

Appendix 01.05 Glossary of Terms

Glossary of Terms

A

ADBA	Anaerobic Digestion & Bioresources Association – an organisation representing the anaerobic digestion and bioresources industry in the UK.
AI	Artificial Intelligence – computer systems able to perform tasks normally requiring human intelligence, such as visual perception, speech recognition, decision-making, and translation between languages.
AICR	Adjusted Interest Coverage Ratio
APPG	All-Party Parliamentary Group
AWS	Affordable Warmth Solutions – a Community Interest Company that assists qualifying homes in the most deprived areas in England, in partnership with Cadent.

B

BAME	Black, Asian and Minority Ethnic communities
Bar	Unit of measurement of pressure. 1 bar = 14.5 psi. This is roughly equal to average atmospheric air pressure at sea level. Most car tyres are inflated to around 2 bar or 30 psi. Bar _g and Bar _a may occasionally refer to 'gauge' and 'absolute' pressures respectively. Unless stated, Bar is a gauge pressure.

BAU	Business As Usual
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bcm	Billion cubic metres
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BCM	Business Continuity Measures - the systems and processes we revert to, providing resilience to our services, in the event that our primary system or process fails
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BEIS	The Department for Business, Energy and Industrial Strategy – the Government department which brings together responsibilities for business, industrial strategy, science, innovation, energy, and climate change.
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Biomethane	Natural gas produced by fermentation of organic matter such as sewage sludge.
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BioSNG	Bio Synthetic Natural Gas – natural gas produced from ‘biomass’ materials, such as forestry wood and crops grown specifically for conversion into energy.
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Board	Board of Directors of Cadent Gas Limited
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BOT	Business Options Testing – testing of specific options to understand customer preferences and Willingness to Pay (WTP).
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bps	Basis Points – a unit of measure used in finance to describe the percentage change in the value or rate of a financial instrument. One basis point is equivalent to 0.01% (1/100th of a percent) or 0.0001 in decimal form.
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BPDT	Business Plan Data Table
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C

c. Circa or “approximately”

Cadent or Company Cadent Gas Limited

capex Capital Expenditure – investment in major network infrastructure, offices and equipment.

CAPM Capital Asset Pricing Model – a model used to calculate investment risk and what return on investment an investor should expect.

Cathodic Protection Protection of a metal structure from corrosion by making it act as an electrical cathode (e.g. by connecting the metal structure to a more easily corroded “sacrificial metal”).

CBA Cost Benefit Analysis – a process businesses use to analyse decisions by summing the benefits of a situation or action and then subtracting the costs associated with taking that action.

CBI Confederation of British Industry – an organisation representing approximately 190,000 businesses in the UK.

CbM Commitment-based Management – a method of management based on the concept that a successful organisation is driven by the quality and fulfilment of the explicit network of commitments made between people in that organisation and their customers.

CCC Committee on Climate Change – an independent non-departmental public body, formed under the Climate Change Act (2008) to advise the UK and devolved Governments and Parliaments on tackling and preparing for climate change.

CCS or CCUS	Carbon Capture and Storage or Carbon Capture Usage and Storage – a process that captures carbon dioxide emissions from sources such as coal-fired power stations and either reuses or stores it, so it will not enter the atmosphere.
CEG	Customer Engagement Group – an independent group set up by Cadent to challenge us on the ambition of our plans and bring experience from different sectors into our thinking.
CEO	Chief Executive Officer of Cadent Gas Limited – the highest-ranking executive in a company, responsible for making major corporate decisions, managing the overall operations and resources of a company, and acting as the main point of communication between the board of directors and corporate operations.
Chairman	The Chairman of the Board of Directors of Cadent Gas Limited
CHP	Combined Heat and Power – the use of a single unified system to supply both the heat and power requirements of a project, minimising the waste of heat. The power is produced through gas turbines or another generating source. The exhaust heat is harnessed for requirements and beneficial uses other than electricity generation.
CI	Cast Iron
CIA	Chemical Industries Association – an organisation representing and advising chemical and pharmaceutical companies located across the UK.
CISBOT	A robot for repair of cast iron pipes that seals the joints in natural gas pipelines from the inside.
CIVS	Customers in Vulnerable Situations – customers who have specific needs that are dependent on their energy supply. This may include customers who have certain medical requirements, communication needs, mobility difficulties, are of pensionable age or have young children.
CMA	Competition and Markets Authority – a Government body responsible for strengthening business competition and preventing and reducing anti-competitive activities.

CNG	Compressed Natural Gas – natural gas that is compressed into gas cylinders, mainly used as an alternative for liquid fuels in road vehicles. CNG remains in a gaseous state irrespective of the amount of pressure.
CNI	Critical National Infrastructure – elements of infrastructure the loss or compromise of which could result in: a) Major detrimental impact on essential services; and/or b) Significant impact on national security, national defence, or the functioning of the state.
CO	Carbon Monoxide – a colourless, odourless, tasteless gas that is toxic to people and animals in concentrations above about 35 ppm.
CO₂	Carbon Dioxide – a colourless, odourless gas produced by burning carbon and organic compounds and by respiration.
CO₂e	Carbon Dioxide equivalent – a standard measure of carbon footprint that describes different greenhouse gases in a common unit.
COMAH	Control of Major Accident Hazards – regulations ensuring that businesses take all necessary measures to prevent major accidents involving dangerous substances and limit the consequences to people and the environment of any major accidents which do occur.
Controlled gas escape	A gas escape where the person reporting it has confirmed that the gas Emergency Control Valve (ECV) serving the premises has been turned off and the smell of gas has gone. <i>See uncontrolled gas escape</i>
COO	Chief Operating Officer of Cadent Gas Limited – the executive who oversees ongoing business operations within the company.
CPI	Consumer Prices Index
CPIH	Consumer Prices Index including owner occupiers' housing costs

CRM	Customer Relationship Management computer system
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CSAT	The level of customer satisfaction in emergency and repair work, planned works and connection works as measured by surveys.
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CSOC	Cyber Security Operations Centre
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CVP	Consumer Value Proposition
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D

D&I	Diversity & Inclusion
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DAG	Data Assurance Guidance – best practice for conducting and reporting risk assessment and data assurance activities to ensure that complete, accurate and timely data is submitted to Ofgem.
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DB	Defined Benefit – a type of pension scheme where contributions are adjusted from time to time to ensure that the intended retirement benefit is achieved.
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DC	Defined Contribution – a type of pension scheme where the retirement benefit is determined by the level of contributions that have been made.
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Defra	Department for Environment Food and Rural Affairs – the government department responsible for environmental protection, food production and standards, agriculture, fisheries and rural communities in the UK.
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DfT	Department for Transport – the government department responsible for the English transport network and a limited number of transport matters in Scotland, Wales and Northern Ireland that have not been devolved.
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DI	Ductile Iron
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Directors	The Directors of Cadent Gas Limited
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DIT	Department for International Trade – a UK government department responsible for striking and extending trade agreements between the UK and non-EU states.
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DNO	An electricity Distribution Network Operator
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E

EAP	Environmental Action Plan
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EBITDA	Earnings Before Interest, Tax, Depreciation and Amortisation
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ECV	Emergency Control Valve – a valve at the extremity of the gas distribution network, providing the facility to isolate gas from flowing into the customer property downstream.
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EIC	Energy Innovation Centre – an organisation working in partnership with ten gas, electricity and water utilities and the Energy Systems Catapult (ESC), aiming to bridge the gap between industry and innovators.
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ENA	Energy Network Association – an industry body funded by UK gas and electricity transmission and distribution licence holders. This provides a strategic focus for the energy networks sector by communicating key messages and recommendations, supported by technical expertise. The ENA also records faults, defects and safety information on behalf of the industry.
EoE	East of England – one of our regional GDNs – the network that consists of East Midlands (EM) and East Anglia (EA).
ER&R	Emergency Response and Repair – the part of our operations which delivers the gas emergency service from when a call is received from a member of the public to when a permanent repair of the network is completed.
EUA	Energy and Utilities Alliance – a not-for-profit trade association that provides an industry voice to help shape future policy direction within the energy sector.
EV	Electric Vehicle
Exit capacity	<p>This concerns rights to take gas from the National Transmission System (NTS) up to a certain flow rate. We receive an allowance to cover the cost of doing this. It is classed as a ‘pass through’ cost, which means that the costs are outside of the network’s control and can be passed on to the customer.</p> <p>The mechanism provides incentives to gas distribution networks to minimise the impact on the NTS and to reduce the amount of capacity that is planned. If we spend less than the targeted cost, we are rewarded with a proportion of the saving.</p>
EZ valve	Valves and line stops that enable rapid insertion into gas pipelines.
F	
F2F	Face-to-face

FBM

Future Billing Methodology – a Cadent Network Innovation Competition (NIC) project exploring options for a future billing framework to enable billing natural gas blended with Hydrogen

FEED

Front End Engineering Design

FFO

Funds From Operations

Field force

Employees in operational roles who work on the gas pipeline network ‘in the field’, carrying out maintenance, repairs or emergency response.

First Call Operative

Our emergency field force engineers

FPNES

Fuel Poor Network Extension Scheme – an Ofgem scheme helping off-grid households with funding towards the cost of connecting to the gas network.

FTE

Full-Time Equivalent – this refers to the number of roles performed either by single full-time employees or combinations of part-time employees.

Fuel poverty

Fuel poverty in England is measured using the Low Income High Costs (LIHC) indicator. Under the LIHC indicator, a household is considered to be fuel poor if: a) they have required fuel costs that are above average (the national median level); and b) were they to spend that amount, they would be left with a residual income below the official poverty line. (As defined at <https://www.gov.uk/government/collections/fuel-poverty-statistics>)

G

Gas holder

A large container for the storage of gas.

Gas Safe Register

The official registration scheme in the UK, Isle of Man and Guernsey for installers and maintenance engineers dealing with gas appliances.

Gas Transporter

A company that owns part of the gas Local Transmission System (LTS) and holds a gas transporter licence under the Gas Act 1986.

GD1

The first gas distribution price control under the RIIO framework that was set by Ofgem for the period from 1 April 2013 to 31 March 2021.

GD2

The second gas distribution price control under the RIIO framework that will be set by Ofgem for the period from 1 April 2021 to 31 March 2026.

GDN

Gas Distribution Network – a regional gas distribution network. Together with the National Transmission System (NTS), the regional GDNs combine to form the national gas distribution system in Great Britain.

GDPCR1

The gas distribution price control that was set by Ofgem for the period from 1 April 2008 to 31 March 2013.

GDSP

Gas Distribution Strategic Partner – GDSPs undertake much of our replacement and connections work. Cadent's GDSPs are currently:

- Morrison Utility Services Limited and Skanska Construction UK Limited (a joint-venture known as tRIIO) in relation to our East of England (EoE) and North London (NL) GDNs
- Balfour Beatty Utility Solutions Limited in relation to our West Midlands (WM) and North West (NW) GDNs

GLA

Greater London Authority – the devolved regional governance body of London, with jurisdiction over both counties of Greater London and the City of London.

GNIS

Gas Network Innovation Strategy

Greenhouse Gas or GHG

A gas that contributes to the Greenhouse Effect by absorbing infrared radiation and trapping heat from the sun in the Earth's atmosphere. Carbon dioxide and chlorofluorocarbons are examples of greenhouse gases.

GS(M)R

Gas Safety (Management) Regulations 1996 – these regulations apply to the conveyance of natural gas (methane) through pipes to domestic and other consumers and cover:

- Safety, particularly for domestic consumers, including minimising the risk of a gas supply emergency
- Arrangements for dealing with supply emergencies
- Arrangements for dealing with reported gas escapes and gas incidents
- Gas composition

GSOP

Guaranteed Standards of Performance – standards that we must meet for our customers, such as completing work on time or dealing with complaints within timeframes set by Ofgem.

GWh

Gigawatt hour – a measurement of energy transmitted or used over a period of time. One GWh = one billion Watt hours.

H

H₂

Hydrogen – a colourless, odourless, highly flammable gas

H21

A suite of gas industry innovation projects designed to support conversion of the UK gas network to carry 100% Hydrogen.

Hackitt Review

An independent review of Building Regulations and Fire Safety carried out in 2018.

HGV

Heavy Goods Vehicle

HHIC	Heating and Hotwater Industry Council – a member organisation aiming to drive, support and influence the sustained growth of the UK domestic heating and hot water industry.
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HP	High Pressure – the highest tier of the gas distribution network, which operates at pressures above 7 bar. <i>See also LP, MP, IP</i>
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HR	Human Resources
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HS2	A planned high-speed railway linking London to the Midlands and North of the UK.
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HSE	Health and Safety Executive – the public body in the UK responsible for the encouragement, regulation and enforcement of workplace health, safety and welfare, and for research into occupational risks. The HSE regulates the safety aspects of how Cadent operates.
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Hy4Heat	A gas industry innovation project to establish if it is technically possible, safe and convenient to replace natural gas with hydrogen in residential and commercial buildings and gas appliances.
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HyDeploy	A gas industry innovation project in conjunction with Keele University to trial injection of a blend of natural gas and hydrogen into the network.
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HyDeploy2	The second phase of HyDeploy, which will follow the same approach used at Keele, but this demonstration will use hydrogen to provide energy to a wider variety of customers – more representative of the UK as a whole – on a public gas network.
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HyNet North West	A conceptual study to introduce hydrogen into the gas network in an industrial part of Manchester and Liverpool.
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I

IBoxx trombone index

IBoxx indices provide benchmarks that track global markets. Ofgem is proposing an 11 to 15 year “trombone” IBoxx average index to determine the cost of debt for GDNs in RIIO-2. The averaging period would start on 1 November 2009 and end on 31 October 2020 for 2021-22 (11 years), and will advance by a year each year, trombone-like, until the end of the RIIO-2 period the averaging period length reaches 15 years. For 2025-26, the averaging period will start on 1 November 2009 and end on 31 October 2024 (15 years).

ICR

Interest Coverage Ratio

ICS

Industrial Control Systems – automated systems used to control the operation of our gas network.

IGEM

Institution of Gas Engineers & Managers

IGT

Independent Gas Transporter – IGTs design, construct, develop, operate and maintain their own local networks, which are additional to the main GDNs. They cover a relatively small proportion of the gas market, supplying around 1 million homes plus some industrial and commercial premises. Some are in rural areas and others are in new developments. There are currently six IGTs in the UK: GTC Pipelines, Independent Pipelines, ES Pipelines, Energetics, Fulcrum Pipelines and SSE Utility Solutions Ltd (on behalf of Indigo Pipelines Ltd). The point where an IGT’s network connects to the National Grid network is called a Connected System Exit Point (CSEP).

IMRRP

Iron Mains Risk Reduction Programme

IP

Intermediate Pressure – the tier of the gas distribution network which operates from 2 bar up to 7 bar.
See also LP, MP, HP

IS	Information Systems – the department that provides Information Technology (IT) and support services to the business.
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IT	Information Technology – the use of computer and telecommunications systems for storing, retrieving, and sending information.
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J

K

KPI	Key Performance Indicator – a type of performance measurement for evaluating the success of an organisation or activity. KPIs are chosen according to what is important to the organisation.
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kWh	Kilowatt hour – a measurement of energy transmitted or used over a period of time. One kWh = one thousand Watt-hours.
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L

LAEP	Local Area Energy Planning
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LCNI	Low Carbon Networks & Innovation
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LEP	Local Enterprise Partnership – voluntary partnerships between UK local authorities and businesses set up in 2011 by the Department for Business, Innovation and Skills to help determine local economic priorities and lead economic growth and job creation within the local area.
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LiMo	Licence Model – Ofgem’s specified financial model for RIIO-2.
LO	Licence Obligation – an obligation placed upon Cadent as part of our licence as a gas distributor.
LON	London – a Cadent regional GDN, also referred to as North London (NL)
LP	Low Pressure – the lowest tier of the gas distribution network, which operates from 0 to 75 mbar. <i>See also MP, IP, HP</i>
LTIFR	Lost Time Injury Frequency Rate – a ratio of injuries to time worked. In Cadent we measure the number of injuries that caused someone to have to take time off work occurring in a workplace per 1 million hours worked.
LTS	Local Transmission System – the major distribution pipelines that transport gas downstream of the National Transmission System (NTS) (which is not owned or operated by Cadent) at the higher pressure tiers: HP or IP.

M

mbar	Millibar – unit of measurement of pressure. 1,000 millibars = 1 bar
MEG	Monoethylene Glycol – a chemical substance that is used in the oil and gas industry to prevent the formation of hydrates and resulting blockages in pipelines and equipment.
Meter	Meter – an instrument that measures the volume of gas passing through it.

MOBs Multi-Occupancy Buildings

Monte Carlo analysis A risk management technique used for conducting quantitative analysis of risk.

MP Medium Pressure – the tier of the gas distribution network which operates from 75 mbar to 2 bar.
See also LP, IP, HP

MPs Members of Parliament

MRPS Mains Risk Prioritisation System

N

NARMs Network Asset Risk Measures

Natural Gas A flammable gas, consisting largely of methane and other hydrocarbons, occurring naturally underground. It often includes varying amounts of other higher alkanes, and sometimes a small percentage of carbon dioxide, nitrogen, hydrogen sulphide, or helium.

NEA National Energy Action – a charity that we collaborate with on fuel poverty issues.

Needs Codes A common set of industry codes used to identify customers' individual needs as part of the Priority Services Register (PSR).

NetDAR	Network Data Assurance Report
NGN	Northern Gas Networks – a Gas Distribution Network Operator owning and operating a regional GDN in the north east of England.
NIA	Network Innovation Award – a set allowance each gas network company receives as part of their price control allowance.
NIC	Network Innovation Competition – an annual opportunity for gas network companies to compete for funding for the development and demonstration of new technologies, operating and commercial arrangements.
NIC	National Infrastructure Commission – an executive agency responsible for providing expert advice to the UK Government on infrastructure challenges facing the UK.
NISR	Network and Information Systems Regulations (2018) – legal measures aimed at boosting the overall level of security (both cyber and physical resilience) of network and information systems for the provision of essential services and digital services.
NL	North London – a Cadent regional GDN, also referred to as London (LON)
NOMs	Network Output Measures – deliverables relating to the condition, performance and risk of a gas distribution network that GDNs are required to deliver during GD1.
NPV	Net Present Value – a calculation businesses use in investment planning to analyse the profitability of a future investment or project.
NTS	National Transmission System – the national high-pressure system consisting of 4,000 miles of pipelines, terminals, compressor stations and offtakes. Regional GDNs and directly connected customers take gas from the NTS.

NW North West – a Cadent regional GDN

O

OBR Office for Budget Responsibility – a non-departmental public body established by the UK government to provide independent economic forecasts and independent analysis of the public finances.

ODAs Other Direct Activities – work carried out on our networks that does not fall into the categories of emergency, repair or maintenance work.

ODI Output Delivery Incentive. May be financial or reputational in nature, denoted by (F) (R) respectively. Financial ODIs may be punitive only (-), opportunity only (+) or have both possibilities (+/-).

Offtake The point in a pipeline system where gas is taken into another system – from the NTS into a network, or between two networks – or from a network via a supply pipe to a consumer.

Ofgem Office of Gas and Electricity Markets – the UK government-appointed regulator for the electricity and natural gas markets.

opex Operational Expenditure – money spent on the ongoing costs of running an organisation, business, product, service or system, such as administration, research & development, utility services, rent on premises, maintenance, office supplies and wages.

OptiNet A gas industry innovation project to investigate how smart pressure control, compression and storage might be used in parallel to alleviate constraints in the operation of gas networks.

OT Operational Technology – technology embedded in the physical assets in our networks enabling us to run the networks safely and efficiently.

Outputs The performance measures set within the RIIO price control framework which are a key driver of the level of expenditure (and hence revenue) that Gas Distribution Network Operators require during the price control period.

P

P10 Refers to the 10th Percentile in our Monte Carlo analyses, where 10% of estimates are less than this figure.

P50 Refers to the 50th Percentile in our Monte Carlo analyses, where 50% of estimates are less than this figure.

P90 Refers to the 90th Percentile in our Monte Carlo analyses, where 90% of estimates are less than this figure.

p.a. Per Annum – each year

PAT Profit After Tax

PAST Pipes Above Safety Threshold

PCD Price Control Deliverable

PE Polyethylene – a material we use for our pipelines instead of metal.

PESTLE analysis A strategic analysis method focusing on the effect of Political, Economic, Social, Technological, Legal and Environmental factors on an organisation.

PMICR Post Maintenance Interest Cover Ratio

PPE Personal Protective Equipment – safety equipment that forms the ‘last line of defence’ worn by our engineers on site, which may include boots, overalls, high-vis jacket, ear defenders, hard hat and gloves.

PPF Pension Protection Fund – a statutory fund in the UK, intended to protect members if their Defined Benefit (DB) pension fund becomes insolvent. It was created under the Pensions Act 2004.

PR19 2019 Price Review – the recent Ofwat price review for the water industry.

PRS Pressure Reduction Station – equipment that facilitates the reduction of pressure between different levels or ‘tiers’ in the distribution network. The term may apply to offtakes and governors but is generally used for equipment that reduces the pressure between High Pressure (HP) and Intermediate Pressure (IP) tiers in the GDN, or between Intermediate Pressure (IP) and Medium Pressure (MP) tiers.

PSR Pipelines Safety Regulations 1996 – regulations for health and safety in offshore gas installations and the onshore domestic gas market. They cover responsibilities, arrangements to prevent accidents and damage, emergency plans and notification of incidents.

PSR Priority Services Register – a registration process to ensure that customers can be prioritised in the event of an emergency if they have specific needs that are dependent on their energy supply. Extra help can then be provided to customers who have certain medical requirements, communication needs, mobility difficulties, are of pensionable age or have young children.

PSUP Physical Security Upgrade Programme

Q

Quadgas Midco Ltd

Cadent's parent company Quadgas is a consortium of long-term infrastructure investors comprising of: Macquarie Infrastructure and Real Assets (Europe) Limited on behalf of certain funds and entities managed by it; CIC Capital Corporation, which is a wholly owned subsidiary of China Investment Corporation; Allianz Capital Partners on behalf of the Allianz Group; Hermes Investment Management; Amber Infrastructure Limited/International Public Partnerships; Dalmore Capital; and the Qatar Investment Authority.

R

R2CG

RIIO-2 Challenge Group – an independent group set up by Ofgem to help ensure the delivery of the RIIO-2 objectives by providing effective challenge on behalf of existing and future consumers to the network companies and to Ofgem.

RAG

Red / Amber / Green status

RAV

Regulatory Asset Value

RCF

Retained Cash Flow

R&D

Research and Development

REA

Renewable Energy Association – a trade association for the (overall) renewables industry in the UK.

repex	Replacement Expenditure – investment in replacement of pipe assets, including iron, steel, asbestos mains, and associated service and riser pipework.
RHI	Renewable Heat Incentive – a UK Government scheme set up to encourage uptake of renewable heat technologies amongst householders, communities and businesses through financial incentives.
RIIO	Ofgem’s framework for price controls covering Revenue, Innovation, Incentives and Outputs.
RIIO-1	The first gas distribution price control under the RIIO framework, set by Ofgem for the eight gas distribution networks, for the period from 1 April 2013 to 31 March 2021.
RIIO-2	The second gas distribution price control under the RIIO framework that will be set by Ofgem for the period from 1 April 2021 to 31 March 2026.
RIIO-3	The third gas distribution price control under the RIIO framework that will be set by Ofgem for the period from 1 April 2026 to 31 March 2031.
RoRE	Return on Regulatory Equity – financial return achieved by shareholders according to a price control regime. This is used for comparison with the cost of equity originally allowed.
RPE	Real Price Effects
RPI	Retail Prices Index
RRP	Regulatory Reporting Pack – the annual pack we produce to show how we have performed under the regulatory framework. This is required to be submitted to Ofgem by the end of July each year, relating to the most recent complete performance year.

r-squared	A statistical measure of how closely data are fitted by a regression line. An r-squared value of 1 represents an exact fit between the modelled line and source data, with lower numbers indicating a less close fit.
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RTB	'Run the Business' costs
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S

SEIS	Stakeholder Engagement Incentive Scheme – an Ofgem incentive to encourage network companies to engage effectively with a wide range of stakeholders to inform how they plan and run their businesses.
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SEND	Special Educational Needs & Disabilities
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SGN	Scotia Gas Networks – a Gas Distribution Network Operator owning and operating GDNs in the south of England and Scotland.
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Shipper	A holder of a gas shipper licence under the Gas Act 1986.
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Shrinkage	Loss of gas from our network which does not pass through a meter. This includes gas that leaks or is vented from our system (Leakage), gas that is stolen (Theft of Gas) and gas that is used for our own operational purposes (Own Use Gas). Sources of leakage include distribution mains and services, AGIs, venting and damage.
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SIC	Strategic Innovation Competition – a generic term for schemes that may replace the Network Innovation Competition (NIC) in the future.
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SME	Small or Medium-sized Enterprise
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SME Subject Matter Expert

SMS Text messaging

SPEN Scottish Power Energy Networks – an electricity Distribution Network Operator (DNO).

SROI Social Return on Investment – a principles-based method for measuring extra-financial value (such as environmental or social value not currently reflected or involved in conventional financial accounts).

SSMD Sector Specific Methodology Decision – Ofgem’s decision based on feedback from the consultation with GDNs and other stakeholders on its proposed methodology for the RIIO-2 price control.

STEM Science Technology Engineering & Mathematics

Supplier A licensed gas supplier who supplies gas to customers, such as British Gas and E.ON. Shippers pay Cadent and other gas distribution network operators to transport their gas to homes and businesses.

Supply Point Administration Agreement The agreement setting out the inter-operational arrangements between suppliers and gas transporters entered into by all suppliers and gas transporters pursuant to the terms of their transporter licence.

T

t Tonnes

T&Cs Terms and Conditions

TBC To Be Confirmed

Tier 1 Mains An iron pipe having a diameter of 8 inches and below qualifying for decommissioning under the HSE's Enforcement Policy for the Replacement of Iron Gas Mains.

Tier 2A Mains An iron pipe having a diameter of above 8 inches and below 18 inches above a risk action threshold and therefore qualifying for decommissioning, remediation or risk-assessed for continued use under the HSE's Enforcement Policy for the Replacement of Iron Gas Mains.

Tier 2B Mains An iron pipe having a diameter of above 8 inches and below 18 inches below a risk action threshold. These pipes may be subject to decommissioning or other risk management measures, where justified by a cost-benefit analysis under the HSE's Enforcement Policy for the Replacement of Iron Gas Mains.

Tier 3 Mains An iron pipe having a diameter of 18 inches and above. These pipes may be subject to decommissioning or other risk management measures, where justified by a cost-benefit analysis under the HSE's Enforcement Policy for the Replacement of Iron Gas Mains

Tier 1 Supplier A large, nationwide or international supplier of goods and services.

Tier 2 Supplier A smaller, more locally based supplier of goods and services.

totex Total Expenditure – the sum of Opex, Repex and Capex.

TWh

Terawatt hour – a measurement of energy transmitted or used over a period of time. One TWh = one trillion Watt hours.

U

UILOI

Use It or Lose It Allowance – a potential allowance provided by Ofgem only in the event that a network company incurs an expenditure.

UIP

Utility Infrastructure Provider structure – businesses which design and construct gas infrastructure on behalf of a customer such as a GDN or IGT.

UNC

Uniform Network Code – the commercial contract that exists between gas transporters (NTS and GDNs) and Gas Shippers.

Uncertainty Mechanism (UM)

In the context of RIIO-2, this is a mechanism that can adjust companies' revenues to take account of movements in predetermined factors. Examples include: cost of debt; costs incurred for enhanced security for critical infrastructure; and StreetWorks charges.

Uncontrolled Gas Escape

A gas escape that cannot be isolated by customer action to close a gas Emergency Control Valve (ECV).
See controlled gas escape

Upper Quartile (UQ)

Having performance rated in the top 25% of comparable organisations.

USD

United States Dollar

USPP

United States Private Placement market – a US private bond market available to both US and non-US companies.

V

W

WM

West Midlands – a Cadent regional GDN

WTP

Willingness to Pay – a programme of customer testing to inform the value that customers placed on certain Output Commitments.

WWU

Wales & West Utilities – a Gas Distribution Network Operator owning and operating regional GDNs in Wales and the south west of England.

X

Xoserve Ltd

The business that delivers transactional services on behalf of all the major gas network transportation companies in Great Britain.

Y

Z