PR19 Methodology consultation webinar - data tables
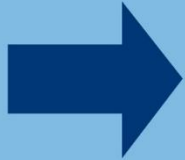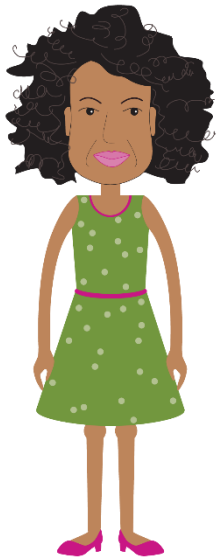
July 2017

Aim

To explain draft methodology to assist your response

To take clarification questions – not for views on methodology (this is for your response)

We will provide stops in the presentation to allow questions

Structure

Our proposals for data

Key messages

Key proposals by policy area

Consultation questions

Area	Our thinking and proposal
The supporting data tables	Companies should complete a full set of data tables covering each price control, together with suitable explanations and commentaries. Companies should highlight and explain any changes to previously reported data and explain the steps they have taken to communicate and reconcile such changes with their customers and stakeholders. Companies should ensure consistency between their business plan tables, the supporting feeder models and the financial model. Small companies are not expected to complete and submit the proposed tables.
Assurance and governance arrangements	Companies should provide evidence that the data and information provided within the plan has been subject to good assurance processes to ensure it is consistent and accurate.
Submission process	Companies will be able to complete their data tables, narratives and commentaries using our new secure data capture platform.
Expectations for transparency	Companies should publish the whole of their business plans and will need to provide very good reasons should they choose to excise information.

"Companies need to submit **a consistent, accurate and assured set of information** in line with our data table requirements."

"If a company restates previously reported historic data in its business plan, we expect it to **clearly highlight and explain this in its commentary**."

"We expect companies to **complete a full set of data tables**, **in line with the guidance and line definitions** for each table, supported by **suitable commentaries** that clearly explain their proposals."

"There **must be consistency between models and business plan tables**. We expect companies to provide assurance that all figures entered into the financial model (or supporting feeder models) match the relevant figures entered into their business plan tables. We expect companies to make sure their reporting is consistent between tables."

"We also expect submissions to be complete, accurate and final."

"If a company considers some information should not be published, for example as it is commercially sensitive information, then the **company will need to provide strong, robust reasons** for this that are specific to the information concerned."

"We will continue with our approach of **publishing financial models and supporting feeder models**, to provide transparency and understanding of our decision making."

"We are proposing to integrate a secure data capture system into our database."

Cost assessment tables

- Developed collaboratively with companies and build on information requests and the APR already in train, so companies should be familiar with these tables
- Asks for well evidenced RPE and productivity data to inform the debate in this area (e.g. why the sector is different)
- Opportunity to check and refine their data
- Welcome feedback on our proposals

Financeability and risk/return tables

- Mainly based on tables collected at PR14 and/or collected annually in the APR
- Some changes from PR14 such as:

    o Financial information for notional and actual capital structures
    o PAYG rates for each price control
    o Run-off rates based on proportions of RCV indexed by RPI/CPIH
    o WACC assumptions for each price control

Outcomes tables

- **Standalone excel** file for the 4 tables, covering all price controls
- Companies should be familiar with the style and format of reporting as it is similar to the spreadsheet we publish each year
- We have included a useful viewer page which allows details for a single PC/ODI to be viewed on one page including basic graphs and charts
- Detailed information on leakage based on the new and old definitions
- Contain proposals for customer metrics for affordability and vulnerability

Past delivery tables

- Constructed to reflect the PR14 reconciliation rulebook
- Contain a mix of pre-populated actual and FD14 data
- Include outputs from the specific PR14 feeder models

Consultation questions on data

1. Are the business plan and data requirements clear and sufficiently specified?

1a. Are there any areas we need to look at again?

1b. Is there any data missing or included but not required?

Specific feedback request

Explaining the 2019 final determination

We welcome views and suggestions on these initial proposals that seek to explain what the 2019 final determination actually means for customers and the environment.

Consultation template for data tables

Reviewing the content of the data tables

We welcome constructive comments on the data tables and encourage responses via the template provided for each set of tables as shown below.

PR19 Business Plan data tables consultation response template

Appointee tables

Reference	Table (drop down list)	Area (drop down list)	Company response
1	App7	Missing information	
2			
3			