

Resilience and Reliability Working Group



UK Power Networks
**Customer
Engagement
Group**

Date: Friday 26 June 2020

Time: 9.00am to 10.30am

Time and date

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Attendees

CEG

Ann Bishop
Nigel Cornwall
John Hargreaves
Peter Bennell
Peter Atherton
Ann Bishop
Jeff Hardy
Nick Pollard

UK Power Networks

James Hope
Max Taylor
Samuel Bould (KPMG)

Agenda

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| 9.00am | Introductions and overview of session |
| 9.10am | Overview of UKPN ED1 cost assessment process & categories |
| 9.50am | Stakeholder engagement |
| 10.20am | AOB |

Meeting summary

UKPN and the RRWG met to discuss UKPN's approach to cost assessment and forecasting, as the CEG as sought additional explanation of the context, levels and key drivers of different expenditures items which they would be assessing at a later date. This included an overview of:

- (i) The ED1 context and how the cost assessment and forecasting approach was managed throughout ED1;
- (ii) UKPNs approach to cost assessment modelling and how stakeholder engagement feeds into the wider cost assessment process; and
- (iii) A more detailed overview of individual cost categories and their constituent components.

Discussion

Key discussion and steer focused on:

- (i) UKPN providing additional information and data on the ED2 cost assessment process;
- (ii) Implications and practicalities of benchmark exercises; and

(iii) Additional expenditure information and information on cost policy.

Actions and next steps

Action - UKPN to prepare a short paper on comparing the differences in approach ED1 - 2.

Action - UKPN to circulate the [CEPA document on RIIO-1](#) (fast track review).

Action - UKPN to outline information on whether they undertake any hedging on any of their purchasing to support costs across the control.

Action – UKPN to provide more information on the worst served customer expenditures and goals across their three networks and if possible, any rankings on performance in this area.

Action – UKPN to provide more information £ level expenditures (actuals) for the individual cost categories, where possible splitting these by network region.