

**RP6 Business Plan**

**Transmission Cost & Volumes**

**Guidance Notes**

RP6 Business Plan, Transmission Cost & Volume Guidance Notes

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## General Instructions & Guidance for the worksheets in the Cost & Volume Business Plan Reporting Workbook

### The worksheets within the workbook are structured as follows:

#### The ‘Cover’ worksheet – this worksheet introduces the name of the workbook, the company name or names of the related parties, the reporting price base and the relevant year or years. As referenced above, the reporting periods are 1st April to 31st March for each year. A reporting year of “2013” means the year ended on 31st March 2013. We use this convention throughout the RIGs.

#### The ‘Nav’ worksheet – this worksheet helps us to navigate the workbook. It contains three sections: the Key; the Version submission control; and Worksheets, each of which are described below.

##### **Key** - We set out a 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 this 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 (except for the change to YYYY\_MM\_DD as identified above).

##### **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. As referenced above, we request that the company is concerned about the ‘Live’ worksheets only. Other worksheets are hidden but may need to be activated in the future.

#### 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/s; changed template structure; new worksheets required; changed data input; or changed row, column headings or classifications. As referenced above, unless otherwise agreed, only the Authority should make structural or formula changes to the workbook. The company shall complete a new row for each submission of the workbook completing all the relevant cells in that row.

#### The data submission comprises the following worksheets with detailed instructions and guidance on the individual worksheets provided in the subsequent sub-sections:

C26 – Network operating Costs – Other

C34 – Non-Activity Based Costs

CV2 – ESQCR 43-8 Safety Clearance

CV3 – Asset Replacement

CV5 – Refurbishment

CV8 – Legal and Safety

CV11 – Resilience

CV12 – Environmental Reporting

CV13 – Inspections and Maintenance

CV14 – Tree Cutting

CV15a – Medium Term Performance - All incidents

CV15b – Occurrences Not Incentivised (ONIs)

CV105 – Operational Information Technology and Telecoms

V1 – Total Asset Movements

V2 – Asset Register – Connection Projects

V3 – Asset Register - General and Fault Level Reinforcement

V4a & b – Asset Register – Other Movements

V5 – Asset Register – Age Profile

V10a – Medium Term Performance – Severe Weather EEs only

V11 – Medium Term Performance – Excluding all EEs

CM17 – FTEs

### The work sheets are structured to enable, where appropriate, reconciliation to the Network Investment business plan submission. Some of the allowance codes in the network investment templates are duplicated in multiple tabs of the cost and volumes templates to allow the company to report expenditure from a single allowance across multiple activities.

### The company should insert and populate a new table in the Cost and Volumes Business Plan templates to reflect any additional allowances which have been identified in the Network Investment Business Plan templates.

### The company should ensure that the direct cost data submitted in the cost and volumes templates reconciles with the network investment business plan templates and the C1 matrices. The company should provide an explanation, in the commentary, of how the profile of costs in the yearly C1 matrices maps to the totals reported in the cost and volumes business plan submission.

### A separate civil works tab is not included in the cost and volumes templates. Instead, the company is required to report civil works costs at an aggregated level for asset replacement and refurbishment activities. To avoid double counting, the company should ensure that civil works costs are not included in the cost of replacing or refurbishing the assets.

### The company is required to include historic and forecast data as follows:

#### RP5 historic – outturn data including 2013, 2014 and 2015

#### RP5 forecast – projected data including 2016(LBE), 2017 and the period from April 2017 to September 2017

#### RP6 forecast – projected data including the period from October 2017 to March 2018, 2019, 2020, 2021, 2022, 2023 and 2024

## Worksheet C26 – Network operating costs – Other

### The ‘C26 – NOCs Other’ worksheet records costs associated with dismantlement, remote location generation operating costs, and substation electricity. The total costs for each of these activities are to be split by cost type.

### Key terms for this worksheet, which are defined in the Glossary include:

#### Dismantlement

#### Remote Location Generation Operating Costs: Fuel

#### Remote Location Generation Operating Costs: O&M

#### Substation Electricity

### For substations on the company’s network with metered electricity supplies, the company should insert the amount paid for electricity usage, the units consumed, and the cost per unit (in £/MWh).

## Worksheet C34 – Non-Activity Based Costs

### The ‘C34 – Non Activity Based Costs’ worksheet collects data on Non Activity Based Costs and should be reported by each category listed within the sheet.

### Key terms for this worksheet are defined in the Glossary and include:

#### Pass Through Costs

#### Other

#### Bad Debt Expense

#### Profit/Loss on sale of Fixed Assets and Scrap

### Incremental ring fence compliance is the costs that have necessarily been incurred as a direct result of complying with the additional ring fence condition requirements introduced by the Authority.

### The worksheet collates details of payments made by the company in relation to guaranteed standards breaches and other compensation or goodwill payments. The relevant headings of these tables are defined in the Glossary:

#### GS Compensation Payments (SI 448 of 1993)

#### Ex-Gratia Compensation Payments (SI 448 of 1993)

#### Any other Ex-Gratia/Goodwill Compensation Payments.

#### All Non Activity Based costs except for pensions deficit repair payments should be classified as Subscriptions; this should include only actual costs and not depreciation.

#### All income must be entered as a negative number.

## Worksheet CV2 – Activity Volumes – ESQCR

### The ‘CV2 – ESQCR’ worksheet collects total activity volumes and direct costs by category and voltage level for safety clearances and risk register patrolling.

### This worksheet requires costs and volumes to be reported in accordance with the terms defined in the Glossary.

### The Unit Cost cells are formula driven from the volumes and cost data entered, and will calculate the unit cost data for each activity.

### The table is for management of asset risk register development associated with compliance with Regulation 3 and clearance issues, associated with compliance with Regulations 17 and 18.

## Worksheet CV3 – Asset Replacement

### The ‘CV3 – Asset Replacement’ worksheet records cost and volume data for condition based replacement of assets.

### The total additions for each class of asset and direct costs are to be reported by the applicable voltage and categorisation listed within the worksheet. The number of units of each asset must be entered into the respective Volumes cells.

### The Unit Cost cells are formula driven from the volume and cost data entered.

### The company should explain, in the commentary template, the reasons for variation in unit costs across the allowance categories for the same assets replaced and, in addition, the reasons for variations between historic unit costs and forecast unit costs for the same assets.

### The next table in this worksheet is for the reporting of the total number of Disposals for each asset category that is listed.

### All asset categories listed within the worksheet are defined in the Glossary.

## Worksheet CV5 – Refurbishment

### The ‘CV5 – Refurbishment’ worksheet records cost and volume data for refurbishment works that forms part of the total Asset Replacement category.

### All categories listed within this worksheet are defined in the Glossary.

### The total volume of assets refurbished for each class of asset and direct costs are to be reported by the applicable voltage and categorisation listed within the worksheet. The number of units of activity for each asset must be entered into the respective Activity Volumes cells. The costs associated with these must be entered into the respective Total Direct Costs cells in the adjacent table.

### The Unit Cost cells are formula driven from the volume and cost data entered.

## Worksheet CV8 – Legal and Safety

### The ‘CV8 – Legal and Safety’ worksheet records cost and volume data for Legal and Safety.

### The categories for this worksheet are defined in the Glossary.

### The total activity volumes and direct costs are to be reported by the applicable categorisation listed within the worksheet.

### The costs associated with these Legal and Safety works must be entered into the respective Total Direct Costs cells.

### The table allows for the company to add up to five further categories of Legal and Safety work. A definition of the activity and full explanation of any additional categories added by the company must be included in the Commentary Template.

### The Unit Cost cells are formula driven from the volume and cost data entered.

## Worksheet CV11 – Resilience

### The ‘CV11 – Resilience’ worksheet records cost and volume data for Flood mitigation expenditure.

### Volumes and costs will be reported for Flood Mitigation schemes and Flooding Site Surveys.

### The categories for this worksheet are defined in the Glossary.

### The company should input the costs and volumes associated with flood mitigation schemes and flooding site surveys in the relevant tables. The total activity volumes and direct costs are to be reported by the applicable flooding risk event levels listed within the worksheet. The volumes correspond to the number of substations.

### The Unit Cost cells are formula driven from the volume and cost data entered.

### The information provided in this table may be shared with DARD/Rivers Agency.

## Worksheet CV12 – Environmental Reporting

### This worksheet is for the input of volume and cost data for Environmental information.

### This worksheet collects the data corresponding to complying with environmental legislation or guidelines for each of the following categories:

* Visual amenity
* Fluid used to top up cables
* Fluid Used to Top-up Cables as a Percentage of Mass in Service
* Oil Pollution Mitigation Scheme – Cables
* Oil Pollution Mitigation Scheme - Operational Sites
* Oil Pollution Mitigation Scheme - Non Operational Sites
* SF6 in Bank
* SF6 Emitted
* SF6 Emitted Mitigation Schemes
* SF6 Emitted as a Percentage of SF6 Bank
* Noise Pollution
* Contaminated Land Clean Up
* Environmental Civil Sanctions
* Loss Reduction Schemes

### These categories are defined in the Glossary.

### Environmental Civil Sanctions includes:

* Environmental Reportable incidents
* Environmental Prosecutions
* Environmental Warnings
* Environmental Cautions

### The total activity volumes and direct costs are to be reported by the applicable categorisation listed within the worksheet. The relevant units for the volumes vary according to the specific category.

### SF6 should be reported in kgs.

### The direct costs associated with this activity must be entered into the respective Costs cells.

### It is not intended that the reporting requirements should be any more onerous than would be required by current reporting or management practices. It is therefore expected that the Company will use existing information systems to report these measures (including those introduced to support the Operating Code on the Management of Fluid Filled Cable Systems).

### To support the reporting of these indicators, the Company must include in their commentary:

* discussion of any emerging trends in the environmental data and areas of trade-off in performance
* further details of any reportable incidents or prosecutions
* details of any Environmental Management System (EMS) accredited under ISO or other recognised accreditation scheme

## Worksheet CV13 – Activity Volumes – Inspections and Maintenance

### The ‘CV13 – I&M’ worksheet records cost and volume data related to Inspections and Maintenance.

### The worksheet reports the volumes and costs associated with inspections, and repair and maintenance by asset type.

### The total activity volumes and direct costs are to be reported by the applicable category, activity and voltage level listed within the worksheet. The volumes correspond with each volume type listed for the applicable row. The total direct costs for each activity must be entered into their respective cells in the adjacent table.

### All categories within this worksheet are defined in the Glossary.

### The Unit Cost cells are formula driven from the volume and cost data entered.

## Worksheet CV14 – Tree Cutting

### The ‘CV14 – Tree Cutting’ worksheet records cost and volume data related to Tree Cutting.

### These are the volumes and costs of physically felling or trimming vegetation from network assets to comply with the requirements of ENATS 43-8 (horizontal and vertical clearances) and ETR 132 (network resilience)

### The key terms for this worksheet are:

#### ENATS 43-8

#### ETR 132

#### Spans Cut

#### Spans Inspected (Tree Cutting)

#### ETR 132 - Stand alone

#### ETR 132 - In addition to 43-8 clearance work

#### ETR 132 - As Part of OHL Replacement

#### Span length

#### Cut Cycle

#### Km of network cleared

#### Network Parameters

#### Tree Cutting Policy

#### Tree Cutting Cycle

### The total activity volumes and direct costs are to be reported by the applicable categorisation listed within the each table.

### The costs associated with this expenditure must be entered into the respective Costs cells.

### The Unit Cost cells are formula driven from the volume and cost data entered.

### The Network Parameters and ENATS 43-8 Tree Cutting Policy table collects volume data. The total volumes data should be reported by the applicable voltage category and categorisation listed within the table.

### The Progress against ETR 132 table summarises the total Overhead Network Length that has been cleared to meet the standard during the year. The table also requires the company to record how much of their total network is compliant with the standard at the reporting date.

### If the activity, to meet either ENATS 43-8 or ETR 132 requirements, is atypically more or less costly (on a unit cost basis) during one or more reporting years, then company will be expected to provide further explanation as to the reasons for this in the accompanying Commentary Template.

## Worksheet CV15a – Medium Term Performance - All incidents

### The ‘CV15a – MTP all incidents’ worksheet records cost and volume data for MTP All Incidents (excluding Severe Weather 1-in-20 events) (including Troublecall).

### Costs in this worksheet should be reported in a consistent manner according to the required breakdown as presented in the worksheet.

### The total activity volumes and direct costs are to be reported by the applicable occurrence type, and voltage, and Power System Voltage Equipment categories listed within the worksheet. The volumes correspond with each volume type listed in the applicable row. The total direct costs for each activity must be entered into their respective cells in the adjacent table.

### The costs and volumes reported in this worksheet should exclude all data (costs and volumes) related to Incidents which occur as part of a Severe Weather 1-in-20 events.

### For the avoidance of doubt the costs of restoring supplies, repairs and/or replacing of assets following an Incident should be reported only in CV15a and not in CV3 Asset Replacement. Similarly, the costs of restoring supplies, repairs and/or replacement of assets following an Incident, which are due to metal theft on the company’s network, and these volumes, are to be reported in CV15a only. Metal theft occurrences which do not cause Incidents, the costs and volumes of these are to be reported in CV15b only.

### For each of the following activity tables, enter volume and cost data, as directed above:

#### Unplanned Incidents on Power System Voltage Equipment - (Non Damage Incidents only)

#### Unplanned Incidents on Power System Voltage Equipment - (Damage Incidents Requiring Asset Repair/Replacement).

### The following key terms are defined in the glossary:

#### Non Damage Incidents

#### Damage Incidents

#### Unplanned Incident (unplanned incident on transmission system)

#### The operating cost data for each activity must be entered into the applicable category:

##### Non damage incidents only

##### Damage incidents requiring Asset Repair/Replacement

### As part of the reporting in this worksheet, the company must populate the costs of the damage incidents. These costs will include the total cost of rectifying the faults that have occurred in that regulatory year.

### Throughout the tab the Unit Cost cells are formula driven from the volume and cost data entered.

## Worksheet CV15b – Occurrences Not Incentivised (ONIs)

### This worksheet is for the input of cost and volume data for Occurrences Not Incentivised (ONIs).

### For each of the following activity tables enter both cost and volume data as applicable:

* power system voltage equipment/no unplanned incident
* other occurrences (not affecting power system voltage equipment).

### Throughout the worksheet the Unit Cost cells are formula driven from the cost and volume data entered.

## Worksheet CV105 – Operational Information Technology and Telecommunications

### The ‘CV105 – Operational IT & Tele’ worksheet provides the Authority with a summary of Operational IT and Telecoms expenditure and collects total activity volumes.

### Key terms for this worksheet are defined in the Glossary.

### The Commentary Template should be used to outline:

#### Key elements of your existing IT infrastructure and approach to IT&T

#### Whether the IT strategy over the reporting periods represents a ‘business as usual’ approach or whether your investment plans support the preparation for future innovation.

#### Identification of system updates (or new systems) that may occur.

#### We would also expect to see a road-map (or equivalent documentation) to outline how your IT&T investment strategy supports future network enhancements (e.g. smart grids).

## Worksheets V1 to V4b – Total Asset Movements

### The Asset Register is a collection of worksheets which show the total number of network assets for each year and the number of network assets added and removed from the network each year. The asset register is not linked to any of the Activity worksheets. For each work driver (e.g. asset replacement, general reinforcement, etc.), a worksheet has been added to allow each asset addition or disposal to be recorded against the driver.

### The Asset Register consists of the following worksheets:

#### V1 – Total Asset Movement

#### V2 – Asset Register Connection projects. This worksheet records asset additions and disposals due to Connection projects.

#### V3 – Asset Register General Reinforcement. This worksheet records asset additions and disposals due to General Reinforcement of the network.

#### V4a – Asset Register - Other. This data in the worksheet records asset addition and disposal volumes associated with various other activities.

#### V4b – Asset Register Other – Faults. This worksheet records asset addition and disposal volumes associated with activities related to faults.

### The purpose of this Asset Register is to collect total asset population volume data, and the number of additions and disposals for each asset type.

### Additions and disposals in each category must be input as positive numbers. The closing balance for each asset category, the total number of additions in each asset category and the total number of disposals in each asset category must be recorded according to the units specified in each worksheet.

### Any data entered into the data cleansing section in the V1 template should have a corresponding explanatory entry in the commentary template.

### Definitions for the key terms used within the Asset Register worksheets can be found within the glossary.

### The ‘various activities covered in V4a – Other movements’ worksheet are:

#### Diversion (non fully rechargeable)

#### ESQCR

#### Consequential Asset Replacement

#### Legal & Safety

#### Inspection & Maintenance

#### Environmental Investment

#### Dismantlement of redundant assets

#### Assets adopted from ICPs

### The various activities covered in the ‘V4b – Other Movements – Faults’ worksheet are:

#### Severe Weather Atypical 1-20 Year Events

#### Trouble Call

## Worksheet V5 – Asset Register – Age Profile

### The ‘V5 – Age Profile’ worksheet records an aged profile of the existing asset quantities (by asset category as specified in the worksheet and the Glossary) in the Regulatory Year in which they were added to the network.

### The company must input the average asset lives for the assets and the standard deviation of asset lives in the asset replacement profile section. Average asset lives are defined as the “expected average age at replacement as experienced by the company for the asset population (this is the mean value of the asset age replacement profile of the particular asset)”.

### Assets must only appear in this table once they are energised on the network. Assets which have been re-energised must appear in the year in which the asset was originally installed.

### Assets under construction must not be included in the age profile.

### Strategic spares must not be included in this table until installed and energised on the system.

### Assets disconnected and de-energised during the year but which are available for re-commissioning (e.g. pressure assisted cables) must not be entered in the age profile.

### Asset data must be disclosed by operating, and not by construction, voltage. Where asset data is available only at construction voltage then this must be stated in the Commentary Template.

### The company is required to provide forecast data to the end of the RP6 price control.

## Worksheet V10a – Medium Term Performance - Severe Weather EEs only

### The ‘V10a – MTP Severe Weather EEs only’ worksheet records volumes of incidents that occur as part of severe weather exceptional events.

### The volume of incidents should be reported for the number of Unplanned Incidents on Power System Voltage Equipment due to severe weather exceptional events.

### All categories listed within this worksheet are defined in the Glossary.

## Worksheet V11 – Medium Term Performance Excluding all Exceptional Events

### The ‘V11 – MTP Excluding all EEs’ worksheet records volumes of Unplanned Incidents on Power System Voltage Equipment excluding all exceptional events

### The volume of incidents should be reported for the number of Unplanned Incidents on Power System Voltage Equipment due to severe weather exceptional events.

### All categories listed within this worksheet are defined in the Glossary.

## Worksheet CM17 – Full Time Equivalents

### This worksheet collects the number of FTEs (Full Time Equivalent) by category. Enter the number of FTEs for DNO Own and also for Related Parties.

### For Indirect FTEs, this worksheet should be consistent with headcount before reallocation to non-distribution activities.

### Refer to the Glossary for the definition of any category listed within this section.

# 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 the Business Plan Submission.

### Specific additional definitions relevant to the Business Plan Submission are set out in Appendix 1. These will be incorporated into an RP6 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 | 19Feb2016 | Issue to NIEN |  |
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1. <https://www.ofgem.gov.uk/ofgem-publications/46549/dpcr5glossaryofterms.pdf> [↑](#footnote-ref-1)