



# Glossary

RIIO-ED1 Business Plan Commitments Report  
Year Eight – 2022/23  
31 October 2023

# Glossary

## A

### Accident Frequency Rate

Accident frequency rate is derived from the number of annual accidents and the number of staff, and is expressed as 'accidents per 100 members of staff'. The calculation allows a like-for-like comparison irrespective of the number of staff employed.

### Automation

Computer controlled decision making linked to remotely controlled devices which allows electricity supplies to be quickly rerouted without the need to send a person to the site.

## B

### Behavioural Safety

An approach to safety which goes beyond setting rules and enforcing compliance. It focusses on changing attitudes so that staff take responsibility for their own safety and the safety of others by acting on training, following instructions and challenging others when they see safety rules about to be broken.

### Black Start

The recovery from an event of widespread power loss. We carry out specific programmes of work to make sure that the network is able to cope in these situations.

### Broad Measure of Customer Satisfaction (BMCS)

An incentive scheme made up of a customer satisfaction survey, an assessment of how complaints are dealt with and a review of stakeholder engagement. It was introduced for DPCR5 and is designed to drive improvements in the quality of the overall customer experience by capturing and measuring customers' experiences of contact with their DNO across the range of services and activities the DNOs provide.

### Building Research Establishment Environmental Assessment Method (BREEAM)

A methodology used by the building industry to assess the environmental aspects of building construction and refurbishment.

### Bund

A containment wall constructed around items of plant which contain large amounts of oil, designed to prevent oil from leaking into the environment.

### Business Carbon Footprint (BCF)

A calculation which represents the effect our work has on the environment. BCF is measured and reported using equivalent tonnes of carbon dioxide to express the impact of energy usage in offices, emissions from vehicles and the release of greenhouse gases. BCF is used to encourage DNOs to consider the direct carbon impact of conducting their operations and to be proactive in the reduction of emissions.

## C

### Capacity

The amount of power that can be distributed through an asset or the network.

### Capital Expenditure (Capex)

Expenditure on investment in long-lived distribution assets, such as underground cables, overhead electricity lines and substations.

### Centre for Sustainable Energy (CSE)

An independent national charity that helps people and organisations from the public, private and voluntary sectors meet the twin challenges of rising energy costs and climate change.

## CIRT (Crown Internet Routing & Tracking)

An online system specifically designed for ICPs and IDNOs, the system allows the online submission of connection applications and progress tracking of those applications.

## Closed Circuit Television (CCTV)

A video based security monitoring system that presents images on television screens in a monitoring centre from cameras installed at remote sites allowing activities to be recorded and intruders to be identified.

## Common Network Asset Indices Methodology (CNAIM)

A standard approach for the derivation of asset risk values for DNOs to report risk levels associated with network assets.

## Competition in Connections

Historically, the incumbent DNO would have provided new connections. Over recent price controls, Ofgem has promoted greater involvement of third parties in both the design of connections and on-site delivery of connections work. This means that third party connection providers compete for the business of providing new connections in a competitive market.

## Connections Portal

An online system designed for customers requiring a connection for small projects and service alterations. Within the Portal, customers can make an application, accept an offer, make a payment and request automatic email updates of key stages within the process.

## Contestable work

Other organisations can carry out connections work in competition with the incumbent DNO. Work that can be carried out by a third party competitor is referred to as contestable.

## Crisis Packs

A crisis pack can be distributed to customers impacted by power outages, often vulnerable customers who are more likely to suffer a detriment as a result of a prolonged outage. The packs contain a flask, wind-up torch, gloves, a hat, a reusable hand-warmer and information

leaflets. Analogue telephones are also available to those customers who may need them.

## Customer Interruptions (CIs)

The number of customers whose supplies have been interrupted per 100 customers per year over all incidents, where an interruption of supply lasts for three minutes or longer, excluding re-interruptions to the supply of customers previously interrupted during the same incident.

## Customer Minutes Lost (CMLs)

The average duration of interruptions to supply per year per customer, where an interruption of supply to customer(s) lasts for three minutes or longer.

## Customer Service Excellence Standard

This is a Government scheme which recognises organisations that provide effective and excellent customer service. Similar assessments were previously awarded through the Charter Mark.

## Cut-out

A piece of equipment installed at the service position to terminate incoming cables. It is positioned before the meter and contains a fuse.

## D DECC

The former Government Department of Energy and Climate Change. Replaced by the Department for Business, Energy and Industrial Strategy, which itself has been replaced by the Department for Energy Security and Net Zero.

## Demand Response/Demand Side Response

A technique that can be employed to reduce load on the network when maximum demand is reaching or exceeding the capacity of the network. It relies upon commercial agreements being in place with customers who can reduce their load and have agreed to do so under the instruction of the DNO.

## Distributed Energy Resources (DER)

Smaller power sources embedded in the distribution network that can be used to provide the power to meet demand.

## Distributed Generation (DG)

Electricity generation connected to the distribution network. It includes wind turbines, domestic solar panels, large scale photo-voltaic farms, hydro-electric power and biomass generators. Sometimes referred to as embedded generation.

## Distribution Network Operators (DNOs)

A DNO is a holder of an electricity distribution licence. There are 14 DNOs which are owned by six different ownership groups. NGED holds licences for four DNOs.

## Distribution Price Control Review 5 (DPCR5)

The price control period which preceded RIIO-ED1. DPCR5 ran from 1 April 2010 until 31 March 2015.

## Distribution System Operator (DSO)

It is anticipated that changes to the energy sector will require Distribution Network Operators to evolve from a traditional, passive role of network management to a Distribution System Operator with full operational responsibility for forecasting energy production and demand along with identifying which parts of the network require extra capacity and seeking the provision of that capacity through new flexibility services or traditional network reinforcement.

## E ESQCR

Electricity, Safety, Quality and Continuity Regulations 2002. The ESQCR specify safety standards, which aim to protect the general public and customers from danger.

## Extra High Voltage (EHV)

Voltages from 22kV up to, but not including, 132kV.

## Exceptional events

Events beyond the control of the DNO that impact on network performance, this could include instances of severe weather or significant one off events. Exceptional events can be exempted from calculations of network performance when strict criteria are met and verified by Ofgem.

## F Flexible Connections

Standard connections allow customers to import or export up to the full rated capacity noted in their connection agreement at all times of normal network operation. The customer is free to use the capacity assigned at any level they choose without further involvement from the network operator. However, where there is insufficient capacity, and costly and/or time consuming reinforcement is required, NGED has developed a range of 'flexible' connections which enable more active management of capacity to limit export and load at times of peak demand, which enables new connections to be made without the need for network reinforcement.

## Fluvial flooding

Flooding related to river or coastal sites.

## Fuel poverty

Fuel poverty describes circumstances where customers struggle to afford electricity and to effectively heat their properties. Whilst NGED is not directly responsible for dealing with fuel poverty we refer customers to a network of expert partners for further advice and assistance.

## G Guaranteed Standards of Performance (GSOPs)

Minimum service levels which DNOs must meet across a range of activities covering supply interruptions, appointments and connections. The Guaranteed Standards are specified in statutory legislation. Where a licence holder fails to provide the level of service required, it must make a payment to the customer affected subject to certain exemptions.

## H

### Health and Safety Executive (HSE)

The Government organisation responsible for enforcing health and safety legislation.

### Health Index (HI)

A measure of an assets condition based upon the probability of failure and informed by a range of observations and measurements. The calculation of health indices is specified in the Common Network Asset Indices Methodology.

### Heat Pump

Systems which capture heat energy from the ground, bodies of water or air. They can be used for space heating, water heating, heat recovery and cooling in a range of buildings. A supply of electricity is required to power the heat pump system.

### High Voltage (HV)

Voltages from 1kV up to, but not including, 22kV.

## I

### Improvement Notice

Where there is a significant breach of Health and Safety legislation the Health and Safety Executive has the power to issue a formal Improvement Notice.

### Incentive on Connections Engagement (ICE)

An incentive mechanism which drives DNOs to improve communication and interaction with major customers. Penalties can be imposed where DNOs fail to demonstrate sufficient engagement with major customers.

### Independent Distribution Network Operator (IDNO)

A company that can construct new electricity networks, embedded within and connected to the DNOs network, retaining ownership of and being responsible for the operation of the new network.

### Independent Connections Provider (ICP)

A third party company that can construct new connections and the associated electricity network on behalf of a customer, with the network being adopted by either an IDNO or the DNO.

### Innovation projects

Projects that seek to find new and better ways of working. Projects can focus on network performance and efficiency, low carbon networks, smart grids and meters, reducing impact on the environment, developing customer service and helping vulnerable customers.

### Inspections and Maintenance (I&M)

Inspections are activities carried out on a routine basis to establish the status and condition of network equipment. Maintenance is routine work which seeks to ensure that network equipment continues to perform as expected during its lifetime.

### Interruption Incentive Scheme (IIS)

The Interruption Incentive Scheme is a financial incentive mechanism that provides annual rewards or penalties based on a DNO's performance against its targets for the number of customers interrupted per 100 customers (CI) and the number of customer minutes lost per customer (CML).

### ISO 14001

This is an international standard for environmental management systems.

## L

### Load

The amount of power flowing through an asset or a network. This may also be referred to as demand. Maximum demand is compared to capacity to determine if the network needs to be reinforced.

### Load Index (LI)

Framework, introduced as part of the DPCR5 Price Control, demonstrating the utilisation of individual substations or groups of interconnected substations. It is used as a secondary deliverable capturing the impact of load related investment.



## Low Carbon Networks Fund (LCNF)

A funding mechanism introduced under DPCR5 to encourage DNOs to prepare for the move to a low carbon economy. A fund was made available for DNOs and partners to innovate and trial new technologies, commercial arrangements and ways of operating networks. The LCNF structure was replaced by the Network Innovation Competition and Network Innovation Allowance during RIIO-ED1, however some LCNF projects continued during RIIO-ED1.

## Low Carbon Technology (LCT)

This is the collective term for devices that reduce the amount of carbon being used for heating, transport and generation. It includes electric vehicles, heat pumps and solar generation.

## Low Voltage (LV)

This refers to voltages up to, but not including, 1kV.

## LVSSA

Connections customers are categorised by Ofgem according to a range of factors. LVSSA customers are those seeking single domestic connections requiring no mains work at low voltage.

## LVSSB

Connections customers are categorised by Ofgem according to a range of factors. LVSSB customers are those seeking two to four domestic connections or one-off commercial connections at low voltage requiring no network reinforcement work.

## M

### Medically dependent customers

Customers who rely on electricity as a result of a health condition.

## N

### National Grid Electricity Transmission (NGET)

The 400kV and 275kV transmission network used to transport electricity around the country from sources of large scale generation such as power stations and off-shore wind farms to substations that feed into DNO electricity networks.

### National Grid Electricity Distribution (NGED)

The name of the electricity distribution network operator that holds four distribution licences for West Midlands, East Midlands, South Wales and South West. NGED is the new name for the company formally known as Western Power Distribution (WPD).

### Net zero

The UK's Climate Change Act (2008) sets out how the UK tackles climate change. The act says that by 2050 the UK Government must reduce greenhouse gas emissions by at least 100% compared with 1990 levels.

### Network Innovation Allowance (NIA)

An allowance agreed as part of the price control to fund smaller scale innovation projects. The purpose of the allowance is to encourage DNOs to innovate to address issues associated with the development of their networks. The NIA (and NIC) replaced the Low Carbon Networks Fund at the commencement of RIIO-ED1.

### Network Innovation Competition (NIC)

An annual funding competition for larger and more complex innovation projects. The NIC (and NIA) replaced the Low Carbon Networks Fund at the commencement of RIIO-ED1.

## O

### Office of Gas and Electricity Markets (Ofgem)

Ofgem is responsible for regulating the gas and electricity markets and network monopolies in the UK to ensure customers' needs are protected.

## **P** **P2**

DNOs have a licence obligation to manage networks to meet the requirements of Electricity Networks Association Engineering Recommendation for Security of Supply P2. This specifies the expected capability of the network to meet demands under defined outage conditions.

### **Perfluorocarbon Tracer (PFT)**

A chemical that is injected into fluid filled cables, used to speed up the location of leaks.

### **Pluvial flooding**

Flooding related to excessive rainwater (flash flooding).

### **Power Up**

Our referral service which arranges for a partner organisation to provide help for customers who are struggling to pay for energy.

### **Powering Improvement**

An industry strategy which aims to achieve continuous improvement in safety and occupational health in the energy generation and network sectors.

### **Price Control**

NGED is a regional monopoly – our customers are such because of where they live and work. NGED is therefore regulated by Ofgem to make sure that we provide a high level of service for the money we are allowed to charge. The money we can earn is set for a specific period of time and determined through a process that assesses proposed activities and associated costs. The process results in determining the financial mechanisms that determine what costs can be recovered from customers. The RIIO-ED1 price control covers the period from 1 April 2015 to 31 March 2023.

### **Priority Services Register (PSR)**

A database that records details about customers in vulnerable circumstances so that we can provide additional support if needed.

## **Prohibition Notice**

Where the Health and Safety Executive believes that an activity carries serious risk of harm it has the option to stop activities immediately using a Prohibition Notice.

## **Protection batteries**

Most circuit breakers on the network rely upon batteries to provide the power to monitor the network and initiate tripping and reclosing actions. These batteries are separate to SCADA batteries that provide the power for communication systems between sites and central control centres.

## **Q**

### **Quality of Service (unweighted)**

The Interruption Incentive Scheme measures Quality of Service using two metrics: Customer Interruptions and Customer Minutes Lost. For IIS, the comparison of actual performance against targets converts different types of interruption using weighting factors (for example unplanned interruptions are weighted at 50%). Quality of Service (unweighted) relates to the raw pre-weighted measures.

## **R**

### **Real Price Effects (RPE)**

Increase in prices of materials, direct staff or contract labour, over and above increases in the Retail Price Index.

### **Reinforcement**

The provision of more network capacity by installing more assets or installing higher rated assets

### **Resilience**

The ability of the network to withstand extreme events such as storms and flooding, and having the ability to recover quickly from widespread power black outs.

## Resilience Tree Cutting

This is the full removal or extensive cutting of trees that are found to be within the falling distance of overhead power lines. This ensures that they cannot cause damage to the power lines in the event of severe weather.

## Revenue = Incentives + Innovation + Outputs (RIIO)

The current regulatory framework, introduced for electricity distribution in 2015/16. It places emphasis on incentives to drive the innovation needed to deliver a sustainable energy network at value for money to existing and future consumers.

## RIIO Electricity Distribution 1 (RIIO-ED1)

The eight-year price control period that runs from 1 April 2015 to 31 March 2023. It is the first electricity distribution price control that uses the RIIO framework for setting allowances.

## RIIO Electricity Distribution 2 (RIIO-ED2)

The five-year electricity distribution price control period that runs from 1 April 2023 to 31 March 2028. Ofgem has determined that the RIIO-ED2 price control will be five years in length.

## Routine Tree Cutting

Tree cutting is undertaken on a cyclical basis to provide sufficient clearance from equipment. Tree cutting prevents faults and keeps the public safe. Clearance is carried out to standard industry specified distances from equipment.

## S SCADA batteries

Batteries which provide the power for system communication between sites and central control centres.

## Self-approved designs

The proposals for new network connections that have been designed by ICPs without the need for approval of designs by NGED. Processes and procedure for authorised ICPs to carry out self-

approval have been developed in line with the requirement to facilitate competition in connections.

## Self-determined point of connection

The proposed point at which a new connection or extension to the network, to be developed by an ICP, connects to the existing network, which has been determined without the need for approval by NGED.

## Smart Grid

A generic term for a range of measures that are used to operate electricity networks more flexibly, allowing more generation or demand (load) to be connected and managing the associated power flows.

## Smart Meters

Smart meters record the energy consumed within a property and are capable of being read remotely. The government originally mandated that by 2020 every home in Great Britain will be offered a smart electricity and gas meter, but the timescales have been extended to June 2025. Smart meters have the capability to allow NGED much greater visibility of the operational state of the low voltage network.

## Stakeholder Engagement and Consumer Vulnerability Strategy (SECV)

An incentive mechanism designed to encourage network companies to engage proactively with stakeholders and to deliver a consumer focused, socially responsible and sustainable energy service. Rewards are available to network companies who can demonstrate high quality activities against set criteria.

## Substation

A part of the distribution network that transforms voltage and allows the re-routing of power by switching the configuration. It contains transformers, switchgear and equipment that protects the network components by interrupting supplies when there is a fault. Substations vary in size from bulk supply points that supply tens of thousands of customers to pole mounted substations that may supply a single rural property.



## Sulphur Hexafluoride (SF<sub>6</sub>)

A gas widely used as an insulating medium in transmission and distribution equipment. It has excellent insulating properties but is a potent greenhouse gas. It continues to be used because there are limited alternatives available.

## Supervisory Control and Data Acquisition (SCADA)

This is the term used for the system that monitors and controls distributed assets. It comprises the remote terminal units, communication infrastructure and human interface within central control rooms.

## Switches

Devices installed on the network that can be turned on or off and are used to alter the routing of electricity. Some can be operated remotely by central control engineers; others require manual operation on site by authorised staff.

## T Time to Connect Incentive

An incentive scheme which focusses on two elements – the time taken to provide a quotation for a connection and, once the offer is accepted, the time taken to complete the necessary connection works. Rewards are available to DNOs who outperform common targets set by Ofgem. Time to Connect and Time to Quote targets are expressed in days.

## Third Party Connection Providers

Independent organisations that carry out elements of connections work that are contestable. Work which is non-contestable will always be undertaken by the DNO.

## Totex

The licensee's total expenditure (with limited exceptions) on regulated business activities. It includes both capital and operating expenditure items that the licensee has control over.

## Transformer

Converts electricity from one voltage to another.

## Transmission charges

Charges made to users of the electricity transmission system. Charges cover the cost of installing and maintaining the transmission system.

## Transmission system

The transmission system is the 400kV and 275kV network used to transport electricity around the country from sources of large scale generation such as power stations and off-shore wind farms to substations that feed into DNO electricity networks. The NGED network is connected to the National Grid Electricity Transmission system at a number of grid supply points.

## U Unrestricted Domestic Tariff

The estimated annual cost of electricity distribution to the typical domestic customer, calculated under the Common Distribution Charging Methodology and assuming specific consumption of 3,100kWh. The tariff charge will vary for each licence area depending on customer numbers and the nature of the network.

## V Vulnerable Customers

Vulnerable customers include those customers who are medically dependent upon electricity, have special communication requirements, have other special needs with a dependence upon electricity (e.g. stair lift), are elderly, have a transient vulnerability to a power cut (e.g. such as those who have recently left hospital) or need assistance with energy affordability.

## W Western Power Distribution (WPD)

Former name of the electricity distribution network operator that holds four distribution licences for West Midlands, East Midlands, South Wales and South West. Now called National Grid Electricity Distribution (NGED).

## **Whole system outcomes**

Transmission system operators and distribution network operators coordinating their activities in order ensure that networks as a whole are managed efficiently and in the best interest of consumers.

## **Worst Served Customers**

Customers who experience 12 or more higher voltage interruptions over a three year period, with a minimum of three in any one year.

National Grid Electricity Distribution (East Midlands) plc, No2366923  
National Grid Electricity Distribution (West Midlands) plc, No3600574  
National Grid Electricity Distribution (South West) plc, No2366894  
National Grid Electricity Distribution (South Wales) plc, No2366985  
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