

**RP6 Business Plan**

**Network Investment**

**Guidance Notes**

RP6 Business Plan, Network Investment

Guidance Notes

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# Instructions and guidance for each worksheet in the Network Investment Business Plan workbook

## Workbook and Worksheet Structure

#### The ‘Cover’ worksheet – this worksheet introduces the name of the workbook, the company name or names, the reporting price base and the relevant year or years. Consistent with the company’s licenses, the reporting periods are 1st April to 31st March for each year with the exception of 2017/18 which is split into two periods

##### RP5 – from 1st April 2017 top 30th September 2017 (denoted as Sep-17)

##### RP6 – from 1st October 2017 to 31st March 2018 (denoted as 2018).

##### A reporting year of “2013” means the year ended on 31st March. We use this convention throughout the workbook.

#### The ‘Nav’ worksheet – this worksheet helps us to navigate the workbook. There are three sections as follows:

##### Key - We set out a workbook colour code key for each cell in the workbook. For example: the company’s input cells are formatted in the colour yellow; cells which total figures within a worksheet are formatted in the colour green; and cells which reference other worksheets within the workbook are formatted in light blue and so on, as set out in the ‘Key’ section.

##### Version submission control – for each submission the company should input the date the version was submitted to the Authority and the submission version number. This functionality will avoid the need to change the file name when submitting the workbook.

##### Worksheets – This section introduces each remaining worksheet within the workbook by setting out the worksheet type, worksheet name, a worksheet status and a worksheet category. The worksheet name is hyperlinked for ease of navigation.

#### The ‘Change Log’ worksheet – this worksheet records any changes to the workbook. For each version of the workbook the company or the Authority must input the relevant: version number; date; comments/ notable changes; the effect of the changes; and the reason for the changes. A new version shall be created if any of the following apply: new formula/e; changed template structure; new worksheets required; changed data input; or changed row or column headings or classifications. Unless otherwise agreed, only the Authority should make structural or formula changes to the workbook. NIEN T&D should complete a new row for each submission of the workbook completing all the cells in that row.

### A worksheet is included for each capital allowance and additional sheets are included to enable the company to identify allowances for new strands of work which were not previously carried out in RP5.

### Any new allowances included in the Network Investment business plan templates, should be reflected and reconciled in the relevant sections of the cost and volumes business plan templates. The company is required to explain, in the commentary, the drivers for the additional investment, for example new policies or legislation. Investment driven by consumer engagement should be identified separately.

### The company should inform and consult the Authority on its intention to include allowances for new strands of work well in advance of the Business Plan Submission

### Each allowance worksheet includes two data tables: “Business Plan Request” and “Progress/Forecast/Spend Profile”

## Business Plan Request

### This company should use this table to identify the allowances needed to finance the capital expenditure requirements of their proposed business plan.

### Only RP6 data is to be shown in this section.

### Guidance is provided for each column of the table below:

#### **Allowance Code**: Each allowance is allocated a unique identifying code and specific tab within the Network Investment Business Plan Templates. A blank template has been added to allow the company to identify new allowances. For each new allowance requested the company should copy the blank template. Each new allowance should be numbered sequentially from “001” using the prefix “DN” for distribution allowances and “TN” for transmission allowances

#### **Line Item**: Each allowance is subdivided into one or more line items, each with an associated unit of measure, quantity and unit cost. Blank lines have been added to allow the company to identify further classifications within the allowance structure.

#### **Work Type**: Basic description of the type of works to be undertaken within each allowance

#### **Task**: Basic description of the tasks to be undertaken within each line item

#### **Voltage**: The system voltage (where applicable) related to each task

#### **UoM**: The Unit of Measure related to each task (see section 1.2 item 6 below)

#### **Quantity**: The volume of tasks within each line item

#### **Unit Cost**: The financial value associated with direct activities for each line item task

#### **Direct Allowance**: The product of quantity and unit cost

#### **Indirect Allowance**: A sum allocated to cover indirect activities

#### **Total Allowance**: The sum of direct and indirect allowances

## Progress/Forecast/Spend Profile

### For the purposes of the Business Plan, ‘historic’ data is considered to be that submitted for the RIGs reporting years 2013, 2014, 2015 & 2016. ‘Forecast’ data is considered to be 2017 and the period from April 2017 to September 2017 and all of RP6 price control period.

### The company should report costs and outputs for RP5 historic, RP5 forecast and RP6 forecast for all existing allowances and any new allowances requested for RP6. Where forecasting is not possible the company should provide an aggregated balancing line in the submission by programme and year to ensure that all outputs are reported. Where an aggregated output balancing line is provided, the company should describe how it calculated the aggregated output quantity against the proposed level of investment without identifying individual outputs.

#### **Year**: The Company shall state the reporting year associated with the historic/forecasted outputs.

#### **Line Item**: Each allowance is subdivided into one or more line items, each with an associated unit of measure, quantity and unit cost. Expenditure should be recorded against each line item as appropriate. The Company should record the quantities to be completed in each financial year and the relevant unit costs. If different unit costs are used within a financial year, each instance of difference should be recorded on a separate line and an explanatory note entered in the commentary.

#### **Project Name**: The Company should ensure consistent naming of projects per the following guide lines:-

* Substations: For all works carried out within the boundary of any ground mounted substation, the Company shall report the name of the substation
* Overhead lines: generally, the name of the source substation
* Underground cables: as overhead lines above
* Undereaves: by a block of mailing addresses (street and town)
* LV cutouts: Per specific cutout replacement project nomenclature (no naming is required if no specific project exists)

#### **Asset Identification**: The Company shall report capital expenditure according to unique asset identifiers per the following guide lines:-

* 6.6kV – 275kV Switchgear: Per the unique identifier as used on NIEN system diagrams
* 33kV – 275kV Open terminal busbars and associated VTs & CTs: Per the substation name, voltage and section colour
* 6.6kV – 275kV Overhead lines: Per source circuit breaker identifier or section identifier
* LV Overhead lines: Per the town name or associated HV CB identifier
* Underground cables: Per source circuit breaker identifier

#### **Voltage**: The Company shall identify the voltage (where applicable) related to the asset. In the case of power transformers or distribution transformers, the Company shall report the primary voltage only. Voltages should be recorded as one of the following:-

0.4kV

6.6kV

11kV

33kV

110kV

275kV

#### **UoM** (Unit of Measure)

##### **Overhead Line**: The unit of measure for overhead line works is kilometres **(km)**. Variations to take account of design voltage are recognised as follows:-

Low voltage wood pole lines: average of 20 poles per km;

11kV wood pole lines: average of 12 poles per km;

33kV wood pole lines: average of 10 poles per km;

33kV tower lines: average of 6 towers per km;

#### **Underground Cables (all voltages)**: The unit of measure for installation/overlay of underground cables is linear metres **(lm)**. The Company should submit commentary to ensure justification of increased prices in cases where single core cables are used or more than one core per phase is installed.

#### **Other**: The remaining units of measure are listed below:-

Nr: number – quantities reported per asset count

LS: Lump sum – no pre-defined quantities; however, the Company should use best endeavours to accurately report quantities completed

Site: Relates to a number of tasks associated with a specific geographic location (e.g. substation)

Project: Used when no specific line items have been identified. The Company should use best endeavours to accurately report quantities completed

Tower side: Relates to tasks specific to longitudinal or transverse sides of transmission towers (e.g. circuit identification plates)

Tower: General transmission tower related tasks (e.g. painting)

Poles: Tasks related to individual poles regardless of structure type (‘H’ poles and 4 pole structures are reported as single structures)

#### **Quantity**: The Company shall report quantities per the units of measure listed above.

#### **Direct Unit Cost**: is a calculated field, driven by the values listed in Business Plan Request section

#### **Direct expenditure**: is a calculated field being the product of Quantity and Direct Unit Cost.

#### **Indirect Expenditure**: Indirect expenditure is classified as *expenditure associated with activities which do not involve physical contact with system assets.* The Company shall forecast indirect expenditure per line item for each allowance. The company should submit a commentary to explain its philosophy behind any apportionment used to forecast indirect costs.

# Glossary of Terms

### A glossary of terms for the regulatory instructions and guidance is under development.

### The relevant definitions of the Electricity Distribution (DPCR5) Glossary of Terms – Regulatory Instructions and Guidance: Version 3[[1]](#footnote-1) applies to this Network Investment Business Plan submission.

### Specific additional definitions relevant to this submission are set out in Appendix 1. These will be incorporated into an RP5 Glossary of Terms in due course.

Version Control

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| --- | --- | --- | --- |
| **Version** | **Date** | **Description** | **Applicable Year** |
| 1.0 | 20Jan2016 | First draft for review |  |
| 2.0 | 18Feb2016 | Issue to NIEN |  |
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1. <https://www.ofgem.gov.uk/ofgem-publications/46549/dpcr5glossaryofterms.pdf> [↑](#footnote-ref-1)