be called upon if required in the event of a specified occurrence in accordance with their terms of employment. See Appendix 2: Technical Definitions, Opex – Expenditure Types, Staff Costs.
1.219	Stationary, Communications and Billing	Costs related to stationary as well as communications and billing (incl. e.g., postage, line rental and telephony charges, costs for franking and stuffing machines). See Appendix 2: Technical Definitions, Opex – Expenditure Types, Stationary, Communications & Billing for more details.
1.220	Storage (IT)	Costs involved in supporting the IT storage other than in data centres, including cloud storage costs. See also Appendix 2: Technical Definitions, Opex – Business Support Activities, IT & Telecoms.
1.221	Stores & Logistics	The activity of managing and operating stores. See Appendix 2: Technical Definitions, Opex – Business Support Activities, Stores & Logistics for more details.
1.222	Supply Security	Additional network capacity provided to improve the security of transportation to existing demand. See also Appendix 2: Technical Definitions, Drivers for Mains Projects, Supply Security.
1.223	System Control	Activity of ensuring the safe flow of gas through the network. See Appendix 2: Technical Definitions, Opex – Direct Activities, System Control for more details.

1.224	System Operations (capex)	Systems operation capex costs associated with replacing and upgrading systems used within the system operations. It includes those IT systems and infrastructure costs which are driven by system operations. See Appendix 2: Technical Definitions, Other Capital Expenditure (Other Capex), System Operations.
1.225	tCO ₂	Tonnes of Carbon Dioxide.
1.226	tCO ₂ e	Tonnes of Carbon Dioxide equivalent, i.e., the equivalent amount of CO ₂ that would have the same global warming potential as a given greenhouse gas emission.
1.227	Th	Therm.
1.228	TMA	Traffic Management Act. The objective of the TMA is to tackle congestion and disruption on the road network. The TMA places a duty on local traffic authorities to ensure the expeditious movement of traffic on their road network and those networks of surrounding authorities. Introduction of such a scheme is being considered for Northern Ireland, but details have not yet been announced. It may entail costs by companies working in the highway, including for work carried out under NRSWA, which may involve overrun charges and line rental. See Appendix 2: Technical Definitions, Opex – Expenditure Types, TMA (Streetworks).
1.229	Totex	Total expenditure (i.e., capex plus opex).
1.230	Training & Apprentices	Covers (i) the costs of any operational training and (ii) the cost of training any employees engaged on approved formal training or apprentice programmes (either operational or non-operational). See Appendix 2: Technical Definitions, Opex – Other Activities, Training & Approaches for more details.
1.231	Transport and Plant – Opex Costs	Costs associated with the use of transport and plant. See Appendix 2: Technical Definitions, Opex – Expenditure Types, Transport & Plant for more details.
1.232	UK	United Kingdom.
1.233	UK GAAP	UK Generally Accepted Accounting Principles.
1.234	Uncertainty Mechanism	<p>The retrospective mechanism addresses uncertainties and reduces the related risks to consumers and Gas Distribution Network Operators by adjusting price control allowances based on differences between actual and allowed costs or outputs.</p> <p>Retrospective adjustments can fall into one of eight categories:</p> <ul style="list-style-type: none"> • Output based – we determine a unit price (Capex) or unit allowance (Opex). The value included in the cost base is the determined unit price/unit allowance (e.g. cost of meter/connections incentive) multiplied by the forecast driver for that item (e.g. number of connections). Any difference in the driver (e.g. higher connections) between the determination and outturn will result in an adjustment at the time of GD29 (i.e. determined unit rate/unit allowance x actual driver output less determined unit rate/unit allowance x forecast driver output). • Pass through – Any difference between the allowance in the determination and the actual costs incurred will result in a retrospective adjustment at the time of GD29. • Ring fenced – This item has been included in the determination but will be removed through an adjustment

		<p>in GD29 unless we determine that the costs (or adjusted costs) are necessary and efficient.</p> <ul style="list-style-type: none"> • Nominated output – an allowance included for the delivery of a specific project proposed by the GDN after undertaking a detailed technical assessment to identify a need and the optimum way of meeting that need. If the GDN subsequently decides that the work is not necessary or can be deferred to a later date, we will either remove the investment from the price control or re-profile the allowance to reflect actual delivery. If the company decides that an alternative solution will deliver the same output, we will review the proposal and determine whether the original allowance should be maintained or the allowance adjusted to reflect a change of output. • Materiality Threshold – this covers additional projects which are not included within the final determination but are subsequently approved by us and cost above £120k. Further detail is provided from Paragraph 9.36 of the GD23 final determination main document⁷. • Capex Risk Sharing – to be applied at the last stage of the uncertainty mechanism once all other adjustments have been calculated. We have introduced a common 35:65 capex sharing mechanism for all GDNs as detailed further in Chapter 11 of the GD23 final determination main document⁷. • Economic Project Mechanism – allowances for major new projects not included in our determination, delivery of the Energy Strategy objectives or Innovative projects including new metering solutions and meter reading. • Necessary Projects – allowances for new projects not included in our determination, which may be deemed non-economic through the Economic Project Mechanism, but which are necessary for the development, strength or reliability of the gas network, for example Resilience projects.
1.235	Uncontrolled gas escape/uncontrolled gas emergency	All gas escapes/emergencies that are not classified as controlled gas escapes/emergencies, See Appendix 2: Technical Definitions, Emergency Call & Job Classifications for more details.
1.236	UR	Utility Regulator.
1.237	Vehicles	Capital expenditure on the purchase of new gas network vehicles. This includes cars, car derived vans, LGVs, HGVs and wheeled plants. See Appendix 2: Technical Definitions, Other Capital Expenditure (Other Capex), Vehicles & Wheeled Plant.
1.238	WAN	Wide Area Network.
1.239	Wheeled (mobile) Plant Capital Expenditure	Expenditure on purchase of wheeled (mobile) plant, which includes self-propelled or motorised trailer mounted equipment not classed as a motor vehicle. See Appendix 2: Technical Definitions, Other Capital Expenditure (Other Capex), Vehicles & Wheeled Plant.

⁷ <https://www.uregni.gov.uk/files/uregni/documents/2022-10/GD23%20FD%20Main%20Document.pdf>

1.240 Work Execution	Includes the activities of emergency, metering, repairs, and maintenance which are separately defined. See Appendix 2: Technical Definitions, Opex – Direct Activities for more details.
1.241 Work Management	<p>Work Management can be split into the following subcategories:</p> <ul style="list-style-type: none"> • Asset Management (including Network Policy); • Operations Management (including Contract Management); • Customer Management (Emergency Call Centre) • Customer Management (including Non-emergency Customer Call Centre) & Network Support (including System Mapping); and • System Control. <p>See Appendix 2: Technical Definitions, Opex – Direct Activities for more details.</p>

13. Appendix 2: Technical Definitions

Definition of Pipes Conveying Gas

- 13.1 For the purposes of these RIGs all pipes conveying gas will be considered to fall within one of the following four definitions:

Mains Pipe

- 13.2 Any pipe which conveys gas from between the offtake supply for the network and the connection of a **service pipe**, except for those pipes classified as a **riser**.

Service Pipe

- 13.3 The pipe which conveys gas between the **mains** pipe and the end of the network, usually terminated on a single consumer's premise by the Emergency Control as defined in GS(M)R (Gas Safety (Management) Regulations). In certain circumstances the service may supply two (and no more than two) consumers (Teed Service).
- 13.4 In the case of a large I&C consumer which is the only connection currently made to a length of **mains** and there is no physical demarcation between the main and the service pipe the transition between the Mains Pipe and the Service pipe will be deemed to occur at the service isolation valve location very close to the boundary of the consumers' premises. The service then runs from the service isolation valve to the Emergency Control as defined by GS(M)R on the inlet to the meter installation.

Riser

- 13.5 A pipe which is essentially a **mains** pipe, albeit the pipe is installed in a vertical orientation. This is where typically the pipe arrangement is supplying a premise which has more than two floors above ground level and supplies more than two-meter points.

Lateral

- 13.6 A pipe which is essentially a connection to a riser pipe, and which supplies one or more consumers.

Gas Distribution Mains Pressure Tiers

- 13.7 For most Gas Distribution Companies there are three nominal pressure tiers which are referred to for Distribution mains: Low, Medium and Intermediate.

- 13.8 For historical reasons (due to the level of older cast iron mains within the GB networks), these ranges are slightly different between the GB networks and those in NI.

Pressure Tier	GB	NI
Low (LP)	<=75mbarg	<=75mbarg
Medium (MP)	>75mbarg & <=2barg	>75mbarg & <=4barg
Intermediate (IP)	>2barg & <=7barg	>4barg & <=7barg

Table 13.1: Gas Distribution Mains Pressure Tiers

Drivers for Mains Projects

- 13.9 For the purposes of these RIGs all Mains Projects shall be considered to have one of five principle drivers (justification for undertaking the project). The five drivers are:

Network Extension (Infill)

- 13.10 This essentially is the addition of new mains in order to facilitate the connection of new gas consumers. Infill network extensions can be further broken down by type of property passed (see Appendix 2: Technical Definitions, Properties Passed, Connections and Customers for further details).
- 13.11 It is recognised that many projects will extend the network to cover more than one of these classifications of consumer. In such cases the driver type for each project should be on the basis of the principle driver based on gas consumption.

Diversions

- 13.12 This driver shall be selected only where the single reason the project is being undertaken is the requirement to move an existing main due to redevelopment or highway changes. The justification of such projects shall be provided as part of the commentary.

Feeder

- 13.13 This driver shall only be selected for projects which offer no potential for direct gas connections to the main installed by the project. Thus, the project facilitates an extension to the network by an extended length of main typically through areas of low-density population. The justification of such projects shall be provided as part of the commentary and must be considered against the benefits delivered by the subsequent infill projects.

Reinforcement

- 13.14 This driver shall be used where the aim of the project is to provide increased capacity in a section of the network to enable additional gas connections to be made downstream. These projects could include increasing the size of the main by replacement or installation of an additional main to support the existing network to affect the increase in capacity. The justification of such projects shall be provided as part of the commentary.

Supply Security

- 13.15 This driver shall be used where the aim of the project is to provide an alternative supply for a network to increase the resilience of the network and hence reduce the potential for a loss of supply in the event of a failure of the upstream network. The justification of such projects shall be provided as part of the commentary.

Road surface Categories

- 13.16 Costs of installing mains can vary depending on the road surface category. For the purposes of RIGs the road surfaces will be considered to be one of six types as defined by the local highway authority. The six types are:

1 – Trunk Roads

2 – Main

3 – Minor Roads

4 – Local Roads

5 – Footways

6 – Grass/Unsurfaced



As defined by the Highways Authority

- 13.17 A seventh category referred to as open trench is also considered. This category is based upon the mains being laid in a trench pre-excavated by others (e.g., on a new housing development).

Properties Passed, Connections and Customers

- 13.18 The number of properties passed by a mains infill project is used as a measure of the effectiveness of the project to extend the potential provision of a gas supply to new consumers. A property is defined as being passed if the property could reasonably be expected to be able to be connected with a

gas service after the installation of the new gas mains which was not the case prior to the project.

- 13.19 A property passed is considered to be a connection when the service and meter for this property have been put in place, a supplier has been assigned and the downstream installation has been completed.
- 13.20 A customer is any person to whose premises, or pipe-line system gas has been conveyed by a GDN. Customers should be identified from their unique Supply Meter Point Reference Number (MPRN).
- 13.21 Properties passed, connections and customers can be classified in one of two types:
- Domestic – Any premises at which the supply of gas is, or is to be, utilised wholly or mainly for domestic purposes.
 - Industrial and Commercial (I&C) – Any premises at which the supply of gas is, or is to be, utilised wholly or mainly for non-domestic purposes.
- 13.22 Domestic properties passed, connections and customers can be further classified in one of three types:
- New Build Housing (NB) – Domestic premises which have never previously been owned or occupied by any person (that is they are, or are to be, newly built premises) and in respect of which the connection to the network shall be made prior to the premises first being occupied, including any such premises which are being constructed for the Northern Ireland Housing Executive or a Housing Association in Northern Ireland.
 - Northern Ireland Housing Executive (NIHE) – means Domestic Premises (excluding any New Build Domestic Premises) which are owned by (i) the Northern Ireland Housing Executive, or (ii) a housing association in Northern Ireland. The Department for Communities is the regulator of registered housing associations of which lists are available on its website. Co-Ownership (Included on the Departments list) is excluded from this category.
 - Owner occupied (OO) – Refers to domestic premises which do not fall into the definition of domestic new build or NIHE. Note that OO domestic premises as defined here can also be private rented.
- 13.23 I&C properties passed, connections and customers can be further classified by conveyance categories, which are specific to each GDN and are detailed in each GDN's licence.

- 13.24 A customer requiring special arrangements is an occupier of any premises to which gas is conveyed by the Licensee who
- is a domestic consumer;
 - is chronically sick, disabled or of pensionable age;
 - does not share the occupancy of the premises with any person who is not chronically sick, disabled or of pensionable age or a minor; and
 - is included in the list of domestic consumers which has been provided to the Licensee by any gas supplier under the conditions of that party's licence or exemption.
- 13.25 It is recognised that the status of a property may change, e.g., when NIHE properties are sold. For the purpose of reporting, the status of the property should be based on the status of the property when the project is/was fully approved (properties passed) or the connection is/was made (new connections).

Governors, PRS and Meter Installation

- 13.26 The section of the appendix provides clarification on the following terms used in this document:
- Meter installation
 - Service governor
 - District governor
 - Pressure Reduction station (PRS)
- 13.27 For additional information, please refer to the following document available on the IGEM website; [IGEM/G/1 Edition 2 - Defining the end of the Network, a meter installation and installation pipework.](#)

Meter Installation

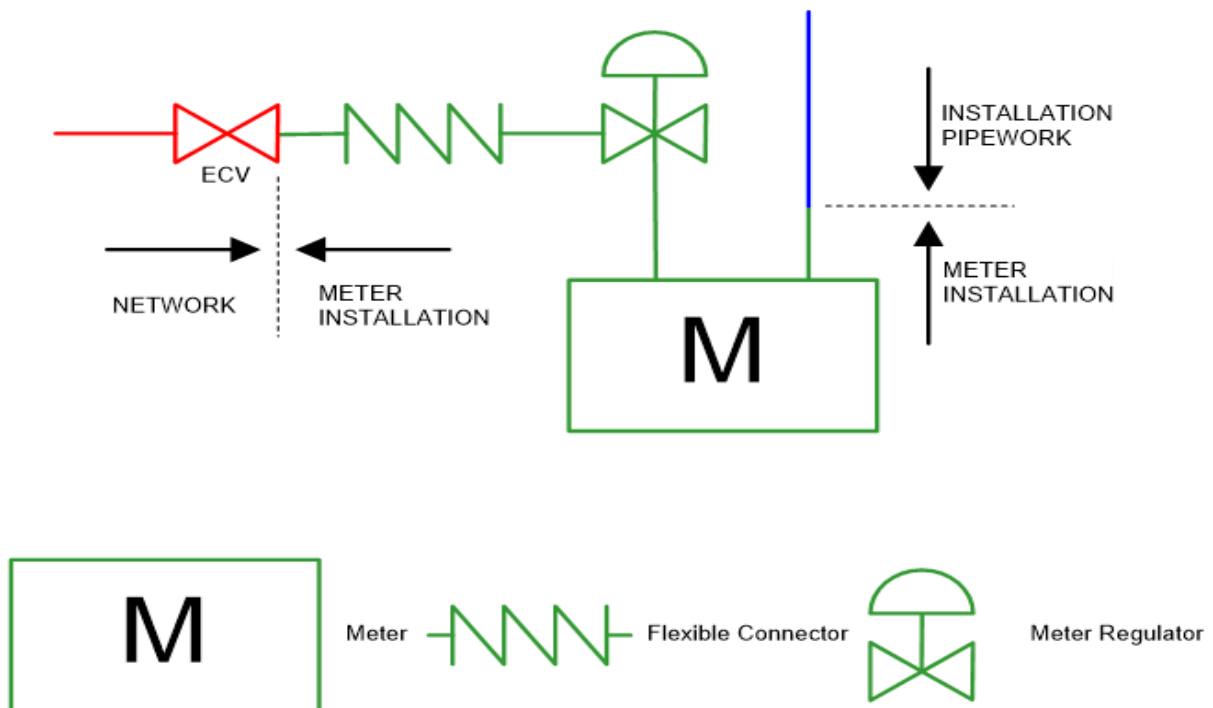


Figure 13.1: Meter Installation.

- 13.28 Figure 13.1 shows a simplified diagram which sets out the basic principles of the definition, namely that the meter installation begins at the end of the gas transporter's network (the ECV outlet) and includes everything up to the outlet of the meter.
- 13.29 When a meter box has been provided, the related costs shall be included as part of the service provision cost, not the meter installation.
- 13.30 The costs for the meter installation shall be included with the costs of the meter in the submission.
- 13.31 For the purpose of these RIGs meter installations can be done for three principal reasons:
- New – A new installation associated with a new gas connection.
 - Replacement (Life Expired) – Those meter installations which are being replaced based on an economic test which confirms that replacement of the meter is a lower long-term cost to the network than increased maintenance and associated failure risk. For these replacements, details of the economic test shall be retained by the GDN and may be requested on a sample basis.

- Replacement (Other) – Those meter installations which are replaced for reasons other than the life replacement cycle for the meter (e.g., vandalism). For these replacements a supporting business case documenting the cause of such replacements, the steps taken to minimise the need for them and justifying the related cost may be requested on a sample basis.

13.32 For existing meter installations, meter governors can be replaced for two principal reasons:

- Replacement (Life Expired) – Those meter governors which are being replaced based on an economic test which confirms that replacement of the meter governor is a lower long-term cost to the network than increased maintenance and associated failure risk. For these replacements, details of the economic test shall be retained by the GDN and may be requested on a sample basis.
- Replacement (Other) – Those meter governors which are replaced for reasons other than the life replacement cycle for the meter). For these replacements a supporting business case documenting the cause of such replacements, the steps taken to minimise the need for them and justifying the related cost may be requested on a sample basis.

Note that whilst meter governors can be exchanged on their own, new meter governors are not typically installed on their own but would always form part of a meter installation.

District Governor

13.33 A district governor is a pressure reduction installation having an inlet pressure of up to 7 barg installed in the distribution mains network to reduce the operating pressure of gas to a lower operating pressure and the output from the governor is into a main.

13.34 For the purposes of these RIGs district governors shall be split into three types:

- IP Inlet Governors – All sizes
- MP Inlet Governors – Design Capacity >40SCMH
- MP Inlet Governors (BINS) – Design Capacity ≤40SCMH

13.35 For the purposes of these RIGs the installation of governors shall have three drivers:

- New (Growth) – Those governors newly installed associated with the expansion of the network.

- Replacement (Growth) – Those governors which are being replaced to provide additional supply capacity into the downstream network. For these replacements, details of the economic test shall be retained by the GDN and may be requested on a sample basis.
- Replacement (End of Life) – Those governors which are being replaced based on an economic test which confirms that replacement of the governor is a lower long-term cost to the network than the cost of increased a maintenance and/or the consequence of failure. Term cost to the network than increased maintenance and associated failure risk. For these replacements, details of the economic test shall be retained by the GDN and may be requested on a sample basis.

Pressure Reduction Station

- 13.36 A PRS is pressure reduction installation having an inlet pressure greater than 7 barg.

Meters

- 13.37 For the purpose of these RIGs meters shall be split into five types:
- Domestic Credit Meter (U6) – A standard domestic credit meter capable of supplying up to 6 SCMH
 - Domestic Credit Meter (U16) – A standard domestic credit meter capable of supplying up to 16 SCMH
 - Domestic Prepayment Meter - A standard domestic prepayment meter capable of supplying up to 6 SCMH
 - Domestic Smart Meter (U6) – A standard domestic smart meter capable of supplying up to 6 SCMH
 - I&C Meters – Any Meter installed in any non-domestic premise.
- 13.38 Smart meters are the next generation of gas and electricity meters that offer a range of intelligent functions. This includes telling consumers how much energy they are using through a display in the home. They can also communicate directly with energy suppliers.
- 13.39 For the purpose of RIGs I&C meters shall be considered in thirteen standard sizes based upon the maximum design capacity of the meter:
- U6
 - U16
 - U25

- U40
- U65
- U100
- U160
- U250
- U400
- U650
- U1000
- U1600
- U2500

13.40 For the purpose of these RIGs meters shall be installed for three principle reasons:

- New – A new installation associated with a new gas service.
- Replacement (Life Expired) – Those meters which are being replaced against an economic test which confirms that replacement of the meter is a lower long-term cost to the network than increased maintenance and associated measurement quality failures. For these replacements, details of the economic test shall be retained by the GDN and may be requested on a sample basis.
- Replacement (Other) – Those meters which are replaced for reasons other than the life replacement cycle for the meter (e.g., vandalism). For these replacements a supporting business case documenting the cause of such replacements, the steps taken to minimise the need for them and justifying the related cost may be requested on a sample basis.

13.41 The cost of providing new meter shall always be reported as Capex expenditure either as a new installation, or as a meter replacement. For new installations the costs will include the physical installation (see above) and associated labour costs associated with the work to install the meter. Where the meter is being exchanged:

- at the request of the customer (for whatever reason change of supply or meter);
- due to failure of the meter; and

- stolen or otherwise vandalised.

The costs of the meter provision shall be reported as Capex whilst the costs of carrying out the work and dealing with the customer visit shall be recorded as Metering Opex against the appropriate category.

- 13.42 Where a meter is removed/service is cut-off costs will be apportioned between the Metering (removals of the meter) and Maintenance (cutting off a service).

Services

- 13.43 For the purpose of these RIGs services can be classified by type of connections (see Appendix 2: Technical Definitions, Properties Passed, Connections and Customers).

- 13.44 For the purpose of these RIGs I&C services will be considered in five standard sizes based upon the maximum design capacity of the meter:

- U6
- U16 – U40
- U65 – U160
- U250 – U650
- >U650

Risers & Laterals

- 13.45 See Appendix 2: Technical Definitions, Definition of Pipes Conveying Gas for a definition of risers and laterals.

- 13.46 For the purpose of these RIGs risers and laterals shall be split into two types:

- Domestic
- I&C

- 13.47 Any riser/lateral that supplies at least one domestic supply point is considered to be a domestic riser and to be reported as such, even if it also supplies I&C supply points. Any riser/lateral that supplies exclusively I&C supply points is considered to be an I&C riser/lateral and to be reported as such.

- 13.48 For the purpose of the GD23 price control RIGS, information is only required on the number of risers. No information is required for laterals although costs for any laterals should be recorded against the appropriate riser installation.
- 13.49 Where a meter bank is installed at the bottom of the building such that a number of separate risers are installed from the meter bank location to the consumers' premises, these shall not be considered a riser in this context as the outlet pipe should be considered part of the consumer's pipework.

Emergency Call & Job Classifications

- 13.50 Emergency activities shall be classified twice, firstly at the time of call receipt on the basis of the assessment made by the call agent and secondly at the time that the job is closed off by the FCO.

Classification at the Time of Call Receipt

- 13.51 The following is a list of emergency call classifications:
- LPG Supply – a report which is evidently associated with an LPG supply system, for which the GDN is not responsible, and safety advice is given.
 - Priority Job – a report that requires priority response, e.g., fire, explosion, gas escape at high-risk building (school, hospital etc.).
 - External Job – a report of an escape of gas external to any building.
 - Internal Job – Uncontrolled – a report of an escape of gas internal to a building that cannot be controlled by operation of the ECV at the inlet to the meter.
 - Internal Job – Controlled – a report of an escape of gas internal to a building that has been controlled by operation of the ECV at the inlet to the meter.
 - No Gas – a report of no gas to a customer's appliance.
 - Pressure Problems – a report associated with pressure variation affecting the performance of a customer's appliance.
 - Fumes – a report of a smell of gas attributed to fumes from an appliance.
 - CO Reports – a report of the escape of CO fumes which requires attendance for safety purposes.

- Quantum/Libra Emergency – a report of a fault with a prepayment meter of card which has prevented the supply of gas to the consumer which is not the result of a lack of credit.
- Safety Check – A report that implies a potential risk and results in the dispatch of a FCO to undertake an on-site check to ensure the safety of a customer/property.

13.52 For the purposes of the GD23 price control RIGS, call analysis is only required to be categorised as follows for emergency telephone number and other numbers' calls:

- Calls received on the emergency telephone number that, as deemed by the call agent, have not required an emergency job to be raised.
- Gas escapes - the sum total of priority, external and internal jobs as defined in paragraph 13.51.
- Other Actioned Calls – Calls excluding those counted in the gas escapes categorisation, that have required an emergency job to be raised.

Classification at the Time of Job Closure

13.53 The following is a list of job closure classifications for gas escapes:

- Third Party Damage (Mains) – An escape of gas from a main caused by a third party.
- Third Party Damage (Services) – An escape of gas from a service caused by a third party.
- External Escape (Mains) – An escape of gas from a main (not caused by a third party).
- External Escape (Services) – An escape of gas from a Service external to the property (not caused by a third party).
- Internal Escape (before ECV) – An escape of gas from a Service internal to the property (not caused by a third party).
- Internal Escape (Meter/Meter Installation) – An escape of gas from a meter or meter installation.
- Internal Escape (Downstream of Meter) – An escape of gas downstream of the meter outlet.
- No Trace – A job categorised by the call centre as a gas escape but no trace of an escape of gas found.

13.54 The following is a list of job closure classifications for other job types:

- Fumes – A report categorised by the call centre as a gas escape that on investigation is attributed to fumes from an appliance and not an escape of gas.
- CO Reports (Confirmed) – A report confirmed as a CO problem by the FCO.
- CO Reports (No Trace) – A report categorised as CO by the call centre, but no trace of CO found by FCO.
- Safety Check (Other than CO) – A job comprising an on-site check to ensure the safety of a customer/property.
- Meter/Meter Installation Fault – A job resulting from a fault associated with the meter/meter installation.
- Meter/Meter Installation Customer/Credit Issue – A job associated with a pre-payment meter or card issue.
- Network Problems – Job resulting from a problem associated with the distribution network, e.g., water ingress, governor fault.
- Potentially Avoidable (e.g., Appliance Faults) – Job which did not warrant emergency response by a FCO, e.g. appliance fault.

13.55 For the purposes of benchmarking with GB networks the numbers of emergency jobs attended is split between network activities and metering activities. The table below shows how these job types are allocated between these two roles:

	Network Activity	Metering Activity
Job closed by telephone without visit		
Gas Escapes		
Third Party Damage (Mains)	✓	
Third Party Damage (Service)	✓	
External Escape (Mains)	✓	
External Escapes (Services)	✓	
Internal Escape (before ECV)	✓	
Internal Escape (Meter/Meter Installation)	✓	
Internal Escape (Downstream of Meter)	✓	
No Trace	✓	
Fumes	✓	
CO Reports (Confirmed)	✓	

CO Reports (No Trace)	✓	
Safety Check (Other than CO)	✓	
Meter/Meter Installation Fault		✓
Meter/Meter Installation Customer/Credit Issue		✓
Network Problems	✓	
Potentially Avoidable (e.g. Applicable Faults)	✓	

Table 13.2: Emergency Jobs Activity Split

13.56 For the purposes of the GD23 price control RIGS, emergency job closure data is only required to be categorised or reported as follows:

- Jobs closed by telephone without visit.
- Jobs visited:
 - (i) Attended by First Call Operative (FCO). Note, it is assumed the FCO will attend all jobs requiring a visit.
 - (ii) Attended by Repair Team.
- Cause attributed to third party.

Opex – Direct Activities

13.57 Direct opex includes the following activities:

- Work Management:
 - ◆ Asset Management (including Network Policy);
 - ◆ Operations Management (including Contract Management);
 - ◆ Customer Management (Emergency Call Centre);
 - ◆ Customer Management (including Non-Emergency Customer Call Centre) & Network Support (including System Mapping); and
 - ◆ System Control.
- Work Execution:
 - ◆ Emergency;
 - ◆ Metering;
 - ◆ PRE Repairs;

- ◆ Maintenance; and
- Other Direct Activities.

Asset Management

13.58 This covers the activity of managing the network's assets.

13.59 The costs collated under asset management should be costs incurred in the following areas:

- Network Planning;
- Network Integrity (including gas quality monitoring);
- Network Capacity;
- Network/engineering policy/procedures (covering all policies of the network e.g., records transfer and brought in services & materials). Excludes HSE policy, see operations management;
- Network development/analysis; and
- Management of redundant sites & remediation programmes.

Operations Management

13.60 This should only cover the cost of the day-to-day planning and supervision of the operatives and contractors working within the work execution processes.

13.61 The costs allocated under operations management include for example:

- First line managers (non-field staff);
- Depot Manager etc.; and
- Costs of the Safety, Health and Environment section (compliance).
- Operations Support:
 - ◆ Covering support costs in depots (which include TMA/NRSWA activities);
 - ◆ Plant protection;
 - ◆ Digitisation;
 - ◆ Dispatch;
 - ◆ Data quality;

- ◆ Work scheduling;
- ◆ Updating asset records; and
- ◆ HSE policy.

13.62 The costs allocated under operations management should exclude staff that carry out the operational activity (including E&I (Electrical & Instrumentation)).

Customer Management & Network Support

13.63 Customer management is split into the following main areas:

- Customer Services (Emergency Call Centre): Central emergency call centre charge for emergency service; to be reported under Customer Management (Emergency Call Centre);
- Customer Services (non-Emergency Call Centre): Costs of call centres (excluding central emergency call centre charge for emergency service) – to be reported under Customer Management (Including Non-Emergency Customer Call Centre) & Network Support (Including System Mapping); and
- Customer services departments that handle enquiries/complaints, monitor standards etc. Commercial/Contract Management: covering costs of commercial/contract department that manages all types of contracts for the whole of the business – to be reported under Customer Management (Including Non-Emergency Customer Call Centre) & Network Support (Including System Mapping).

13.64 The costs allocated under customer management & network support should exclude costs incurred, at the discretion of the GDN, in excess of the minimum scheme costs required to meet the customers' specific needs.

System Control

13.65 Activity of ensuring the safe flow of gas through the network, ensuring the supply is sufficient to meet the demand of gas on a daily basis. The related costs should represent the cost of running the control room (e.g., staff costs of resource working within the control room).

13.66 The costs allocated under system control should include:

- Salary costs;
- Travel & subsistence;
- Training costs for the delivery of system control migration;

- Any other non-salary costs associated with these resources; and
- Mast Rentals.

Emergency

13.67 Direct activity costs of providing the FCO service to respond to a network related emergency call (see Appendix 2: Technical Definitions, Emergency Call & Job Classifications).

13.68 The costs allocated under emergency should include:

- Water Ingress;
- No gas service governor failure or other network problem;
- All waiting time for FCOs; and
- All activity specific TMA Cost.

13.69 The costs allocated under emergency should exclude:

- Meter repairs (Metering);
- Consultancy services (Work Management);
- Emergency Advertising – TV Ads (Indirect-CEO);
- Emergency Call Centre Costs – (Customer Management);
- Tools & consumables (Other Direct Activities); and
- Rechecks (Repairs).

Metering

13.70 Direct activity costs of providing the FCO service to respond to a metering related emergency call (see Appendix 2: Technical Definitions, Emergency Call & Job Classifications).

13.71 Activities associated with the maintenance of a meter that records the quantity of gas consumed at a domestic or I&C premise. These activities include work associated with the meter and the meter installation which starts at the emergency control valve (ECV) and terminates at the outlet of the meter. The meter installation includes a regulator which ensures the pressure at the meter is suitable for the accurate measurement of the flow of gas and also provides downstream protection of the meter, outlet pipework and appliances from over pressurisation events.

PRE Repairs

- 13.72 Public reported escapes (PREs) are the number of unique addresses public reported escapes received by the GDN for which a FCO will be called out.
- 13.73 PRE repairs are the number of PRE reports which result in a physical permanent repair to a mains or service pipe or fitting taking place.
- 13.74 The repair of mains and services following public reported escapes includes:
- Materials;
 - Anaerobic Sealant;
 - Repair Find and Fix Costs;
 - Iron Fittings;
 - Pipe Costs;
 - Plastic Fittings;
 - Specialist Materials;
 - Repair Income;
 - Waste disposal costs for the repair activity;
 - Reinstatement for the repair activity;
 - Reprogrammed repairs re-checks;
 - Repair NRSWA Costs; and
 - Repair TMA Cost.
- 13.75 The repair of mains and services following public reported escapes excludes:
- Reinstatement – inspections (Other Direct);
 - No trace rechecks (Emergency);
 - Leakage control surveys (Maintenance);
 - Maintenance – Mains & Services (Maintenance);
 - Tools & consumables (Other Direct Activities);
 - GSMR Cut offs (Maintenance); and
 - Consultancy services (Work Management).

13.76 The number of repairs includes:

- ECV repair – recorded as service repair;
- Permanent repairs only; and
- Multiple joint repairs – one repair recorded per joint (can have same report).

13.77 The number of repairs excludes:

- Internal reports;
- No escapes/no trace found; and
- Any repair not linked to a PRE (maintenance).

Maintenance

13.78 The examination and repair of plant and equipment within the network. This includes costs associated with operational property and IT equipment. These activities are split into three types (see paragraphs 13.79 to 13.83 for more details):

- Routine maintenance;
- Non-routine maintenance; and
- Exceptional items maintenance.

13.79 Non-Routine Maintenance activities are those which are irregular in both timing and costs and have a material effect on cost from year to year. Typically, the requirement to carry out these activities should arise between 2 – 8 years, i.e., activities are known, but not likely to happen on an annual basis.

13.80 Examples of such activities to be classed as non-routine are:

- Repainting of PRS after painting survey;
- Repainting of District Governors after painting survey;
- On-line inspection (OLI) runs;
- Maintenance of above ground exposed crossings;
- River crossings;
- River/ditch crossing repairs;

- Maintenance work required as a result of pressure surveys;
- Consequential follow-up surveys;
- Winter trigger surveys;
- Inspections of above ground exposed installations;
- Water bath heaters;
- Dangerous Substances and Explosive Atmospheres Regulations DSEAR, site signage;
- Pipeline marker remedial;
- Asbestos surveys;
- Vibration migration; and
- Crop claims and land drainage.

13.81 Routine Maintenance activities are those activities that are recurring at least annually and are largely predictable in both costs and timing. In this category costs include property costs associated with operational assets.

13.82 Examples of such activities to be classed as routine are:

- Site overhauls;
- Distribution mains & services;
- Pig trap maintenance;
- Repair governor equipment;
- Hedge maintenance/inspection on easement;
- Drainage profile checks;
- Repairing fencing;
- Cathodic protection remedial work;
- Fire water systems;
- Pressure system remedial;
- Operational site drainage;
- Cladding repairs;

- Alarm testing/resetting;
- Calibration;
- Valve maintenance;
- All surveys (e.g. Cathodic protection and high rise buildings surveys), excluding winter trigger survey and consequential follow-up surveys;
- Pipeline patrols;
- CEME (Centre for Engineering and Manufacturing Excellence) fee;
- Test points;
- Instrument maintenance;
- Gas quality maintenance; and
- Alterations & diversions (those not classified as capex projects).

As can be seen from the above examples, routine maintenance should be the maintenance costs the network incurs in carrying out their general site visits.

13.83 Exceptional items maintenance are any maintenance activities that are neither routine maintenance nor non-routine maintenance.

Other Direct Activities (ODA)

13.84 Other operational activities not covered elsewhere.

13.85 The costs collated under ODA should be costs incurred in the following areas:

- Odorant;
- Major incidents net cost (see definition);
- Interruptible contracts;
- Compensation payments;
- Tools & consumables;
- Reinstatement (inspections);
- Easement/wayleaves costs; and
- Procurement of interruptions/storage from the transmission system.

Opex – Business Support Activities

13.86 Business support opex includes the following activities:

- IT & Telecoms;
- Property Management;
- HR & Non-operational Training;
- Audit, Finance & Regulation;
- Insurance;
- Procurement;
- CEO & Group Management; and
- Stores & Logistics.

IT & Telecoms

13.87 This covers the provision of IT services for the day-to-day service delivery.

13.88 The costs collated under IT & Telecoms should include:

- The purchase, development, installation and maintenance of non-operational computer and telecommunications systems and applications.
- Provision of IT services for the day-to-day service delivery and including the cost of Help Desk, data centres, IT application development, maintenance and support; establishing and maintaining information system infrastructure projects (IT network provision, network maintenance, servers support/services).
- Voice and data telecoms (e.g., WAN, landline rental and call charges, ISDN data and costs/rental of mobiles except where costs are charged directly to user departments).
- Developing new software for non-operational IT assets including the costs of maintaining an internal software development resource or contracting external software developers. This will include any cost of software licences (including for GIS) to use the product where those costs cover more than one year.
- Installing new or upgrading software, other than where it is capitalised. This does not include upgrading of software that is included within the costs of annual maintenance contracts for the software.

- Maintenance and all the operating costs of the IT infrastructure and management costs and applications cost. This includes any annual fee for the maintenance of software licences (including for GIS), whether or not they include the right for standard upgrades or 'patches' to the software as they become available.
- IT applications maintenance and running costs.
- IT new applications software and upgrade costs.

13.89 The costs collated under IT & Telecoms should exclude:

- IT equipment which is used exclusively in the real time management of network assets, but which does not form part of those network assets (include under System Control).
- Any of the property costs associated with IT & Telecoms (include under Property Management), except where the cost of specific IT environmental control systems can be distinguished from other property costs.

13.90 IT & Telecoms costs can also be differentiated as follows:

- Application Development;
- Application Maintenance and Support;
- Desktop Services (the costs involved in supporting desktop hardware and software);
- Application Server Support;
- Storage (costs involved in supporting the IT storage other than in data centres, including cloud and storage costs);
- Network (LAN and WAN) (the costs involved in implementing and supporting the computer networks, Local Area Network (LAN) and Wide Area Network (WAN));
- Business Telecoms;
- Management Services;
- Data Centres; and
- Other Costs.

Property Management

13.91 This covers the activity of managing, providing and maintaining non-operational premises. This should include costs such as rent, rates

(business), utilities costs including electricity, gas and water, maintenance/repair costs of premises and the provision of the facilities/property services such as reception, security, access, catering, mailroom, cleaning and booking conferences. The costs of property surveyors should also be included here.

13.92 The costs collated under Property Management should include:

- Stores, depots, offices (properties with the primary function to accommodate office-based staff during their business hours), including training centre buildings & grounds;
- Rent paid on non-operational premises;
- Rates and taxes payable on non-operational premises and the network;
- Utilities including electricity, gas and water (supply and sewerage);
- Inspection and maintenance costs of non-operational premises;
- Facilities management costs including security and reception;
- Training centre buildings & grounds; and
- Control rooms and data centres.

13.93 The costs collated under Property Management should exclude:

- Any costs relating to operational property (i.e., premises which contain network assets and are not maintained for accommodating people e.g., Substations, Boiler Stations, Holder Stations, Compressor Stations, Governor House etc. (include under Maintenance);
- Any IT systems associated with property management (include under IT & Telecoms);
- Depreciation and profit/loss on fixed assets relocation costs to or from non-operational premises (exclude from Opex Matrix and include under Income Statement); and
- Costs for security equipment on operation sites (include in Table: 3.7b Maintenance Detailed (Year) specified in the other maintenance cost section).

13.94 Properties considered under Property Management can be differentiated into:

- owned properties; and

- leased properties.

13.95 Leased properties are properties on which the regulated businesses pay rent. Where rent is paid to a related party then ownership of the asset and the leasing arrangements should be explained in the commentary.

HR & Non-operational Training

13.96 HR covers provisions of the HR function i.e., the full range of professional activity for an individual's career path from recruitment to retirement and post retirement where applicable, e.g., management and administration of pension payments and from related professional advice to directly resolving grievances for staff.

13.97 The HR costs collated under HR & non-operational Training should include:

- Costs of payroll and pension's management and operation;
- Facilitating staff performance, development and reviews;
- Industrial and employee relations including HR strategy, policies and procedures;
- Monitoring equal employment opportunities; and
- HR advice to management, succession planning and also retentions and rewards.

13.98 The HR costs collated under HR & non-operational Training should exclude Pension Scheme Administration and PPF (Pension Protection Fund) levy costs.

13.99 Non-operational training covers facilitating and operating training courses of a non-technical nature for office-based staff.

13.100 The non-operational training costs collated under HR & non-operational Training should include:

- Staff who organise and provide non-operational training and maintain employees training records;
- Cost of running the non-operational training costs e.g., course fees; and
- Leadership development training.

13.101 The non-operational training costs collated under HR & non-operational Training should exclude:

- Any operational training costs (included under Training & Apprentices);
- Non-operational costs associated with formal training and apprentice programmes (included under Training & Apprentices);
- Time of employees attending training (include as labour costs under the relevant activity for non-operational);
- HSE costs (include under Asset Management);
- IT systems associated with HR & Payroll (include under IT & Telecoms); and
- IT & Property management costs associated with Non-Ops Training (include under IT & Property costs respectively).

Audit, Finance & Regulation

13.102 This covers performing the statutory, regulatory and internal management cost and (business support activity) performance reporting requirements and customary financial and regulatory compliance activities for the network.

13.103 The costs collated under Audit, Finance & Regulations should include:

- Process of payments and receipts;
- Time sheet evaluation where not part of the payroll process;
- Financial & risk management – e.g., credit & exposure management;
- Financial planning, forecasting & strategy;
- Financial accounting;
- Management accounting;
- Investment accounting;
- Treasury management;
- Transportation income accounting;
- Pricing;
- Statutory & regulatory reporting;
- Tax compliance & management;
- Internal audit & management of the relationship with external audit function;

- External audit fees; and
- Cost of regulatory department.

13.104 The costs collated under Audit, Finance & Regulations should exclude:

- Insurance costs (include under Insurance); and
- Any of the IT systems associated with finance, audit and regulation (include under IT & Telecoms).

Insurance

13.105 This covers support and expertise to develop the business risk profile, managing the claims process and provision of information and understanding to the business in relation to insurable and uninsurable risks.

13.106 The costs collated under Insurance should include:

- Insurance premiums;
- Insurance premium tax;
- Insurance contract negotiating and monitoring;
- Insurance claim processing;
- Insurance risk management;
- Payments relating to uninsured claims;
- Costs of in house insurance team; and
- Brokers fees.

13.107 Insurance premiums include insurance premium tax and brokers fees. They can be classified as follows:

Loss or damage due to adverse events

Insurances that protect against loss or damage caused to licensee's property or trade by adverse events.

- Property – buildings and contents.
- Buildings and contents including fire, lightning, explosion, riot, malicious damage, storm, flood, impact by aircraft, road and rail vehicles, escape of water from tanks or pipes and sprinkler leakage.
- Engineering failure.

- Engineering insurance cover against electrical or mechanical breakdown for machinery, including computers.
- Crime and theft Includes:
 - ◆ Crime;
 - ◆ Theft; and
 - ◆ Money.
- Goods in transit.
- Loss or damage of goods (machinery, materials etc.) while in licensee's own vehicles or when sent by carrier.
- Includes: Marine cargo.
- Business interruption.
- Cover for loss of income and extra expenses, including any increased working costs and extra accountants' fees incurred, resulting from damage to a licensee's property or assets.
- Trade credit insurance.
- Cover against the risk of bad debt due to the insolvency or default of trade debtors.
- Motor vehicles.
- Cover against third party legal liability for injury to others and damage to their property arising from the use of vehicles on the road and against damage to licensee's vehicles.
- Legal expenses.
- Cover against the cost of taking or defending legal action including legal costs such as solicitors' fees and expenses, the cost of barristers and expert witnesses, and court costs and opponent's costs if awarded against the licensee in civil cases.
- Network assets.
- Includes property.
- Terrorism and sabotage.
- Cover against loss due to deliberate acts of terrorism or sabotage.
- Network assets aviation.

- Cover against losses associated with ownership and operation of aircraft. Includes: Business services allocation.

Third party legal liability

Cover against licensee's legal liabilities in the event of some aspect of the licensee's business causing damage or harm to a third party or their property.

- Employers' liability:
 - ◆ Cover against legal liability for injury, disease or death to employees sustained by them and arising from their employment. Employees for this purpose may include, in addition to those under a contract of employment, apprentices and other trainees, agency staff, and contractors.
- Public and product liability and professional indemnity:
 - ◆ Cover against legal liability to pay damages to members of the public for death, bodily injury or damage to their property which occurs as a result of a licensee's business activities.
- Motor vehicle liability:
 - ◆ Cover against legal liability to pay damages and compensation in case of an accident involving the motor vehicle.
- Environmental impairment liability:
 - ◆ Cover against losses and liability arising from damage to property due to pollution or environmental damaged caused by a network company's regulated business operations.

Employee

Cover that protects a network company and its employees against the consequences of serious illness, injury or death, and the effects these events could have on the network company's employees, on their families, and on the network company's business.

- Personal accident and sickness insurance:
 - ◆ Cover paid for, fully or in part, by a network company that pays benefit to an employee unable to work as a result of an accident or sickness. Where the cost of cover is shared between network company and employee, or where the network company recovers part of the cost from employees, then only the network company's net contribution should be reported.

- Income protection insurance:
 - ◆ Cover paid for, fully or in part, by a network company that provides income to an employee to compensate for the loss of earnings through incapacity resulting in inability to work. Where the cost of cover is shared between network company and employee, or where the network company recovers part of the cost from employees, then only the network company's net contribution should be reported.
- Private medical insurance:
 - ◆ Private medical cover paid for, fully or in part, by a network company. Where the cost of cover is shared between Network Company and employee, or where the network company recovers part of the cost from employees, then only the network company's net contribution should be reported.
- Life assurance:
 - ◆ Cover paid for, fully or in part, by a Network Company that provides financial security for employees' dependents and protects the profitability of the business upon death of an employee. Where the cost of cover is shared between the network company and employee, or where the network company recovers part of the cost from employees, then only the network company's net contribution should be reported.
- Travel:
 - ◆ Includes: Overseas travel and Personal accident/travel.
- Directors & officers:
 - ◆ Includes: Primary and excess directors' and officers' liability.
- Employment practice liability:
 - ◆ Cover against claims made for alleged acts of discrimination, harassment or inappropriate employment conduct.
- Pension trustee's indemnity:
 - ◆ Cover against claims made by third parties for matters including breach of trust, maladministration and wrongful acts involving the actions of the Trustees to the pension fund. It can also provide cover for overlooked beneficiaries where a fund has been or is being wound-up as well as for any costs incurred in defending claims.

Self-retained Claims Costs

Predictable losses of risk which are retained and self-insured, either exclusively or to close the gap to any commercial insurance arrangements in place.

Broker Fees

A fee charged by an agent, or agent's company to facilitate transactions between insurance buyers and sellers. The brokerage fee is charged for services such as negotiations, sales, purchases, delivery or advice on the transaction.

Procurement

13.108 This covers the procurement of goods & services in the support of the business operations, through the management of procurement contracts with suppliers.

13.109 The costs collated under Procurement should include:

- The cost of carrying out market analysis;
- Identifying potential suppliers, undertaking background review, negotiating contracts, purchase order fulfilment and monitoring supplier performance;
- Setting up and maintaining vendor accounts within the accounting system, and maintaining e-procurement channels; and
- Setting procurement guidelines and monitoring adherence to the guidelines.

13.110 The costs collated under Procurement should exclude costs for:

- Any of the IT systems associated with procurement (include under IT & Telecoms).
- Stores & Logistics – The activity of managing and operating stores (include in separate Stores and Logistics category).
- Vehicles and Transport – the activity of managing, operating and maintaining the commercial fleet and mobile plant (allocate to the appropriate direct activity).

CEO & Group Management

13.111 The costs collated under CEO & Group Management should include:

- Communications – communication within the UK businesses, internal communications, external communications, media relations, issues management, regional communications, community relations, community awareness, branding, events management;
- Group Strategy – function which has the responsibility of evaluating the strategic options of the Group;
- Legal/Risk and Compliance/Company 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, management of rating agencies, 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;
- Incremental ring-fence compliance; and
- Credit reference agencies.

13.112 The costs collated under CEO & Group Management should exclude:

- Insurance management (include under Insurance);
- Legal advice relating to wayleaves/servitudes/easements (include under Other Direct Activities; and
- Group costs relating to specific activities e.g., HR, Finance, Audit, Regulation, Taxation, HSE, Insurance, etc. (include under the specific cost category).

Stores & Logistics

13.113 This covers the activity of managing and operating stores.

13.114 The costs collated under Stores & Logistics should include:

- Delivery costs of materials or stock to stores;
- Labour and transport costs for the delivery of materials or stock from a centralised store to a satellite store/final location (and vice versa), taking into account the stock management policies;
- Monitoring stock levels; and
- Quality testing of materials held in stores.

13.115 The costs collated under Stores & Logistics should exclude:

- Costs of oil or other insulation medium (report under the activity for which it is used, e.g., maintenance, faults);
- Any of the IT systems associated with stores/logistics (include under IT & Telecoms);
- Any property management and maintenance costs of depots/stores locations (include under property management); and
- Vehicles and Transport – the activity of managing, operating and maintaining the commercial fleet and mobile plant (include under Vehicles and Transport).

Opex – Other Activities

13.116 Other Opex activities include all those opex activities that are neither classified as direct opex nor as business support opex. It includes the following:

- Advertising & Market Development (OO properties);
- Advertising & Market Development (Non-OO properties);
- Training & Apprentices;
- Non-Controllable Costs;
- Supplier of Last Resort
- Energy Strategy; and
- Non-Price Control Activities.

Advertising & Market Development

13.117 The costs for Advertising & Market Development are classified into the following two categories:

- Advertising & market development (OO properties); and
- Advertising & market development (non-OO properties).

13.118 The costs collated under Advertising & Market Development should include costs for:

- Advertising, marketing and PR;
- Incentives;

- Sales related staff, including relevant director; and
- Shared corporate overheads.

Training & Apprentices

13.119 This covers (i) the costs of any operational training and (ii) the cost of training any employees engaged on approved formal training or apprentice programmes (either operational or non-operational).

13.120 The costs collated under Training & Apprentices should include:

- Cost of staff who organise and provide training, and maintain the individual employee training/apprentice records;
- Cost of running training courses;
- Fees paid to external training providers for provision of training;
- Cost of externally advertising training and apprentice programmes;
- Salary cost of apprentices or trainees whilst engaged on a training or apprentice programme; and
- Cost of ongoing professional development for operational staff.

13.121 The costs collated under Training & Apprentices should exclude:

- Any non-operational training costs falling under “HR & Non-operational Training”;
- Property costs of training facilities (should be recorded under Property management); and
- Cost of general staff induction training programmes (should be recorded under HR & Non-operational Training).

Non-Controllable Costs

13.122 This covers those operating activity costs that are deemed as part of the price control allowances as not being within the direct control of the licence holder.

Supplier of Last Resort (SOLR)

13.123 This covers costs incurred by the GDN if a SOLR event occurs. A SOLR event is a result of the UR revoking a gas supplier’s licence and giving subsequent direction to another gas supply company to supply the customers of the defaulting supplier.

Energy Strategy

13.124 This covers costs incurred by the GDN to carry out UR approved projects in relation to the DfE's Energy Strategy for Northern Ireland.

Non-Price Control Activities

13.125 This covers activities which the regulated company undertakes which are not directly associated with the gas transportation licensed activities. Where such activities are undertaken, it is necessary for us to have been notified of the activities and reasons for them prior to them being undertaken. Also, a description of such activities shall then be included in the commentary.

Opex – Expenditure Types

13.126 To aid understanding and analysis, controllable opex and those opex costs relating to Non-Price Control Activities are broken down by expenditure types. The following expenditure types are being differentiated:

- Staff Costs;
- Agency Costs;
- Contractor Costs;
- Materials;
- Vehicles & Wheeled Plant;
- Transport & Plant (Other);
- TMA (Streetworks);
- Professional and Legal Fees;
- Rent & Rates;
- Network Rates;
- Stationery, Communications & Billing;
- Entertainment;
- MDR Allowance;
- Shrinkage (including Own Use);
- Bad Debt;
- Other; and

- Income Received.

Staff Costs

13.127 The costs collated under Staff Costs should include any form of payment, consideration or other benefit, paid or due to or in respect of employees. More specifically, it includes the following:

- Gross salaries and wages of all employees, including payments resulting from bonus and profit-related payment schemes;
- Overtime, Standby and Other Allowances (standby allowances are the costs incurred when employees are on standby to be called upon if required in the event of a specified occurrence in accordance with their terms of employment);
- Employer's National Insurance contributions;
- Class 1 A NIC;
- Salary sacrifice payments;
- Sick pay;
- Pension Costs:
- Sickness benefits;
- Private health insurance;
- (Non pension related) retirement awards;
- Death in service benefits;
- Paid leave;
- Travel and Subsistence (with the exception of travel and subsistence for non-executive directors);
- Medical insurance costs;
- Childcare assistance;
- Welfare costs;
- Car allowances;
- Company Car;
- PSA – PAYE Settlement Agreement;

- Share based schemes; and
- Staff Entertainment.

13.128 The costs collated under Staff Costs should exclude:

- Agency staff (include under Agency Costs);
- Contractor staff, incl. third party contractors, group manpower provided under service level agreements and similar arrangements; related party manpower (include under Contract Costs); and
- Travel & subsistence for non-executive directors (include under Professional and Legal Fees).

Agency Costs

13.129 This covers costs for persons who are not under a direct contract of employment with the licensee or an affiliate of the licensee but are hired through a third party or employment agency.

13.130 The costs collated under Agency Costs should exclude costs for:

- Professional services (include under Professional and Legal Fees); and
- Contractor staff (include under Contract Costs).

Contractor Costs

13.131 This covers the charges invoiced by (external or related party) Contractors.

13.132 A contractor is third party that has entered into contractual relations (including service level agreements with the parental group) with the GDN to supply goods and/or services or a related party of the GDN that supplies goods and/or services to it.

13.133 A related party is an affiliate, a joint venture of the licensee or of an affiliate or an associate of the licensee or of an affiliate or a relevant associate of the licensee.

13.134 The term contractor covers all of the following:

- Non-related contractors;
- Each part of the parental group with which contractual arrangements (including service level agreements) are in place for the provision of goods and services to the GDN or by the GDN; and

- Each related party (including, but not limited to, any associated supply business).

13.135 The concept of contractor excludes the following:

- Staff employed on a temporary basis or via a recruitment agency by the licensee or an affiliate of the licensee; and
- Third parties providing professional services.

13.136 Where relevant, contractor costs should be recorded inclusive of management fee, and exclusive of TMA.

13.137 Costs for materials provided by a contractor where these costs have been separately identified are to be excluded from Contractor Costs and to be reported under Materials instead; where such costs have not been separately identified they are to be included under Contractor Costs.

Materials

13.138 This covers costs for the physical components that go into the make-up of a tangible asset or are used for maintenance or other duties for the activities undertaken by the licensee and related parties.

13.139 The costs collated under Materials should include costs for:

- Tangible items that become part of the network assets;
- Small tools, equipment and consumables utilised to allow work on the network and to undertake other activities;
- Purchase, rent or lease of vehicles (only where they are “non-operational new assets & replacement”);
- Fuel for the operational fleet; and
- Materials provided by a contractor where the costs have been separately identified.

13.140 The costs collated under Materials should exclude costs for:

- Company cars (include under Staff Costs); and
- Procurement management (include under Staff Costs, Agency Costs or Contractor Costs, as appropriate).

Vehicles & Wheeled Plant

13.141 Vehicles include cars, car derived vans, LGVs, HGVs and wheeled plants.

13.142 Wheeled (mobile) plant includes self-propelled or motorised trailer mounted equipment not classed as a motor vehicle.

Transport & Plant

13.143 This covers costs associated with the use of transport and plant.

13.144 The costs collated under Transport & Plant should include costs for:

- Short term hire and lease costs/depreciation on owned transport and wheeled plant;
- Servicing and maintenance; and
- Vehicle tax.

TMA (Streetworks)

13.145 The objective of the TMA is to tackle congestion and disruption on the road network. The TMA places a duty on local traffic authorities to ensure the expeditious movement of traffic on their road network and those networks of surrounding authorities. Introduction of such a scheme is being considered for Northern Ireland, but details have not yet been announced. It may entail costs by companies working in the highway, including for work carried out under NRSWA, which may involve overrun charges and line rental.

Professional and Legal Fees

13.146 This covers fees for professional, legal and consultancy services employed by the licensee or a related party.

13.147 The costs collated under Professional and Legal Fees should include costs for:

- Non-engineering services provided on a consultancy basis;
- Subscriptions to trade bodies including the Energy Networks Association (ENA);
- Typically items such as legal services, audit fees, taxation services; and
- Travel and subsistence for non-executive directors.

13.148 The costs collated under Professional and Legal Fees should exclude costs for:

- Direct employee costs or agency fees (include under Staff Costs or Agency Costs);

- Contracted services of individuals provided through a personal service company (include under Contractor Costs);
- Engineers whether employed on a consultancy basis or not or contractors, depending on the legal status of their employment (include under Staff Costs or Agency Costs or Contractor Costs);
- Analytical engineering work (or contractors, depending on the legal status of their employment (include under Staff Costs or Agency Costs or Contractor Costs); and
- Business gifts (include under Entertainment).

Rent & Rates

13.149 This covers rent and lease payments for buildings used for business purposes as well as rates for the premises these buildings are on. It should also include costs for heating and light and for security equipment.

Network Rates

13.150 This covers the prescribed rates levied on distribution network assets

Stationery, Communications & Billing

13.151 This covers costs related to stationary as well as communications and billing (incl. e.g., postage, line rental and telephony charges, costs for franking and stuffing machines).

13.152 Excluded are costs for the use of external mail service providers (to be recorded under MDR Allowances).

Entertainment

13.153 This covers entertainment costs as defined by the HMRC guidelines.

13.154 The costs collated under Entertainment should include costs for:

- Food and drink;
- Accommodation - e.g., hotels;
- Theatre and concert tickets;
- Sporting events and facilities;
- Entry to clubs and nightclubs;
- Use of capital assets such as yachts and aircraft;
- Payments made to third party business entertainment organisers;

- Free samples;
- Business gifts;
- Entertainment or hospitality provided only for the directors or partners of your business.

MDR Allowance

13.155 This relates to the Market Development Review and covers costs relating to:

- Advertising, marketing and PR; and
- Incentives.

Shrinkage (Including Own Use)

13.156 Shrinkage is the difference between the amount of gas that was recorded to have entered the distribution system and to have exited it.

13.157 The costs collated under Shrinkage should include costs for:

- Gas loss through theft;
- Gas loss through leaks/emergencies; and
- Own use.

Bad Debt

13.158 This is the amount owed by a third party that is unlikely to be paid due. It includes, but is not limited to, debts from long-term disputes re: network damages.

Other

13.159 The expenditure type Other can be used for recording any expenditure which cannot be attributed to any of the other expenditure categories. Where the expenditure type Other is used, a meaningful designation shall be provided, and an explanatory note shall be included in the commentary.

Income Received

13.160 This covers income collected from third parties in relation to pipe-line damage, service alterations, disconnections etc.

Other Capital Expenditure (Other Capex)

13.161 Other capex covers expenditure not covered by any of the following activities:

- Mains;
- New Connections (Services);
- District Governors;
- Meters;
- Meter Installations;
- Service Governors; and
- Risers & Laterals.

Project Based Expenditure

13.162 It is expected that all other capex will be project-based expenditure. Projects will range in size depending on the nature of the activity involved. For the purposes of these RIGs any project >£100k shall be separately listed.

13.163 Each project shall be assigned a name and a principle category of expenditure (see paragraph 13.166). Where a project has expenditure in more than a single category the principal category shall be determined based on the larger element of expenditure.

13.164 Projects may involve expenditure outside of the price control years being considered in this review. Where this is the case the projects shall have the amount incurred before or planned to be incurred after this period also recorded in order to capture the full forecast project expenditure.

13.165 The total forecast project expenditure shall be considered to be justified on the basis of one or more of the following:

- Customer – The work is aimed at providing enhanced services or performance which extends the benefits provided to customers.
- Growth – The expenditure is targeting an extension or increased capacity of the network to supply gas.
- Mandatory – The expenditure is not discretionary and is mandated by specific legislation or safety recommendation by an appropriate body.
- Renewal – The expenditure is to replace assets based upon an economic test which confirms that replacement of the asset is a lower long term cost to the network than the cost of increased a maintenance and/or the consequence of failure. For renewals, details of the economic test should be provided as part of the commentary.

Categories of Expenditure

13.166 Other capex is broken into the following categories of expenditure:

- System operations;
- IT (infrastructure and systems) and Telecoms;
- Commercial Gas Trading IT;
- Plant, tools and equipment;
- Land, buildings, furniture and fittings;
- Security;
- Vehicles & Wheeled Plant; and
- Other.

System Operations

13.167 This covers systems operation capex costs associated with replacing and upgrading systems used within the system operations. It includes those IT systems and infrastructure costs which are driven by system operations.

IT (Infrastructure and Systems) and Telecoms

13.168 Costs associated with purchasing, replacing and upgrading IT Infrastructure Systems, and any directly impacted telecoms assets. Infrastructure includes hardware and communications equipment such as PCs, servers and LAN. IT Systems includes application systems such as work management systems, asset management systems and financial systems.

Commercial Gas Trading IT

13.169 System used for managing the volumes of gas transported.

Plant, tools and equipment

13.170 This includes fixed plant and machinery forming part of the gas transportation network, part of a gas installation, or used to process gas, as well as tools and other equipment used for the day-to-day management of the gas network.

Land, buildings, furniture and fittings

13.171 This covers capital expenditure related to the purchase, upgrading and fitting out of all buildings, including depots and offices. This includes any telecoms

investment directly driven by the purchase, upgrading and fitting out of all buildings.

Security

13.172 This covers capital expenditure on enhancing or replacing security related assets for all sites.

13.173 The main security assets include fencing, alarms, surveillance cameras and gates. In addition, there may be other minor security expenditure assets.

13.174 This should exclude security cost already included in any other category, where the security cost was included within an overall rebuild or new site development.

Vehicles & Wheeled Plant

13.175 This covers capital expenditure on the purchase of new gas network vehicles. This includes cars, car derived vans, LGVs, HGVs and wheeled plant.

13.176 It also covers expenditure on purchase of wheeled (mobile) plant, which includes self-propelled or motorised trailer mounted equipment not classed as a motor vehicle.

13.177 The asset categories are:

- Cars.
- Commercial vehicles which includes:
 - ◆ Car derived vans;
 - ◆ LGVs – vehicles up to 3.5 tonnes GVW excluding car derived vans; and
 - ◆ HGVs – vehicles >3.5 tonnes GVW.
- Wheeled Plant which includes:
 - ◆ Mobile compressors;
 - ◆ Cranes;
 - ◆ Excavators; and
 - ◆ Dumpers.

Other

13.178 Any capex not covered by any other classification category. Within the commentary, areas of expenditure >£100k should be identified and justifications for the level of expenditure given.