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## **RIIO-ET3 Electricity Transmission Price Control – Instructions and Guidance on Business Plan Data Templates: Version 1.1**

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This document sets out the instructions and guidance for completing Business Plan data templates, required as part of the process of setting RIIO-ET3.

This document is for people who are filling out the Business Plan data templates and want to know general and specific guidance for reporting Business Plan data. It explains the scope of the Business Plan data templates, what to consider when completing them, and where to find more information.

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## Contents

<b>RIIO-ET3 Electricity Transmission Price Control – Instructions and Guidance on Business Plan Data Templates: Version 1.1</b>	<b>1</b>
<b>1. Introduction</b>	<b>7</b>
Background	7
Components of the BPDT Reporting Suite	7
BPDT Structure	8
Instructions and Guidance	10
Form of submission	11
Resubmissions	11
Commentary	11
Assurance requirements	11
Reporting timeframes	12
Structure of this document	12
Related publications	12
<b>2. General instructions for completing the BPDTs</b>	<b>13</b>
Overview	13
Accounting policies	13
Structure of the templates	13
Data entry	14
Definitions	15
Use of estimates and allocations	15
Additional information	16
Template errors	16
General tables	16
1.1 Cover	16
1.2 Contents	16
1.3 Version history	17
1.4 Change Log	17
1.5 Data Checks	17
1.6 Data Constants	17
1.7 Assumptions	18
1.8 – 1.9 Asset Possibilities / Look Up Tables	18
<b>3. Finance Sheets (Category 2)</b>	<b>20</b>
2.1 Data Inputs	20
2.2 Universal Data and 2.3 Monthly Inflation	20
2.4 Debt for BPFM	20
2.5 Financial Summary (TWA)	23
2.6 Financial Summary (YE)	25
2.7 Fixed Rate Debt	27
2.8 Floating Rate Debt	27
2.9 Inflation Linked Debt	27

2.10 Debt Dataset .....	28
2.11 Data Validation .....	35
2.12 BPFM Inputs .....	35
2.13 BPFM Inputs 2.....	35
2.14 Difference .....	35
2.15 Sum Cost Matrix Summary .....	36
2.16 BP Tax Inputs .....	36
2.17 BP Disposals 1 .....	36
2.18 BP Disposals 2 .....	37
2.19 Liquidity Licensee .....	37
2.20 Liquidity Group .....	37
2.21 Liquidity Group Structure.....	38
2.22 RPE & OE Table .....	38
<b>4. Totex Sheets (Category 3) .....</b>	<b>41</b>
3.1 Totex Annual Profile.....	41
3.2 Overview tables .....	41
<b>5. Cost and Asset Matrices Sheets (Category 4) .....</b>	<b>42</b>
4.1 Cost Matrix Collated .....	42
4.2 – 4.24 Cost Matrix (by year) .....	42
4.25 – 4.47 Asset Movements (by year).....	43
4.48 System Characteristics .....	43
<b>6. Load and Non Load Sheets (Category 5) .....</b>	<b>47</b>
5.1 Project Meta Data.....	47
5.2 Scheme Output.....	49
5.3 Market Rate Information .....	51
<b>7. Load Worksheets (Category 6).....</b>	<b>58</b>
6.1 Scheme C&V Load Actuals .....	58
6.2 Load ET1 Legacy Log .....	70
6.3 Load R&C.....	74
6.4 Planning Consent Req .....	75
6.5 T3 Baseline Load .....	76
<b>8. Non Load Sheets (Category 7).....</b>	<b>77</b>
7.1 Scheme C&V Non Load Actuals.....	77
7.2 Non Load ET1 Legacy Log .....	84
7.3-7.5 Spares, ESR, Losses .....	88
7.6 Non Load R&C .....	91
7.7 T3 Non-Load Baseline .....	93
<b>9. NOC Sheets (Category 8) .....</b>	<b>94</b>
8.1 Faults .....	94
8.2 Inspections .....	95
8.3 Maintenance .....	96
8.4 Repairs .....	98
8.5 Service Agreements.....	99

8.6 Vegetation Management.....	100
8.7 NOCs Other.....	101
8.8 Flood Mitigation .....	102
8.9 Operational Technology.....	104
8.10 Visual Amenity.....	105
8.11 Faults & Failures.....	106
<b>10. Other Operational Expenditure Sheets (Category 9) .....</b>	<b>109</b>
9.1 Non Op Capex .....	109
9.2 Physical Security Capex .....	110
9.3 Physical Security Opex.....	111
9.4 CAI .....	111
9.5 BS .....	127
9.6 BS Allocation .....	134
9.7 Op Training (CAI).....	134
9.8 NIS Cyber Resilience.....	137
9.9 Uncertain Costs.....	143
9.10 Innovation.....	144
9.11 - 9.14 Innovation Fund Tables.....	144
9.15 Salary & FTE.....	146
9.16 Related Party Margin.....	147
9.17 Environment.....	148
9.18 IIG SF6 Incentive .....	152
9.19 DR Services .....	154
9.20 Pass Through Costs .....	155
<b>11. Miscellaneous Sheets (Category 10) .....</b>	<b>156</b>
10.1 Asset Mapping .....	156
10.2 Asset ID.....	156
10.3 Site and Route ID .....	159
10.4 Crossover Projects T2-T3.....	160
10.5 ET Pipeline Log.....	164
<b>12. Memo Sheets (Category 11) .....</b>	<b>168</b>
11.1 ET Pipeline Log Memo .....	168
11.2 ASTI & tCSNP 2 Memo .....	168
11.3 D&D Memo .....	169
11.4 HVDC Centre .....	171
11.5 NARM Interface .....	172
11.6 References .....	173
11.7 DRS & De Minimis.....	173
11.8 Vehicles & Transport Memo.....	174
11.9 Climate Resilience Memo .....	175
11.10 Contractor Indirects Memo .....	175
Index.....	177
<b>Appendix 1 - Indirect Definition Tables.....</b>	<b>178</b>

Guidance – RIIO-ET3 Electricity Transmission Price Control – Instructions and Guidance  
on Business Plan Data Templates: Version 1.1

Manufacturing Configuration Design/Functional Design Table .....	178
Indirect Design Definitions Table.....	181
Project Management Definitions Table .....	181
<b>Appendix 2 - Draft Submission Assurance Requirements .....</b>	<b>185</b>
Assurance Requirements Table .....	185

## 1. Introduction

- 1.1 This chapter sets out the purpose and structure of the Business Plan Data Templates Instructions and Guidance (BPDT Instructions) which will apply to the electricity transmission owners for RIIO-ET3.

### Background

- 1.2 RIIO-ET3 is the third iteration of electricity transmission price control to be conducted under the RIIO (Revenue = Incentives + Innovation + Outputs) model. This will apply to electricity transmission network companies from 1st April 2026 to 31st March 2031.
- 1.3 As part of our regulatory oversight of the electricity transmission network companies, we collect a wide variety of both qualitative and quantitative information. In preparation for RIIO-ET3, companies submit business plans in advance of the period to enable us to understand the requirements of their networks and inform our decisions on setting the economic and efficient allowances for the price control period.
- 1.4 The BPDTs provide a framework which enables Ofgem to collect data from the transmission owners (TOs, hereafter referred to as Licensees) on their proposed investment plans in advance of the RIIO-ET3 period.
- 1.5 The BPDTs forms part of an extensive reporting and monitoring pack which allows us to collect data on provisional total expenditure for use in the annual iteration process and provide a database of Licensee plans and performance for which to draw insights on future cost proposals and ongoing monitoring.
- 1.6 These instructions are limited to ensuring consistency of reporting in the BPDTs between Licensees and to improve the quality of regulatory reporting. Alongside the BPDT Instructions, Licensees should also review and complete the commentary document, rounding off the BPDT reporting suite.

### Components of the BPDT Reporting Suite

- 1.7 The BPDTs comprise a set of templates (in MS Office Excel format) for reporting data. They are one element of the wider suite of information provided to Ofgem to enable appropriate price control allowances to be set.
- 1.8 Other material we provide to Licensees to form the reporting suite include:
- instructions and guidance on how to complete the associated workbooks (this document);

- a template for providing commentaries on the data;
- a template for providing engineering justification papers which should provide technical justification for the work proposed to be undertaken on a project level; and
- a template for a Cost Benefit Analysis (CBA) which should provide the quantitative data underpinning each proposed project.

1.9 The combined suite of documentation will form the evidence base which Ofgem will use to assess the validity of the business plans proposed by Licensees and will inform any revenue allowance recommendations Ofgem makes to the Authority.

## **BPDT Structure**

- 1.1 The data templates have been designed to act as a means of recording the basis of investment plans for the RIIO-ET3 price control. Their content has built on the learning from the Regulatory Reporting Pack (RRP) and Regulatory Instructions and Guidance (RIGs) used to monitor the regulatory settlement throughout the RIIO-ET2 period and the reporting requirements developed as part of the RIIO-ET2 BPDTs.
- 1.2 The key points to note in completing the BPDTs are detailed in the following paragraphs.
- 1.3 Licensees must take all reasonable steps to ensure the quality of its data. Quality data will, in all material respects, be accurate, complete, clearly and fairly presented.<sup>1</sup>
- 1.4 Where a table contains multiple years of data (actual and/or forecast) that was reported in previous submissions, the Licensee should report, unless otherwise stated in the specific table guidance, data for all years that is to the best of its knowledge up to date and accurate. Licensees are required to explain any material data revisions in their accompanying narrative.
- 1.5 As soon as it becomes evident to a Licensee that a reasonable likelihood exists of significant inaccuracies in any of its previously submitted data, a notification must be issued to Ofgem. This notification must specify:

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<sup>1</sup> For RIIO-ET2, this is set out in the Electricity Standard Licence Conditions Condition B23: Data Assurance Requirements

## Guidance – RII0-ET3 Electricity Transmission Price Control – Instructions and Guidance on Business Plan Data Templates: Version 1.1

- the information that is inaccurate and where it is located in the reporting suite;
  - why the licensee believes the data is inaccurate;
  - how and why the licensee failed to understand the information was inaccurate; and
  - a full revision of accurate data.
- 1.6 A licensee must also immediately notify Ofgem if they become aware that data provided in the reporting suite may be inaccurate but is carrying out an investigation to confirm the extent of the inaccuracy. That notification must specify:
- the data which the licensee believes may be inaccurate and its location in the data suite;
  - the actions the licensee is taking to investigate the data inaccuracy;
  - if the data is inaccurate, an estimate of the timeframe in which the licensee expects to provide accurate or updated data.
- 1.7 Worksheets in these BPDTs may link to other worksheets. These links must be retained by the Licensees in the version submitted to Ofgem.
- 1.8 The BPDT tables are colour coded to reflect the action required.
- Yellow cells represent editable input fields.
  - Green is used to denote cells containing a formula or dropdown lists.
  - Light blue cells are auto populated from elsewhere in the template (and not editable)
  - The tables also contain several “check” cells. These can be mainly found coloured red.
  - White & Grey pattern cells are used where cells do not need to be completed.
- 1.9 Unless otherwise stated, all financial values in the sheets should be input in 2023/24 prices.
- 1.10 Unless otherwise indicated in the guidance document or templates, actual financial values should be provided in £ million to a minimum of three decimal places, and displayed at one decimal place, with financial values reconciling with the audited regulatory accounts. However, Licensees are required to provide all actual financial data to the highest reasonable level of accuracy available from

their source systems, and commensurate with the purpose for which such data is intended taking into consideration the appropriate allocations that are necessary to complete the tables.

- 1.11 Workload units and outputs should be reported at the highest level of accuracy from the source systems and commensurate with the purpose for which such data is intended taking into consideration the appropriate allocations that are necessary to complete the tables. Workload and outputs should be entered in the unit of measurement set out in this guidance or in the template.
- 1.12 Where a reportable value is zero or not applicable to the TO then a zero must be input rather than the cell being left blank.
- 1.13 Where a table clearly states that data is to be filled in by another TO other than the Licensee, the Licensee does not need to populate the data.

## **Instructions and Guidance**

- 1.14 The purpose of this document is to provide instructions and guidance to enable the Licensees to complete the associated workbooks. This document provides information on:
  - the systems, processes, procedures, recording and provision of the required data;
  - reporting units;
  - levels of accuracy (including rounding);
  - the methodology for calculating or deriving required numbers;
  - the provision of the data to the Ofgem (format, frequency, etc.);
  - reasons for the data requirement;
  - a glossary of terms used in the workbook; and
  - the provision of forecast data.
- 1.15 Licensees are required to provide forecast expenditure profiles, where applicable, for the remaining years of the RIIO-ET2 price control and for all years of the RIIO-ET3 price control. Licensees should also populate, where available, any projected expenditure beyond RIIO-ET3 for any categories listed on the worksheets. Forecasts represent the Licensee's best view following its best endeavours to take account of all relevant internal and external factors.

## **Form of submission**

- 1.16 Instructions for the electronic submission of the BPDTs and associated commentary will be circulated to each Licensee’s regulation manager in advance of the submission deadline. However, if there is any doubt about the method of submission, the Licensee must contact Ofgem.
- 1.17 The submission must be accompanied by a letter signed by a director on behalf of the Licensee confirming that all data and accompanying commentary within the BPDT and accompanying commentary document is accurate and has been provided in accordance with these instructions.

## **Resubmissions**

- 1.18 Licensees are required to seek the agreement of Ofgem or person nominated by Ofgem before resubmitting any information provided in accordance with these BPDT Instructions.
- 1.19 In any such instance the report concerned must be resubmitted in full (unless agreed otherwise). The resubmission must only be accompanied by a letter signed by a director where significant changes have been made and where Ofgem and/or the Licensee decide such a letter is required. The volume of supporting information the Licensee will be required to submit to support any resubmission will be dependent on the nature of any required resubmission.
- 1.20 For each resubmission a detailed explanation must be provided while in the changes log in the BPDTs listing every cell that has been amended. The explanation must include sufficient commentary to explain the reasons for the resubmission.

## **Commentary**

- 1.21 Alongside the submission of the BPDTs, each Licensee must also complete and provide a tab-by-tab commentary. The requirements and underpinning principles for the commentary is specified in the BPDT Commentary document that is published with the BPDTs and these BPDT Instructions.

## **Assurance requirements**

- 1.22 We have detailed assurance requirements in a letter to network companies issued on June 27th, 2024.

Guidance – RIIO-ET3 Electricity Transmission Price Control – Instructions and Guidance on Business Plan Data Templates: Version 1.1

1.23 Building on that guidance, we have outlined the assurance requirements for the draft submissions on a detailed basis for each worksheet of the BPDTs within Appendix 2 of these Instructions.

## Reporting timeframes

1.24 We expect draft submissions of the completed BPDTs and accompanying reporting suite to be provided to Ofgem by 31st July 2024. We will inform Licensees should this deadline be amended in light of wider RIIO-3 developments.

1.25 We expect final submissions to be provided, alongside Licensees' final business plans, to Ofgem by 11th December 2024. We will inform Licensees should this deadline be amended in light of wider RIIO-3 developments.

## Structure of this document

1.26 This document is divided into sections reflecting the different component parts of the BPDTs workbook. These are as follows:

- Chapter 2 provides general guidance for inputs and broader administrative workings of the BPDTs.
- Chapters 3 to 13 provide instructions and guidance for worksheets collating cost, volume, and output information on a granular level for disaggregated cost categories.

## Related publications

1.27 We The following list contains related publications which readers may find useful.

- RIIO-3 Sector Specific Methodology Consultation, 13th December 2023
  - [RIIO-3 Sector Specific Methodology for the Gas Distribution, Gas Transmission and Electricity Transmission Sectors | Ofgem](#)
- RIIO-3 Sector Specific Methodology Decision, 18th July 2024
- RIIO-3 Business Plan Guidance, 18th July 2024

## **2. General instructions for completing the BPDTs**

### **Overview**

- 2.1 The data templates are a series of tables in MS Excel format. The purpose of the workbook is to facilitate the submission of uniform and comparable financial, volume and output information from Licensees and enables comparison of Licensees business plans on a consistent basis. Ofgem will use this information to assess and analyse the business plan and inform its recommendations on price control allowances.
- 2.2 The workbooks have been designed to have single data entry where possible in order to avoid duplication and to facilitate reconciliations and balance checks.
- 2.3 Each Licensee must complete the BPDTs in full, unless otherwise instructed in the specific table guidance. If information is incomplete, the Licensee must provide a clear explanation for why.

### **Accounting policies**

- 2.4 All costs are to be entered on a cash basis. Cash means exclusive of provisions and accruals and prepayments that are not incurred as part of the ordinary level of business. Licensees should use the same accounting policies as in the preparation of the regulatory financial statements, in accordance with UK GAAP or IFRS unless otherwise stated.
- 2.5 In the event that the accounting policies applied to prepare the template differ from those used in the regulatory financial statements (for some or all years) the Licensee must include appropriate details including quantification of the difference.

### **Structure of the templates**

- 2.6 The template has been separated into the following sections:
  - General sheets
  - Finance
  - Totex sheets
  - Cost and Asset Matrices
  - Load and Non-Load Related sheets
  - Load Related sheets

## Guidance – RIIO-ET3 Electricity Transmission Price Control – Instructions and Guidance on Business Plan Data Templates: Version 1.1

- Non-Load sheets
  - NOC sheets
  - Other operational expenditure sheets
  - Miscellaneous
  - Memos
- 2.7 The template has a common structure, comprising an initial series of tabs dealing with procedural issues (contents tables, log of changes, etc.), followed by the main data input sections. The key data input on the expenditure sections from the perspective of the business plan submission are those tabs relating to the defined outputs, the associated asset costs and volumes, and the Licensee's views on asset unit costs.

### **Data entry**

- 2.8 As the templates are a series of tables in MS Excel format, links and formulae have been included to limit, where possible, the amount of manual data entry required. Licensees are not to change any formulae or formats (including insertion or deletion of rows or columns, moving any cells, or altering any text, figures, or formulae in any cells not shaded yellow) without instruction from Ofgem first. If a change is necessary (to correct an error, for example), Ofgem will notify Licensees of the correction to be made.
- 2.9 Certain fields require positive entries, whereas others require negative entries. Unless specified in the individual table instructions below, the following rules apply:
- gross costs are to be entered as positive values;
  - contributions (customer or otherwise) are to be entered as negative values; and
  - cost recoveries are to be entered as negative values.
- 2.10 The BPDT requires the reporting of actual costs for RIIO-ET1, actual and forecast costs for RIIO-ET2, and actual and forecast costs for RIIO-ET3. It also contains sections that allow for reporting beyond the RIIO-ET3 period (ie beyond 2031) which will be used to provide a 5-year rolling forecast during RIIO-ET3. For the avoidance of doubt, all tables requiring annual historical data must be fully reconcilable to the latest published Regulatory Reporting Pack.

## Guidance – RIIO-ET3 Electricity Transmission Price Control – Instructions and Guidance on Business Plan Data Templates: Version 1.1

- 2.11 A financial year for the provision of information required will be a period of 12 months commencing on 1st April of each year and ending on 31st March of the following calendar year.
- 2.12 The base year (price base) for costs is 2023/24, therefore, all costs should be provided in 2023/24 prices. RPI will be used for inflation to the end of the last year of RIIO-1 and CPIH will be used for inflation from the start of the first year of RIIO-2. Row 26 of the Universal Data sheet provides the year average inflation to be used for each year, and row 28 provides the conversion factor to convert nominal prices into real 2023/24 prices.
- 2.13 Unless otherwise stated in this document or in the BPDT, actual financial values should be provided in £ million to a minimum of three decimal places.
- 2.14 Financial values should reconcile with audited regulatory accounts for historical years for which audited regulatory accounts have been produced. Each Licensee is required to provide all actual financial data to the highest reasonable level of accuracy available from their source systems, and commensurate with the purpose for which such data is intended, taking into consideration the appropriate allocations that are necessary to complete the tables.
- 2.15 All tables are to be completed exclusive of real price effects (RPEs) and ongoing efficiency (ie 'frontier shift').

### Definitions

- 2.16 Definitions are included in the specific instructions for the tables unless they affect more than one table. Licensees must ensure that the definitions are clearly understood and are complied with when entering any data into the template. Where there is doubt or uncertainty, please refer to Ofgem for clarification. This is to ensure consistency and comparability of data entry across Licensees.
- 2.17 Technical definitions related to the asset list and possibilities are currently held within the RIIO-ET2 glossary that is consulted and updated on an annual basis– [Decision on modifications to the Regulatory Instructions and Guidance \(RIGs\), Regulatory Reporting Packs \(RRPs\) and the Price Control Financial Model \(PCFM\) Guidance: RIIO-ET2 Year 3 - Electricity Transmission | Ofgem](#)

### Use of estimates and allocations

- 2.18 Where a Licensee (and any affiliate or related undertaking of the Licensee) has apportioned costs to complete the tables, the basis of apportionment must be provided.

## **Additional information**

2.19 If Licensees consider that additional information beyond that requested is necessary to develop a complete understanding of the information presented in the tables then such information should be included in the tab-by-tab commentary.

## **Template errors**

2.20 Where errors (eg incorrect formulae or links) in a worksheet are identified, then Ofgem should be notified as soon as possible. Ofgem will make the necessary corrections, log them in the change log and notify the Licensees.

## **General tables**

### **1.1 Cover**

#### **Purpose and Use by Ofgem**

2.21 The purpose of this worksheet is to capture the Licensee name, as well as the data file submission date and version number. It also provides a key to the colour coding convention used throughout the workbook.

#### **Instructions for completion**

2.22 The Licensee should complete the version number, company name and submission date.

### **1.2 Contents**

#### **Purpose and Use by Ofgem**

2.23 The purpose of this sheet is to provide a summary of the data table names contained within the template, a detailed description of the contents, and quick reference links.

#### **Instructions for completion**

2.24 There is no input required in this worksheet.

### **1.3 Version history**

#### **Purpose and Use by Ofgem**

2.25 The purpose of this table is to record the date and version of submission for each Licensee.

#### **Instructions for completion**

2.26 This table should be completed when a Licensee makes changes to its original submission. This table covers: Submission Version; Reason for submission version; Version Issue date; Change number; Tables Changed; Description of Change; and the owner of the change.

### **1.4 Change Log**

#### **Purpose and Use by Ofgem**

2.27 The purpose of this table is to track the status of change proposals (and the action taken) and the correction of errors within the template.

#### **Instructions for completion**

2.28 There is no input required to this sheet, any errors identified or changes required should be notified to Ofgem, who will update the template, record the changes and issue a revision.

### **1.5 Data Checks**

#### **Purpose and Use by Ofgem**

2.29 This sheet contains data cross checks within the template.

#### **Instructions for completion**

2.30 There is no input required in this worksheet.

### **1.6 Data Constants**

#### **Purpose and Use by Ofgem**

2.31 This sheet contains any data constants used throughout the template, including lookup values.

#### **Instructions for completion**

2.32 There is no input required in this worksheet.

## **1.7 Assumptions**

### **Purpose and Use by Ofgem**

2.33 The purpose of this worksheet is to identify and describe any assumptions made by the Licensee when populating the data template (in particular where it is different to the method outlined in the BPDT Instructions) that are relevant to the understanding and interpretation of the information.

### **Instructions for completion**

2.34 The Licensee should complete all the required information.

## **1.8 – 1.9 Asset Possibilities / Look Up Tables**

### **Purpose and Use by Ofgem**

2.35 These sheets contain the asset classification list (agreed with Licensees) and any data constants used throughout the template, including lookup values.

2.36 Licensees are required to input schemes and associated project references, which are fundamental to the completion of the whole workbook.

### **Instructions for completion**

2.37 Look Up Tables sheet requires each Licensee to input the Ofgem Scheme Reference (OSR), if already known, (column A) and a Project Reference (Column C).

2.38 Where applicable, schemes that have previously been designated an OSR by Ofgem on the basis of prior price controls or other related regimes must be assigned the same OSR.

2.39 All new schemes will be assigned a new OSR. Referencing will continue in chronological order for new schemes.

2.40 A Project Reference can apply to one scheme or multiple schemes. All schemes must therefore be assigned a Project Reference. However, a scheme can only belong to one project.

2.41 For example, a new generation connection project delivering an output within the RIIO-ET2 period (hence a "Load" project under the "Local Enabling (Entry)" category) is comprised of three individual schemes: OSR1, OSR2 and OSR3. The Project Reference in column C will either be consistent with the BPDT submission upon which the Final Determinations were based (in the case of baseline projects)

Guidance – RIIO-ET3 Electricity Transmission Price Control – Instructions and Guidance on Business Plan Data Templates: Version 1.1

or use nomenclature chosen by the relevant TO that concisely and accurately identifies the Project. The descriptor chosen will apply equally to each of the OSR's (three in the above example).

## **3. Finance Sheets (Category 2)**

### **2.1 Data Inputs**

#### **Purpose and Use by Ofgem**

- 3.1 The purpose of this worksheet is to enable the Licensees to inform Ofgem of any system of data capture, model or allocation methodology that has been applied in the population of specific worksheets within the BPDT.

#### **Instructions for completion**

- 3.2 Information can be reported against the following categories: 'Corporate System', 'Spreadsheet/Model', 'Attribution Allocation Methodology' and 'Other - Please Clarify'.

### **2.2 Universal Data and 2.3 Monthly Inflation**

#### **Purpose and Use by Ofgem**

- 3.3 The purpose of this worksheet is to demonstrate the principles and calculation used to inflate from RIIO-2 price base (2018/19) to RIIO-3 price base (2023/24).
- 3.4 2.2 worksheet uses monthly inflation data in '2.3 Monthly Inflation' to calculate the RPI/CPIH splice index, from which are derived annual inflation values (row 26) and the real to nominal price conversion factor (row 28).
- 3.5 In addition to this, other interest rate data is also stored here (rows 31-40), which is used in the 2.4-2.10 worksheets for calculating principal accretion on Licensees' debt data. The interest rate data covers: Nominal; RPI real; CPIH real; LIBOR 1 Month; LIBOR 3 Month; LIBOR 6 Month; LIBOR 12 Month; SONIA; Credit Spread Assumption for Floating Rate Debt (LIBOR); Credit Spread Assumption for Floating Rate Debt (SONIA).

#### **Instructions for completion**

- 3.6 No inputs are required in these sheets.

### **2.4 Debt for BPFM**

#### **Purpose and Use by Ofgem**

- 3.7 The main function of this worksheet is to derive average debt volumes for embedded and new debt types that are consistent with the definition of average debt in the BPFM (Business Plan Financial Model) interest calculations (see sheet

named Finance&Tax (actual) therein). These recalculated average volumes are then used to derive the actual cost and proportion of new debt issuance by type, also for use in the BPFM.

- 3.8 In the BPFM, average net debt is defined as the average of “Opening net debt after equity issuance” and “Closing net debt before tax, interest and dividends”. In summary, the derivation of these opening and closing balances in 2.4 requires deducting any equity issuance from the opening net debt volumes sourced from 2.6, and deduct interest expense, dividends and net taxes (allowance minus cost) from the closing net debt volumes from 2.6. The average of opening and closing debt thus obtained is consistent with the definition used in the BPFM.
- 3.9 The derivation of opening and closing volumes under the BPFM definition requires some preliminary operations:
- Allocate equity issuance as sourced from tab 2.5 (row 268) to debt types. This is achieved by assuming that any equity issuance reduces new debt issuance requirements, according to the same proportion in which new debt types are issued. No equity issuance is allocated to embedded debt.
  - Allocate dividends as sourced from tab 2.5 (row 271) to debt types, by using the proportions of embedded and new closing debt types from 2.6. This is consistent with the dividend calculations in the BPFM, where dividends are derived as a percentage of closing equity.
  - Allocate debt adjustments from the yellow input cells in 2.6 (rows 198 to 204) to embedded and new debt types. As for dividends, this is achieved by using the proportions of closing embedded and new debt types on total closing debt from 2.6. This operation allows to reconcile volumes of debt types with total closing debt under the regulatory definition.
- 3.10 Similarly, interest adjustments from the yellow input cells in 2.5 (rows 212 to 221 and rows 226 to 235) are allocated to interest expense by debt type according to the share of interest expense by debt type on total interest expense. Interest adjustments are entirely allocated to cash interest payments, so that the principal inflation accretion component is unaffected and as sourced from sheet 2.5. This operation ensures that interest expense by debt type thus derived is consistent with total interest expense under the regulatory definition from sheet 2.5.
- 3.11 In theory, net taxes as defined in the BPFM (tax allowance minus tax paid) should also be allocated to embedded and new debt types. However, this would not only require to source tax allowance and tax paid from the BPFM, but also introduce a

circularity issue, as tax paid in the BPFM depends on interest expense, which in turn is derived from average debt from this BPDT:

- 3.12 Tax paid (BPFM) ← Interest expense (BPFM) ← Average debt (BPDT) ← Tax allowance (BPFM) – Tax paid (BPFM)
- 3.13 In other words, in order to calculate Tax paid in the BPFM one needs to use average debt from the BPDT, which in turn is derived by deducting net taxes (sourced from the BPFM) from the BPDT closing debt. In this BPDT this predicament is resolved with the simplifying assumption that Tax allowance = Tax paid. The implication is that net taxes have no impact on debt balances and can be ignored in the workings of this sheet 2.4.
- 3.14 After all the preliminary operations described above are completed, debt balances as per BPFM definition can be determined for embedded and types of new debt.
- 3.15 Actual debt balance by type for BPFM modelling (including adjustments calculated below), rows 14-103. This top section of sheet 2.4 explicitly calculates net debt balances for embedded and new debt types, consistently with the methodology used in the BPFM net debt calculations (sheet Finance&Tax (actual) therein). For example, opening embedded debt (after equity issuance) in row 17 is calculated by deducting the allocated equity issuance (which only in this specific instance is zero) from opening embedded debt. Closing debt (before interest and dividends) in row 20 is derived by adding to opening embedded debt (after equity issuance) the operating result plus the impact of debt adjustments previously calculated. Operating result is ascertained in row 18 as the debt change in year minus embedded debt interest expense (which includes the allocated interest adjustments), allocated dividends and impact of debt adjustments (as previously discussed, net taxes can be ignored and are greyed out accordingly). This procedure is replicated for all debt types, so that the corresponding balance for total embedded and new debt is also determined (rows 89-105).
- 3.16 Average debt balance and cost of debt for use in BPFM (rows 106-132). This section uses information from the detailed debt balances to calculate average debt volumes, actual cost of debt and proportion of new debt issuance by type of debt under the BPFM definition. Ultimately, average embedded debt (row 109) is used in the BPFM to determine the new debt issuance requirement (as total average debt requirement minus average embedded debt), which in turn is allocated to types of new debt according to the proportions calculated in this sheet (rows 126-129). New debt interest expense is calculated in the BPFM by using actual cost of debt also from this sheet (rows 119-122).

- 3.17 Supporting workings for derivation of actual debt balances by type (rows 133-274). The remainder of this sheet features supporting workings to determine the previously discussed allocations of equity issuance (rows 135-167), debt adjustments (rows 168-206), dividends (rows 207-217) and interest adjustments (rows 218-274) to embedded and new debt types, for use in the detailed debt balances constructed above.

### **Instructions for completion**

- 3.18 There is no input required in this worksheet.

## **2.5 Financial Summary (TWA)**

### **Purpose and Use by Ofgem**

- 3.19 The purpose of this worksheet is to provide summary information on actual debt volumes and debt cost position of Licensees as well as actual equity issuance and dividend forecasts. This will enable actual company financing positions to be used as input values into the BPFM, for the purposes of calculating financial ratios based on actual company financing structures and costs. The debt volume amounts in this worksheet are derived on a Time Weighted Average (TWA) basis, whilst all inputs and calculations are expressed in nominal prices (£m).

### **Instructions for completion**

- 3.20 Rows 30-61 reflect embedded debt volumes and costs pre interest rate and inflation derivatives; rows 62-93 reflect the impact of interest rate and inflation derivatives on embedded debt volumes and costs. Rows 94-128 use the information from the two previous sections to express embedded debt volumes and costs post interest rate and inflation derivatives (on a TWA basis).
- 3.21 The embedded debt sections in rows 30-128 are populated automatically based on the embedded debt data input into 2.10 Debt Dataset and processed into sheets 2.7 Fixed Rate Debt, 2.8 Floating Rate Debt and 2.9 Inflation Linked Debt. As a result, annual TWA embedded debt volumes and interest expense for all financial instruments inputted in 2.10 are aggregated and summarised in said sections of sheet 2.5.
- 3.22 Volumes of new forecasted debt raised starting from year 2021/22 and related interest expenses are determined in the section in rows 129-195 (“New Debt Composition & Expense Pre and Post Derivatives (notional principal outstanding value)”). New debt volumes and interest expenses are assumed as pre and post

derivatives, ie there is no distinction between debt raised in a particular format directly and that raised in that format indirectly through derivatives. This is because it is assumed a DNO may be able to forecast which format liability they would seek to raise for future years but may not be able to forecast whether this would be raised directly or through derivatives. This new debt section in rows 129-195 is based on a number of additional inputs that DNOs are required to populate.

- 3.23 New debt amounts in this section should reflect the “core totex scenario”, that is, they should represent forecasted new debt emissions for financing the Business Plan expenditure submitted in this BPDT.
- 3.24 Forecasts of new volumes of debt raised are distinguished into fixed rate debt; floating rate debt (LIBOR, all assumed 6M for simplicity); floating rate debt (SONIA); RPI linked debt; and CPI/CPIH linked debt. For each type of debt DNOs should input values for new annual volumes raised in year (in rows 131, 136, 141, 146, 152) and the proportion of the issuance year these new volumes are outstanding (in rows 132, 137, 142, 147, 153). The “year proportion new debt raised is outstanding” should reflect the proportion of the year (between 0 and 1) that the new debt is outstanding (ie if assumed to be issued at the start of the year, the year part would be 1; if mid-year, the year part would be 0.5; if assumed on specific dates, this would be (end year date-issue date)/days in year). For simplicity, it is assumed new debt raised would not be repaid prior to the end of RIIO-ED2.
- 3.25 Forecast Refinancing/New Debt: Opening New debt (K160). Input opening balance of new debt as of start of 2021/22 year. We have greyed out and pre-populated this cell as zero because outstanding debt at the start of 2021/22 should be included in and ascertained from the embedded debt data inserted in 2.10 Debt Dataset.
- 3.26 Forecast Refinancing/New Debt: New Debt Interest Expense (row 187). Forecast interest expense arising from new debt raised. This data is included for information and comparison purposes only, as the subsequent calculations in the worksheet use Calculated New Debt Interest Expense (row 188).
- 3.27 Calculated New Debt Interest expense (row 188) is automatically calculated using the interest and inflation rates assumptions pre-populated at the top of the worksheet, rows 12-29 (“Inflation rates to be used [...]” and “Interest rates to be assumed [...]” sections).

- 3.28 Conversion to Regulatory (RIIO-1) Definitions of Net Debt, Net Interest, and Costs excluded from Regulatory (RIIO-1) Definition of Net Interest (rows 198-204, 212-221, 226-235). Where applicable, enter adjustments required to adjust the actual net debt and net interest expense values to their RIIO-1 regulatory definitions. Such adjustments should be inputted in a “Time Weighted Average” basis, consistently with the embedded and new debt volumes calculated in the previous sections of this sheets. Although row 205 refers to net debt per regulatory definition (which includes intercompany loans), where such intercompany loans are equity shareholder loans, these should be excluded. Adjusted Net Interest Expense (row 237) should exclude equity shareholder loan interest.
- 3.29 Forecast actual equity (rows 266-271). Historic actual and forecast data for equity issuance, issuance transaction costs, and dividends or shareholder loan payments. Dividends paid to shareholders are inputted as negative amounts; shareholder loan payments are inputted as positive amounts.
- 3.30 Actual cost of debt and index-linked (rows 242-265). Summary indicators for actual cost of debt (pre and post-derivatives) and index linked debt (proportion of RPI and CPI/CPIH index linked debt on total debt, share of principal inflation accretion on total interest expense, pre and post-derivatives). Note that these indicators are for information purposes only and not used in the BPFM, as the relevant information for the BPFM actual modelling is derived and extracted from the 2.4 Debt for BPFM sheet.

## **2.6 Financial Summary (YE)**

### **Purpose and Use by Ofgem**

- 3.31 The purpose of this worksheet is to derive embedded and new debt volumes at the start and end of each year, for use in the BPFM. This is largely accomplished using the embedded debt data and calculations in sheets 2.10 and 2.7 to 2.9, as well as new debt information drawn from sheet 2.5. In order to derive total net debt closing balances under the regulatory definition, Licensees are also required to insert adjustments to the year end (YE) amounts as needed. Accordingly, such adjustments are to be inputted on a YE basis. As in worksheet 2.5, all inputs and calculations are expressed in nominal prices (£m).

### **Instructions for completion**

- 3.32 The structure of this sheet is similar to 2.5, with embedded debt calculations at the top (rows 12-150), new debt in the middle (rows 151-191) and the derivation of total regulatory closing debt, which includes DNO adjustments, at the bottom (rows 192-209).
- 3.33 Rows 12-52 use sheets 2.7 to 2.9 to derive pre-derivatives embedded debt volumes at the start of the year, as well as embedded debt issuances and repayments during the course of the year and principal accretion amounts on inflation linked debt. This allows to obtain the pre-derivatives embedded debt volumes at the end of the year.
- 3.34 Rows 53-92 follow the same approach to determine the amounts of derivatives at the start of the year. Derivative issuances and repayments are then factored in to calculate the impact of derivatives on closing embedded debt balances.
- 3.35 Rows 93-132 sums pre-derivatives embedded debt amounts and derivatives to obtain post-derivatives opening embedded debt, issuance and repayments and principal accretions. This information is then combined to obtain post-derivatives embedded debt at the end of the year.
- 3.36 Rows 151-191 are used to track new debt opening balances, emissions and principal inflation accretion on inflation linked debt, thus obtaining new debt closing balances. New debt emissions and principal inflation accretion (rows 161-173) are sourced from the new debt section of sheet 2.5. For simplicity, CPI/CPIH linked debt from 2.5 is allocated in its entirety to the "CPI linked" category in 2.6. This allocation is only presentational and has no impact on the relevant output for the BPFM, where CPI and CPIH linked debt are also aggregated in one single category. Consistently with sheet 2.5, all new debt issuances are assumed to mature after the end of RIIO-3 and rows 175-179 are set to zero and greyed out accordingly.
- 3.37 Row 193 provides the Closing Balance of Debt, as the sum of Closing Embedded Debt and Closing New Debt from the previous sections. In rows 194-200, Licensees are required to input any adjustment needed to obtain (total) Closing Net Debt per Regulatory Definition (row 201). Such adjustments are akin to those in rows 198-204 of sheet 2.5, but in this instance they represent amounts at the end of the year (YE), as opposed to annual time weighted averages (TWA).
- 3.38 Rows 206-209 feature the resulting total net debt regulatory balances (opening, closing and simple average). Licensees are required to input in cell E207 the total

Opening Net Debt per Regulatory Definition for year 2016. This is needed because opening embedded debt for 2016 as derived from sheets 2.7 to 2.9, does not capture any previous adjustment and therefore may not be consistent with the regulatory definition.

## **2.7 Fixed Rate Debt**

### **Purpose and Use by Ofgem**

3.39 The purpose of this worksheet is to select fixed rate debt instruments from the 2.10 Debt Dataset and calculate annual embedded debt volumes and interest payments for each instrument. This information is subsequently aggregated and utilised in tab 2.5 and 2.6.

### **Instructions for completion**

3.40 Licensees should not make any changes to this worksheet, values in this worksheet are automatically populated using inputs inserted into 2.10 Debt Dataset.

## **2.8 Floating Rate Debt**

### **Purpose and Use by Ofgem**

3.41 The purpose of this worksheet is to select floating rate debt instruments from the 2.10 Debt Dataset and calculate annual embedded debt volumes and interest payments for each instrument. This information is subsequently aggregated and utilised in tab 2.5 and 2.6.

### **Instructions for completion**

3.42 Licensees should not make any changes to this worksheet, values in this worksheet are automatically populated using inputs inserted into 2.10 Debt Dataset.

## **2.9 Inflation Linked Debt**

### **Purpose and Use by Ofgem**

3.43 The purpose of this worksheet is to select inflation linked debt instruments from the 2.10 Debt Dataset and calculate annual embedded debt volumes and interest payments (including principal inflation accretion) for each instrument. This information is subsequently aggregated and utilised in tab 2.5 and 2.6.

### **Instructions for completion**

- 3.44 Licensees should not make any changes to this worksheet, values in this worksheet are automatically populated using inputs inserted into 2.10 Debt Dataset.

## **2.10 Debt Dataset**

### **Purpose and Use by Ofgem**

- 3.45 The purpose of this worksheet is to collect, in a standardised fashion, granular information related to actual debt and derivative products. Licensees should clear (not delete) columns A to CV for any unused pre-populated rows, so that the dataset only contains their actual data.

### **Instructions for completion**

- 3.46 Column CX (Identifier by type) generates indices used to automatically populate tabs 2.7 to 2.9 and must not be amended.
- 3.47 Columns DC to EO contains supporting workings to verify a number of set validation criteria. If any data point is not inputted accordingly, the affected cell is automatically highlighted in red. Licensees should ensure that no cells in 2.10 are highlighted in red, thus indicating that essential information has been included for all instruments and data should be processed in tabs 2.4 to 2.9 as intended.
- 3.48 This worksheet should be completed taking into consideration the debt and derivatives outstanding at the time of completing sheet 2.5 and 2.6 for submission with the business plan. The worksheet should only include embedded debt (ie debt existing at the time of completion of the worksheet), and should not forecast new debt or derivatives instruments (which is to be included in 2.5).
- 3.49 Where debt is of a short-term/current nature (and can therefore be replaced several times in a year), the balance outstanding at the year end must be entered. The interest rate stated must be the rate that is applicable to the tranche which is outstanding at the regulatory year end.
- 3.50 Licensees should populate only columns A to CV of the worksheet. All debt volumes amounts should be inputted in nominal prices (£m). Please also refer to row 2 of the worksheet for guidance on the data format to use in each column.

### Worksheet inputs

3.51 Please populate columns A to CV of the worksheet according to the following guidance.

- Sector: Choose from the drop-down validation list.
- Licensee: Choose from the drop-down validation list.
- Category: Choose from the drop-down validation list.
- Rank: Choose from the drop-down validation list.
- Type: Choose from the drop-down validation list.
- Maturity Type: Choose from the drop-down validation list.
- Core Debt/Liquidity: Choose from the drop-down validation list.
- Derivative Instrument Description: Choose from the drop-down validation list.
- Identifier: Type instrument identifier code if available.
- Pricing date: Insert in date format (dd/mm/yyyy) if available.
- Issue date: Insert in date format (dd/mm/yyyy). This column MUST be populated as it is used in the calculations as the instrument issuance date.
- Maturity date: Insert in date format (dd/mm/yyyy). This column MUST be populated as it is used in the calculations as the instrument maturity date.
- Early repayment date: Insert in date format (dd/mm/yyyy) if applicable. If inserted, Early repayment date overrides the Maturity date in the calculations.
- 1st Call Date: Insert in date format (dd/mm/yyyy) if available.
- Currency: Choose from the drop-down validation list.
- Amount Issued on Issue Date/Max loan amount: insert amounts in the original currency of issuance, including amounts issued in pound sterling (GBP).
- Current Amount Outstanding: insert amounts in the original currency of issuance, including amounts issued in pound sterling (GBP).
- Amount Issued on Issue Date/Max loan amount\_GBP equity: populate with the GBP conversion (£m) of Amount Issued on Issue Date/Max loan amount. For instruments issued in GBP the two amounts will be the same.
- Current Amount Outstanding\_GBP equity: populate with the GBP conversion (£m) of Current Amount Outstanding. For instruments issued in GBP the two amounts will be the same.

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- Amount for Use: populate with the GBP amount (£m) for use in tabs 2.7 to 2.9 to derive instrument debt volume and associated interest payments. This column MUST be populated.
- Coupon/Margin: insert in percentage format (%) if available.
- Issue Price: insert index value (base index = 100) if available.
- Yield to Maturity at Issue Date: insert in percentage format (%) if available.
- Rate for use: insert in percentage format (%). This column MUST be populated as it provides the interest rate driving the calculations in 2.7 to 2.9. This column should be populated using values from Yield to Maturity at Issue Date, rather than from the Coupon/Margin column.
- floating\_ref\_rate: for Floating instruments, Licensees MUST select one of the LIBOR or SONIA options from the validation list. For Fixed and Inflation Linked instruments Licensees MUST select "N/A" from the validation list.
- inflation\_ref\_rate: for Inflation Linked instruments, Licensees MUST use the validation list to specify if linked to RPI, CPI or CPIH. For Fixed and Floating rate instruments Licensees MUST select "N/A" from the drop-down.
- Inflation\_lag: for Inflation Linked instruments, Licensees MUST use the validation drop-down to specify the number of months lag (with respect to the end of year/maturity date as applicable) for the selection of the price index used for indexation of the principal amount. For Fixed and Floating rate instruments Licensees MUST select "N/A" from the drop-down.
- Inflation\_Base\_Index: for Inflation Linked instruments, insert reference base index applied at issuance. If not available, this will be automatically determined in tab 2.9 from the monthly inflation dataset in 2.3 Monthly Inflation, using information on issue date, inflation reference rate and monthly lag.
- Commitment Fee: Insert in percentage format (% issued amount) if available.
- LT Issue Rating at Issue Date (S&P/Moodys/Fitch): Insert rating information if available.
- Current LT Issue Rating (S&P/Moodys/Fitch): Insert rating information if available.
- Counterparty: Insert counterparty (type "Market" if not identified).
- Transaction expenses: If available, insert amount in GBP (£m).

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- Description: Insert additional relevant descriptive information.
- If amortising, profile submitted?: for “Fixed” and “Floating” amortising instruments select “Y”. For “Inflation Linked” amortising instruments select either: “N” for the initial debt issuance; “Y” for the annual repayment amounts. Select “N/A” for all non-amortising instruments.
- Note that these flags are used in sheets 2.7 to 2.9 to select between the “standard” calculations and the “bespoke” that apply to amortising instruments only, therefore it is essential that these flags are carefully and correctly assigned.
- See the Supplementary guidance section below for further guidance on amortising instruments.
- Split flag: For “Inflation Linked” amortising instruments that are split into a number of row entries, select “Y” for both initial emission and annual repayments.
- The “Y” flag can also be attributed to other instruments that are broken down into two or more row entries (such as instruments with margin changes). Select “N/A” for all other instruments.
- Note that these flags do not impact on the calculations and only have information purposes.
- IssueAmount\_2016 to IssueAmount\_2031: To be used for “Fixed” or “Floating” amortising instruments. Input annual issued amounts, including the initial debt emission if this occurs in the FY2016-2031 period.
- IssueDate\_2016 to IssueDate\_2031: To be used for “Fixed” or “Floating” amortising instruments. Input dates for annual issued amounts, including the date of the initial debt emission if this occurs in the FY2016-2031 period. If issuance dates are omitted or inserted in the wrong column, the amounts from “IssueAmount\_2016” to “IssueAmount\_2031” will not be captured correctly in the calculation sheets.
- RepayAmount\_2016 to RepayAmount\_2031: To be used for “Fixed” or “Floating” amortising instruments. Input annual repaid amounts, including the final repayment if this occurs in the FY2016-2031 period. Repayments are inputted as negative sums.
- RepayDate\_2016 to RepayDate\_2031: To be used for “Fixed” or “Floating” amortising instruments. Input dates for annual repaid amounts, including the

date of the final repayment if this occurs in the FY2016-2031 period. If repayment dates are omitted or inserted in the wrong column, the amounts from "RepayAmount\_2016" to "RepayAmount\_2031" will not be captured correctly in the calculation sheets.

## Supplementary guidance

### 3.52 Debt instruments if 'Licensee lender':

- Input negative amounts in columns R, S and T for instruments flagged as "Licensee lender". These amounts will be deducted from total debt volume accordingly. Interest payments will be also calculated as negative sums and will decrease total interest expense.
- If "Licensee lender", an analogous sign reversion is required for annual issuance and repayment amounts for amortising instruments, in columns AK to AZ and BQ to CF.

### 3.53 Debt instruments with margin changes:

- If the applicable interest rate changes during the repayment period, the instrument can be modelled by splitting into three entries in the dataset.
  - 1. First period instrument
    - issue\_date = actual date of issuance
    - maturity\_date = date of interest rate switch
    - Amount for use = actual volume
    - Rate for use = interest rate in period 1
    - Split flag = "Y" (to denote entry relating to a composite instrument, FYI only)
  - 2. Second period instrument
    - issue\_date = actual date of issuance
    - maturity\_date = actual date of maturity
    - Amount for use = actual volume
    - Rate for use = interest rate in period 2
    - Split flag = "Y" (to denote entry relating to a composite instrument, FYI only)
  - 3. Offset for second period instrument

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- issue\_date = actual date of issuance
- maturity\_date = date of interest rate switch
- Amount for use = - (actual volume) => if actual amount is borrowed, this value is negative (and vice versa if amount is lent)
- Rate for use = interest rate in period 2
- Split flag = "Y" (to denote entry relating to a composite instrument, FYI only)
- Instrument (1) models the first period (from issuance to interest rate change), the combined instruments (2) and (3) model the second period. (2) starts at issuance date, so that the principal accretion is calculated correctly when the interest rate switch occurs; however any debt volume or interest payment calculated for (2) before the switch date has to be zeroed and this is achieved by using the offsetting instrument (3).
- Amortising instruments
  - If "Fixed" or "Floating" rate, amortising instruments are inputted as a single row entry as follows:
    - Amount for use = volume at issuance date or opening balance for 2016
    - issue\_date = actual date of issuance
    - maturity\_date = actual date of maturity
    - Issue/RepayAmount\_2016 to Issue/RepayAmount\_2031 = annual amounts for emissions and repayments. These include initial issuance and final repayment if occurring in the 2016-2031 period.
    - Issue/RepayDate\_2016 to Issue/RepayDate\_2031: insert annual dates for emissions and repayments, matching annual issuance and repayment amounts.
    - Amortising profile = "Y" (flag essential to trigger bespoke calculations)
  - If "Inflation linked", amortising instruments are decomposed into separate row entries, one for each annual emission and repayment. These are populated as follows:
    - Initial issuance

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- issue\_date = actual date of issuance
- maturity\_date = actual date of maturity
- Amount for use = actual volume at issuance
- Rate for use = applicable interest rate
- inflation\_ref\_rate = applicable inflation index
- Inflation\_lag = applicable inflation lag
- Inflation\_Base\_Index = applicable base index
- Amortising profile = "N" (to denote the initial issuance, FYI only)
- Split flag = "Y" (to denote entry relating to composite instrument, FYI only)
- Issue/RepayAmount\_2016 to Issue/RepayAmount\_2031: NOT IN USE
- Issue/RepayDate\_2016 to Issue/RepayDate\_2031: NOT IN USE
- Annual issuance / repayments
  - issue\_date = actual date of issuance / repayment
  - maturity\_date = final repayment date
  - Amount for use = actual volume issued / repaid (negative amount for repayment)
  - Rate for use = NIL
  - inflation\_ref\_rate = same as initial issuance (1)
  - Inflation\_lag = same as (1)
  - Inflation\_Base\_Index = same as (1)
  - Amortising profile = "Y" (to denote additional issuance/repayment, FYI only)
  - Split flag = "Y" (to denote entry relating to composite instrument, FYI only)
  - Issue/RepayAmount\_2016 to Issue/RepayAmount\_2031: NOT IN USE

- Issue/RepayDate\_2016 to Issue/RepayDate\_2031:  
NOT IN USE

## **2.11 Data Validation**

### **Purpose and Use by Ofgem**

3.54 The purpose of this worksheet is to store the definitions of the drop-down validation lists used in the 2.10 Debt Dataset worksheet.

### **Instructions for Completion**

3.55 Licensees should not make any changes to this worksheet.

## **2.12 BPFM Inputs**

### **Purpose and Use by Ofgem**

3.56 The purpose of this worksheet is to provide a summary of information from the BPDT, to be used as input values in the BPFM.

### **Instructions for Completion**

3.57 Certain fields in this worksheet are automatically populated, as they collate and aggregate information from other sections of the workbook, whilst other fields need to be filled by the Licensees.

3.58 Licensees will populate yellow input cells.

3.59 BPFM Pension Inputs: enter EDE values as per latest BPFM inflated to 2023/24 price base. Enter any known adjustments that may be included as part of the 2020 triennial pensions review.

## **2.13 BPFM Inputs 2**

### **Purpose and Use by Ofgem**

3.60 This blank sheet has been provided for NGET to use in order to facilitate auto population of table 2.12 BPFM Inputs.

## **2.14 Difference**

### **Purpose and Use by Ofgem**

3.61 This blank sheet has been provided for NGET to use in order to facilitate auto population of table 2.12 BPFM Inputs.

## **2.15 Sum Cost Matrix Summary**

### **Purpose and Use by Ofgem**

3.62 This blank sheet has been provided for NGET to use in order to facilitate auto population of table 2.12 BPFM Inputs.

## **2.16 BP Tax Inputs**

### **Purpose and Use by Ofgem**

3.63 The purpose of this worksheet is to collect information relating to actual and forecast corporation tax information, including Capital Allowances, Tax Pool Allocations and impact of other factors (not already captured in the BPFM calculations) on actual tax payable compared to notional tax allowance.

### **Instructions for completion**

3.64 Licensees will populate yellow input cells in rows 9 to 150.

3.65 Row 119 'Other tax forecast differences v notional tax allowance (explain where inputted)'. Whilst Licensees may choose to follow the notional approach of calculating tax allowance on base revenues, should other approaches be taken, Licensees may populate cells in this row with any adjustments based on differences between notional expected tax and forecast tax. A clear explanation should be provided for the basis of any adjustments.

## **2.17 BP Disposals 1**

### **Purpose and Use by Ofgem**

3.66 The purpose of this table is to collect information relating to fixed asset disposals.

### **Instructions for completion**

3.67 Rows 9 to 110: in yellow input cells enter details of disposals in the regulatory year by asset type for the company and individual Licensees. For the avoidance of doubt, disposals should include assets transferred from the Licensee to a company within the same group (ie a property company).

3.68 Rows 133 to 250: in yellow input cells insert details of any adjustments or reclassifications relating to disposals.

## **2.18 BP Disposals 2**

### **Purpose and Use by Ofgem**

3.69 The purpose of this table is to collect information relating to fixed asset disposals.

### **Instructions for completion**

3.70 Rows 9 to 90: in yellow input cells enter property and associated land disposal income. All areas of the sub-table must be completed. The property and associated land include: in-whole or part of any operational site and in-whole or part of any non-operational site (eg office buildings). Entries should cover the same time period referred to in 2.17.

## **2.19 Liquidity Licensee**

### **Purpose and Use by Ofgem**

3.71 The purpose of this table is to gather a more complete view of the day-to-day liquidity requirements of Licensees. This data will be used as evidence to underpin the sizing of the associated additional borrowing allowances.

3.72 Current data is limited to period end data. This does not provide a clear perspective of the day-to-day operational balances and RCF drawings made by Licensees which could be higher or lower than the period end disclosure.

### **Instructions for completion**

3.73 Licensees will populate yellow input cells.

3.74 In the BPDT commentary Licensees should also provide a written description of their liquidity management policies. Such written disclosure should include:

- How much liquidity does the Licensee target to hold at any one time?
- Confirmation on whether there are cash pooling or other similar group treasury management policies in effect? If there are these arrangements in place, how do they operate?

## **2.20 Liquidity Group**

### **Purpose and Use by Ofgem**

3.75 This table should be completed in addition to 2.19 to provide details where treasury management is conducted in part or whole at a group entity for other licensed entities only.

- 3.76 We are requesting this information as the Licensee resource position may be misleading due to group treasury management.
- 3.77 The provision of information should be provided on an unconsolidated legal entity basis for the group entity which is managing the liquidity.

### **Instructions for completion**

- 3.78 Licensees will populate yellow input cells.
- 3.79 In the BPDT commentary, Licensees should also provide a written description of their liquidity management policies. Such written disclosure should include:
- How much liquidity does the Licensee target to hold at any one time?
  - Confirmation on whether there are cash pooling or other similar group treasury management policies in effect? If there are these arrangements in place, how do they operate?

## **2.21 Liquidity Group Structure**

### **Purpose and Use by Ofgem**

- 3.80 This table provides a space for detailing the group structure.

### **Instructions for completion**

- 3.81 If data is provided in 2.20, we request that the response include a company structure diagram to illustrate the relationship between the group entity cited and participating Licensee(s).

## **2.22 RPE & OE Table**

### **Purpose and use by Ofgem**

- 3.82 The purpose of this worksheet is to provide an analysis of Real Price Effects (RPEs) and Ongoing Efficiency (OE) forecasts and assumptions made by Licensees.
- 3.83 Therefore, all cost forecasts provided within the other tables of the BPDT should be exclusive of RPEs and OE.

### **Instructions for completion**

- 3.84 This worksheet enables Licensees to provide their forecast of RPEs (additional to other building block forecasts) and OE assumptions. All cost forecasts provided elsewhere within the tables should be exclusive of RPEs and OE. Any increase to

ongoing pension contribution rates should be included in main tables and not treated as an RPE.

- 3.85 RPE Indices: for each expenditure category, enter the index that represents your view of inflation relative to CPIH. CPIH data is contained in the Universal Data tab. Indices have a base year of 2023/24 – ie if you expect Direct Opex to increase by 1% above CPIH from 2023/24 to 2024/25, enter 1.01 for the year 2024/25.
- 3.86 RPE Weightings: for each expenditure category, enter the weight of each RPE input category. Some input categories allow for a different index weighting to be entered for Opex and Capex eg if materials used in Opex are subject to different input price pressures than those used in Capex, then a different index can be entered for each. Otherwise, all indices can be equal.
- 3.87 The indices for specialist labour should be exclusive of any materials used by contractors. Instead, the indices for materials should reflect the cost changes associated with both direct materials and those used by contractors.
- 3.88 Input weights should sum to 100% for each expenditure category. The Other field should capture any remaining weight not attributable to the defined input categories listed. Different weights can be entered for different years.
- 3.89 You should provide evidence within the business plan commentary of how the final indices were deduced and why you expect the weight of each input category to vary over time (if applicable).
- 3.90 Disaggregated Opex RPE Costs: enter the forecasted RPE figures for each Opex activity in £m for the remaining years of RIIO-ET2 (2024/25-2025/26) and for the five years of RIIO-ET3 (2026/27-2030/31).
- 3.91 Disaggregated Capex RPE Costs: enter the forecasted RPE figures for each Capex activity in £m for the remaining years of RIIO-ET2 (2024/25-2025/26) and for the five years of RIIO-ET3 (2026/27-2030/31).
- 3.92 Ongoing Efficiency: this table requests TO's to evidence the ongoing efficiencies embedded in their forecast costs. This should represent TO's forecast of reductions in input volumes that can be achieved whilst delivering the same outputs.
- 3.93 Ongoing efficiency assumptions have a base year of 2023/24, ie if you expect ongoing efficiencies for Direct Opex to decrease costs by 1% per annum from 2023/24 to 2024/25, then enter 0.99 for year 2024/25, and so on.

3.94 You should provide evidence within the commentary/business plan of how the final ongoing efficiency indices were deduced.

### **Definitions for use in this worksheet**

#### General labour

3.95 Labour costs include any form of payment, consideration or other benefit, paid or due to or in respect of employees, including the costs of temporary or Agency staff.

3.96 Excludes:

- Professional services;
- Contractors;
- Company vehicles take home over night, other than company cars (include under Labour costs);
- Small tools and equipment (include under non-operational new assets and replacement);
- Pension costs (employer only); and
- Pension deficit repair payments.

## **4. Totex Sheets (Category 3)**

### **3.1 Totex Annual Profile**

#### **Purpose and Use by Ofgem**

- 4.1 This tables summarises costs attributable to 'price control' and 'non price control' categories.
- 4.2 'Price control costs' is further separated into the following cost categories: Load, Non-Load, Non Operational Capex, Network Operating Costs, Indirects and Other Costs.
- 4.3 'Non price control costs' is further separated into the following cost categories: Excluded Services and Non-Activity Based Costs.

#### **Instructions for completion**

- 4.4 Information is required in row 107. Comment on any material variances must be reported within the Notes/Explanation of variance field contained in cells D113-W119.

### **3.2 Overview tables**

#### **Purpose and Use by Ofgem**

- 4.5 The purpose of these tables is to record overview information intended to enable each Licensee to give summary details on specific areas of expenditure/activity to aid Ofgem's understanding of the data.

#### **Instructions for completion**

- 4.6 See Chapter 2 of this document.

## **5. Cost and Asset Matrices Sheets (Category 4)**

### **4.1 Cost Matrix Collated**

#### **Purpose and Use by Ofgem**

5.1 The purpose of this table is to collate information from annual worksheets and present overview information intended to enable summary details on specific areas of expenditure/activity to aid Ofgem’s understanding of the data.

#### **Instructions for completion**

5.2 Data is auto populated from the annual worksheets.

### **4.2 – 4.24 Cost Matrix (by year)**

#### **Purpose and Use by Ofgem**

5.3 This table summarises costs attributable to ‘price control’ and ‘non price control’ categories for each Licensee per individual reporting year.

#### **Instructions for completion**

5.4 Information is required to be reported in the yellow cells against the following categories:

- Gross Costs (excluding Related Party Margins);
- Related Party Margins (detailed by item);
- Customer contributions (input as negative values);
- Cost recoveries (input as negative values); and
- Related Party totals (detailed by item).

5.5 For each cost categorisation (eg ‘load’ Wider Works, ‘non-load’ Asset Replacement, etc.), Gross Costs will equal:

- the sum of applicable schemes (defined by scheme type (non-load) and investment category (load));
- net of indirects; and
- before the impact of the customer contributions and cost recoveries.

## **4.25 – 4.47 Asset Movements (by year)**

### **Purpose and Use by Ofgem**

5.6 The purpose of this table is to collect information in relation to asset additions and disposals by asset category and by voltage (across lead and non-lead) in each reporting year. This data feeds into the Total Asset Movements table.

### **Instructions for Completion**

5.7 The Licensee should fill in the yellow cells:

- Opening Balance (input required 2014 reporting year only);
- Data cleansing (on an ongoing reporting basis only);
- Faults (where applicable);
- Non-load Other: all non-load asset movements excluding Replacement and Decommissioning; and
- Other: any other movements not captured in the other columns.

5.8 Please note, for the RIIO-ET1 reporting years (2014 to 2021 inclusive) all addition and disposal columns require manual input.

5.9 Report disposals as negative values.

5.10 Asset movements for RIIO-ET2 & ET3 are auto-populated from information provided elsewhere in the BPDT.

## **4.48 System Characteristics**

### **Purpose and Use by Ofgem**

5.11 The purpose of the table is to collect high-level information relating to physical characteristics of the transmission network and to provide key indicators of the overall level of transmission activity. The table requests data for each year of the RIIO-ET1, ET2 and ET3 price control periods and beyond.

### **Instructions for completion**

5.12 General: All system characteristics should normally be entered as at the end (ie 31 March) of a reporting year. Data for the reporting period in question should be input directly into the yellow input cells of this worksheet.

- Substation sites: Licensees to provide the number of sites by voltage (rows 14-19).

## Guidance – RIIIO-ET3 Electricity Transmission Price Control – Instructions and Guidance on Business Plan Data Templates: Version 1.1

- Circuit Breaker numbers: Licensees to provide the number of CB type by voltage (rows 22-25).
- Transformer numbers: Licensees to provide the number of transformer type by voltage (rows 28-33).
- Reactive compensation numbers: Licensees to provide the number of reactive equipment type by voltage (rows 37-43).
- Reactive compensation numbers: Licensees to provide the number of reactive equipment type by voltage (rows 37-43).
- Tower / support numbers: Licensees to provide the number by voltage (rows 46-50).
- Cct km: Licensees to provide the number of route km by voltage for OHL (rows 53-57) and onshore underground cable (row 58).
- Grid Supply Points: Licensees to provide the number of GSP by voltage (rows 62-65).
- Grid Entry Points: Licensees to provide the number of GEP by voltage (rows 68-71).
- HVDC links: Licensees to provide the count of number of links owned, the capacity and the length of link in km (rows 74- 76).
- Modern Equivalent Asset Value (MEAV) (row 79).
- Average Circuit Unreliability (ACU): TO's to provide the number of network assets unavailable as a result of asset unreliability.

### **Definitions for use in this worksheet**

#### Transmission circuits

5.13 Transmission circuits are as defined in the National Electricity Transmission System Security and Quality of Supply Standard (NETS SQSS) but exclude transformers. For clarity, a 50km double-circuit 400kV route should be included as 50km + 50km in the 400kV category. A 20km double-circuit construction with one side run at 400kV and the other at 275kV should be included as 20km in the 400kV category, and 20km in the 275kV category.

#### Substation

5.14 To be counted as a substation, a site has to meet one or more of the following criteria:

Guidance – RIIO-ET3 Electricity Transmission Price Control – Instructions and Guidance on Business Plan Data Templates: Version 1.1

- Has voltage changing transformers, ie SGTs or GTs;
  - Has circuit breaking switchgear, ie a switching substation;
  - Has capacitors or voltage regulators;
  - Connects two or more transmission circuits through a busbar; and
  - Is electrically separated from another substation of the same voltage on the same physical site, and this is reflected in the operational nomenclature.
- 5.15 The number of substations at a site is dependent on the number of different voltage busbars there are, not the number of different voltages in use at that site. For example, one or more of the feeders may be transformer feeders, eg 400/275kV, but the site would only be considered as a 275kV site unless there was 400kV switchgear/busbar present.
- 5.16 Cable compounds are not substations unless they have circuit breaking switchgear.
- 5.17 Where there is more than one company's equipment at a substation, the owner of that substation is defined as being the owner of the busbars, couplers and sections, if present.

Average Circuit Unreliability (ACU)

- 5.18 ACU is leading indicator of Loss of supply incidents and lagging indicator of asset condition. A change risk to reliability can be observed through changes in the ACU as levels of repair work change.
- 5.19 Average Circuit Unreliability (ACU) measures network unavailability resulting from asset unreliability. It is effectively monitoring asset functional failure: a reliability-related event which results in the unavailability of an asset. It identifies all reliability issues, including catastrophic failures as well as defect repairs and fault investigation.
- $ACU = \frac{\text{Total repair outage time in the period}}{(\text{No of circuits}) * (\text{time in period})}$
- 5.20 The calculation above should be performed for each of the assets listed on the table (ie Cables (Main Interconnected Transmission System) & Supporting equipment (eg cable cooling), Switchgear (Circuit Breaker, Disconnectors, Earth switch, Instrument Transformers, Surge Arresters, Insulators and Busbar), Transformers (SGT, Reactor, Quad Booster), Substation Infrastructure and Auxiliaries (Security Systems, Civils, Air Systems, Aux Supplies), Overhead Lines, Protection & Substation Control, Telecommunications) and consistent with that

information collected and reported via the ESO system performance and availability.

### MEAV

5.21 MEAV is a proxy for the cost of replacing every operational asset that is currently on a Licensee's asset register. Please specify the MEAV for the network in each year reflecting the changes in assets year to year. The modern equivalent asset value is what it would cost to replace an old asset with a technically up-to-date new asset with the same service capability (ie the direct unit cost). We expect Licensees to provide an explanation of how they have calculated MEAV, including any assets types or asset volumes that have been excluded from the MEAV calculation.

## 6. Load and Non Load Sheets (Category 5)

### 5.1 Project Meta Data

#### Purpose and use by Ofgem

- 6.1 The purpose of this table is to collate all administrative details on projects incurring cost within the RIIO-ET2 and RIIO-ET3 periods. This will act as a link to the detailed outputs, cost and volumes in the supporting sheets and avoid the need for duplicate entry of identifying details.
- 6.2 This is a summary sheet presenting a consolidated view of the individual scheme information relevant to the delivery of the project deliverable.
- 6.3 Note: Any information captured within the RIIO-ET1 period legacy logs does not need to be added to Project Meta Data.

#### Instructions for completion

- 6.4 Projects are deemed to be applicable and to be reported if:
- A scheme has actual or forecast expenditure within RIIO-ET2 or RIIO-ET3
- Or
- A scheme has an associated RIIO-ET2 or RIIO-ET3 Capital Contribution
- And
- A scheme has delivered or will deliver outputs within RIIO-ET2 or RIIO-ET3 or beyond RIIO-ET3. The purpose of this information is to provide visibility of all Projects (and schemes that contribute to this project delivery) that meet the above criterion irrespective of the price control period they are initiated or completed.

#### Worksheet inputs

- Project Reference (column A)
  - All schemes will be assigned a Project Reference. For example, a new generation connection project delivering an output within the RIIO-ET3 period is comprised of three individual schemes: OSR1, OSR2 and OSR3. The descriptor chosen will apply equally to each of the OSR's (three in the above example).
  - Project Reference in the Scheme Meta Data worksheet is driven by what is populated in the Look up Table.

Guidance – RIIO-ET3 Electricity Transmission Price Control – Instructions and Guidance on Business Plan Data Templates: Version 1.1

- Scheme Reference (column B): Manual entry to denote the scheme reference code that the cost & volume details relate to.
- Scheme name (column C): Manual entry of scheme name.
- Project name (column D): Manual entry of project name.
- TO Scheme Reference (column E): Unique Scheme Reference assigned by the Licensee.
- Scheme Category (column G): The drop-down menu will allow distinguishing between load and non-load schemes and projects.
- Note: Depending on the scheme category chosen, conditional formatting will grey out columns I-N to be clear which columns are no longer applicable.
- Non-Load Output Type (Column H): This is a drop-down menu that gives choices for non-load projects output type:
  - Lead;
  - Non-lead;
  - Mix;
  - Other; and
  - Not applicable.
- Primary Load Output Type (column I): This is a drop-down menu that gives choices for load projects output type.
- Boundary (column J): the drop-down menu enables a Licensee to identify the applicable boundary that may apply (for use against the Wider Works volume driver mechanism only).
- Output Unit (column K): To represent the applicable units associated with the Primary Output type. This is a drop-down menu.
- Electrical output count (column L): This will capture the quantity of output anticipated to be delivered as defined by the unit categorisation selected (item 7 in this listing). Manual input of positive absolute value is required, no text.
- Electrical Output Reference (column M): This cell will automatically fill after the primary load type has been added.
- Start Year (Column O): The commencement of expenditure on the project (including the cost of Indirect Activities).

- Close year (Column P): The date of financial closure (or expected financial closure).
- Stage (column Q): This is drop-down menu based on the current established milestones of a project (not started, in progress, completed, closed).
- Output Reference (column R): The unique reference number assigned to each output delivered or forecast to be delivered under a Licensee’s capital scheme, if applicable.
- Output Delivery Year (column S): The final date of output delivery (eg for a scheme delivering outputs in 2019, 2020, and 2021, the output Year will be 2021). Therefore, the total output year will not align with the quoted value in the narrative for each year in table.
- Scheme Maturity (column T): Stage of maturity of the scheme as designated by the TO.
- Note/Explanation (column U): Any qualitative Notes or explanations about data provided in the table or other data that the TO would want to highlight to Ofgem.
- Commentary/reference (column V): Can be used to reference relevant supporting documents (eg engineering justification paper) or sections in the supporting narrative that will provide more detail on a particular project or element of a project that requires further explanation to aid understanding.
- TO View – Baseline/Uncertainty (column W): Designate if the Licensee sees the project as part of baseline or part of an uncertainty mechanism.
- Original Engineering Justification Reference (column X): The reference to the submitted EJP paper.
- Original CBA Justification Reference (column Y): The reference to the submitted CBA paper.

## 5.2 Scheme Output

### Purpose and use by Ofgem

6.5 The purpose of this table is to enable each Licensee to provide a list of the associated scheme outputs (and projects) delivered. Where a mechanism has been prescribed a licence term, this should be filled in.

- 6.6 This sheet will capture all electrical outputs (eg MW or MVA) and any physical outputs that are not recorded through the Scheme Cost & Volumes worksheets and the agreed Asset Possibilities list.

### **Instructions for completion**

- 6.7 Data in column F is auto populated from previous worksheets.

#### Worksheet inputs

- Scheme reference (column A).
- Mechanism type (Column B): The drop-down menu enables a Licensee to identify the type of mechanism through which the output is being delivered, eg does it form part of a PCD, is it being delivered through a Volume Driver mechanism, is it expected to form part of a Re-opener application submission or is it non-variant in nature. For Volume Driver schemes (generation and demand connection mechanisms), functionality has been included on the drop-down menu to allow data entry.
- Mechanism (Column C): The drop-down menu enables a Licensee to identify the precise mechanism (eg Generation connection).
- Licence term (column D): The drop-down menu enables a Licensee to identify the applicable licence term.
- Boundary (column E): The drop-down menu enables a Licensee to identify the applicable boundary that may apply (for use against the Wider Works volume driver mechanism only)
- Units (column J): The drop-down menu enables a Licensee to identify the applicable unit metric.
- Annual profile (columns L-Z): Each Licensee will provide annual information on the profile of output delivery activity that is currently forecast between 1st April 2021 and 31st March 2028 inclusive (T2+2 period) or beyond. Future period reporting will reflect the rolling forecast requirement (see para 2.10).
- Narrative (column AA) can be used to reference relevant supporting documents or sections in the supporting narrative that will provide more detail on a particular project or element of a project that requires further explanation to aid understanding.

## 5.3 Market Rate Information

### Purpose and use by Ofgem

- 6.8 The purpose of this table is to collate information from Licensee cost books regarding recent transactions, after 11th June 2022, for load and non-load related capex costs, to help estimate an efficient cost that is workable in current market conditions.
- 6.9 The table enables each network company to provide a list of costs and volumes incurred or expected to be incurred within the time period specified by Ofgem. This sheet allows Ofgem to improve its understanding of the current market and current cost conditions, to facilitate costs in line with market rates.
- 6.10 This memo tab is an information gathering tab only, and none of this information will be connected to other sheets in the BPDT.
- 6.11 Note: Where costs in this worksheet come under tendered approved, Licensees confirm these costs have been part of a competitively tendered process that has been signed off by P&C assurance.

### Instructions for completion

- 6.12 Schemes are deemed to be applicable and to be reported if:
- The scheme was tendered on, or after 11th June 2022; and
  - The scheme was competitively tendered as per the internal P&C assurance process.

#### Worksheet inputs

- Contractor name (column C): the name of the contractor the project was contracted with.
- Level (column D): This will entail at what level of aggregation the project was tendered at: project, sub-project or asset level.
- Note: Even where projects are tendered at a project or sub-project level, we would still expect asset level disaggregation of those costs.
- Tendering stage (column E): What stage of the tender the current information has been procured from.
- Tendering outcome: (column F): If applicable, the outcome of the tender, and overall approval of the project by Ofgem.

Guidance – RIIIO-ET3 Electricity Transmission Price Control – Instructions and Guidance on Business Plan Data Templates: Version 1.1

- Design Stage When Tendered (Column G): What stage of design the project was in when tendered.
- Any relevant scoring information (column H): Any results on relevant scoring metrics either internal or released with the ITT.
- Year of submission (column I): The year the tender was submitted to the Licensee.
- RPE requests (column J): Any real price effect equivalent tools that were agreed with the Licensee, or requested by the Licensee, eg inflation indexes like the CPI or RPI.
- Mechanism (column K): The drop-down menu provides four options:
  - Baseline;
  - Uncertainty Mechanism;
  - Re-opener; and
  - Other (if other, please provide more details in the narrative).
- Note: Any ASTI projects that were competitively tendered are legible under this tab.
- Optioneering Stage (column L): The stage of design the project was at when tendered.
- Start Year (column M): The commencement of expenditure on the project (including the cost of Indirect Activities).
- Close year (column N): The date of completion (or expected completion).
- Project reference (column O): This will capture the mapping of schemes to projects. A project may consist of a single scheme or many schemes. A scheme can only be part of one project.
- Project name (column P): Manual entry of project name.
- Scheme Reference (column Q): Manual entry to denote the scheme reference code that the cost & volume details relate to.
- Scheme name (column R): Manual entry of scheme name.
- TO Scheme Reference (column S): Unique Scheme Reference assigned by the Licensee.
- Stage of completion (column T): This is a drop-down menu that gives 3 options regarding the projects status:

Guidance – RIIO-ET3 Electricity Transmission Price Control – Instructions and Guidance on Business Plan Data Templates: Version 1.1

- Not started;
- In progress; and
- Completed.
- Scheme Category: (column U): The drop-down menu will allow distinguishing between load and non-load schemes and projects.
- Scheme subcategory (column V). The drop-down menu is based on the current established cost categorisation for both Load and Non Load Related schemes, which must only be assigned against the following categories in column Q:
  - Local Enabling (Entry);
  - Local Enabling (Exit);
  - Wider Works;
  - LRE - sole-use Local Enabling (Exit - Sole Use);
  - LRE - sole-use Local Enabling (Entry - Sole Use);
  - TSS Infrastructure;
  - Replacement;
  - Refurb Major;
  - Refurb Minor; and
  - Decommissioning.
  - General principle: sub category will be driven by the primary purpose of the scheme and costs subsequently recorded against the primary activity/purpose chosen. When categorising works on a single asset, the descriptor chosen in the drop-down menu will follow the greatest level of intervention applied with any other consequential costs also being recorded under this activity.
- Non-load output type (column W): This is a drop-down menu that gives choices for non-load projects output type:
  - Lead;
  - Non-lead;
  - Mix;
  - Other; and

Guidance – RIIO-ET3 Electricity Transmission Price Control – Instructions and Guidance on Business Plan Data Templates: Version 1.1

- Not applicable.
- Primary load output type (column X): This is a drop-down menu that gives choices for load projects output type.
- Asset Heading (Column Y): The drop-down menu enables a Licensee to identify the type of volumetric category, ie does it apply to a physical asset (“Assets”) or to another activity (eg “Protection”, “civils” etc.).
- Asset Category (Column Z): The drop-down menu enables a Licensee to identify the type of asset category (eg instrument transformer). The list is informed by the asset classification list agreed with all Licensees.
- Asset sub asset category Primary (column AA): The drop-down menu enables Licensee to identify the specific asset category (eg “CB (Air insulated busbar)”). The list is informed by the asset classification list agreed with all Licensees.
- Asset sub asset category secondary (column AB): the drop-down menu enables a Licensee to identify the secondary categorisation that may apply (eg “Security – Gates( #)”). The list is informed by the asset classification list agreed with all Licensees.
- Columns AC to AG contain drop-down menu that enable each Licensee to identify, where applicable, all the relevant cost driver information across categories that were originally established through the BPDT. These categories include:
  - Geographical location;
  - Consents & Planning Ground Condition;
  - Ground condition;
  - Environmental mitigation; and
  - Proximity to Existing Electrical Infrastructure.
  - Note: The population of driver information will represent the Licensees best available information and intelligence. The supporting narrative can be used to provide further explanation and/or identify factors that are not currently captured by the list (or to confirm where no drivers are applicable to certain schemes).
  - Outputs determine the number of rows needed; a scheme that is anticipated to deliver one output directly need only be listed once

(in this instance the scheme and the project are the same). Where a project is anticipated to deliver two or more outputs the requirement is to list all constituent elements of the project (each “scheme”) on separate rows, eg local enabling (entry) investment - distinction is required to be made between the connection output (MW) and the associated transmission infrastructure reinforcement activity where appropriate.

- Boundary (column AH): the drop-down menu enables a Licensee to identify the applicable boundary that may apply (for use against the Wider Works volume driver mechanism only)
- Voltage / rating (column AI): the drop-down menu enables a Licensee to identify the voltage or rating classification that may apply.
- Intervention (column AJ): the drop-down menu enables a Licensee to identify the intervention classification that may apply (Addition, Disposal or New Build).
- Volume Measure (column AK): the drop-down menu enables a Licensee to capture the volume measure description that may apply (Addition, Disposal, Maintenance volume, Refurb volume, Sites Resolved).
- Units (column AL): the drop-down menu enables a Licensee to identify the applicable volumetric unit that may apply (eg MW electrical output, the count of a physical asset, or length of security fencing).
- Volume (column AM): manual entry to specify the applicable electrical or physical volume count (eg `100` Megawatts for electrical, `6` Circuit Breakers).
- Annual costs (columns AN to BC): Each TO will provide annual direct costs information on any activity undertaken (or forecast to be undertaken) between 1 April 2014 and 31 March 2036 and beyond. Future period reporting will reflect the rolling forecast requirement (see para 2.10).
- Total (column BD): This will auto-populate from the manual figures listed on the worksheet.
- Unit Costs (column BE): This will auto-populate from the manual figures listed on the worksheet
- Output reference (column BF): The unique reference number assigned to each output delivered or forecast to be delivered under a Licensee’s capital scheme, if applicable.

## Guidance – RII0-ET3 Electricity Transmission Price Control – Instructions and Guidance on Business Plan Data Templates: Version 1.1

- Note/explanation (column BG): Any qualitative Notes or explanations about data provided in the table or other data that you would want to highlight to Ofgem.
- Commentary Reference (column BH): can be used to reference relevant supporting documents (eg engineering justification paper) or sections in the supporting narrative that will provide more detail on a particular project or element of a project that requires further explanation to aid understanding.

### **Definitions for use in this worksheet**

#### Sub-scheme

6.13 Where a Licensee has procured more than one asset or section of a scheme, but not the whole scheme, through competitive tendering

#### Pre tender

6.14 This is any period prior to the final deadline date of tender submission.

#### Submitted tender

6.15 This is the date on or after the final returned tender, but before the date the tender has been awarded. We consider any information gathered eg in stage 1 of a stage 2 tender, to be in the pre-tender stage of development.

#### Tender ongoing

6.16 The tender quoted is currently ongoing, and is yet to meet an award phase

#### Tender Approved/ Project Approval TBC

6.17 The tender quoted won in the award stage, however the scheme has not received regulatory approval from Ofgem yet.

#### Tender Approved/ Project Unapproved

6.18 The tender quoted won in the award stage, however the scheme did not receive regulatory approval from Ofgem.

#### Tender Approved/ Project Approved Tender

6.19 The tender quoted won in the award stage and the scheme has received regulatory approval from Ofgem.

#### Unapproved/ Project Approval TBC

6.20 The tender quoted did not win in the award stage and the scheme has not received regulatory approval from Ofgem yet.

Tender Unapproved/ Project Approved

6.21 The tender quoted did not win in the award stage, however the scheme has received regulatory approval from Ofgem.

Tender Unapproved/ Project Unapproved

6.22 The tender quoted did not win in the award stage and the scheme did not receive regulatory approval from Ofgem.

## 7. Load Worksheets (Category 6)

### 6.1 Scheme C&V Load Actuals

#### Purpose and use by Ofgem

- 7.1 The purpose of this table is to collate all details on load related schemes. This will act as a link to the detailed outputs and cost matrix tables and avoid the need for duplicate entry of identifying details.
- 7.2 The table enables each Licensee to provide a list of the expected volumes (electrical and physical) across the agreed asset classification categories. This will allow Ofgem to have a more granular understanding of the proposed volumetrics in each of the scheme activities (which are a sub-element of a project).
- 7.3 The table enables each Licensee to provide a list of the associated direct costs across the agreed asset classification categories. This will allow Ofgem to have a more granular understanding of the proposed costs in each of the aggregated cost activities.
- 7.4 Individual schemes delivering multiple outputs can be captured as well as multiple schemes delivering single outputs.
- 7.5 For example, consider a project (A) consisting of two schemes: scheme 1 delivering a section of OHL, scheme 2 is delivering a transformer, and together they are delivering a reinforcement to the Licensee's system of 10MW. The template design provides an overview of what is denoted as being delivered by the component parts (ie schemes) of project A. A Licensee is able to denote the physical assets against the relevant schemes (km of OHL and # of transformers using the embedded asset possibilities list) and denote the value of the reinforcement resulting from the completion of the scheme activity (either by allocating against scheme 1 or 2 or by allocating proportionally across both schemes).
- 7.6 Information here will also flow through to the asset movement tabs for years 2022-2036, using scheme subcategory (column E), Asset Category (column Q), Asset Sub-Category Primary (column R), Voltage (column T), Volume Measure (column V), units (column W), Volume (column X) and delivery year (column CF).
- 7.7 Note that adjustments to the available options in the Look Up table (option for "WWVD DAF adjustment" and the term "DAF") allow the capability to capture

specific DAF adjustments for specific projects/schemes to be entered in the scheme entry tab.

### **Instructions for completion**

- 7.8 Schemes are deemed to be applicable and to be reported if:
- A scheme has actual or forecast expenditure within RIIO-ET2 or RIIO-ET3  
Or
  - A scheme has an associated RIIO-ET2 or RIIO-ET3 Capital Contribution  
And
  - A scheme has delivered or will deliver outputs within RIIO-ET2 or RIIO-ET3  
Or
  - If any of the above are applicable but deliver outputs in timescales beyond RIIO-ET3.
- 7.9 Items coming under ASTI and tCSNP will be reported, but in line with current reporting, will be under one line per project using the asset category 'Other (Direct)'. The purpose of this information is to provide visibility of all schemes that meet the above criterion irrespective of the price control period they are initiated or completed.
- 7.10 Relate each scheme to a project by selecting from the dropdown in column C, then select the appropriate categories in columns E, L and M.

#### Worksheet inputs

- Scheme Reference (column A): The drop-down menu should be used to denote the scheme reference code (as entered on the 1.9 Look Up Tables) that the cost & volume details relate to.
- Active (column B): Automated entry to denote if the scheme is active ie works have commenced on the scheme.
- Project reference (column C): This will capture the mapping of schemes to projects. A project may consist of a single scheme or many schemes. A scheme can only be part of one project
- Scheme name (column D): A drop-down menu entry of scheme name.
- Scheme subcategory (column E): The drop-down menu is based on the current established cost categorisation for "Load Related" schemes, which must only be assigned against the following categories in column E:

Guidance – RIIO-ET3 Electricity Transmission Price Control – Instructions and Guidance on Business Plan Data Templates: Version 1.1

- Local Enabling (Entry)
  - Local Enabling (Exit)
  - Wider Works
  - LRE - sole-use Local Enabling (Exit - Sole Use)
  - LRE - sole-use Local Enabling (Entry - Sole Use) and
  - TSS Infrastructure.
- Note: As a general principle, sub category will be driven by the primary purpose of the scheme and costs subsequently recorded against the primary activity/purpose chosen. When categorising works on a single asset, the descriptor chosen in the drop-down menu will follow the greatest level of intervention applied with any other consequential costs also being recorded under this activity.
  - Schemes that are associated with activities/assets covered by connection charges (as of the connection charging boundary at the time), please enter as either 'Local enabling entry sole use' or 'Local enabling exit sole use' as appropriate.
  - Project Classification (column F): The drop-down menu allows the following choices:
    - Substation Extension and/or OHL Reinforcement
    - New Substation and/or New OHL/Cable (offline)
    - Shared Driver, and
    - Substation Replacement or Augmentation (In-Situ).

The classification must align with the relevant classification as identified in the relevant Engineering Justification Paper where it is applicable.

- Columns G-K contain drop-down menu that enable each Licensee to identify, where applicable, relevant cost driver information across categories that were originally established through the BPDT. These categories include:
  - Urbanity and Sparsity:
    - Following the ONS's Broad rural/urban definition and following Output Areas (OAs) definition, 'Urban' areas are the connected built up areas identified by Ordnance Survey mapping that have resident populations above 10,000

people. 'Rural 'areas are those areas that are not urban, ie consisting of settlements below 10,000 people or are open countryside.

- Areas within Greater London district are classified as 'London'.
- Consents & Planning Ground Condition: Costs drivers relating to:
  - Environmental Surveys: Before constructing transmission assets, environmental surveys are conducted to assess the impact on the surrounding environment. These surveys evaluate factors such as wildlife habitats, water bodies, and archaeological sites to minimise adverse effects and ensure compliance with environmental regulations.
  - Route Assessment: Route assessment involves identifying the optimal path for new transmission lines or substations. Factors may include:
    - Land Use: Assessing land ownership, existing infrastructure, and land availability.
    - Environmental Impact: Evaluating ecological, visual, and cultural impacts.
    - Engineering Constraints: Considering topography, soil conditions, and safety.
  - Consents and Planning: Obtaining necessary consents and planning approvals is critical. Key may steps include:
    - Development Consent Order (DCO): For major projects in England and Wales, a DCO combines planning consent and land rights.
    - Contact Land Referencing: Identifying and confirming relevant land interests within the proposed route corridor.
    - Negotiating Permanent Land Rights: Seeks permanent land rights through negotiation for all new electricity transmission assets.
  - Ground condition: Physical scheme site characteristics

- Rock: Solid, naturally occurring material composed of minerals or mineral-like substances.
- Peak: Elevated part of a mountain or hill
- High Water Table: The level at which the ground is saturated with water, often close to the surface.
- Environmental mitigation: Preventative environmental damage measures put in place for schemes relating:
  - Flora: endemic plant life in an area.
  - Fauna: endemic animal species in a given ecosystem.
  - Contamination: presence of harmful substances (eg pollutants, toxins) in soil, water, or air.
  - Wildlife: all undomesticated animals living in natural habitats.
- Proximity to Existing Electrical Infrastructure: Location to pre-existing electrical infrastructure (in km).
- The population of driver information will represent the Licensees best available information and intelligence. The supporting narrative can be used to provide further explanation and/or identify factors that are not currently captured by the list (or to confirm where no drivers are applicable to certain schemes).
- Outputs determine the number of rows needed; a scheme that is anticipated to deliver one output directly need only be listed once (in this instance the scheme and the project are the same). Where a project is anticipated to deliver two or more outputs the requirement is to list all constituent elements of the project (each "scheme") on separate rows, eg local enabling (entry) investment - distinction is required to be made between the connection output (MW) and the associated transmission infrastructure reinforcement activity where appropriate.
- Mechanism category (column L): The drop-down menu provides four options: Baseline, Uncertainty Mechanism, Re-opener or Other.
- Licence Term (column M): The drop-down menu provides the option for Licensees to add the licence term, where this is applicable.

Guidance – RIIO-ET3 Electricity Transmission Price Control – Instructions and Guidance on Business Plan Data Templates: Version 1.1

- Start Year (Column N): The commencement of expenditure on the project (including the cost of Indirect Activities).
- Close year (Column O): The date of completion (or expected completion).
- Asset Heading (Column P): The drop-down menu enables a Licensee to identify the type of volumetric category, i.e. does it apply to a physical asset ("Assets") or to another activity (e.g. "Protection", "civils" etc.).
- Asset Category (Column Q): The drop-down menu enables a Licensee to identify the type of asset category (e.g. transformer). The list is informed by the asset classification list agreed with all Licensees.
- Asset sub asset category (column R): The drop-down menu enables a Licensee to identify the specific asset category (e.g. "CB (Air insulated busbar)"). The list is informed by the asset classification list agreed with all Licensees.
- Asset sub asset category secondary (column S): The drop-down menu enables a Licensee to identify the secondary categorisation that may apply (e.g. "Security – Gates(#)"). The list is informed by the asset classification list agreed with all Licensees.
- Voltage / rating (column T): The drop-down menu enables a Licensee to identify the voltage or rating classification that may apply.
- Intervention (column U): The drop-down menu enables a Licensee to identify the intervention classification that may apply (Addition, Disposal or New Build).
- Volume Measure (column U): The drop-down menu enables a Licensee to capture the volume measure description that may apply (Addition, Disposal, Maintenance volume, Refurb volume, Sites Resolved).
- Units (column W): The drop-down menu enables a Licensee to identify the applicable volumetric unit that may apply (e.g. MW electrical output, the number of physical assets, or length of security fencing).
- Volume (column X): Manual entry to specify the applicable electrical or physical volume count (e.g. '100' Megawatts for electrical, '6' Circuit Breakers).
- Subtotals (column Y-AC): The Licensee is required to manually input the value of direct costs incurred in the period attributable to each scheme.

Guidance – RIIO-ET3 Electricity Transmission Price Control – Instructions and Guidance on Business Plan Data Templates: Version 1.1

Columns Y and AB are auto-populated from information listed on the data worksheet.

- Annual costs (columns AD-BA): Each Licensee will provide annual direct costs information on any activity undertaken (or forecast to be undertaken) between 1st April 2013 and 31st March 2036 associated with the progression and delivery of outputs in the RIIO-ET2 and RIIO-ET3 periods. Future period reporting will reflect the rolling forecast requirement (see para 2.10).
- Note that the forecast value attributable to “risk and contingency” allocated at a scheme level is not an entry option in this worksheet. An additional category has been included in the Asset Possibilities worksheet (entitled “Risk”) to enable each Licensee to provide data entry at a scheme level.
- Note that where any activity was undertaken from 1st April 2013 but direct costs finished on or before 31st March 2021, these only need recording in the 6.2 Load ET1 Legacy Log.
- Customer Contributions (column BB): Each Licensee will provide annual information on the value of:
  - capital contributions paid or currently forecast between 1 April 2021 and 31 March 2036 inclusive Other schemes relate to non-baseline schemes.
  - the value of any “one-off” works paid directly by the connecting customer;
  - legal settlement and insurance claims that relate to the transmission business, or other cost items that have no associated volumes (using the drop down option “non-asset cost type”); and
  - the value of any cost recoveries at a scheme level (to be entered as negative values).
- Note that the forecast value attributable to “risk and contingency” allocated at a scheme level is not an entry option in this worksheet. An additional category has been included in the Asset Possibilities worksheet (entitled “Risk”) to enable each Licensee to provide data entry at a scheme level.
- Non Asset cost type descriptor (column BC): Used to reference relevant supporting documents or sections in the supporting narrative that will provide more detail on a particular project or element of a project that requires further explanation to aid understanding.

Guidance – RIIO-ET3 Electricity Transmission Price Control – Instructions and Guidance on Business Plan Data Templates: Version 1.1

- Subtotals customer contributions (column BD-BG): The Licensee is required to manually input the value of customer contributions in the period attributable to each scheme. Columns BB and BE are auto-populated from information listed on the data worksheet.
- Annual Customer Contributions (columns BH-CE): Each Licensee will provide annual customer contributions information on any activity undertaken (or forecast to be undertaken) between 1st April 2021 and 31st March associated with the progression and delivery of outputs in the RIIO-T2 and RIIO-T3 periods. Future period reporting will reflect the rolling forecast requirement (see para 2.10).
- Note that where any activity was undertaken from 1st April 2013 but direct costs finished on or before 31st March 2021, these only need recording in the 6.2 Load ET1 Legacy Log.
- Delivery year (column CF): This will mark the scheme completion or expected completion date. This is a manual entry cell.
- Delivery Period (column CG): This will mark the price control period for the expected completion date. This is a manual entry cell.
- Forecast energisation year (column CH): This will mark the anticipated date of live operation of the scheme.
- Actual energisation year (column CI): This will mark the actual date of live operation of a scheme.
- For each BPDT submission a TO will populate only one column (CH or CI) for each scheme. If the date is a forecast, column CH must be populated (Column CI will be blank). Once energised column CI will be populated (Column CH will be blank).
- Competitively Tendered (column CJ): Confirmation, where applicable, that the line involved has been competitively tendered, including:
  - It has been signed off by internal P&C assurance process;
  - It has agreed upon scope and optioneering; and
  - Where applicable, other competitively tendered costs not chosen available for viewing in the market rate information tab.
- Narrative (column CK): Used to reference relevant supporting documents (eg engineering justification paper) or sections in the supporting narrative that

will provide more detail on a particular project or element of a project that requires further explanation to aid understanding.

- Project Flag (column CL): This flag will support with the automatic population of 6.5 T3 Baseline Load and 10.4 Crossover Projects T2-T3.
- NOTE: Columns CM to CO are only applicable to T2 Carry Over Projects.
- Carry Over Type (column CM): This flag gives further detail regarding the circumstances of carry over projects.
- Scope of submission (column CN): Any further information on the carry over circumstances of the project the TO would like to notify Ofgem of.
- Has there been recent engagement with Ofgem on the project? (column CO): Detail regarding points of contact in Ofgem regarding the project and nature of discussions.

### **Definitions for use in this worksheet**

#### Local Enabling (Entry – sole-use)

7.11 Defined as expenditure by the Licensee required to meet increases in the total power entering the network from generators and interconnectors. It only includes expenditure on assets that are covered by connection charges as of the connection charging boundary at the time.

#### Local Enabling (Exit – Sole-Use)

7.12 Defined as expenditure by the Licensee required to meet increases or changes in the power demand of grid supply points and other directly connected customers as a result of load growth, load transfer or closure of embedded generation. Only includes expenditure on assets that are covered by connection charges as of the connection charging boundary at the time.

#### Local Enabling (Entry)

7.13 Expenditure on assets covered by TNUoS charges yet directly triggered by one or more individual generation connection projects.

#### Local Enabling (Exit)

7.14 Expenditure on assets covered by TNUoS charges yet directly triggered by one or more individual demand connection projects.

#### Wider Works

## Guidance – RIIO-ET3 Electricity Transmission Price Control – Instructions and Guidance on Business Plan Data Templates: Version 1.1

7.15 Expenditure required for generation- or demand-driven reinforcement of the transmission system in order to fulfil the company's obligations to the transmission Licence.

7.16 Includes:

- load related expenditure covered by use of system charges including all wider works as detailed in Licensee's licence conditions and Final Determinations as well as approved LOTI projects (construction only).
- for forecast purposes only, the Licensee is permitted to assume that the value of any future Authority funding provision will equal its latest forecasts (direct costs only).

7.17 Excludes:

- local enabling (entry), Local Enabling (Exit) and TSS expenditure as well as expenditure allowed under TIRG.

### Infrastructure – TSS

7.18 Expenditure on schemes aimed primarily at improving the efficiency of system operation.

### Substation Extension and/or OHL Reinforcement

7.19 An extension to an existing site, beyond the existing substation footprint, with new substation components that may include, land procurement, Strategic Investments and all associated civils works.

7.20 Includes all Tower Strengthening and foundation works and any OHL reinforcements.

### New Substation and/or New OHL/Cable (offline)

7.21 New installation, (greater than 5km from an existing site which does not constitute to a site replacement, augmentation or extension to an existing site) that may provide additional capacity to a local area or reinforce the underlying original regional capacity through greater resilience.

7.22 All new OHL and Cable routes.

### Shared Drivers

7.23 Load related reinforcement works on:

- Existing or new substations; and/or
- Existing or new OHL or cable.

- 7.24 Which include significant non-load related elements or other external interfaces. May include a degree of Strategic Investment.

#### Substation Replacement, Augmentation

- 7.25 Substation Replacement: Construction of a new substation, over existing footprint, with updated components to fulfil either the original role or provide greater capacity. The overall footprint may increase because of Strategic Investments (eg accommodate additional bays).
- 7.26 Substation Augmentation: Enhancing or modifying existing substation components to improve reliability or increase capacity/capability, in-situ, within the existing footprint of the current site.

#### Customer Contributions (enter as negative)

- 7.27 These exclude connection charges and contributions associated to 'one-off' charges.

#### NETS

- 7.28 The NETS is the high voltage network of overhead lines, underground or subsea cables and substations that transports electricity from generators to a lower voltage distribution network for onward transportation to consumers. The NETS comprises both the 400kV and 275kV circuits across Great Britain and the 132kV circuits in Scotland and in offshore waters.

#### Transmission Assets

- 7.29 Transmission assets that are owned by the Licensee fall into two distinct sub-categories:
- "Connection" assets, which are for the sole use of each connected party. These are generally referred to as assets that facilitate connection to the rest of the NETS. The costs of these assets are recovered directly from the user via connection charges; and
  - "Infrastructure" assets that cannot be solely attributed to a single user. In other words, the assets can be potentially shared by other users of the NETS. The costs of these assets are charged to all users of the NETS via TNUoS charges, as these assets can ultimately benefit all users of the transmission system.

#### Scheme completion

7.30 The date and time that the apparatus is made fully available for service to the Electricity System Operator without exclusion or limitation.

Expected completion

7.31 The date and time that the apparatus is expected to be made fully available for service to the Electricity System Operator without exclusion or limitation.

Energisation

7.32 The insertion of a fuse or operation of a switch that will allow an electrical current to flow from an Electricity Transmission Operators system to the Customer's installation, or from the Customer's installation to that transmission system, when the action in question is required to be carried out by the electricity transmitter and is subject to standard industry requirements.

Scheme completion

7.33 The date and time that the apparatus is made fully available for service to the Electricity System Operator without exclusion or limitation.

Expected completion

7.34 The date and time that the apparatus is expected to be made fully available for service to the Electricity System Operator without exclusion or limitation.

Direct Activities / Indirect Activities

7.35 Direct Activities: Those activities which involve physical contact with transmission network infrastructure assets.

7.36 Indirect Activities: Activities which in most cases support work being physically carried out on transmission network infrastructure assets that could not, on their own, be classed as a direct network activity. Indirect Activities do not involve physical contact with transmission network infrastructure assets and secondary systems, whereas direct activities do.

7.37 For further detail, please see Appendix 1.

7.38 Includes:

- Closely Associated Indirects (see 9.4 CAI);
- Business Support Costs (see 9.5 BS); and
- Non-Operational Capex (see 9.1 Non Op Capex).

7.39 Note that operational engineers working on planning and project mobilisation, preparing and planning associated with protection settings, administration of

outages, contract specification and liaising with contractors and customers are considered Indirect Activities.

7.40 Excludes:

- site surveys and non-site based costs associated with flooding (in Flood mitigation).

## 6.2 Load ET1 Legacy Log

### Purpose and use by Ofgem

7.41 The purpose of this table is to collate all details regarding load related capex projects which had expenditure in the ET1 period where the level of granularity has increased over time, and therefore cannot be reported in the current format. The table uses the “4.2a LR Scheme Listing” table format from the T1 RRP as its base.

7.42 The information is required to effectively understand costs and allocations from the ET1 period, facilitating the cost assessment process through giving a historical understanding of cost and change over time.

### Instructions for completion

7.43 Projects are deemed to be applicable and to be reported if:

- They are categorised as load related capex;
- Costs were incurred in the ET1 period (between the 1st of April 2013 and on or before the 31st March 2021); AND
- The output was completed before 31st March 2021, and therefore was not reported at T2 RRP. Those that were completed after 31st March 2021 should be included in the 6.1 Scheme C&V Load Actuals.

7.44 Any expenditure that occurred for the projects before the start of the RIIO-1 price control should be omitted, and not included within this sheet.

- Scheme name (column A): Manual entry of scheme name.
- TO Scheme Reference (column B): unique Scheme Reference assigned by the Licensee
- Project Name (column C): Manual entry of project name
- Ofgem Scheme Reference (column D): Manual entry to denote the scheme reference code that the cost & volume details relate to.

Guidance – RIIO-ET3 Electricity Transmission Price Control – Instructions and Guidance on Business Plan Data Templates: Version 1.1

- Scheme subcategory (column E). The drop-down menu is based on the current established cost categorisation for load related schemes. This will replace the “mechanism” category for ET1, collecting data at a lower level of granularity. These must only be assigned against the following categories in column E:
  - Local Enabling (Entry);
  - Local Enabling (Exit);
  - Wider Works;
  - LRE - sole-use Local Enabling (Exit - Sole Use);
  - LRE - sole-use Local Enabling (Entry - Sole Use); and
  - TSS Infrastructure.
- Note: The recategorisation of these schemes will be in the specific definitions table.
- Output reference (column F): The unique reference number assigned to each output delivered or forecast to be delivered under a Licensee’s capital scheme, if applicable.
- Output delivery date (column G): The final date of output delivery (eg For a scheme delivering outputs in 2019, 2020, and 2021, the output Year will be 2021). Therefore the total output year will not align with the quoted value in the narrative for each year in table.
- Output Unit (column H): To represent the applicable units associated with the Primary Output type. This is a drop-down menu.
- Electrical output count (column I): This will capture the quantity of output anticipated to be delivered as defined by the unit categorisation selected (item 7 in this listing). Manual input of positive absolute value is required, no text.
- Annual costs (columns J-Q): Each Licensee will provide annual direct costs information on any activity undertaken between 1st April 2013 and 31st March 2021.
- Total (column R): This will auto-populate from the manual figures listed on the worksheet.
- Customer Contributions (column S to Z): Each TO will provide annual information on the value of:

## Guidance – RIIO-ET3 Electricity Transmission Price Control – Instructions and Guidance on Business Plan Data Templates: Version 1.1

- capital contributions (applicable to contributions relating to the T1 baseline agreed at Final Determinations);
  - the value of any “one-off” works paid directly by the connecting customer;
  - legal settlement and insurance claims that relate to the transmission business, or other cost items that have no associated volumes (using the drop-down option “non-asset cost type”); and
  - the value of any cost recoveries at a scheme level (to be entered as negative values).
- Total Customer Contributions (column AA): This will auto-populate from the manual figures listed on the worksheet.
  - Breakdown Total Scheme Cost (column AB-BC): A breakdown of scheme costs by asset category.
  - Total Scheme Cost (column BD): This will auto-populate from the manual figures listed on the worksheet
  - Scheme Cost Check (column BE): This will auto-populate based either ‘Ok’ or ‘Check’ dependant on if the total of annual costs amounts to the total asset cost, subject to a rounding error.
  - Asset additions (columns BF-CG): Asset additions associated with the scheme/output delivery, though not the regulatory output itself. Assets recorded in the “Other” category will be detailed in the narrative to the table.
  - Asset Disposals (columns CH-DI): asset disposals associated with the scheme/output delivery, though not the regulatory output itself. Assets recorded in the “Other” category will be detailed in the narrative to the table.
  - De Minimis (row 716-721): An accumulation of lifetime De Minimis schemes.

### **Definitions for use in this worksheet**

#### Scheme subcategory

7.45 For the avoidance of doubt, these are how to classify ET1 mechanism categories under the ET3 framework. These categorisations will remain the same:

- LRE - sole-use Local Enabling (Entry - Sole Use);
- LRE - sole-use Local Enabling (Exit - Sole Use); and
- TSS Infrastructure.

7.46 For categorisations that differ, more detail is provided below.

Local Enabling (Entry):

7.47 is to include:

- Local Enabling (Entry) Schemes not subject to uncertainty mechanisms;
- Local Enabling (Entry) Generation Connection (6F) - NGET Only;
- Local Enabling (Entry) UM1 Sole-use Infra (GCE) - SHE Transmission Only;
- Local Enabling (Entry) UM1 Sole-use Infra A-typical (GCE)- SHE Transmission Only;
- Local Enabling (Entry) UM2 Shared-use Infra (GCE)- SHE Transmission Only;
- Local Enabling (Entry) UM2 Shared-use Infra A-typical (GCE)- SHE Transmission Only;
- Local Enabling (Entry) Sole-Use Infrastructure (BSUE) - SPTL only;
- Local Enabling (Entry) Sole-Use Infrastructure (VSUE) - SPTL only;
- Local Enabling (Entry) Shared-Use Infrastructure (BSHE) - SPTL only; and
- Local Enabling (Entry) Shared-Use Infrastructure (VSHE) - SPTL only.

Local Enabling (Exit):

7.48 is to include:

- Local Enabling (Exit) Schemes not subject to uncertainty mechanisms; and
- Local Enabling (Exit) Local Demand volume Driver (6L) - NGET only.

Wider Works:

7.49 is to include:

- Wider works Schemes not subject to uncertainty mechanisms;
- Wider works Incremental Wider Works excluding TPWW(6J) - NGET only;
- Wider works TPWW (6J)- NGET only;
- Wider works DNO Volume Driver (6k) - NGET only;
- Wider works Undergrounding provision (6k) - NGET only;
- Wider works Strategic Wider Works; and
- Baseline Wider Works (6I).

De Minimis schemes

7.50 Any schemes with total (lifetime) scheme cost <£0.5m may be aggregated into the relevant De Minimis category. However, this should mainly include supporting schemes. Schemes that have direct significant outputs should be reported in the main table.

## 6.3 Load R&C

### Purpose and use by Ofgem

7.51 The purpose of this table is to provide detail on the nature of the sources of risk and contingency measures included in the load related investment delivery program and to describe the cause and impact of these risk items. The information will allow Ofgem to have a more granular understanding of the proposed risk and contingency (R&C) drivers and their potential impact. The information will also be used to validate the project details and ensure there are no anomalies in the data set.

### Instructions for completion

7.52 Each risk category attributable to a project will be individually identified on a separate line with the value of this risk reported in column H.

- Project Name; and
- Risk ID: to be assigned by the Licensee.

7.53 Risk category (input options: "Yes" or leave blank):

- External forces;
- Cost estimation;
- Environmental; and
- Other.

7.54 Information:

- Risk Description: Brief description of the nature of the risk.
- Expected Value (£m): Value attributed to risk category in the project.
- Notes: Any other relevant information; including further explanation of the "other" risk category.

### Definitions for use in this worksheet

#### External forces

7.55 Any risks that are not within the direct control or sphere of influence of the Licensee (eg. litigation from a landowner).

#### Cost estimation

7.56 This includes assumptions applicable to the purchase price or contract price of an asset or assumptions on input price changes. Note that estimates associated with contingency will be reported under cost estimation.

#### Environmental

7.57 Any risks associated with environmental issues.

#### Other

7.58 Any other element not captured by the above definitions.

## **6.4 Planning Consent Req**

### **Purpose and use by Ofgem**

7.59 The purpose of this table is to provide information on:

- the actual costs incurred and projected costs to be incurred in relation to the Licensee's activities required as part of the planning consent process for delivering Wider Works Outputs only; and
- the physical volumes associated with the Licensee's activity.

7.60 The information will enable Ofgem to effectively monitor and understand the delivery expectations and scale of mitigation activities.

7.61 To complete the worksheet each Licensee is required to input the annual profile of expenditure incurred to date and forecast to be incurred for all applicable DNO mitigation activities (table 1) undergrounding activity (table 2) associated with planning consent requirements.

7.62 Table 3 requires each Licensee to provide a summary of the physical outputs at a scheme level associated with the mitigation activities against the following categories for DNO mitigation works:

- Undergrounding: Licensees will input the number of circuit km of overhead lines (OHL) that have been undergrounded for each scheme, to the nearest 0.1 circuit km;
- OHL s/c: Licensees will input the number of new circuit km of single circuit (s/c) overhead lines constructed for each scheme, to the nearest circuit km;

## Guidance – RIIO-ET3 Electricity Transmission Price Control – Instructions and Guidance on Business Plan Data Templates: Version 1.1

- OHL d/c: Licensees will input the number of new circuit km of double circuit (d/c) overhead lines constructed for each scheme, to the nearest circuit km;
- Tower dismantling: Licensees will input the number of Towers dismantled for each scheme; and
- Bays: Licensees will input the number of new substation bays that formed part of each scheme.

7.63 Table 4 requires each Licensee to provide a summary of the cable volumes at a scheme level associated with undergrounding activity that are the result of planning consent requirements.

- Cable commission date, Forecast year: This is used to determine the profile of expenditure that a Licensee will receive before the output is delivered; and
- Cable commission date, Actual year: a Licensee will only fill this in when the scheme has been completed during the reporting year.

7.64 A Licensee should add an additional line in the table for any scheme which delivers two or more discrete cables that fall under the same category (cell) (eg 2 discrete cables under 3km in route length under  $1x < 2500\text{mm}^2$ ). The cable volume should be input in circuit km to the nearest 0.1 circuit km.

### **Instructions for completion**

7.65 This tab requires each Licensee to manually insert the cost information and volume information associated with each scheme reference.

## **6.5 T3 Baseline Load**

### **Purpose and use by Ofgem**

7.66 This table gives Ofgem a scheme level view of work Licensees are looking to submit as part of their RIIO-ET3 funding request and helps Ofgem understand at scheme level the volume and type of load capex work in the Licensee's view they will be needing to complete in the RIIO-ET3 period.

### **Guidance on completing this worksheet**

7.67 There is no input required in this worksheet.

7.68 We request Licensees to refresh the pivot table before submission.

## **8. Non Load Sheets (Category 7)**

### **7.1 Scheme C&V Non Load Actuals**

#### **Purpose and use by Ofgem**

- 8.1 The purpose of this table is to collate all details on non load related schemes. This will act as a link to the detailed outputs and cost matrix tables and avoid the need for duplicate entry of identifying details.
- 8.2 The table enables each Licensee to provide a list of the expected volumes (electrical and physical) across the agreed asset classification categories. This will allow Ofgem to have a more granular understanding of the proposed volumetrics in each of the scheme activities (which is a sub-element of a project).
- 8.3 The table enables each Licensee to provide a list of the associated direct costs across the agreed asset classification categories. This will allow Ofgem to have a more granular understanding of the proposed costs in each of the aggregated cost activities.
- 8.4 Individual schemes delivering multiple outputs can be captured as well as multiple schemes delivering single outputs.
- 8.5 Information here will also flow through to the asset movement tabs for years 2022-2036, using scheme subcategory (column E), Asset Category (column P), Asset Sub-Category Primary (column Q), Voltage (column S), Volume Measure (column U), units (column V), Volume (column W) and delivery year (column CE).

#### **Instructions for completion**

- 8.6 Schemes are deemed to be applicable and to be reported if:
- A scheme has actual or forecast expenditure within RIIO-ET2 or RIIO-ET3
  - OR
  - A scheme has an associated RIIO-ET2 or RIIO-ET3 Capital Contribution
  - AND
  - A scheme has delivered or will deliver outputs within RIIO-ET2 or RIIO-ET3 or beyond RIIO-ET3.
- 8.7 The purpose of this information is to provide visibility of all schemes that meet the above criterion irrespective of the price control period they are initiated or completed.

8.8 Relate each scheme to a project by selecting from the dropdown in column C, then select the appropriate categories in columns E, L and M.

- Scheme Reference (column A): The drop-down menu should be used to denote the scheme reference code (as entered on the 1.9 Look Up Tables) that the cost & volume details relate to.
- Active (column B): Automated entry to denote if the scheme is active ie works have commenced on the scheme.
- Project reference (column C). This will capture the mapping of schemes to projects. A project may consist of a single scheme or many schemes. A scheme can only be part of one project.
- Scheme name (column D): Manual entry of scheme name.
- Scheme subcategory (column E). The drop-down menu is based on the current established cost categorisation for “Non Load Related” schemes, which must only be assigned against the following categories in column E:
  - Replacement;
  - Refurb Major;
  - Refurb Minor;
  - Decommissioning; and
  - Uncertain Costs.
- General principle: The sub-category will be driven by the primary purpose of the scheme and costs subsequently recorded against the primary activity/purpose chosen. When categorising works on a single asset, the descriptor chosen in the drop-down menu will follow the greatest level of intervention applied with any other consequential costs also being recorded under this activity.
- Columns F-J contain drop-down menu that enable each Licensee to identify, where applicable, all the relevant cost driver information across categories that were originally established through the BPDT. These categories include:
  - Urbanity and Sparsity;
  - Consents & Planning;
  - Ground condition;
  - Environmental mitigation; and

- Proximity to Existing Electrical Infrastructure.
- The population of driver information will represent the Licensees best available information and intelligence. The supporting narrative can be used to provide further explanation and/or identify factors that are not currently captured by the list (or to confirm where no drivers are applicable to certain schemes).
- Outputs determine the number of rows needed; a scheme that is anticipated to deliver one output directly need only be listed once (in this instance the scheme and the project are the same). Where a project is anticipated to deliver two or more outputs the requirement is to list all constituent elements of the project (each "scheme") on separate rows, eg local enabling (entry) investment - distinction is required to be made between the connection output (MW) and the associated transmission infrastructure reinforcement activity where appropriate.
- Mechanism category (column K): The drop-down menu provides four options: Baseline, Uncertainty Mechanism, Re-opener or Other.
- Licence Term (column L): The drop-down menu provides the option for Licensees to add the licence term, where this is applicable.
- Start Year (Column M): The commencement of expenditure on the project (including the cost of Indirect Activities).
- Close year (Column N): The date of completion (or expected completion).
- Asset Heading (Column O): the drop-down menu enables a Licensee to identify the type of volumetric category, ie does it apply to a physical asset ("Assets") or to another activity (eg "Protection", "civils" etc.).
- Asset Category (Column P): the drop-down menu enables a Licensee to identify the type of asset category (eg transformer). The list is informed by the asset classification list agreed with all Licensees.
- Asset sub asset category (column Q): The drop-down menu enables a Licensee to identify the specific asset category (eg "CB (Air insulated busbar)"). The list is informed by the asset classification list agreed with all Licensees.
- Asset sub asset category secondary (column R): The drop-down menu enables a Licensee to identify the secondary categorisation that may apply (eg

“Security – Gates(#)” ). The list is informed by the asset classification list agreed with all Licensees.

- Voltage / rating (column S): The drop-down menu enables a Licensee to identify the voltage or rating classification that may apply.
- Intervention (column T): The drop-down menu enables a Licensee to identify the intervention classification that may apply (Replacement, Refurb Major, Refurb Minor, Addition, Disposal). Note that for replacement activity, the costs of Disposal will be separated and captured in this worksheet (ie costs are not allocated to Additions only).
- Volume Measure (column U): The drop-down menu enables a Licensee to capture the volume measure description that may apply (Addition, Disposal, Maintenance volume, Refurb volume, Sites Resolved).
- Units (column V): The drop-down menu enables a Licensee to identify the applicable volumetric unit that may apply (eg MW electrical output, the number of physical assets, or length of security fencing).
- Volume (column W): manual entry to specify the applicable electrical or physical volume count (eg `100` Megawatts for electrical, `6` Circuit Breakers).
- Subtotal (column Y-AB): The Licensee is required to manually input the value of direct costs incurred in the RIIO-1 period attributable to each scheme.
- Annual costs (columns AC to AZ): Each TO will provide annual direct costs information on any activity undertaken (or forecast to be undertaken) between 1st April 2013 and 31st March 2036 associated with the progression and delivery of outputs in the RIIO-T2 and RIIO-T3 periods. Future period reporting will reflect the rolling forecast requirement (see para 2.10).
- Note that where any activity was undertaken from 1st April 2013 but direct costs finished on or before 31st March 2021, these only need recording in the 7.2 Non Load ET1 Legacy Log.
- Customer Contributions (column BA): Each TO will provide annual information on the value of:
  - capital contributions paid or currently forecast between 1st April 2021 and 31st March 2036 inclusive Other schemes relate to non-baseline schemes.
  - the value of any “one-off” works paid directly by the connecting customer;

Guidance – RIIO-ET3 Electricity Transmission Price Control – Instructions and Guidance on Business Plan Data Templates: Version 1.1

- legal settlement and insurance claims that relate to the transmission business, or other cost items that have no associated volumes (using the drop-down option “non-asset cost type”); and
  - the value of any cost recoveries at a scheme level (to be entered as negative values).
  - Note: The forecast value attributable to “risk and contingency” allocated at a scheme level is not an entry option in this worksheet. An additional category has been included in the Asset Possibilities worksheet (entitled “Risk”) to enable each TO to provide data entry at a scheme level.
- Non Asset cost type descriptor (column BB): Used to reference relevant supporting documents or sections in the supporting narrative that will provide more detail on a particular project or element of a project that requires further explanation to aid understanding.
  - Sub-total RIIO1 Contributions (column BC-BF): The Licensee is required to manually input the value of contributions received in the RIIO-1 period attributable to each scheme.
  - Annual Customer Contributions (columns BG-CD): Each TO will provide annual customer contributions information on any activity undertaken (or forecast to be undertaken) between 1 April 2021 and 31 March associated with the progression and delivery of outputs in the RIIO-T2 and RIIO-T3 periods. Future period reporting will reflect the rolling forecast requirement (see para 2.10).
  - Note that where any activity was undertaken from 1st April 2013, but direct costs finished on or before 31st March 2021, these only need recording in the 7.2 Non Load ET1 Legacy Log.
  - Delivery year (column CE): This will mark the scheme completion or expected completion date. This is a manual entry cell.
  - Delivery Period (column CF): This will mark the price control period for the expected completion date. This is a manual entry cell.
  - Forecast energisation year (column CG): This will mark the anticipated date of live operation of the scheme.
  - Actual energisation year (column CH): This will mark the actual date of live operation of a scheme.

## Guidance – RIIO-ET3 Electricity Transmission Price Control – Instructions and Guidance on Business Plan Data Templates: Version 1.1

- Each TO will populate only one column (CG or CH) for each scheme. If the date is a forecast, column CG must be populated (Column CH will be blank). Once energised column CH will be populated (Column CG will be blank).
- Competitively Tendered (column CI): Confirmation, where applicable, that the line involved has been competitively tendered, including:
  - It has been signed off by internal P&C assurance process;
  - It has agreed upon scope and optioneering; and
  - Where applicable, other competitively tendered costs not chosen available for viewing in the market rate information tab.
- Narrative (column CJ): can be used to reference relevant supporting documents (eg engineering justification paper) or sections in the supporting narrative that will provide more detail on a particular project or element of a project that requires further explanation to aid understanding.
- Project Flag (column CK): This flag will support with the automatic population of 6.5 T3 Baseline Load and 10.4 Crossover Projects T2-T3.
- Note that Columns CM-CO are only applicable to T2 Carry Over Projects.
- Carry Over Type (column CL): This flag gives further detail regarding the circumstances of carry over projects
- Scope of submission (column CM): Any further information on the carry over circumstances of the project the TO would like to notify Ofgem.
- Has there been recent engagement with Ofgem on the project? (column CO): Detail regarding points of contact in Ofgem regarding the project and nature of discussions.

### Definitions for use in this worksheet

8.9 For the below terms, please see the transmission glossary:

- Replacement;
- Refurb Major;
- Refurb Minor;
- New Build; and
- Decommissioning.

Customer Contributions (enter as negative)

8.10 These exclude connection charges and contributions associated to 'one-off' charges.

### NETS

8.11 The NETS is the high voltage network of overhead lines, underground or subsea cables and substations that transports electricity from generators to a lower voltage distribution network for onward transportation to consumers. The NETS comprises both the 400kV and 275kV circuits across Great Britain and the 132kV circuits in Scotland and in offshore waters.

### Transmission Assets

- 8.12 Transmission assets that are owned by the Licensee fall into two distinct sub-categories:
- "Connection" assets, which are for the sole use of each connected party. These are generally referred to as assets that facilitate connection to the rest of the NETS. The costs of these assets are recovered directly from the user via connection charges; and
  - "Infrastructure" assets that cannot be solely attributed to a single user. In other words, the assets can be potentially shared by other users of the NETS. The costs of these assets are charged to all users of the NETS via TNUoS charges, as these assets can ultimately benefit all users of the transmission system.

### Scheme completion

8.13 The date and time that the apparatus is made fully available for service to the Electricity System Operator without exclusion or limitation.

### Expected completion

8.14 The date and time that the apparatus is expected to be made fully available for service to the Electricity System Operator without exclusion or limitation.

### Energisation

8.15 The insertion of a fuse or operation of a switch that will allow an electrical current to flow from an Electricity Transmission Operators system to the Customer's installation, or from the Customer's installation to that transmission system, when the action in question is required to be carried out by the electricity transmitter and is subject to standard industry requirements.

### Scheme completion

8.16 The date and time that the apparatus is made fully available for service to the Electricity System Operator without exclusion or limitation.

Expected completion

8.17 The date and time that the apparatus is expected to be made fully available for service to the Electricity System Operator without exclusion or limitation.

Direct Activities

8.18 Those activities which involve physical contact with transmission network infrastructure assets.

Indirect Activities

8.19 Activities which in most cases support work being physically carried out on transmission network infrastructure assets that could not, on their own, be classed as a direct network activity. Indirect Activities do not involve physical contact with transmission network infrastructure assets and secondary systems, whereas direct activities do.

8.20 For further detail, please see Appendix 1.

8.21 INCLUDES:

- Closely Associated Indirects (see 9.4 CAI);
- Business Support Costs (see 9.5 BS); and
- Non-Operational Capex (see 9.1 Non Op Capex).

8.22 Note that operational engineers working on planning and project mobilisation, preparing and planning associated with protection settings, administration of outages, contract specification and liaising with contractors and customers are considered Indirect Activities.

8.23 EXCLUDES:

- site surveys and non-site based costs associated with flooding (in Flood mitigation)

## **7.2 Non Load ET1 Legacy Log**

### **Purpose and use by Ofgem**

8.24 The purpose of this table is to collate all details regarding load related capex projects which had expenditure in the ET1 period where the level of granularity has increased over time, and therefore cannot be reported in the current format.

The table uses the “4.3a NLR Scheme Listing” table format from the T1 RRP as its base.

- 8.25 The information is required to effectively understand costs and allocations from the ET1 period, facilitating the cost assessment process through giving a historical understanding of cost and change over time.

### **Instructions for completion**

- 8.26 Projects are deemed to be applicable and to be reported if:

- They are categorised as non-load related capex;
- Costs were incurred in the ET1 period (between the 1st of April 2013 and on or before 31st March 2021);

AND

- The output was completed after 31st March 2021, and was not reported at T2 RRP. Those that were completed after 31st March 2021 should be reported in 7.1 Scheme C&V Non Load Actuals.

- 8.27 Any expenditure that occurred for the projects before the start of the RIIO-1 price control should be omitted, and not included within this sheet.

- 8.28 A scheme can be listed multiple times to reflect delivery of multiple outputs. The Licensee must ensure that the costs (for all instances of the same scheme) aggregate to the total cost of the scheme.

- Scheme name (column A): Manual entry of scheme name.
- TO Scheme Reference (column B): Unique scheme reference assigned by the Licensee.
- Ofgem Scheme Reference (column C): Manual entry to denote the scheme reference code that the cost & volume details relate to.
- Lead/Non-Lead (column D): Drop-down menu for entry of if the row contains lead or non-lead assets.
- Project Name (column E): Manual entry of project name.
- Scheme Category (Column F): A drop-down menu for the type of scheme delivered:
- Scheme Subcategory (column G). The drop-down menu is based on the T1 established cost categorisation for non-load related schemes, which must only be assigned against the following categories in column G:

Guidance – RIIO-ET3 Electricity Transmission Price Control – Instructions and Guidance on Business Plan Data Templates: Version 1.1

- Refurbishment;
  - Replacement;
  - Decommissioning;
  - Strategic spares/provision; and
  - Other non-lead.
- Output Reference (column H): The unique reference number assigned to each output delivered or forecast to be delivered under a Licensee’s capital scheme, if applicable.
  - Output category (column I): Refers to the network output delivered, which must only be assigned against the following categories:
    - Circuit Breaker;
    - Transformer;
    - Reactor;
    - Underground Cable;
    - OHL Conductor;
    - OHL Fittings;
    - OHL Tower;
    - Protection, Control, Telecoms and Metering;
    - Substation Other;
    - Other TO;
    - Weather Related Resilience – Flooding;
    - Weather Related Resilience – Other; and
    - Cable Tunnels.
  - Output delivery date (column J): The final date of output delivery (Eg For a scheme delivering outputs in 2019, 2020, and 2021, the output Year will be 2021). Therefore, the total output year will not align with the quoted value in the narrative for each year in table.
  - Annual costs (columns K-R): Each TO will provide annual direct costs information on any activity undertaken between 1st April 2013 and 31st March 2021.

## Guidance – RIIO-ET3 Electricity Transmission Price Control – Instructions and Guidance on Business Plan Data Templates: Version 1.1

- Total (column S): This will auto-populate from the manual figures listed on the worksheet
- Customer Contributions (columns T-AA): Each TO will provide annual information on the value of:
  - capital contributions (applicable to contributions relating to the T1 baseline agreed at Final Determinations);
  - the value of any “one-off” works paid directly by the connecting customer;
  - legal settlement and insurance claims that relate to the transmission business, or other cost items that have no associated volumes (using the drop-down option “non-asset cost type”); and
  - the value of any cost recoveries at a scheme level (to be entered as negative values).
- Total Customer Contributions (column AB): This will auto-populate from the manual figures listed on the worksheet
- Breakdown Total Scheme Cost (columns AC-AL): A breakdown of scheme costs by asset category.
- Total Scheme Cost (column AM): This will auto-populate from the manual figures listed on the worksheet
- Scheme Cost Check (column AN): This will auto-populate based either ‘Ok’ or ‘Check’ dependant on if the total of annual costs amounts to the total asset cost, subject to a rounding error.
- Asset additions (columns AO-BN): Asset additions associated with the scheme/output delivery, though not the regulatory output itself. Assets recorded in the “Other” category will be detailed in the narrative to the table.
- Asset Disposals (columns BO-CN): Asset disposals associated with the scheme/output delivery, though not the regulatory output itself. Assets recorded in the “Other” category will be detailed in the narrative to the table.
- De Minimis (rows 815-820): A total of De Minimis non-lead schemes.

### **Definitions for use in this worksheet**

#### De Minimis Schemes

8.29 All lead asset schemes and <132kV lead type asset schemes must be reported individually.

8.30 Schemes may be aggregated into the relevant category where:

- Scheme is a non-lead asset scheme (excluding 132kV lead asset type schemes); and
- Scheme Total Lifetime Cost < £0.5m (current year prices)

#### Lead Assets

8.31 Lead assets are the main assets comprising the transmission network that are required for the safe and reliable transfer of electricity from one point on the network to another. Any assets of operating voltage 132kV or greater in the following categories are lead assets: cables, subsea cables, circuit breakers, transformers, overhead pole line, overhead tower line.

#### Non-lead assets

8.32 Are any assets comprising a transmission network that do not fit into the 'lead asset' definition plus assets built to maintain or improve flood or weather related resilience. Non-lead assets include lead type assets below 132kV operating voltage.

8.33 If a 'major proportion' of lead scheme's expenditure is on delivering non-lead outputs then the non-lead outputs must be separately reported (as individual lines). A 'major proportion' for this purpose is >20% of the total scheme cost.

8.34 All non-lead outputs from non-lead schemes being delivered that formed part of a Licensee's RIIO-T1 business plan must be reported on table 4.3 even if the output it is now being delivered by a lead asset scheme.

8.35 Protection, Control, Telecoms and Metering: There are 11 asset sub-categories (eg settlement meters, bus section/coupler bays) under this non-lead category. Each sub-category output will be entered on a separate line with the appropriate output reference assigned.

### **7.3-7.5 Spares, ESR, Losses**

#### **Purpose and use by Ofgem**

8.36 The purpose of these tables is to provide a summary of costs incurred, by asset type, across the RIIO-ET3/beyond ET2 periods, for each of Spares, ESR (formerly known as Black Start) & Losses. This will allow Ofgem to have a more granular understanding of the proposed costs in each of the aggregated cost activities.

## Instructions for completion

### Spares

- 8.37 The costs of acquiring and the credits associated with utilising Strategic Spares are to be recorded in this worksheet. Instructions on how to record Strategic Spares costs are included below.
- 8.38 We expect Strategic Spares captured in this worksheet to be whole assets only. Sub-component parts of whole assets are not considered to be Strategic Spares and Licensees should maintain their own record of volumes, as they would for stock items.
- 8.39 The purchase of a Strategic Spare is treated as a totex cost, which is different to the treatment of normal stock items.
- 8.40 There are two treatments to be considered when recording the activities relating to Strategic Spares:
- Strategic Spares currently held:
    - Volumes should be reported against the relevant asset classification (or pre-agreed aggregation point) within the "Activity Volumes" section of the worksheet under column AG (eg a positive entry of "5" if 5 strategic spare transformers are currently held by the Licensee). No volumes should be recorded in the Scheme Volumes worksheets as the strategic spare has not yet been utilised on the network.
  - The acquisition of new Strategic Spares within the RIIO-ET3 period (1st April 2026 to 31st March 2031):
    - The costs of acquisition should be recorded as a positive value within the year of purchase against the relevant asset classification (or pre-agreed aggregation point). For example, if a further 5 spare transformers are purchased in year 2 of RIIO-ET3 with an acquisition cost of £2m each, the Licensee will enter £10m in column N (2022/23) against the relevant asset classification.
    - Volumes should be reported against the relevant asset category (or pre-agreed aggregation point) within the "Activity Volumes" section within the year of purchase against the relevant asset classification (a positive entry of "5" using the example above, giving a total inventory of 10 Strategic Spare transformers).

Guidance – RIIO-ET3 Electricity Transmission Price Control – Instructions and Guidance on Business Plan Data Templates: Version 1.1

- Treatment on the utilisation of Strategic Spares:
  - Licensees will track the usage of Strategic Spares to specific incidents and their deployment / utilisation within specific schemes in the RIIO-ET3 period.
  - Once utilised on the network the cost of the spare should be recorded as a negative value within the year of utilisation as it enters service. Using the example above, if a single Strategic Spare transformer enters service in year 3, the cost is presented by an entry of "-2" (£m) in the cost table (column O). The impact on the total inventory is a reduction from £20m to £18m as a result of the spare entering service.
  - In terms of total volume, if the Strategic Spare transformer enters service in year 3 the Licensee will report an entry of "-1" in the Activity Volumes section against the relevant asset classification in year 3 (column AI). The impact on the total inventory is a reduction in the count from 10 to a count of 9 as one enters service in year 3.
  - A "matching" positive cost & volume entry can then be recorded in the "Scheme\_Volume" and "Scheme\_Cost" worksheets for which the utilisation relates (eg the scheme in which the Strategic Spare is utilised will record the costs and volume against the relevant asset classification - a count of 1 and a cost of £2m against the transformer type using the example above). This will allow the auto-population of the relevant A7 asset movements worksheet and record the scheme cost in its entirety.
  - If a Strategic Spare is required to rectify a fault, these costs are to be recorded on the relevant row on Table '8.1 Faults'.
  - The associated asset volume should be recorded at this point on Asset Register class row of the CV table relating to the cost (in the above example - faults).

8.41 The utilisation of Strategic Spares has no net impact on Totex as the cost transactions recorded at this point are equal and opposite (other than in the unlikely event that the utilisation relates to an activity outside of the price control).

8.42 Costs will be populated in columns M-AB.

8.43 Activity Volumes will be populated in columns AG-AV.

8.44 NOTE: Spares in from ET1 should be reported on the Non-Load Legacy Log table, to match the granularity of reporting for these in the ET1 period.

#### ESR (Electricity System Restoration)

8.45 Volumes and costs should be reported against the appropriate asset classes listed in worksheet 7.4.

8.46 In the first table 'Sites resolved' Licensees should report the volumes of sites where ESR/Black Start resilience has been achieved and the costs of achieving this.

8.47 In the second table 'Outstanding population of sites to be resolved' Licensees are not currently required to populate.

8.48 Costs will be populated in columns M-AJ.

8.49 Asset additions will be populated in columns AP-BM.

#### Losses

8.50 Volumes and costs should be reported against the appropriate asset classes listed in worksheet 7.5.

8.51 Licensees should only complete this worksheet where losses management is the primary driver of the investment or action. This is to avoid double counting of volumes and costs reported in other worksheets.

8.52 Costs will be populated in columns M-AJ.

8.53 Asset additions will be populated in columns AQ-BN.

8.54 Disposal information is auto-populated.

## **7.6 Non Load R&C**

### **Purpose and use by Ofgem**

8.55 The purpose of this table is to provide detail on the nature of the sources of risk and contingency measures included in the non-load related investment delivery program and to describe the cause and impact of these risk items. The information will allow Ofgem to have a more granular understanding of the proposed risk and contingency drivers and their potential impact. The information will also be used to validate the project details and ensure there are no anomalies in the data set.

### **Instructions for completion**

8.56 Each risk category attributable to a project will be individually identified on a separate line with the value of this risk reported in column H.

- Project Name; and
- Risk ID: to be assigned by the Licensee.

8.57 Risk category (input options: "Yes" or leave blank):

- External forces;
- Cost estimation;
- Environmental; and
- Other.

8.58 These terms are defined in the Transmission Glossary.

8.59 Note:

- Risk Description: brief description of the nature of the risk.
- Expected Value (£m): value attributed to risk category in the project.
- Notes: any other relevant information; including further explanation of the "other" risk category.

### **Definitions for use in this worksheet**

#### External forces

8.60 Any risks that are not within the direct control or sphere of influence of the Licensee (eg. litigation from a landowner).

#### Cost estimation

8.61 This includes assumptions applicable to the purchase price or contract price of an asset or assumptions on input price changes. Note that estimates associated with contingency will be reported under cost estimation.

#### Environmental

8.62 Any risks associated with environmental issues.

#### Other

8.63 Any other element not captured by the above definitions.

## **7.7 T3 Non-Load Baseline**

### **Purpose and use by Ofgem**

8.64 This table gives Ofgem a scheme level view of work TO's are looking to submit as part of their RIIO-ET3 funding request and helps Ofgem understand at scheme level the volume and type of load capex work TO's view they will be needing to complete in the RIIO-ET3 period.

### **Instructions for completion**

8.65 There is no input required in this worksheet.

8.66 We request TO's to refresh the pivot table before submission.

## 9. NOC Sheets (Category 8)

### 8.1 Faults

#### Purpose and use by Ofgem

9.1 The purpose of this table is to provide data on the number of faults by asset category as well as the associated totex cost of fault restoration.

#### Instructions for completion

9.2 Volumes and costs should be reported against the appropriate asset classes listed in worksheet 8.1.

9.3 Note: The asset possibilities list in this worksheet is different to the list applicable elsewhere in the reporting pack. The list was developed and agreed in discussion with the Licensees.

9.4 Licensees should report on costs of the types of works done and forecast to be done as a result of fault restoration activity (columns M-AJ) and on activity volumes (columns AQ-BN) to capture a count of the number of faults.

9.5 The units used for all asset categories is “per occurrence”, given a fault is an event that triggers an outage on the network.

9.6 In terms of cost reporting, we expect this to be against the same asset level that volumes are presented (if directly available from internal systems/contractual structure).

9.7 Where not available, we expect costs to be reported:

- against a pre-agreed aggregation point, if available;
- against the lowest available asset level (if a robust application method can be applied); and
- for bay assets only, to be recorded against the highest value asset in that bay (in accordance with the glossary instructions).

9.8 The narrative will provide any additional insight into how to interpret the volumes against each asset and to improve our line of sight and understanding of a Licensees' fault policy more generally.

9.9 Additional input rows are included below the gross cost line to allow TO's to enter the capex/opex split for these costs. This entry will be used to inform the PCFM calculations.

9.10 Additional input rows are included to allow TO's to enter the costs split across baseline/reopener/uncertainty mechanism. This information will be used to inform the relevant PCFM calculations.

## **Definitions for use in this worksheet**

### Fault

9.11 A fault is an event which causes plant to be automatically disconnected from the transmission system for investigation and further action if required.

## **8.2 Inspections**

### **Purpose and use by Ofgem**

9.12 The purpose of this table is to:

- provide data on number of inspections carried out and associated costs by asset category; and
- establish a better understanding of each TO's inspection practices on both electrical & civil assets to ensure a reasonable level of intelligence on network assets is gathered.

### **Instructions for completion**

9.13 Inspection costs exclude the cost of any asset interventions carried out in response to the inspection results.

9.14 The volume inspected is for Licensees to report the quantity of individual assets or sites that have been inspected, irrespective of the number of times that the same asset has been inspected. For example, if an individual asset has been inspected four times during the reporting year, a count of one inspection would be recorded.

9.15 For Inspections reporting, Licensees should report on costs (columns M-AJ) on activity volumes (columns AQ-BN) as a result of the inspection programme performed or forecast to be performed.

9.16 Note that the asset possibilities list in this worksheet is different to the list applicable elsewhere in the reporting pack. The list was developed and agreed in discussion with the Licensees.

9.17 Cost (and volume) reporting is required against the following agreed aggregation points:

- Assets:
  - Sites at 132kV (each)
  - Sites at 275kV (each)
  - Sites at 400kV (each)
  - HVDC sites (each)
  - Overhead lines (km)
  - Submarine cable (km)
  - Circuit cable (km)
- Civil works (each)

9.18 The narrative will provide any additional insight into how to interpret the volumes against each asset and to improve our line of sight and understanding of a Licensees' inspection policy more generally.

9.19 Additional input rows are included below the gross cost line to allow TO's to enter the capex/opex split for these costs. This entry will be used to inform the PCFM calculations.

9.20 Additional input rows are included to allow TO's to enter the costs split across baseline/reopener/uncertainty mechanism. This information will be used to inform the relevant PCFM calculations.

## **Definitions for use in this worksheet**

### Inspections

9.21 The standardised and systematic collection of information from as found asset condition indicators which can be used in a standalone or aggregated format to provide asset data sufficient to determine or justify any intervention or deferral of standard maintenance, refurbishment or replacement works a TO may elect.

### Civil works

9.22 Civil engineering work associated with TO network assets, including buildings and site works at substations.

## **8.3 Maintenance**

### **Purpose and use by Ofgem**

9.23 The purpose of this table is to:

Guidance – RIIO-ET3 Electricity Transmission Price Control – Instructions and Guidance on Business Plan Data Templates: Version 1.1

- provide data on number of routine maintenance activities and associated costs by asset category; and
- establish a better understanding of each TO's maintenance practices on both electrical & civil assets to ensure a reasonable level of intelligence on network assets is gathered.

### **Instructions for completion**

- 9.24 The volume data to be reported shall represent the activity volume where Maintenance activities have been undertaken.
- 9.25 Where Maintenance activities are undertaken as part of other works that are classified as Refurbishment, then the associated costs shall be recorded on the Scheme data worksheet.
- 9.26 For Maintenance reporting, Licensees should report on costs (columns M-AJ) on activity volumes (columns AQ-BN) as a result of the programme or works performed or forecast to be performed.
- 9.27 Note that the asset possibilities list in this worksheet is different to the list applicable elsewhere in the reporting pack. The list was developed and agreed in discussion with the Licensees.
- 9.28 In terms of cost reporting, we expect this to be against the same asset level that volumes are presented (if directly available from internal systems/contractual structure).
- 9.29 Where not available, we expect costs to be reported:
- against a pre-agreed aggregation point, if available;
  - against the lowest available asset level (if a robust application method can be applied); and
  - for bay assets only, to be recorded against the highest value asset in that bay (in accordance with the glossary instructions).
- 9.30 The narrative will provide any additional insight into how to interpret the volumes against each asset and to improve our line of sight and understanding of a Licensees' R&M policy more generally.
- 9.31 Additional input rows are included below the gross cost line to allow Licensees to enter the capex/opex split for these costs. This entry will be used to inform the PCFM calculations

9.32 Additional input rows are included to allow Licensees to enter the costs split across baseline/reopener/uncertainty mechanism. This information will be used to inform the relevant PCFM calculations.

## **Definitions for use in this worksheet**

### Maintenance

9.33 The activity relating to the invasive (“hands on”) examination of, and the undertaking of any subsequent maintenance works on, system assets.

## **8.4 Repairs**

### **Purpose and use by Ofgem**

9.34 The purpose of this table is to:

- provide data on the number of non-routine repair interventions and associated costs by asset category; and
- establish a better understanding of each TO’s repair practices on both electrical & civil assets to ensure a reasonable level of intelligence on network assets is gathered.

### **Instructions for completion**

9.35 The volume data to be reported shall represent the activity volume where Repair activities have been undertaken.

9.36 Where Repair activities are undertaken as part of other works that are classified as Refurbishment, then the associated costs shall be recorded on the Scheme data worksheet.

9.37 For Repairs reporting, Licensees should report on costs (columns M-AJ) on activity volumes (columns AJ-BN) as a result of the programme or works performed or forecast to be performed.

9.38 Note that the asset possibilities list in this worksheet is different to the list applicable elsewhere in the reporting pack. The list was developed and agreed in discussion with the Licensees.

9.39 In terms of cost reporting, we expect this to be against the same asset level that volumes are presented (if directly available from internal systems/contractual structure).

9.40 Where not available, we expect costs to be reported:

## Guidance – RIIO-ET3 Electricity Transmission Price Control – Instructions and Guidance on Business Plan Data Templates: Version 1.1

- against a pre-agreed aggregation point, if available;
- against the lowest available asset level (if a robust application method can be applied); and
- for bay assets only, to be recorded against the highest value asset in that bay (in accordance with the glossary instructions).

9.41 The narrative will provide any additional insight into how to interpret the volumes against each asset and to improve our line of sight and understanding of a Licensees' R&M policy more generally.

9.42 Additional input rows are included below the gross cost line to allow TO's to enter the capex/opex split for these costs. This entry will be used to inform the PCFM calculations.

9.43 Additional input rows are included to allow TO's to enter the costs split across baseline/reopener/uncertainty mechanism. This information will be used to inform the relevant PCFM calculations.

### **Definitions for use in this worksheet**

#### Repairs

9.44 The activity relating to the invasive ("hands on") examination of, and the undertaking of any subsequent works to repair defects on, system assets. This includes:

- minor repairs carried out at the same time as the maintenance visit; and
- subsequent repair works undertaken to remedy defects identified by either inspection or maintenance.

## **8.5 Service Agreements**

### **Purpose and use by Ofgem**

9.45 The purpose of this table is to split out material contracts covering inspections, maintenance and repairs that would otherwise be represented as costs with no volume in those tabs.

### **Instructions for completion**

9.46 Licensees should report Long-term Service Agreement (LTSA) costs covering inspections, maintenance and repairs in this table.

- 9.47 LTSAs costs here should be those commercially negotiated with the supply chain, as part of agreement of main construction contracts. They should be competitively appointed and bespoke to specific assets.
- 9.48 For Service Agreement reporting, Licensees should report on costs (columns M-AB) as a result of the contract cost incurred or forecast to be incurred.
- 9.49 For each agreement, alongside the costs, Licensees should report the following:
- Agreement name;
  - Assets covered by the agreement;
  - Provider;
  - Contract start; and
  - Contract end.

## **8.6 Vegetation Management**

### **Purpose and use by Ofgem**

- 9.50 The purpose of this table is to provide data on the volume of vegetation management activities by type of activity and associated cost of those activities.

### **Instructions for completion**

#### Vegetation management

- 9.51 The activity of physically felling or trimming vegetation in order to ensure the reliable performance of transmission assets. These are the costs and volumes directly related to tree cutting and facilitation of cutting activities. This includes the workload involved with the physical felling or trimming of vegetation away from network assets and associated costs for activities such as outages, traffic management, obtaining consents and Network Rail costs, compliance with the requirements of ENATS 43-8 (horizontal and vertical clearances) and ETR 132 (network resilience) of the ESQCR 2006.
- 9.52 For Veg Mgmt reporting, Licensees should report on costs (columns M-AJ) on activity volumes (columns AQ:BN). The data must be reported by the applicable voltage category and categorisation listed within the table.
- 9.53 Rows 26-59 (inclusive): Each Licensee is required to separately report the cumulative activity of physically felling or trimming vegetation included as part of a management contract and/or to maintain minimum safety clearances for

overhead network length (km) for the following voltages (where applicable): 66kV, 132kV, 275kV and 400kV.

- 9.54 Row 22: Each Licensee is required to separately report the cumulative activity of physically felling or trimming vegetation included as part of a management contract and/or to maintain minimum safety clearances for non-OHL activity. This includes cutting and management activity required near non-linear assets (eg substations, compounds, cable routes and cable link boxes). The volume is required to be reported on an activity count (#) for vegetation cleared around non-linear assets.
- 9.55 This worksheet contains a data entry for “Woodland Management” (row 23). This is intended to capture tree felling and tree planting and maintenance measures (potentially at different sites) associated with adhering to planning requirements and wider environmental policy objectives.
- 9.56 Additional input rows are included below the gross cost line to allow TO’s to enter the capex/opex split for these costs. This entry will be used to inform the PCFM calculations.
- 9.57 Additional input rows are included to allow TO’s to enter the costs split across baseline/reopener/uncertainty mechanism. This information will be used to inform the relevant PCFM calculations.

## **8.7 NOCs Other**

### **Purpose and use by Ofgem**

- 9.58 The purpose of this table is to provide data on the Legal and Safety, non-OHL vegetation management, ongoing environmental costs associated with planning permissions, STEPm, other NOCs activities and Substation electricity.

### **Instructions for completion**

- 9.59 Categories for which costs and volumes to be reported in this this worksheet (rows 10-24):
- Site security by number of substations (split by voltage);
  - Asbestos management – surveys & signage by number of sites;
  - Asbestos management – containment or removal by number of sites;
  - Safety climbing fixtures - for supports or plant items;
  - Fire protection by number of substations;

## Guidance – RIIO-ET3 Electricity Transmission Price Control – Instructions and Guidance on Business Plan Data Templates: Version 1.1

- Earthing upgrade by number of locations;
- Cable Pits by number of sites;
- Shallow Cables;
- Vegetation Management (non-OHL, eg CSE compounds and access roads);
- Ongoing environmental costs associated with planning permissions (eg Biodiversity Net Gain maintenance costs);
- STEPm;
- Substation Electricity; and
- Other (free entry in rows 229-236).

9.60 Licensees should report on costs (columns M:AJ) on activity volumes (columns AQ-BN). The data must be reported by the applicable voltage category and categorisation listed within the table.

9.61 Cost information (columns M-AJ) is also required for substation electricity:

- Units Consumed (#MWh)
- Cost per unit (p/MWh)
- Substation Electricity Costs (£m)

9.62 Cost information is required for ongoing environmental costs associated with planning permissions eg biodiversity net gain legislation. This information should be split into costs for the enhancement and maintenance of environmental costs. As well as costs, we have added activity volumes, to understand, in hectares, the ground affected.

9.63 Additional input rows are included below the gross cost line to allow TO's to enter the capex/opex split for these costs. This entry will be used to inform the PCFM calculations.

9.64 Additional input rows are included to allow TO's to enter the costs split across baseline/reopener/uncertainty mechanism. This information will be used to inform the relevant PCFM calculations.

## 8.8 Flood Mitigation

### Purpose and use by Ofgem

9.65 The purpose of this table is to provide data on Flood Mitigation.

## **Instructions for completion**

- 9.66 Rows 12-55 require entry of Flood Mitigation schemes. For these rows:
- Column A requires Licensees to manually enter the relevant project name for each applicable scheme.
  - Column B requires the scheme reference
  - Column C requires entry of the associated EJP reference if applicable
  - Column D requires entry of the project deliverables.
  - Column E requires the Start Date
  - Column F requires the End Date
  - Columns M-AJ requires entry of annual Gross cost information across T-1, T-2 and T-3 periods and beyond.
- 9.67 Categories for which costs and volumes to be reported in this this worksheet (rows 60 to 101):
- Fluvial and Coastal (rows 60 to 79)
    - flooding mitigation schemes
    - flood site surveys
  - Pluvial (rows 87 to 96)
    - flooding mitigation schemes
    - flood site surveys
- 9.68 Licensees should report on costs (columns M:AJ) on activity volumes (columns AQ:BN). The data must be reported by the applicable voltage category and categorisation listed within the table.
- 9.69 Additional input rows are included below the gross cost line to allow TO's to enter the capex/opex split for these costs. This entry will be used to inform the PCFM calculations.
- 9.70 Additional input rows are included to allow TO's to enter the costs split across baseline/reopener/uncertainty mechanism. This information will be used to inform the relevant PCFM calculations.

## **Definitions for use in this worksheet**

### Flood Mitigation

9.71 Current physical and non-physical measures of flood prevention in place on a site and/or potential improvements that reduce the risk of flooding.

#### Fluvial Flooding

9.72 Flooding that occurs as a result of flooding from rivers and watercourses.

#### Pluvial Flooding

9.73 Flooding which occurs when the ground and drainage systems become saturated following extremely heavy downpours of rain. It is also known as surface water flooding.

## **8.9 Operational Technology**

### **Purpose and use by Ofgem**

9.74 The purpose of this table is to provide historical and forecast costs and volumes associated with operational technology by type of work carried out.

### **Instructions for completion**

9.75 The tables in this worksheet report the volumes and costs associated with IT and telecommunications systems and equipment. All Operational IT & Technology costs should be reported here, rather than in the CAI table.

9.76 Where Operational Technology equipment is installed for network plant or substation sites, where such equipment did not previously exist, then the cost of such works should be reported under the appropriate activity driver.

9.77 Where existing Operational Technology equipment is replaced or renewed for network plant, or substation sites, where such equipment previously exists, then the cost of such works should be reported as Operational Technology expenditure.

9.78 The asset categories for this worksheet, are:

- System Applications
  - Applications
- Operational Technical Infrastructure
  - Servers
  - Switches
  - Virtual machines

- Firewalls
- Telecommunications Network
  - Routers
  - Fibre
  - Transport equipment
  - Power supply
  - 3rd party communications
  - Synchronisation
  - Air condition
  - Operational Telephony
- Field Devices, Controller & Local Supervisory
  - Field Equipment

9.79 The costs associated with these works must be entered into the respective total direct costs cells.

9.80 Additional input rows are included to allow TO's to enter the costs split across baseline/reopener/uncertainty mechanism. This information will be used to inform the relevant PCFM calculations.

### **Definitions for use in this worksheet**

#### Operational Technology

9.81 IT and telecommunications systems and equipment which are used exclusively in the real time management of network assets, but which do not form part of those network assets.

### **8.10 Visual Amenity**

#### **Purpose and use by Ofgem**

9.82 The purpose of this table is to provide costs on the volume and associated cost of existing projects to mitigate the visual impact of pre-existing infrastructure.

#### **Instructions for completion**

9.83 Licensees are required to report project data on proposed projects under Special Condition 3.10 of the T2 Licence (to be updated).

## Guidance – RIIO-ET3 Electricity Transmission Price Control – Instructions and Guidance on Business Plan Data Templates: Version 1.1

- Column A requires Licensees to manually enter the relevant project name for each applicable scheme.
- Column B requires a short description of the project (manual entry).
- Column C requires entry of the approval date for the project.
- Column D requires entry of the Delivery date.
- Columns M-AJ requires entry of annual Gross cost information across T-1, T-2 and ET-3 periods and beyond.

9.84 Additional input rows are included below the gross cost line to allow TO's to enter the capex/opex split for these costs. This entry will be used to inform the PCFM calculations.

9.85 Additional input rows are included to allow TO's to enter the costs split across baseline/reopener/uncertainty mechanism. This information will be used to inform the relevant PCFM calculations.

### **8.11 Faults & Failures**

#### **Purpose and use by Ofgem**

9.86 The purpose of this table is to provide historical and forecast data on the number of faults & failures by asset category.

#### **Instructions for completion**

9.87 Licensees are required to report on:

- Total Weather-related Trip and DAR Faults (rows 43 to 50);
- Faults that required an outage of more than 3 hours (rows 54 to 61);
- Total faults (rows 64 and 65);
- Total failures (rows 70 and 71); and
- The causes of failures and faults consistent with codes from the National Faults and Interruption Reporting Scheme (NaFIRS) – see rows 80 to 148 for Trips and rows 156 to 224 for Failures – and the asset classification provided within the worksheet.

9.88 The Licensee should report any faults or failures that are currently under investigation, or the cause is unknown, in the 'Unknown' category. Within the commentary the Licensee should state how many of these are currently under investigation and when it expects the investigation to be complete.

- 9.89 Any faults or failures that the cause is known but is not on the list provided must be explained in the commentary.
- 9.90 When reporting fault and failures caused by airborne deposits Licensees should focus on the specific cause of the fault or failure – did the industrial pollution lead to corrosion of conductors which subsequently failed (in which case use code 15) or did the depositing of material on the conductors lead to arcing or similar or was it the moisture content of the industrial pollution.
- 9.91 Only faults and failures of cardinal assets are required to be broken down by asset type and cause. For sub-cardinal assets Licensees are required to report only the total numbers of faults and failures for ‘measurement transformers’ and for ‘other sub-cardinal assets’.
- 9.92 Summary information on any events associated with significant disruption, loss of supply or customer disconnection greater than 3 minutes (‘Category a’) must provide detail on the duration of the event and magnitude of the associated loss.
- 9.93 Summary information on significant condition related faults affecting a family or a number of lead or non-lead asset category that have occurred (‘Category b’) must provide a description of the fault, its cause, the actions that will be taken eg maintenance, replacement etc. and detail on the duration of the event and magnitude of the associated loss (where applicable).

## **Definitions for use in this worksheet**

### Faults

- 9.94 A fault is an event which causes plant to be automatically disconnected from the transmission system for investigation and further action if required.

### Failures

- 9.95 A power transformer failure is defined as an event that requires the unit to be taken off the plinth either for replacement or factory repair.
- 9.96 A reactor failure is defined as an event that requires the unit to be taken off the plinth either for replacement or factory repair.
- 9.97 Failure of circuit breakers is defined as an event that requires the replacement of the breaker, or repair equivalent to the replacement of at least one head.
- 9.98 An overhead line is considered to have failed if a conductor drops.
- 9.99 Cable failures are events where a cable section, joint or sealing end has failed in service requiring its replacement.

9.100 Third party causes are not counted.

9.101 A protection or control failure is defined as an event that requires the bay (and associated primary equipment) to be removed from service to undertake repair which entails the replacement of a complete device (containing a protection or control function) without which the bay could not remain service on a continuous basis.

9.102 Compensation failure is defined as an event that requires replacement of fault-damaged components other than those normally replaced under routine maintenance.

9.103 A substation auxiliary's failure is defined as an event that requires the replacement of the entire unit.

#### Cardinal assets

9.104 Transformers, reactors, circuit breakers, overhead lines, underground cables, protection & control equipment, compensation (static VAR compensators & mechanically switched capacitors), and substation auxiliaries.

#### Sub-cardinal assets

9.105 Any network assets other than cardinal assets.

## **10. Other Operational Expenditure Sheets (Category 9)**

### **9.1 Non Op Capex**

#### **Purpose and use by Ofgem**

10.1 The purpose of this table is to report expenditure on non-operational capex. We will use this information to assess the economic efficiency and appropriateness of any non-operational capital expenditure.

#### **Instructions for completion**

10.2 Non-Op Capex has been categorised into the following expenditure types: IT & Telecoms (Non-Op); Vehicles; Non-Op Property.

10.3 For IT & Telecoms, rows 20-119 require the Licensee to insert the name of specific IT systems / projects where the total expenditure is £1m or more. Full project details, not just expenditure in the year, should be entered as indicated by the column headings.

10.4 Expenditure on all other IT assets less than or equal to £1m should be entered in rows 123-136. Where the total spent on a project is more than £1m but the expenditure within a particular year is less than £1m, this should be shown as an individual project and not included in the IT expenditure  $\leq$ £1m category.

#### **Definitions for use in this worksheet**

##### IT & Telecoms (Non-Operational)

10.5 Expenditure on new and replacement IT assets which are not system assets. These include Hardware and Infrastructure and Application Software Development.

##### Vehicles

10.6 Expenditure on new and replacement wheeled vehicles and generators which are not system assets but are utilised by the TO or any other Related Party for the purposes of providing services to the TO.

##### Non-operational Property

10.7 Expenditure on new and replacement property assets which are not system or operational assets. Includes premises used by people (eg stores, depots and offices) which are not operational premises (eg substations), as well as office equipment.

## 9.2 Physical Security Capex

### Purpose and use by Ofgem

10.8 This sheet is to record capex costs and volumes associated with the Government's Physical Security Upgrade Programme (PSUP), for new sites and to replace IT and Technical assets during the price control. Note that this sheet is specifically for PSUP-related physical security costs and not for any other 'BAU' physical resilience work.

### Instructions for completion

#### New sites

- Licensees to enter costs associated with New Site projects.
- 'Project Ref' is the project identifier reference that corresponds with the Final Determinations documents.
- 'Start date' is when pre-construction work on each project begins.
- 'Finish date' is when construction on the project has finished.
- Columns M-AJ – record annual costs associated with new sites.
- Licensees are to separately record costs for projects that were set as PCDs at ET-2 Final Determinations (baseline) and projects set following a re-opener (Uncertainty Mechanism).

#### IT assets

- Licensees are to enter costs associated with replacing IT assets installed as part of the PSUP programme. Licensees are to separately record cost (rows 60-68) and workload (rows 72-79) data for each IT asset type, as per the asset category listed in Column E.
- Any costs incurred replacing IT assets not listed in Column I are to be reported in row 67 ('other') and justified in the RRP narrative submission.

#### Technical assets

10.9 Licensees are to enter costs associated with replacing Technical assets installed as part of the PSUP programme. Licensees are to separately record cost (rows 86-92) and workload (rows 97-103) data for each IT asset type, as per the asset category listed in Column E.

10.10 Any costs incurred replacing Technical assets not listed in Column I are to be reported in row 90 ('other') and justified in the RRP narrative submission.

### **9.3 Physical Security Opex**

#### **Purpose and use by Ofgem**

10.11 This sheet is to record opex costs and volumes associated with the Government's Physical Security Upgrade Programme (PSUP).

#### **Instructions for completion**

10.12 Licensees are to report their annual PSUP opex expenditure for both owned (row 13) and shared (row 21) sites. These costs should include any operational costs, including labour, associated with the PSUP programme.

10.13 In the 'Workload' section, Licensees are to report the number of PSUP sites, both owned (row 35) and shared (row 43), that have incurred PSUP opex costs in each year (columns M-AJ).

### **9.4 CAI**

#### **Purpose and use by Ofgem**

10.14 The purpose of this table is to collect cost information on the Closely Associated Indirect (CAI) activities listed below, which in most cases support work being physically carried out on high voltage network assets, that could not, on their own, be classed as a direct network activity.

10.15 The recording and reporting of indirect costs will include two elements:

- those performed by external third parties ie contractors engaged to perform Closely Associated Indirect activities on behalf of the ETO and/or agents engaged to provide distinct services under instruction from an ETO; and
- Those CAI activities performed and discharged from a licensees own internal resource framework eg internal project management, design, engineering or clerical staff.

10.16 In determining the separation and reporting of CAI costs incurred by ETO staff from that incurred by contractors, a delineation is required in the types of CAI activities undertaken by an ETO while physically delivering Transmission investments; applying the nomenclature "very" CAI and "other" CAI, and for this to inform the basis of indirect cost reporting from this point on.

10.17 Licensees must delineate direct and indirects (ie information taken directly from an internal Contractor Management System and applied to the RRP asset possibility construct and/or subject to an allocation process) as per the definitions irrespective of the party performing this activity.

10.18 The types of CAI activities undertaken while physically delivering infrastructure investments will reside within the “very” Closely Associated Indirects include:

- Network Design and Engineering, Project Mgt.
  - These activities, irrespective of the delivery party, will be treated as indirects (subject to any caveats/derogations noted under the “very” CAI definitions listed below).

10.19 The types of activity that will reside within the “other” Closely Associated Indirects include the remaining CAI sub-activities as set out in the RIGs definitions include:

- Engineering Mgt & Clerical Support, Network Policy, Network Planning, System Mapping, Stores & Logistics, Operational Training, Vehicles and Transport, Market Facilitation, Health & Safety
  - These activities, where performed by the ETO, will be recorded as indirects but would not need to be costed and separately identified if performed by 3rd parties, where undertaken as part of their wider duties and/or delivery of direct activities on behalf of the ETO. For example, Operational training costs incurred by a 3rd party for the contractors’ own staff (even when required to perform work for the ETO) would be deemed a legitimate contractor overhead and not reported as an indirect.
  - However, where 3rd parties have been engaged to specifically perform “other” Closely Associated Indirect activities which have defined outputs and deliverables and are billable to the ETO eg Network Planning, Network Policy, System Mapping, Operational Training etc., our expectation is that costs incurred in performing these activities will also be recorded as indirects. For example, where an ETO engages a 3rd party for the specific purpose of delivering operational training, this would be treated as an indirect.

10.20 “Other” CAI Summary:

- Other CAI incurred by the ETO itself to be recorded as Indirects and separately identified in reporting.

Guidance – RIIO-ET3 Electricity Transmission Price Control – Instructions and Guidance on Business Plan Data Templates: Version 1.1

- Other CAI incurred by contractors:
  - Where the activity is specifically carried out on behalf of the ETO, to be recorded as Indirect Activity Costs and separately identified in reporting (ie same as for ETO incurred costs)
  - Where carried out to enable contractor to fulfil its contractual obligations to the ETO (eg contractor training its own staff), to be treated as contractor over-head and cost absorbed to the relevant Direct Activity being delivered by the contractor

10.21 Closely Associated Indirects collectively includes the activities of:

- Network Design and Engineering;
- Network Policy;
- Network Planning;
- Project Management;
- Engineering Management and Clerical Support;
- System Mapping;
- Stores & Logistics;
- Operational Training;
- Vehicles and Transport;
- Market Facilitation; and
- Health & Safety.

10.22 All Operational IT & Telecoms costs should now be reported in table 8.9 Operational Technology.

### **Instructions for completion**

10.23 Costs associated with each of the indirect activities listed definitions found in Appendix 1 should be reported in this table.

10.24 Note that operational engineers working on planning and project mobilisation, preparing and planning associated with protection settings, administration of outages, contract specification and liaising with contractors and customers are considered Indirect Activities.

10.25 Excludes site surveys and non-site based costs associated with flooding (in Flood mitigation).

Guidance – RIIO-ET3 Electricity Transmission Price Control – Instructions and Guidance on Business Plan Data Templates: Version 1.1

- 10.26 Rows 26 to 36 (internal costs). Please populate the yellow input cells for each category of cost for the services/activities provided by internal/in-house functions.
- 10.27 Rows 41 to 51 (external costs). Please populate the yellow input cells for each category of cost for the services/activities procured from a third party.
- 10.28 Rows 56 to 67 (Contractor Indirects). These rows will be automatically populated to allow Ofgem to view contractor indirects that have inputted in the cells within the 11.10 Contractor Indirects Memo table.
- 10.29 An additional input row has been included for Wayleaves, to be excluded from any econometric analysis.
- 10.30 Additional input rows are included to allow TO's to enter the capex/opex split for the CAI cost categories. This entry will be used to inform the PCFM calculations
- 10.31 Additional input rows are included to allow TO's to enter the CAI cost categories split across baseline/reopener/uncertainty mechanism. This information will be used to inform the relevant PCFM calculations.
- 10.32 Rows 86 to 309 (Indirects by Scheme) have been added to identify which very indirect costs apply directly to which scheme. This includes where costs have been incurred via a 3rd party, including through competitive tendering. Very indirect costs in this table should match the "Project Management" and "Network Design and Engineering" level costs in rows 11 and 12.
- 10.33 Note: T1 data SHOULD NOT be included.

### **Definitions for use in this worksheet**

#### Network Design and Engineering

- 10.34 All processes and tasks involved in the:
- Strategic planning of the network at all voltages; and
  - Detailed engineering design of transmission assets and changes to the network at all voltages ("functional design").
- 10.35 Includes:
- Strategic planning of the network – Relates to the tasks associated with the network in totality rather than individual projects;
    - Maintenance of network design data models
    - Development of long term development statements

Guidance – RIIO-ET3 Electricity Transmission Price Control – Instructions and Guidance on Business Plan Data Templates: Version 1.1

- Capital planning for business plans and budgets
- Network wide demand forecasting
- Network Modelling associated with determination of Use of System charges
- Strategic planning of the network in respect of new connections, load related network reinforcement and all aspects of the “non-load new and replacement asset installation” activity
- Transmission Asset investments – Relates to the tasks associated with the project specific network design and engineering of transmission asset projects and enquiries; and
- Other Network Investment – Relates to the tasks associated with the project specific network design and engineering of all other aspects of Network Investment projects.

10.36 The tasks associated with transmission asset projects & enquiries and all other aspects of Network Investment projects including:

- Load forecasting;
- Network modelling;
- Network and engineering design of the network to accommodate new connections, specific changes in either demand or distributed generation and all aspects of the “non-load new and replacement asset installation” activity;
- Provision of connection charge quotations;
- Approval of network designs undertaken by other parties, such as independent connection providers and related parties;
- The surveying of a specific overhead line in order to identify the detailed work required to address an identified problem/issue;
- The determination of land profiles to select the routes and pole sizes for new or replacement lines;
- The surveying associated with new and existing operational sites in order to identify detailed work requirements;
- Network performance monitoring and evaluation of impact of salient policies;
- Planning new projects up to the point of authorisation;
- System Studies for Compliance – Thermal, Stability, Voltage, Fault; and

Guidance – RIIO-ET3 Electricity Transmission Price Control – Instructions and Guidance on Business Plan Data Templates: Version 1.1

- System Studies for Network Development – Includes providing options for ESO/FSO analysis and ETYS related purposes.

10.37 Does not include:

- Design falling under the definitions of “Manufacturing Configuration Design” as set out in appendix 1 will be treated as a direct activity. Manufacturing configuration design: the cost for Asset Specific Designs are those which the Licensee does not have direct control over and the decisions on how to meet the specification in function design are for the manufacturer/contractor to determine. These costs should be treated as a direct activity. (see Direct Activities definition within Appendix 1 for examples of both functional design (Indirect) & Manufacturing Configuration Design (Direct);
- Inspection of system assets to collect condition information (covered under NOC); and
- Any IT or Property costs associated with Network Design and Engineering (covered under non-op capex).

10.38 Please see Appendix 1 for additional tables which further clarify the treatment of design activity, providing specific examples of our delineation between manufacturing configuration design (direct) and functional design (indirect) and a table which sets specific types of design activity against 5 stages of design and their regulatory cost treatment.

Network Policy (incl. R&D)

10.39 All processes and tasks involved in the development and review of environmental, technical and engineering policies, including research and development.

10.40 Includes:

- Evaluating the impact of changes in relevant legislation.
- Development, regular review and updating of asset risk management policies, such as:
  - asset maintenance policy
  - asset inspection policy
  - technical standards and specifications team
  - plant, equipment and component specifications
  - vegetation management policy

Guidance – RIIO-ET3 Electricity Transmission Price Control – Instructions and Guidance on Business Plan Data Templates: Version 1.1

- asset replacement policy
- network design and protection policy
- Analysis and interpretation of asset condition data
- Development, regular review and updating of environmental policy; and
- Research and development (including fees paid to research and development organisations).

10.41 Excludes:

- Any of the IT or Property costs associated with Network Policy; and
- IFI related research and development.

Network Planning

10.42 This covers the following activities:

- Asset assurance and management of the asset registers;
- Business expert input into IT system development;
- Performance monitoring and improvement;
- Co-ordination and completion of benchmarking activities; and
- Control Centre - Operational management and control of the network:
  - Outage planning and management
  - Real time control and monitoring
  - Dispatch
  - Major incidents and emergency planning.

Project Management

10.43 Project Management from authorisation through preparation, construction and energisation to completion. (NB: only project management costs for the applicable asset/output may be treated as direct upon construction commencing. Where other assets/outputs are pre-construction, the project management costs pertaining to these deliverables will be treated as indirect as per the definitions below).

10.44 Includes:

- Overall responsibility for major project delivery;
- Determining resource requirements;

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- Planning and requisitioning materials & equipment;
- Work and resource programming;
- Risk assessments of the overall project content;
- Preparation of work instructions;
- Issue of work to own staff and contractors;
- On-site supervision and technical guidance;
- Quality checks on work undertaken;
- Organising network access and co-ordination of outages;
- Organising and supervising (where appropriate) the undertaking of commission tests;
- Issuing completion certificates;
- Arranging energisation of assets; and
- Cost control.

10.45 Excludes:

- Any IT or property costs associated with Project Management;
- Any employees managing other indirect activities; and
- Any design work relating to new connections new or replacement assets.

10.46 Please see Appendix 1 for a project management definitions table which sets out the various stages of project management; their cost treatment (ie direct or indirect) and examples of the various deliverables that would be undertaken in each stage.

Engineering Management and Clerical Support

10.47 The office-based activities of engineering and clerical support staff (ie depot clerical staff, managers, work planners, etc) managing or assisting employees undertaking direct activities and Wayleave Administration.

10.48 Includes:

- Strategic Network Plan Development and implementation:
  - Managing the delivery organisational structure to achieve the long and short term company goals;

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- Agreeing resource requirements (own employees, contractors, finances and outcome targets);
- Managing the allocation and distribution of delivery resources to achieve plans;
- Managing key corporate policies and standards for investment/ service delivery;
- Leading the management team for service delivery;
- Monitoring the achievement of plans; and
- Overseeing the management of teams with responsibility for service delivery.
- Identification and implementation of improvement initiatives:
  - Redesign of business processes.
- Work Planning, Budgeting, Allocation and Control:
  - Monitoring delivery of major works;
  - Monitoring fault activity;
  - Monitoring budgets of Inspections and maintenance, faults and major works;
  - Setting and agreeing performance targets, monitoring actual performance; and
  - Reporting and analysis of Key Performance Indicators (“KPIs”).
- Line management of staff undertaking direct activity work:
  - Standards of performance, disciplinary and sickness absence procedures;
  - Monitoring absence, back-to-work-interviews and welfare visits;
  - Establishing day to day work plans;
  - Managing the allocation tasks to achieve the delivery of operational and capital plans;
  - Scheduling and monitoring the achievement of work jobs;
  - Managing budget; and
  - Ensuring work activity adheres to company technical and health & safety requirements.

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- Operational Performance Management:
  - Health and Safety checks on work and personnel;
  - Compliance checks on staff and contractors work carried out;
  - Site safety inspections;
  - Providing safety advice to cable contractors and others (to help prevent damage);
  - Investigation, report and corrective action following an accident or environmental incident;
  - Authorisation of team members for operational and non-operational duties; and
  - Operational safety checks.
- Providing safety advice to persons working in proximity to network assets.
- Wayleave Payments:
  - Annual payments made in advance to the owner and/or occupier to cover the financial impact of having equipment on their land.
- Wayleaves and Easements/Servitudes:
  - Obtaining, managing and administering Wayleave, substation rents, easements and servitudes;
  - Negotiating new Wayleaves;
  - Managing Wayleave terminations;
  - Administration of existing Wayleaves including the preparation of payments; and
  - Negotiation conversions from Wayleave arrangements to permanent easement/ Servitudes, substation rents and Wayleave payments.
- Clerical Support:
  - Updating plant and overhead line support asset inventory databases following asset commissioning and decommissioning;
  - Updating plant and overhead line support asset condition data following inspection and maintenance;

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- Dealing with verbal and written enquires for new connections, or faults;
- Programming of minor works;
- Issuing of work instructions;
- Preparation of quotations for minor works;
- Sending quotations to customers;
- Customer liaison;
- Liaising with contractors;
- Preparing plans, schematics, notices, materials schedules and work instructions;
- Environmental notifications; and
- Clerical support for staff answering verbal and written enquiries regarding faults, liaising with contractors and other stakeholders.

10.49 Excludes:

- Any Employees managing indirect activities (eg logistics manager) (include under the relevant indirect activity heading);
- Responding to NRSWA notices sent to the Company by other parties (include under Systems Mapping);
- Maintenance of mobile generation plant (include under Vehicles and Transport);
- Any employees engaged in maintaining the financial asset register;
- Idle, down and sick time of direct field staff (include with their normal direct time in the appropriate direct activity);
- IT or property costs associated with Engineering Management & Clerical Support;
- Apprentices undertaking classroom training (include under Operational training and workforce renewal);
- Time of employees attending training (include as labour costs under the relevant activity);
- Training courses and training centre costs for staff relating to working on system assets (include under operational training and workforce renewal);

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- Engineering and health and safety training, courses for staff involved in indirect activities (include under operational training and workforce renewal);
- Updating of underground cable and overhead line asset data bases (include under System Mapping);
- Updating financial asset register (Finance & regulation);
- Compliance checks on staff and contractors' work carried out;
- Site safety inspections;
- Investigation, report and corrective action following an accident or environmental incident;
- Authorisation of team members for operational and non-operational duties;
- Operational field safety checks;
- Time of employees attending training (include as labour cost under the relevant activity of that employee);
- Purchase of equipment (include under non-operational capex); and
- Training, courses and training centre costs for staff relating to working on system assets (include under operational training and workforce renewal).

System Mapping

10.50 The activity of mapping of the network and operational premises of the network to geographical locations.

10.51 Includes:

- Updating the geographical system maps with asset and locational information following the installation, removal or repositioning of system assets;
- The updating of Geographic Systems (GIS) records following Ordnance Survey mapping rebasing upgrades;
- Responding to the New Roads and Street Works Act NRSWA notices sent to the Company by other parties; and
- Ordnance survey licence fees.

10.52 Excludes:

- Clerical support and admin associated with New Roads and Street Works Act (NRSWA);
- updating the network control diagram; and

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- onsite collection of asset and locational information where this task is undertaken with the installation of the asset which is part of the associated direct activity.

10.53 IT & Property costs associated with System Mapping activity

Stores and Logistics

10.54 The activity of managing and operating stores.

10.55 Includes:

- Delivery costs of materials or stock to stores;
- Labour and transport costs for the delivery of materials or stock from a centralised store to a satellite store/final location (and vice versa), taking into account the stock management policies;
- Monitoring stock levels; and
- Quality testing of materials held in stores.

10.56 Excludes:

- Costs of oil or other insulation medium (report under the activity for which it is used, eg maintenance, faults);
- Any of the IT systems associated with stores/logistics (include under IT & Telecoms);
- Any property management and maintenance costs of depots/stores locations (include under property management); and
- Vehicles and Transport - the activity of managing, operating and maintaining the commercial fleet and mobile plant (include under Vehicles and Transport).

Operational Training

10.57 Includes operational training and operational graduate trainees and apprentices.

10.58 Includes training Workforce Renewal new recruit, Operational Upskilling and Operational Refresher Training.

10.59 Operational Upskilling - covers all training (whether classroom based or on-the-job) where employee's skill level is increased in order to undertake activities requiring a higher skill level or to undertake activities requiring a different skill set (eg multi-skilling or redeployment) or the undertake activities via more efficient / effective processes. (Does not cover, eg, routine operational refreshers, and

safety briefings, non-operational training courses eg MS Excel, training for CPD purposes once qualified eg accountant).

10.60 Apprentices are engaged under approved apprentice's schemes. Trainees are employed under a formal training programme.

10.61 Includes:

- Classroom training;
- On the job training;
- Trainer and course material/running costs (classroom training);
- Training admin;
- Recruitment and external advertising costs for trainees/apprentices;
- Salaries of apprentices and trainees in full time continuous training up to the point they become fully engaged in operational activities; and
- Costs of staff that organise and provide operational training and maintain employees training records.

10.62 Excludes:

- HSE costs (include under Health, Safety & Environment);
- IT & Property management costs associated with Ops Training and Training Centres (include under IT & Property costs respectively); and
- Costs related to the training of non-operational trainees (include under Non-Operational Training).

### Vehicles and Transport

10.63 The activity of managing, operating and maintaining the commercial fleet and mobile plant utilised by the Network or any other related party for the purposes of providing services to the Network.

10.64 Includes:

- Lease costs associated with the vehicle fleet and mobile plant;
- Maintenance costs of the vehicle fleet and mobile plant, including mobile generation;
- Cost of accident repairs to business' own vehicles whether covered by insurance or not and the cost recovery where recovered by insurance; and
- Fuel costs of the vehicle fleet and mobile plant.

10.65 Excludes:

- Direct field staff time spent on utilising the vehicles for a direct cost activity (include under direct cost activity);
- IT & Property costs associated with vehicle management;
- Purchases of vehicles, mobile plant and equipment (include under non-op capex); and
- Cost of providing company cars to employees which are benefits in kind (include as labour cost under the relevant activity of that employee).

Market Facilitation

10.66 This covers the following activities:

- Network code governance and development;
- Proposing and managing industry code modifications;
- Generation and demand forecasting;
- Information provision to the industry; and
- Calculation and implementation of Transmission charges.

Health Safety and Environment

10.67 The activity of promoting and maintaining health and safety of employees, contractors, customers and the public.

10.68 Includes:

- Developing the company's overall health and safety policy;
- Establishing procedures to comply with best practice for health and safety;
- Maintenance of records to show compliance with Factory and Health and Safety at Work Acts; and
- Providing advice on security matters both for property and personnel and provision of advice on fire prevention.

10.69 Excludes:

- Health & Safety checks on work and personnel such as:
  - compliance checks on staff and contractors' work carried out;
  - site safety inspections;

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- investigation, report and corrective action following an accident or environmental incident;
- authorisation of team members for operational and non-operational duties;
- operational field safety checks;
- time of employees attending training (include as labour cost under the relevant activity of that employee);
- purchase of equipment (include under non-op capex);
- training, courses and training centre costs for staff relating to working on system assets (include under operational training); and
- engineering and health and safety training, courses for staff involved in indirect activities (include under operational training).

### Internal Support Costs

10.70 Internal resource support costs for a specific solution. Examples would include the IT Internal Help Desk support for incident resolution.

### Internal Hosting & Infrastructure costs

10.71 Internal Costs relating to the infrastructure that a solution runs on.

### 3rd Party License costs

10.72 License costs for a 3rd Party Solution.

### 3rd Party Support Costs

10.73 3rd Party Support Costs for a specific solution. Examples would include the 2nd/3rd line support for incident resolution which may previously have been resourced in-house or applying patches to the solution.

### 3rd Party Hosting & Infrastructure costs

10.74 Costs from a 3rd Party relating to the infrastructure that a solution runs on.

### 3rd Party Professional Services

10.75 Any professional services not covered in the above categories eg small change or consultancy.

### Other

10.76 Any IT & Telecoms costs and/or activities not covered in the above categories.

### Internal Costs

10.77 Cost for the services/activities provided by internal/in-house functions.

External

10.78 Cost for services/activities procured via a third party.

## **9.5 BS**

### **Purpose and use by Ofgem**

10.79 The purpose of this table is to collect cost information on the Business Support (BS) Indirect Activities listed below, which in most cases are related to general support activities necessary in the running of a typical network operator.

10.80 Business Support Costs collectively includes the activities noted below:

- HR
- Non-Operational Training
- Finance, Audit & Regulation
- Insurance
- Procurement
- CEO & Group Management etc.
- IT & Telecoms (Business Support)
- Property Management (Business Support)

10.81 IT & Telecoms Memo Table:

- Internal Support Costs
- Internal Hosting & Infrastructure costs
- 3rd Party License costs
- 3rd Party Support Costs
- 3rd Party Hosting & Infrastructure costs
- 3rd Party Professional Services
- Other

### **Instructions for completion**

10.82 Costs associated with each of the indirect activities listed (full definitions can be found below under 'definitions for use in this worksheet') should be reported in this table.

- 10.83 For the avoidance of doubt, the data requirements are relevant to the transmission owner entity and not Group level.
- 10.84 A Non-Operational Memo table has been included to understand the training of non-operational staff. New recruits, upskilling and refreshers maintain the same meaning as per 9.7 Op Training (CAI)
- 10.85 A Community Benefit Fund memo table has been included to understand the administration of, as well as the fund itself to cover finance for local projects, outreach initiatives or direct benefits to individuals in a local area affected by the expansion of the transmission network.
- 10.86 An additional memo table for potential exclusions from econometric analysis has been added.
- 10.87 Property Management (new): New property management costs that reflect a step change in work due to the rapid increase in scale of the network
- 10.88 Additional input rows are included to allow TO's to enter the capex/opex split for the BSC cost categories. This entry will be used to inform the PCFM calculations.

### **Definitions for use in this worksheet**

#### HR

- 10.89 This would include provisions of the HR function ie the full range of professional activity for an individual's career path from recruitment to retirement and post-retirement where applicable, eg management and administration of pension payments (NB PPF scheme administration costs are excluded) and from related professional advice to directly resolving grievances for staff.
- 10.90 Includes:
- Costs of payroll and pension's management and operation;
  - Facilitating staff performance, development and reviews;
  - Industrial and employee relations including HR strategy, policies and procedures;
  - Monitoring equal employment opportunities; and
  - HR advice to management, succession planning and also retentions and rewards.
- 10.91 Excludes:
- Pension Scheme Administration and PPF levy costs; and

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- Pension deficit repair payments relating to the established deficit and for the avoidance of doubt, all unfunded early retirement deficiency costs (ERDC) post 1st April 2004.

Non-operational training

10.92 Facilitating and operating training courses of a non-technical nature for office-based staff.

10.93 Includes:

- Staff who organise and provide non-operational training and maintain employees training records;
- Cost of running the non-operational training costs eg course fees; and
- Leadership development training.

10.94 Excludes:

- Any operational training costs;
- Non-operational costs associated with formal training and apprentice programmes (included under operational training);
- Time of employees attending training (include as labour costs under the relevant activity for non-operational);
- HSE costs (include under Closely Associated Indirect costs);
- IT systems associated with HR & Payroll (include under IT & Telecoms); and
- IT & Property management costs associated with Non-Ops Training (include under IT & Property costs respectively).

Finance, Audit & Regulation

10.95 Performing the statutory, regulatory and internal management cost and performance reporting requirements and customary financial and regulatory compliance activities for the network.

10.96 Includes:

- Process of payments and receipts;
- Time sheet evaluation where not part of the payroll process;
- Financial & risk management - eg credit & exposure management;
- Financial planning, forecasting & strategy;
- Financial accounting;

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- Management accounting;
- Investment accounting;
- Treasury management;
- Transportation income accounting;
- Pricing;
- Statutory & regulatory reporting;
- Tax compliance & management;
- Internal audit & management of the relationship with external audit function;
- External audit fees; and
- Cost of regulatory department.

10.97 Excludes:

- Insurance costs (include under Insurance); and
- Any of the IT systems associated with finance, audit and regulation (include under IT & Telecoms).

Insurance

10.98 Support and expertise to develop the business risk profile, managing the claims process and provision of information and understanding to the business in relation to insurable and uninsurable risks.

10.99 Includes:

- Insurance premiums;
- Insurance premium tax;
- Insurance contract negotiating and monitoring;
- Insurance claim processing;
- Insurance risk management;
- Payments relating to uninsured claims;
- Costs of in house insurance team; and
- Brokers fees.

Procurement

10.100 Responsible for the procurement of goods & services in the support of the business operations, through the management of procurement contracts with suppliers.

10.101 Includes:

- The cost of carrying out market analysis;
- Identifying potential suppliers, undertaking background review, negotiating contracts, purchase order fulfilment & monitoring supplier performance; and
- Setting up and maintaining vendor accounts within the accounting system and maintaining e-procurement channels; and
- Setting procurement guidelines and monitor adherence to the guidelines.

10.102 Excludes:

- Any of the IT systems associated with procurement (include under IT & Telecoms);
- Stores & Logistics - The activity of managing and operating stores (include under Closely Associated Indirect costs for transmission and record in separate stores and logistics category in table 3.1); and
- Vehicles and Transport - the activity of managing, operating and maintaining the commercial fleet and mobile plant (include under Closely Associated Indirect costs).

#### CEO & Group Management

10.103 Includes:

- Communications - communication within the UK businesses, internal communications, external communications, media relations, issues management, regional communications, community relations, community awareness, branding, events management;
- Group Strategy- function has the responsibility of evaluating the strategic options of the Group;
- Legal / Risk and Compliance/ Company Secretary - legal department, the management corporate governance for all companies to ensure they comply with legislation, regulations and best practice;
- Corporate Responsibility and investor relations - corporate responsibility and interaction with institutional equity investors and market analysts,

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management of rating agencies also advertising, charity and sponsorship arrangements (includes community benefit funds);

- Board Members and Other – staff and other costs of Board members and other corporate costs not fitting into other categories; and
- Non-executive & group directors' labour costs (where they are not carrying out specific departmental duties) and Board meeting costs.

10.104 Excludes:

- Insurance management;
- Legal advice relating to wayleaves/servitudes/easements; and
- Group costs relating to specific activities eg HR, Finance, Audit, Regulation, Taxation, HSE, Insurance, etc (include under the specific cost category).

IT & Telecoms

10.105 Provision of IT services for the day-to-day service delivery.

10.106 Includes:

- The purchase, development, installation and maintenance of non-operational computer and telecommunications systems and applications;
- Provision of IT services for the day to day service delivery and includes the cost of Help Desk, data centres, IT application development, maintenance and support; establishing and maintaining IS infrastructure projects (IT Network Provision, Network Maintenance, Server's support/services);
- Voice and data telecoms (eg WAN, landline rental and call charges, ISDN data and costs/rental of mobiles except where costs are charged directly to user departments);
- Developing new software for non-operational IT assets including the costs of maintaining an internal software development resource or contracting external software developers. This will include any cost of software licences to use the product where those costs cover more than one year;
- Installing new or upgrading software, other than where it is capitalised. This does not include upgrading of software that is included within the costs of annual maintenance contracts for the software;
- Maintenance and all the operating costs of the IT infrastructure and management costs and Applications cost. This includes any annual fee for the

maintenance of software licences, whether or not they include the right for standard upgrades or 'patches' to the software as they become available;

- IT applications maintenance and running costs;
- IT new applications software and upgrade costs; and
- Voice and data telecoms (eg WAN, landline rental and call charges, ISDN data. includes costs/rental of mobiles except where costs are charged directly to user departments).

10.107 Excludes:

- IT equipment which is used exclusively in the real time management of network assets, but which does not form part of those network assets; and
- Any of the property costs associated with IT & Telecoms (include under Property Management), except where the cost of specific IT environmental control systems can be distinguished from other property costs.

Property management

10.108 The activity of managing, providing and maintaining non-operational premises ie premises used by people such as stores, offices and depots. This should include costs such as rent, rates (business), and utilities costs including electricity, gas and water, maintenance/repair costs of premises and also should include the provision of the facilities / property services such as reception, security, access, catering, mailroom, cleaning and booking conferences. The costs of property surveyors should also be included here.

10.109 Includes:

- Stores, depots, offices (including training centre buildings & grounds);
- Rent paid on non-operational premises;
- Rates and taxes payable on non-operational premises;
- Utilities including electricity, gas and water (supply and sewerage);
- Inspection and maintenance costs of non-operational premises;
- Facilities management costs including security and reception;
- Training centre buildings & grounds; and
- Control rooms and data centres.

10.110 Excludes:

- Any costs relating to operational property (ie premises which contain network assets and are not maintained for accommodating people eg Substations, Boiler Stations, Holder Stations, Compressor Stations, Governor House etc (include under operational property));
- Any IT systems associated with property management (include under IT & Telecoms);
- Depreciation and profit/loss on Fixed Assets Relocation costs to or from non-operational premises; and
- Network rates.

## **9.6 BS Allocation**

### **Purpose and use by Ofgem**

10.111 The purpose of this table is to provide Ofgem with visibility of Business Support costs incurred at a Group level and their subsequent attribution across the Group legal entity structure. This will be used to ensure that allocation methodologies applied are fair and consistent and do not attempt to unfairly apportion these costs to a Licensee.

### **Instructions for completion**

10.112 Business Support costs for every regulated entity should reconcile with that reported in their respective annual regulatory returns.

10.113 Business Support costs for non-regulated entities should be provided in full and on a consistent basis to the definitions provided.

## **9.7 Op Training (CAI)**

### **Purpose and use by Ofgem**

10.114 The purpose of this table is to collect cost and volume data relating to operational training activities. Namely, number of new (operational) recruits and operational training days. This table will be used by Ofgem to assess the efficiency and appropriateness of costs spent in improving workforce resilience.

### **Instructions for completion**

10.115 This worksheet collects cost type data on Operational Training activity. It also provides a split of these costs, alongside associated volumes, to provide an understanding of the activity for cost assessment purposes.

10.116 Operational Training is the provision of training to Operational Staff employed by the Licensee or Related Party or Agency Staff to support the Direct Activities of the Licensee. These staff are referred to as Craftsperson's, Engineers, and Other Operational Employee.

10.117 Operational Training includes only the costs of training employee, Related Parties and Agency Staff. No contractor training costs should be reported in this activity. Where a Licensee incurs costs assessing the capability of contractors, these costs should be included in De-Minimis. Any costs associated with training contractors within Licensee training facilities should also be reported in the same way.

10.118 The key terms for this worksheet are noted below.

- Operational Training
- Craftsperson
- Engineer – SAP
- Engineer – Design
- Engineer – Commissioning
- Other Operational Employee
- Operational Staff
- Non-Operational Staff
- Operational Refresher
- Operational Up-skilling
- New Recruits
- New Recruits – Craftsperson
- New Recruits – Engineer
- Learner Costs
- Leaver
- Leaver – Due to Retirement
- Leaver – Due to Natural Attrition
- Leaver – Due to Business Termination
- Training Days
- Agency Staff

10.119 These terms have the prefix “Operational Training”, except Non-Operational Staff and Agency Staff as these terms are used in areas other than in Operational Training.

10.120 The tables in the worksheet require costs to be split between the class of staff undertaking the training (Craftspersons, Engineers) and between the types of training provided (New Recruits, Up-skilling, Operational Refreshers), as well as reporting the costs of providing the Training Centre and courses for Operational Training.

10.121 Learner Costs should be reported as follows:

- New Recruits (in year and previous years): This reports the costs of all operational New Recruits to the Licensee or Related Party, often on a formal training programme for several years (eg apprenticeship). The associated volumes are the FTEs recognised as on New Recruits training programmes. No costs or volumes relating to contractor training should be included. The FTEs should be adapted to recognise that a new recruit may only have been employed for part-way through the year, for example 1 FTE starting work in October would be classed as 0.5 FTE; and a part time employee of 0.8 FTE starting work in October would be classed as 0.4 FTE. These costs and volumes should be reported separately between Craftsperson’s Engineers and Other Operational Employees.
- Operational Up-skilling: This reports the costs of all Operational Staff, Related Party Staff and Agency Staff recognised as undertaking Operational Up-skilling training. The associated volumes are the number of Training Days spent on up-skilling training, both classroom and on-the-job. No costs or volumes relating to contractor training should be included. These costs and volumes should be reported separately between Craftsperson’s, Engineers and Other Operational Employee (the role reported against should be the role towards which the employee has been working). A unit cost is then calculated automatically by the table.
- Operational Refreshers: This reports the costs of all Operational Staff, Related Party Staff and Agency Staff attending Operational Refreshers. The associated volumes are the number of Training Days spent on refresher training. No costs or volumes relating to contractor training should be included. These costs and volumes should be reported separately between Craftsperson’s, Engineers and Other Operational Employee. A unit cost is then calculated automatically by the table.

10.122 Cost of Training Provision should be reported separately between the following:

- Trainer and Course Material Costs;
- Training Admin Costs; and
- Training Infrastructure Costs.

10.123 There are no volumes to be reported in this area.

10.124 Volumes are also to be reported for the following areas:

- New Recruits in year: This reports the New Recruits (on an FTE basis) appointed to the Licensee in the year. This should not be pro-rated to adapt for date the recruit joined the Licensee. This should be reported separately between Craftsperson's and Engineers.
- Leavers: This reports the number of Leavers in the year (on an FTE basis), reported separately between Leavers due to Retirement, Leavers due to natural attrition (where leavers have initiated their departure e.g. for an external role) and Leavers due to business termination (where companies have initiated e.g. through voluntary or compulsory redundancies). These should not be pro-rated to adapt for date the leaver left the Licensee. These are also reported separately by Craftspersons and Engineers.

## 9.8 NIS Cyber Resilience

### Purpose and use by Ofgem

10.125 The purpose of this table is to inform Ofgem of the opex and capex expenditure in a network company's NIS Cyber Resilience Business Plans. The cost allocation for each of the investments required by the network company is split into three high-level categories covering People, Process and Technology.

10.126 All costs should be completed on a net basis.

10.127 There is a summary at the top which is to inform Ofgem of the total defined investment (TIM) and uncertain investment (UIOLI) costs in a network company's NIS Cyber Resilience Business Plan. Network companies should manually enter this information to show the cost split between TIM and UIOLI. We provide more detailed guidance on the two investment categories in the 'NIS Cyber Resilience Business Plan Submission Assessment Methodology and Requirements Document.'

10.128 Within the People, Process and Technology categories there are 10 sub-categories split into capex and opex expenditure. All improvement programmes/projects that

require funding must be linked to the primary Cyber Assessment Framework (CAF) Principle and Contributing Outcome that the programme/project is aiming to deliver.

10.129 By mapping each project to the primary CAF Principle and Contributing Outcome Ofgem will be able to see where network companies are focusing their NIS Cyber Resilience improvement efforts in RIIO-3. Where relevant, network companies should also include historic costs incurred in RIIO-2 for each activity listed.

### **Instructions for completion**

10.130 For the People: FTE opex table all cyber FTE resources, existing and forecast, should be added. We do not expect a line per individual cyber team member, the roles should be combined eg 2 x CSOC analyst should be entered as one line item with the head count column updated to indicate 2 people in this role. Network companies should provide the following information:

- Role title;
- Primary CAF Principle;
- Primary CAF Contributing Outcome;
- Unit cost in £m (annual salary);
- Head count; and
- Annual costs (RIIO-2 and RIIO-3).

10.131 For the People: FTE capex table all cyber FTE resources, existing and forecast, involved in a specific project should be added here. We do not expect a line per individual cyber team member, in this case we ask companies to roll up the people costs to reflect the project team in totality so one line per project where FTE resources are capitalised. The detailed breakdown on the project team roles should be included in the Detailed Cost template submitted alongside the NIS Cyber Resilience Business Plan. Network companies should provide the following information:

- Project Name;
- Primary CAF Principle;
- Primary CAF Contributing Outcome;
- Average unit cost in £m (annual salary);
- Head count;

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- Investment Category (Defined or Uncertain); and
- Annual costs (RIIO-2 and RIIO-3).

10.132 For the People: FTC opex table all cyber FTC resources, existing and forecast, should be added. We do not expect a line per individual cyber team member, the roles should be combined eg 2 x CSOC analyst should be entered as one line item with the head count column updated to indicate 2 people in this role. Network companies should provide the following information:

- Role title;
- Primary CAF Principle;
- Primary CAF Contributing Outcome;
- Unit cost in £m (annual salary);
- Head count; and
- Annual costs (RIIO-2 and RIIO-3).

10.133 For the People: FTC capex table all cyber FTC resources, existing and forecast, involved in a specific project should be added here. We do not expect a line per individual cyber team member, in this case we ask companies to roll up the people costs to reflect the project team in totality so one line per project where FTC resources are capitalised. The detailed breakdown on the project team roles should be included in the Detailed Cost template submitted alongside the NIS Cyber Resilience Business Plan. Network companies should provide the following information:

- Project Name;
- Primary CAF Principle;
- Primary CAF Contributing Outcome;
- Average unit cost in £m (annual salary);
- Head count;
- Investment Category (Defined or Uncertain); and
- Annual costs (RIIO-2 and RIIO-3).

10.134 For the Process: 3rd Party Services opex table, the 3rd party services required to deliver specific NIS cyber resilience improvement programmes/projects should be added:

- Project Name;

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- Primary CAF Principle;
- Primary CAF Contributing Outcome;
- Investment Category; and
- Annual costs (RIIO-2 and RIIO-3).

10.135 For the Process: Professional Services or 3rd Party Services capex table, the professional services or 3rd party services required to deliver specific NIS cyber resilience improvement programmes/projects should be added:

- Project Name;
- Primary CAF Principle;
- Primary CAF Contributing Outcome;
- Investment Category; and
- Annual costs (RIIO-2 and RIIO-3).

10.136 For the Technology: Software opex table, network companies should include one line item per project to indicate the software opex costs in totality associated with each project. The detailed breakdown of the software required per project should be included in the Detailed Cost template submitted alongside the NIS Cyber Resilience Business Plan. Network companies should provide the following information:

- Project Name;
- Primary CAF Principle;
- Primary CAF Contributing Outcome;
- Investment Category; and
- Annual costs (RIIO-2 and RIIO-3).

10.137 For the Technology: Software capex table, network companies should include one line item per project to indicate the software capex costs in totality associated with each project. The detailed breakdown of the software required per project should be included in the Detailed Cost template submitted alongside the NIS Cyber Resilience Business Plan. Network companies should provide the following information:

- Project Name;
- Primary CAF Principle;

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- Primary CAF Contributing Outcome;
- Investment Category; and
- Annual costs (RIIO-2 and RIIO-3).

10.138 For the Technology: Hardware opex table, network companies should include one line item per project to indicate the hardware opex costs in totality associated with each project. The detailed breakdown of the hardware required per project should be included in the Detailed Cost template submitted alongside the NIS Cyber Resilience Business Plan. Network companies should provide the following information:

- Project Name;
- Primary CAF Principle;
- Primary CAF Contributing Outcome;
- Investment Category; and
- Annual costs (RIIO-2 and RIIO-3).

10.139 For the Technology: Hardware capex table, network companies should include one line item per project to indicate the hardware capex costs in totality associated with each project. The detailed breakdown of the hardware required per project should be included in the Detailed Cost template submitted alongside the NIS Cyber Resilience Business Plan. Network companies should provide the following information:

- Project Name;
- Primary CAF Principle;
- Primary CAF Contributing Outcome;
- Investment Category; and
- Annual costs (RIIO-2 and RIIO-3).

## **Definitions for use in this worksheet**

### People

10.140 Full time equivalent (FTE) resources:

- A full time, permanent employee deployed.
- Unit costs include any form of payment, consideration or other benefit, paid or due to or in respect of full time employees as part of their annual salary.

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- Head count is the total number of FTE resources, per role, forecast by the end of RIIO-3. The annual costs in the BPDT should reflect if this resource will be phased in over the RIIO-3 period.

### 10.141 Fixed term contract (FTC) resources:

- An employment contract where there is a fixed end date for the contractor.
- Unit costs include any form of payment, consideration or other benefit, paid or due to or in respect to temporary contractors, fixed term contracts or Agency Staff as part of their annual salary.
- Head count is the total number of FTC resources, per role, forecast by the end of RIIO-3. The annual costs in the BPDT should reflect if this resource will be phased in over the RIIO-3 period.

## Process

### 10.142 Professional services:

- Services provided on a consultancy basis.
- Costs incurred by contracting with consultancy organisations for the provision of services for a specific project or programme of works.

### 10.143 3rd party services:

- Services provided by vendors/OEMs.
- Costs that have been identified through an RFI/RFP process to deliver a specific service eg operate a security operations centre.

## Technology

### 10.144 Software:

- A set of instructions, data or programs used to operate computers or similar devices to perform specific tasks.
- Expenditure on new and replacement software used to support the operation of the NIS assets. These types of software support compliance activities within the CAF and address the needs of the organisation to minimise the impact of risk and incidents to its network and information systems.
- This software extends to applications and systems that must have a NIS Cyber Resilience focus and are not part of general IT systems, applications and services used by the network company.

### 10.145 Hardware:

- Hardware refers to the external and internal devices and equipment to perform functions such as input, output, storage, and communication.
- Expenditure on new and replacement hardware used to support the operation of the NIS assets. These types of hardware support compliance activities within the CAF and address the needs of the organisation to minimise the impact of risk and incidents to its network and information systems.
- This hardware must have a NIS Cyber Resilience focus and not part of general OT appliances used by the network company.

Investment Category:

10.146 See Chapters 2 and 3 of the 'NIS Cyber Resilience Business Plan Submission Assessment Methodology and Requirements Document' for more detailed guidance.

10.147 Defined Investments: For programmes and/or projects where there is a justified needs case, proposed delivery, cost to deliver and defined output to mitigate an identified risk as the proposed solutions are well understood and readily available. A price control deliverable ('PCD') can be set to evaluate the success of the delivery in terms of benefits and outcomes.

10.148 Uncertain Investments: For small projects where the needs case has been identified but the solutions are in their infancy or are novel in nature and require allowances to support further development of detailed requirements, scoping and assessment of appropriate technologies to mitigate an identified risk. Due to the level of uncertainty, a PCD cannot be set.

## **9.9 Uncertain Costs**

### **Purpose and use by Ofgem**

10.149 The purpose of this worksheet is to capture any disaggregated costs, workloads/volumes related to uncertain activities.

10.150 This will enable Ofgem to trace and associate any incremental proposals with corresponding baseline figures reported elsewhere in the template, whilst keeping the two clearly separate from one another.

### **Instructions for completion**

10.151 Enter a description of the activity.

10.152 Enter the uncertain costs associated with the uncertain activity for each year of RIIO-ET3. If the uncertain activity has no corresponding baseline component, then the uncertain costs equal the total costs.

10.153 The uncertain costs entered here should be incremental to any baseline figures reported elsewhere within the template.

## **9.10 Innovation**

### **Purpose and Use by Ofgem**

10.154 The purpose of this table is to show a breakdown and total of additional baseline allowance requested to fund deployment of previously proven innovation.

### **Instructions for completion**

10.155 The Licensee should fill in the boxes shaded in yellow in the following categories only if they are seeking additional baseline funding to deploy proven innovation.

- Project name/innovation name
- Description of the innovation
- Business Plan reference – please note here the page in your Business Plan or Annex where you provide a detailed justification of the requested allowance
- Amount of allowance requested
- Please list any baseline funding you were granted by Ofgem for innovation deployment activities in T2. In the description, please briefly comment on the extent to which these activities took place and funds were spent as intended.
- Please list any projects you wish to receive baseline funding for during T3, and indicate, where relevant, if you expect these activities to last into >T3.

## **9.11 - 9.14 Innovation Fund Tables**

### **Purpose and Use by Ofgem**

10.156 The purpose of these tables is to record information directly applicable to the innovation mechanisms, recording, as relevant, actual and anticipated spend per year.

10.157 The purpose of the 9.11 worksheet is to report the TO's Network Innovation Allowance (NIA) expenditure under RIIO-2 and RIIO-ET3. The NIA is a set allowance that the TO can use to spend on innovation projects which comply with the RIIO-ET3 NIA Governance Document.

10.158 The purpose of the 9.12 worksheet is to report Strategic Innovation Fund (SIF) projects that the TO will receive funding for in RIIO-ET3, based on SIF projects that were started in RIIO-2 (when the SIF programme started). Additionally, the table also seeks to capture other categories of SIF funding that will be relevant if the TO has to return any funds on these projects. The different SIF categories are all defined in the SIF Governance Document.<sup>2</sup> This table does not require companies to input SIF projects they have not started yet/may start in RIIO-3.

10.159 The purpose of the 9.13 worksheet is to report the TO's expenditure under the carryover of the RIIO-ET2 NIA (CNIA). The CNIA allows the TO to spend and recover any remaining unspent funds from the 2025-26 NIA, providing that projects were started before 31 March 2026 and comply with the NIA Governance Document. Note that as the carryover period is the first 18 months of RIIO-ET3, the 2027-28 column is only applicable for spend in the first six months of that financial year (1st April – 30th September 2027).

10.160 The purpose of the 9.14 worksheet is to report funding for NIC projects that the TO received funding for in RIIO-ET1 and remain in-flight during the RIIO-ET3 price control. Additionally, the table also seeks to capture other categories of NIC funding that will be relevant if the TO has to return any funds on these projects.

## **Instructions for completion**

### NIA - Worksheet 9.11

10.161 Input details of each RIIO-2 and RIIO-ET3 NIA activity/project in the yellow cells in cells D13-F30 as required and provide the outturn and forecast expenditure in the yellow cells V13-AE30.

10.162 Input actual data from 1st April 2021 up to and including the current reporting year and forecast data for the remaining RIIO-ET3 period, ie each year of RIIO-ET3 (as applicable).

10.163 Input details of any expenditure that has been declared Unrecoverable NIA Expenditure by Ofgem in the yellow cells D36-F37 as required and provide the outturn and forecast expenditure in the yellow cells V36-AE37.

10.164 Additionally, the TO will report how much of their Total NIA Expenditure has been spent on internal resources in the yellow cells AA42 (year one).

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<sup>2</sup> SIF Governance Document: <https://www.ofgem.gov.uk/publications/sif-governance-document>

10.165 Input unfunded NIA expenditure for each RIIO-3 year in the yellow cells in row 52.

#### SIF - Worksheet 9.12

10.166 Input details of each SIF project it receives funding for in the yellow cells in columns D-G as required and provide the outturn and forecast expenditure in the yellow cells in columns M-V. Input the unfunded SIF expenditure for each year in the yellow cells in row 75.

#### CNIA - Worksheet 9.13

10.167 Input the CNIA expenditure by cost type in the yellow cells and details of each CNIA activity/project in the yellow cells in columns D-F as required and provide the outturn expenditure in the yellow cells in columns M-S.

10.168 Input the total of any third-party income or contributions towards projects into the yellow cells on row 68. Input the unrecoverable CNIA expenditure into row 72.

10.169 Input the required licence terms in the yellow cells in rows 76:80. These licence terms are defined in Special Condition 5.3 of the TO's licence as in force on 31 March 2026.

#### NIC - Worksheet 9.14

10.170 Input details of each NIC project it received funding for in RIIO-1 in the yellow cells in columns D-F as required and provide the outturn and forecast expenditure in the yellow cells in columns M-AD.

10.171 Additional rows may be added as required to complete the required information for all of its NIC projects.

## **9.15 Salary & FTE**

### **Purpose and Use by Ofgem**

10.172 The purpose of this table is to show the total transmission staff costs and FTEs. This will provide a cost per FTE for comparisons of total transmission employment costs.

### **Instructions for completion**

10.173 The Licensee should fill in the boxes shaded in yellow across each of the cost categories:

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- Labour
- Pensions
- total staff numbers and average FTEs
- FTE Numbers – Average
- Total Gross Staff Costs (Salaries & Normal Pensions)
- Average Gross Cost per FTE

10.174 Apprentices include craft and engineering apprentices.

10.175 NGET should fill the table in for the total gas and electricity transmission staff (separating out Licensee from SO).

10.176 SHE Transmission for the transmission company.

10.177 SPTL for the whole of SP Power Systems Ltd (SPPS).

### **Definitions for use in this worksheet**

10.178 Labour: Defined in Transmission Glossary

10.179 Pensions: Defined in Transmission Glossary

10.180 FTE: Full time equivalent

10.181 Craftsperson: Employees working in roles requiring the following qualifications - level 1, 2 or 3 Jointers, overhead linesman, fitters, multi-skilled trades set out by Energy and Utility Skills or equivalent

10.182 Engineer: Employees working in roles requiring engineering qualifications.

10.183 Agency: Defined in Transmission Glossary

## **9.16 Related Party Margin**

### **Purpose and Use by Ofgem**

10.184 The purpose of this table is to record information on the turnover and margin % for all affiliates and calculates (if any) the related party margin to be disallowed in the BPFM.

### **Instructions for completion**

10.185 The Licensee should fill in the boxes shaded in yellow:

- Margin by related party
- Turnover by related party

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- Related Party Margin by Cost Category (columns AG:AM and column AO).
- Costs before allocations: Outside Price Control
- Costs before allocations: Total Related Party Margin

10.186 This input is required to be repeated for each reporting year.

### **Definitions for use in this worksheet**

#### Related Party Margin

10.187 Defined in Transmission Glossary

## **9.17 Environment**

### **Purpose and Use by Ofgem**

10.188 The purpose of this worksheet is to collect data on the Licensee's scope 1, 2 and 3 Business Carbon Footprint (BCF) and other environmental performance indicators. This includes data on the Licensee's targets, historical performance, projections for upcoming years and price control periods; and proposed initiatives in the Licensee's RIIO-3 Environmental Action Plan (EAP).

10.189 Ofgem will use the information to assess the ambition, benefit and cost efficiency of proposed initiatives in the Licensee's EAP.

### **Instructions for completion**

#### Table 1: Long-term CO<sub>2</sub>e emission reduction target

10.190 Input short responses in the 'Responses' column to the questions about the Licensee's long-term CO<sub>2</sub>e emission reduction target. The Licensee can input further explanation in the 'Additional supporting information' column.

#### Table 2: BCF

10.191 The general requirements and instructions for reporting BCF data in this table are the same as those in the RIGs for the annual regulatory return, eg data must be compliant with the principles of the Greenhouse Gas Reporting Protocol. Please refer to the current version of the RIGs for further guidance on the individual categories.

10.192 All data should be on a carbon dioxide equivalent basis.

10.193 Input historical and projected forecast data for scopes 1 and 2 greenhouse gases for all price control periods.

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10.194 Input projected/forecast data for scope 3, as well as historical data to the extent the latter is available.

10.195 The Licensee should highlight if there has been any change in the categories or reporting methodology for the historical data which cannot be back dated and include an explanation in the 'Notes' column.

10.196 It is up to the Licensee to decide how it derives the BCF projections/forecast data for the remainder of RIIO-2 and for the RIIO-3 period. For example, the Licensee might decide to use a driver-based approach (eg gas consumption, electricity consumption, miles travelled, floor-space occupancy) to forecast levels/changes in the different emission categories. Alternatively, the Licensee may decide to derive a projection based on emission mitigation interventions or changes in other factors that are expected to affect emission levels. The Licensee should explain its approach in the narrative.

Tables 3a to 3e: Baseline tables

10.197 The purpose of Tables 3a to 3e is to get baseline data on a range of performance indicators not covered in the Table 2.

10.198 The Licensee should input data for start of RIIO-2 in the column headed 'Measure for start of RIIO-2 (2021/22)' and input latest available data (ie 2023/24) in the column headed 'Measure for latest year (RIIO-2)'. The Licensee should input the average for all completed years in RIIO-2 in the column headed 'Average measure for RIIO-2 to date'.

10.199 The Licensee should use the 'Notes' column to explain any data values the Licensee has specified; any missing or incomplete data values; changes in the data collection and reporting methodology that might have occurred over the period, etc.

Table 3a: Embodied carbon of new projects

10.200 The emissions that are generated to produce a built asset can be calculated on the basis of 'in design' and 'as built'. The Licensee should input 'as built' emissions data into the table. Some Licensees may have limited data available, on 'as built' projects. In such cases, the Licensee should input data on an 'in design' basis and include an explanation in the 'Notes' column.

10.201 All data should also be normalised to 2020/21 cost basis to remove inflationary effects.

Table 3b: Leaks and spills

10.202 Input the number of leaks and spills which have occurred during RIIO-2. If there are no incidents to report, please detail this in the Note column.

Table 3c: Environmental incidents

10.203 Input the number of environmental incidents which have occurred during RIIO-2. If there are no incidents to report, please detail this in the Note column.

Table 3d: Waste

10.204 Input total waste created and manner of waste disposal/management during the RIIO-2 price control.

Table 3e: Biodiversity improvement at network sites

10.205 Input data on biodiversity/environmental improvements carried out at network sites during the RIIO-2 price control.

Tables 4a to 4f: Impact of EAP initiatives at end of RIIO-3

10.206 The purpose of Tables 4a to 4e is to identify and highlight the impact that the EAP initiatives are expected to have on each of the key performance indicators. This is shown by comparing the expected value of the KPI under a 'counterfactual scenario', where none of the Licensee's RIIO-3 EAP is implemented, to the expected KPI value under the 'RIIO-3 EAP scenario' where initiatives in the Licensee's RIIO-3 EAP are successfully implemented.

10.207 For each table, the Licensee should input a lower and upper estimate of the expected KPI value at the end of RIIO-3 under each scenario. The range of expected KPI values at the end of RIIO-3 will be wider in cases where there is significant uncertainty on the impact an intervention might have. Please use the 'Notes' column to provide a short explanation of the uncertainty. If the impact is more certain, the difference between the lower and upper estimates of the KPI will be smaller or potentially zero.

10.208 The Licensee should also input in the 'Initiative identifiers' column a specific identifier or code for each of the EAP initiatives that are contributing the most to the expected change in the KPI over the RIIO-3 period. The identifier code used for the EAP initiatives must align with the identifier code used in the Table 5.

Table 4a: BCF

10.209 This table should be used to identify and highlight the EAP initiatives that are expected to have the most impact on the Licensee's BCF at the end of the RIIO-3 price control.

Table 4b: Embodied carbon of new projects

10.210 This table should be used to identify and highlight the EAP initiatives that are expected to have the most impact on emissions generated to produce a built asset at the end of the RIIO-3 price control.

Table 4c: Leaks and spills

10.211 Input the number of leaks and spills which have occurred during RIIO-2. If there are no incidents to report, please detail this in the Note column.

Table 4d: Environmental incidents

10.212 This table should be used to identify and highlight the EAP initiatives that are expected to have the most impact on reducing environmental incidents over the RIIO-3 price control.

Table 4e: Waste

10.213 This table should be used to identify and highlight the EAP initiatives that are expected to have the most positive impact on the KPIs for waste management at the end of the RIIO-3 period.

Table 4f: Biodiversity/environmental improvement at network sites

10.214 This table should be used to identify and highlight the EAP initiatives that are expected to have the most positive impact on KPIs for biodiversity/environmental improvement at the end the RIIO-3 price control.

Table 5: RIIO-3 EAP initiatives

10.215 This table should be used to list and provide information about all of the initiatives that the Licensee has included in its EAP to improve the key environmental performance indicators throughout the RIIO-3 price control. Each initiative should be assigned an identifying code, and these should align with those referenced in tables 4a to 4f.

Table 6: Discretionary/additional environmental reporting

10.216 This table can be used to report on additional information in relation to the Licensee's EAP which does not align with the tables provided previously. The format of this table can be amended to suit whichever metrics the company deems appropriate.

## 9.18 IIG SF6 Incentive

### Purpose and Use by Ofgem

10.217 The purpose of these tables is to collect information in relation to the emissions of insulation and interruption gases (IIGs), including sulphur hexafluoride (SF6), from assets comprising part of the Licensee's transmission system, as well as information on the planned interventions throughout RIIO-3. Interventions are intended to reduce emissions from the worst leaking assets.

10.218 The table titled 'Table 1: Projected Leakage for the Period of RIIO-ET3' will help to inform targets for the IIG incentive.

10.219 The table titled 'Table 2: Planned Interventions for the Period of RIIO-ET3' will show the breakdown of each planned interventions, including the volume of gas installed, the asset voltage, and the reason for the intervention.

10.220 The table titled 'Table 3: IIG Inventories' will show a breakdown of the inventory of IIGs in each TO's network as of December 2024 and then a projection for the end of RIIO-ET3.

### Instructions for completion

10.221 The tables have been designed to be common to the three Licensees.

10.222 The Licensee should fill in the boxes shaded in yellow.

10.223 Insulation Gas Type table (cells A8:B19): Before filling in the rest of the worksheet the Licensee is required to list each IIG on their system and the associated Global Warming Potential (GWP) found in the supporting source document.

10.224 The table titled 'Projected Leakage for the Period of RIIO-ET3' should also be manually filled-in with projected emissions that are consistent with what is needed for the Licensees to achieve their science based targets. Data should resemble that found in Table 2: Business Carbon Footprint, Scope 1, Fugitive Emissions on worksheet 9.17.

10.225 To complete Table 2 each Licensee is required to (for each planned intervention) input details of:

- Reporting Year of Planned Intervention: Licensee to select the reporting year of each intervention.
- Unique Asset ID: Licensee to input a unique asset ID for each asset.

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- Asset Voltage (kV): as listed in the drop-down box.
- Asset Type: as listed in the drop-down box
- Gas Type: as listed in the drop-down box following the Licensee updating an additional IIGs in the above table.
- Planned Intervention (Refurbish/Replace/New/Maintain): Licensee to select in the intention for each asset.
- 'Refurbish' means a one-off activity undertaken on an asset that is deemed to be close to end of life or is otherwise not fit for purpose that extends the life of that asset or restores its functionality. This activity does not result in the recording of a new or disposed asset in the Asset Register, but may improve the Health Index of the asset. Refurbishment can include the replacement or reconditioning of components of an asset.
- 'Replace' means assets the Licensee plans to take off the system (disposal).
- 'New' means a new asset on the system irrespective of driver (addition).
- 'Maintain' captures ongoing operation.
- Intervention Cost (including maintain) (£m): Licensee to input planned costs for asset planned action to 3 decimal places). This will include top ups of IIGs.
- Reason for intervention (eg excessive emissions, environment, criticality, age, etc...): This area is a free text area for the Licensee to provide additional information for why the asset needs replacement/refurbishment or a new asset is required.
- Volume of gas installed if applicable (kg): Volume of IIG installed during intervention. Leave blank if not applicable.

10.226 Table 3 should be inputted with the Gas Type as listed in the drop-down menu.

The inventory for the 1st December 2024 and the projected inventory for the end of RIIO-ET3 should then be inputted, for each IIG.

10.227 Additional information on expectations for IIG (incl. SF6) should be provided in the BPDT commentary.

10.228 Assessment area: Sulphur Hexafluoride (SF6) and other insulation and interruption gases (IIGs) leakage.

10.229 Key overall assessment questions:

- Does the company have a well-justified plan for minimising emissions from their IIG assets (including SF6) efficiently over RIIO-ET3?

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- How will the company ensure it can adopt IIG equipment with a lower GWP when commercial alternatives are available?

10.230 Required features of a well-justified business plan for IIG leakage

- Review of RIIO-ET2 plan for minimising SF6 leakages
- Key features of your RIIO-ET2 plan to minimise SF6 leakage.
- Impact of your RIIO-ET2 plan on SF6 leakage.
- What worked well, what didn't work so well and key learnings.
- Alternative IIGs that are planned to be installed on the network by the end of RIIO-ET2.
- Company's proposed strategy for minimising IIG leakage in RIIO-ET3
- Key features of the RIIO-ET3 plan to minimise SF6 leakage including how the most important lessons learned from RIIO-ET2 have been incorporated.
- The process for identifying IIG assets to target in RIIO-ET3.
- The options analysis carried out to identify leakage reduction measures for target assets.
- The manner in which the asset management programme and new load projects planning influenced the proposals for asset refurbishment and replacement.
- List of assets identified to replace/refurbish and high leaking assets identified to not replace.
- The projected leakage volumes for RIIO-ET3.

10.231 Please provide the Methodology document detailing the measuring and reporting of leakage of IIG assets (including SF6).

## 9.19 DR Services

### Purpose and Use by Ofgem

10.232 The purpose of this table is to collect information relating to each category of Directly Remunerated (DR) Services as set out in the Electricity Transmission Licence.

### Instructions for completion

10.233 The Licensee should fill in the boxes shaded in yellow

10.234 Costs should be input as positive values for each category of DRS as set out in paragraph 10 of Special Condition 9.7 of the RIIO-ET2 Licence.

10.235 It may be that some services have no identifiable costs.

10.236 The total costs are linked to 4.1 Cost Matrix worksheets (column AN).

10.237 To avoid double counting, do not enter information if it is populated elsewhere in the template (eg information associated with investment categories local enabling entry/exit sole use connection activity).

10.238 If consented and De Minimis services are reported outside of the TO business, please do not complete the information but state this in the narrative.

## **9.20 Pass Through Costs**

### **Purpose and Use by Ofgem**

10.239 The purpose of these tables is to record information on certain elements of allowed revenue that are treated as pass through items.

### **Instructions for completion**

10.240 Actual data for the reporting period in question should be input directly into the yellow input cells of this worksheet, which should be used to populate the PCFM. The licence terms are Special Condition 6.1 (Pass through items).

10.241 Forecasts for future regulatory periods should be input directly into this worksheet, which should be used to populate the PCFM.

10.242 The 'Pension scheme established deficit' value should be input in row 14 in line with the information provided in the Price Control Financial Handbook.

10.243 All values should be exclusive of VAT.

## **11. Miscellaneous Sheets (Category 10)**

### **10.1 Asset Mapping**

#### **Purpose and use by Ofgem**

11.1 We recognise that the granularity recorded within the internal systems of each Licensee will be different (and deeper) to the asset possibilities list within the T2 data template. This mapping worksheet will allow each Licensee to map and aggregate the data from internal systems against the classification of the RRP template. This will provide a new level of understanding and removes the need to have further detailed debates on definitional points or to allocate assets.

#### **Instructions for completion**

11.2 Licensees are required to populate:

- column A to capture their asset classification list from its internal system. For example, each Licensee is required to provide a list reflecting the full range of all types of “overhead tower line” that are captured through the internal system.
- column B to allocate the appropriate asset heading from the drop-down list.
- column C to allocate the appropriate asset category (using the established asset classification list used in the RRP template)
- column D to allocate the asset sub category (again using the asset classification list used in the RRP template).

11.3 The mapping exercise must either assign a 1:1 relationship between assets or “1:many” allocation. A Licensee cannot map the same asset to more than one classification.

### **10.2 Asset ID**

#### **Purpose and use by Ofgem**

11.4 The purpose of this table is to provide detail on the forecast interventions for the following asset categories included in the T3 baseline delivery program.

- Circuit Breaker
- FACTS
- Transformer

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- Reactor
  - HVDC
  - Protection & Control
  - OHL
  - Cables
- 11.5 Licensees must also populate, where available, all forecast interventions due to a Load driver for any categories listed on the worksheet (eg replacement to increase rating) included in the T3 baseline delivery program.
- 11.6 This information will be used by Ofgem to check the interventions and additions carried out in the period prior to RIIO-T3 against those included in the current T2 delivery program.
- 11.7 The information in this table will allow Ofgem to have a definitive list of the exact assets, with information such as their type, serial number/unique asset identifier, unique operational identifier, location etc., that have been and are forecast to be the subject of intervention. This table will be updated as part of annual reporting so as to allow Ofgem to track what has been taken out, added or moved. Any addition of new assets due to a Load driver within RIIO-T3 will also be reported as part of annual reporting.

### **Instructions for completion**

- 11.8 Information on all asset interventions in the asset categories that are forecast to be delivered in the RIIO-T3 period, must be entered in this table.

#### Worksheet inputs

- Unique Operational ID (column A): Enter the unique operational ID given to the asset being intervened on or added, for example, SGT1 or ABCDSGT1. For P&C schemes, enter the name of the protection or control scheme being intervened on, for example, Feedername\_MP1 or Mesh Corner\_1.
- Serial Number/Unique Asset ID (column B): Enter the manufacturer's unique serial number for the lead asset being intervened on or added. Where a manufacturer's serial number is not available, a unique identifier assigned by the Licensee to the lead asset should be entered. This identifier should be similar to a manufacturer's serial number and be unique to the physical asset itself and not change due to a change in the physical location of the asset. For example, a transformer that has been relocated from substation A to B at

some point in its life, should still have the same unique identifier. Similarly, if a circuit breaker has undergone major refurbishment off site, it should still have the same unique identifier post refurbishment as it did before refurbishment. Where a lead asset might have multiple components, the unique identifier of the main component that is being reported should be entered. For example, where a transformer might have multiple components like main tank, bushings, tap changer etc., with each component having a serial number or unique identifier, the serial number or unique identifier of the main tank should be entered. Where FACTs or HVDC equipment have multiple components and sub assets, a serial number is not required, however a unique asset identifier may be entered where there is a clear unique asset identifier assigned to the asset as a whole. A serial number is not required for Protection or Control equipment.

- Columns C, D, E and F are auto populated from the information provided by Licensees in C4.10.
- Voltage (kV) (column G): Select the voltage of the asset being intervened on or added from the drop-down. For transformers, select the Primary voltage. For P&C schemes, select the voltage of the asset being protected or controlled. Where multiple assets of different voltages are being controlled as part of a substation control system, select the highest voltage applicable.
- Secondary Voltage (kV) (column H): Select secondary voltage for transformers from the drop-down.
- Rating (column I): Enter the nominal rating of the asset together with units.
- Volume: unit number or route km (column J): Route km is not relevant to non-linear assets.
- Age (column K): Enter the age of the asset being intervened on at the forecast year of intervention (in years).
- Site ID (column L): This is auto-populated from the information provided by Licensees in worksheet 10.3
- Ofgem Scheme Reference (column M): Drop-down linked to original look up table.
- Driver (column N): Populated as Load Related or Non Load Related, depending on column M.

- Site/Route ID (column L): Drop-down; select the site/route ID list generated from the free entry provided in worksheet 10.3 (column A)
- Intervention type (column O): Drop-down linked to original look up table.
- Intervention Delivery Year (column P): Enter the year the asset is expected to be electrically commissioned and put in service.

## 10.3 Site and Route ID

### Purpose and use by Ofgem

11.9 The purpose of this table is to provide detail on the forecast interventions included in the current T3 delivery program.

11.10 The information in this table will allow Ofgem to have a definitive list of the exact assets, with information such as their type, serial number/unique asset identifier, unique operational identifier, location etc., that have been and are forecast to be the subject of intervention. This table will be updated as part of annual reporting so as to allow Ofgem to track what has been taken out, added or moved.

### Instructions for completion

#### Worksheet inputs

- Site and Route ID (column A): Enter the unique ID of the substation or site where the non-linear asset or protection and control scheme is/was physically located. Alternatively, add the unique ID for the route where a linear asset is physically located. This information is used to populate worksheet 10.2, column L.
- Substation or Route Name (column C): Enter the name of the substation where the non-linear asset or protection and control scheme is/was physically situated. Where the protection or control scheme relates to more than one substation, enter multiple lines for the same scheme, with work at each substation listed in a separate line. For example, for a feeder differential protection replacement scheme relating to substations A and B, with work planned at both substations, a separate line should be entered for work at each substation even if it is part of the same Ofgem Scheme Reference.
  - For linear assets, this can be left blank
  - If a location is not yet known (eg the asset location was not specified as part of the BPDT or Final Determinations) a Licensee can report the location as “unspecified” if currently unknown to

facilitate the provision of a volume and intervention assumption. Licensees are required to specify the specific assets/sites as soon as future work programmes are confirmed.

- Postcode (column B): Enter the postcode of the substation or site. Where there is a liner asset, please not the postcode of both ends of the route.
- Geographical Area (column D): Where a postcode is not available, enter the name of the city or town or parish where the site or substation is, was or will be located. If unspecified in column C, then leave blank until such times as location can be confirmed. A linear asset should Note both ends of the route.

## 10.4 Crossover Projects T2-T3

### Purpose and use by Ofgem

11.11 The purpose of this table is to collate details regarding projects from the T2 period such as reopeners, uncertainty mechanisms and other projects that have expenditure beyond 31st March 2026. You must include all T2 period projects that have expenditure in T3.

11.12 The tables enable each network company to provide a list of expected costs and volumes expected to be incurred in the T3 price control to ensure funding is captured for these works.

11.13 The following categories will need to be included manually in the “Non-direct activities” tables. These costs should also be included in the respective cost tabs.

- CAI
- Non-Operational IT Capex
- Physical Security Capex
- Cyber
- Other

11.14 The following categories will be included automatically through the scheme C&V tables, according to their flag.

- Load related capex
- Non-load related capex

11.15 We have split these into two sections:

- Assessment on T3 spend section

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- No assessment on T3 spend section

11.16 No assessment on T3 spend Section: We expect network companies to add projects here that have costs in ET3 and have funding approved by Ofgem. Eg a T2+2 volume driver project that will finish before 31st March 2028, or MSIP/LOTI projects that have spend within the T3 period.

11.17 Assessment on T3 spend Section: We expect network companies to add projects here that have expected costs in ET3, however, a decision is required by Ofgem. For example:

- Projects that do not have funding approved for the T3 period (this includes projects that have funding that was agreed in principle in T2, however is not currently approved)
- Projects which, at the time of submission, have incurred delays to output (for example, a connections T2+2 project to delivery beyond 31st March 2028).

11.18 Note: We expect companies to give clarity of issues within the narrative (column CG).

### **Instructions for completion**

11.19 Projects are deemed to be applicable and to be reported if:

- The project comes under a funding mechanism created in the RIIO-ET2 period  
AND
- Project has actual or forecast expenditure within RIIO-ET3  
OR
- Project has an associated RIIO-ET3 Capital Contributions

11.20 The purpose of this information is to provide visibility of all projects that meet the above criteria so that companies are not underfunded for agreed works undertaken on the consumer's behalf. Where load and non-load related capex projects will be automatically populated, the below guidance strictly focuses on tables regarding non direct activities, in rows 12-62 and rows 588 to 637 respectively.

### Worksheet inputs

- Cost Category (column A): The drop-down menu is based on the list of cost categories that have mechanisms with the potential to cross from one price control to the other. The following categories allowed in column D:

Guidance – RIIO-ET3 Electricity Transmission Price Control – Instructions and Guidance on Business Plan Data Templates: Version 1.1

- CAI
  - Non - Operational IT Capex
  - Physical Security Capex
  - Cyber
  - Other
- Scheme Reference (column B): The drop-down menu should be used to denote the scheme reference code (as entered on the Look Up Tables) that the cost & volume details relate to.
  - Project reference (column C). This will capture the mapping of schemes to projects. A project may consist of a single scheme or many schemes. A scheme can only be part of one project
  - Scheme name (column D): Manual entry of scheme name.
  - Mechanism category (column E): The drop-down menu provides four options: Baseline, Uncertainty Mechanism, Re-opener or Other.
  - Licence term (column F): the drop-down menu enables a Licensee to assign an applicable licence term against the scheme/activity, where applicable.
  - Columns G to U are only applicable to load and non-load projects and will be automatically filled. Licensees do not need to fill in these rows for non-direct activities table.
  - Start Year (Column V): the initial proposed commencement of expenditure on the project (including the cost of Indirect Activities) when approved by Ofgem.
  - Close year (Column W): The initial proposed date of completion (or expected completion) when approved by Ofgem.
  - Non asset cost type: descriptor (column X): manual entry to specify for any non-asset cost types. For example, a CAI cost from under the Opex Escalator could be "Network Design & Engineering"
  - Total (column Y): This will auto-populate from the manual figures listed on the worksheet
  - Subtotal Columns (column Z-AC): The Licensee is required to manually input the value of costs incurred attributable to each project by year. Columns AA to AD are auto-populated from information listed on the data worksheet.

Guidance – RIIO-ET3 Electricity Transmission Price Control – Instructions and Guidance on Business Plan Data Templates: Version 1.1

- Annual costs (columns AD to BA): Each TO will provide annual direct costs information on any activity undertaken (or forecast to be undertaken) between 1st April 2014 and 31st March 2036 and beyond. Future period reporting will reflect the rolling forecast requirement (see para 2.10).
- Sub-total Contributions (column BB to BF): The Licensee is required to manually input the value of contributions received in the period attributable.
- Customer Contributions (column BG-CD): Each TO will provide annual information on the value of:
  - capital contributions (applicable to contributions relating to the T2 baseline agreed at Final Determinations) that is currently forecast between 1st April 2021 and 31st March 2028 inclusive (T2+2 period) or beyond. Other schemes relate to non-baseline schemes;
  - the value of any “one-off” works paid directly by the connecting customer;
  - legal settlement and insurance claims that relate to the transmission business, or other cost items that have no associated volumes (using the drop-down option “non-asset cost type”); and
  - the value of any cost recoveries at a scheme level (to be entered as negative values).
- Note: the forecast value attributable to “risk and contingency” allocated at a scheme level is not an entry option in this worksheet. An additional category has been included in the Asset Possibilities worksheet (entitled “Risk”) to enable each TO to provide data entry at a scheme level.
- Delivery year (column CE): This will mark the scheme completion or expected completion date. This is a manual entry cell.
- Delivery Period (column CF): This will mark the price control period for the expected completion date. This is a manual entry cell. Note that if this is not different to the initial energisation year, this can be left blank.
- Narrative (column CG): can be used to reference relevant supporting documents (eg engineering justification paper) or sections in the supporting narrative that will provide more detail on a particular project or element of a project that requires further explanation to aid understanding.
- Carry Over Type Description (column CH): This flag gives further detail regarding the circumstances of carry over projects

- Scope of Submission (column CI): includes needs case, options and costs
- Ofgem engagement (column CJ): Recent engagement with Ofgem on the project: some details on the nature of engagement and Ofgem point of contact.

### Commentary

11.21 For each project recorded within the T2-T3 crossover table, we require narrative, within the BPDT Commentary document, clearly setting out:

- A short summary background of the original project and where it is set out in the RIIO-T2 Business Plan (including any EJP references);
- A short summary on changes to the project, including the rational and justifications for such changes, compared to the original scope/timings set out in RIIO-T2;
- Details of the expected spend and activities in the ET3 period, including narrative on any reprofiling of allowance for ET3 and rationale; and
- Details of the any expected activities beyond ET3.

## **10.5 ET Pipeline Log**

### **Purpose and Use by Ofgem**

11.22 This table will be used by Ofgem primarily to understand the future projects that remain uncertain in scope, but where companies believe there is a need.

11.23 In addition, this table will be used for ongoing monitoring and resource planning purposes including pre-application engagement with Licensees. This will facilitate timely decision making once Re-opener applications have been received.

11.24 The table will also be used to source the estimated value of the adjustment to baseline allowances which will feed into the relevant Re-opener Price Control Financial Model (PCFM) Variable Value and will be reflected in its Allowed Revenue at the next Annual Iteration Process.

11.25 When a decision is made to adjust allowances, the decision will supersede the forecast information that was previously taken from the Re-opener application pipeline log, and any differences between the forecast Re-opener allowances and the final decision will be trued up within the PCFM with an appropriate time value of money adjustment.

11.26 The Re-opener application pipeline log includes an option for the Licensee to select if they do or do not wish for the forecast adjustment to baseline allowances for each relevant Re-opener to feed into the Re-opener Variable Value in the PCFM; eg. if the project or costs are too uncertain at the point in time the Re-opener application pipeline log is submitted.

### **Instructions for completion**

11.27 Projects that should be incorporated into the pipeline log include:

- MSIP projects earmarked for T2 but now will start in T3 due to uncertainty in costs
- Need has been identified, probability of submission is considered high, but no costing work has been completed
- tCSNP 2 projects
- tCSNP 1 projects that remain in stage 2
- ASTI projects where submission is currently scheduled after the final BPDT submission

11.28 Projects that should be excluded include:

- T3 Baseline costs
- T2 carryover costs
- Anything that has been listed in the scheme C&V
- ASTI projects where submission for funding will be sought on the day of or prior to submission of final BPDT's.

11.29 Where this doesn't capture all potential projects, the pipeline log should also capture projects where TO's have identified a network need (through either internal or external drivers) that they must signal to Ofgem and will support Ofgem's understanding of the golden thread, however technical or optioneering work is currently not developed enough for TO's to submit a view in the scheme C&V.

### Worksheet inputs

11.30 Input information as indicated by the yellow shaded boxes on the table.

- Project Name: Where individual projects or programs are to be submitted, for separate assessment under the same mechanism each should be assigned a

unique name. This will be used by Ofgem during future engagements. A separate row should be used to submit information on each individual project.

- Ofgem Scheme: Unique Ofgem scheme reference assigned by the Licensee.
- Forecast Submission Date: In those instances where there is no defined application window a forecast month and year of submission should be input. This informs Ofgem as to when future applications might be expected.
- To be used in PCFM? Yes/No: Select Yes/No from the drop-down menu. This informs Ofgem if the Licensee wishes for the potential value of adjustment to baseline allowances specified by the Licensee in the Re-opener application pipeline log for a relevant Re-opener to feed into the Re-opener Variable Value in the PCFM.
- Probability of Submission High/Medium/Low: Select High/Medium/Low from the drop-down menu as appropriate.
- Energisation Date: Select the appropriate regulatory year from the drop-down menu.
- Forecast Expenditure: For each regulatory year a forecast expenditure figure is required. This should be reported in £m 2018/19 price base. For those Re-opener mechanisms which are subject to the Opex Escalator (Special Condition 3.36) only Direct Costs should be included. For all other mechanisms both Direct and Indirect Costs should be included. These values will feed into the relevant Re-opener PCFM Variable Value if 'Yes' has been selected in the 'To be used in PCFM?' column.
- In each of the free text boxes which follow reference may be made to additional commentary if the Licensee prefers to add greater detail in a separate document alongside the Re-opener application pipeline log. It is recognised that certain information with respect to Re-opener applications in future years may not be available. More detail should be provided where the Re-opener application is expected to be submitted in the next 12 months.
- Trigger for Submission/Needs Case: A free text box for a brief description of the trigger/needs case for seeking additional allowances for example a change in specific policy/regulations/legislation or necessary capital expenditure not funded in baseline allowances.
- The text may refer to additional commentary if the Licensee prefers to add greater detail in a separate document alongside the Re-opener application pipeline log.

Guidance – RII0-ET3 Electricity Transmission Price Control – Instructions and Guidance on Business Plan Data Templates: Version 1.1

- Option Selection Methodology: A free text box for a brief description of the methodology used to justify the selection of the preferred option. Whether by use of Cost Benefit Analysis, Engineering Justification Process or some other appropriate methodology.
- Preferred Option: A free text box for a brief description of the preferred option.
- Forecast Expenditure Justification Methodology: A free text box for a brief description of the methodology that will be used to justify the level of additional funding requested, for example benchmarking, tendered rates.
- Broader Regulatory Issues to be Considered: A free text box for a brief description of any broader regulatory issues that Ofgem may wish to consider, for example alignment with wider policy objectives or regulatory precedent.

## **12. Memo Sheets (Category 11)**

### **11.1 ET Pipeline Log Memo**

#### **Purpose and Use by Ofgem**

12.1 To develop Ofgem’s understanding of future reopener submissions currently planned by network companies, in a consistent manner across ET, to enable Ofgem to plan its consideration of reopeners.

#### **Instructions for completion**

##### Worksheet inputs

- Re-opener mechanism: details of the re-opener mechanism (Lic’ term) which the re-opener will be submitted under.
- Project name: breakdown of individual projects even if under the same re-opener
- Description of project including brief description of driver for project and any interdependencies
- Project start date: the actual date of physical work
- Project end date
- Planned submission date
- Scope of submission: needs case, options and costs
- Probability of submission: low, medium, high
- Recent engagement with Ofgem on the project: some details on the nature of engagement and Ofgem point of contact.
- Lifetime cost (£m): Sum of all costs related to a project over its lifetime including beyond the RIIO 3 period

### **11.2 ASTI & tCSNP 2 Memo**

#### **Purpose and Use by Ofgem**

12.2 The purpose of this table is to collect information in relation to ASTI & tCSNP 2 projects. This will include baseline allowance, pre-construction allowance and expenditure.

### **Instructions for completion**

- 12.3 These tables are duplicated, one set for ASTI and one for tCSNP 2
- 12.4 Table 1 – Baseline/Reopener allowance: Please provide any existing baseline allowance that was provided during RIIO-ET3 and/or during of RIIO-ET2. This should exclude preconstruction funding allowance for example, SpC 3.40 (Pre-Construction Funding Re-opener, Price Control Deliverable and Use It Or Lose It Adjustment), but should include for ASTI funding that aligns with the term ASTIRt in SpC 3.41.
- 12.5 Table 2 – Indirects allowance: This should include any funding provided to the project for indirects. This table is for ASTI projects only.
- 12.6 Table 3 – Preconstruction funding allowance: This should include any preconstruction funding provided to the project, for example any that aligns with the term APCFt in SpC 3.40.
- 12.7 Table 4 – Early construction allowance: This should include any early construction funding provided to the project.
- 12.8 Table 5 - Outputs, delivery dates and allowance (£m): This should include any allowance made for project and aligns. Expected delivery date should be as stated in the licence condition.
- 12.9 Table 6 – Expenditure: This should include any expenditure (in £m). Once known, actual date of delivery should be added. If a forecast of a date is known, then this could be added and a comment should be added to flag this is yet an estimation.
- 12.10 Commentary: Please provide update of any ASTI or tCSNP 2 projects in this section and flag any risks and/or issues related to delivery date. Any expected potential material change in spend relative to allowance should also be flagged.

### **11.3 D&D Memo**

#### **Purpose and use by Ofgem**

- 12.11 The purpose of this table is to provide a summary of information on Data and Digitalisation (D&D) expenditure that is reported in relevant tables within the BPDT pack, and to reconcile specific costs between the D&D strategies and the BPDT.

#### **Instructions for completion**

- 12.12 Costs should be reported against the following categories:

## Guidance – RIIO-ET3 Electricity Transmission Price Control – Instructions and Guidance on Business Plan Data Templates: Version 1.1

- Digital Infrastructure
- Digital processes
- Digital platforms
- Digitising field works
- Network monitoring
- Other data best practice investments

12.13 Ongoing costs following implementation will only become BAU IT in the following price control period, so all costs associated with this investment over this price control period should be considered digitalisation investment.

12.14 This table should not include any RIIO-T3 BAU IT costs, which should be reported in 8.9 Operational Technology or 9.1 Non Op Capex, as appropriate.

### **Definitions for use in this worksheet**

#### Digital Infrastructure

12.15 This includes internal digital models to manage data including allowing data to flow smoothly across an organisation, such as enterprise architecture.

#### Digital Processes

12.16 This is about improving the efficiency of core services and processes by leveraging digital technologies. Can include digitising processes or analogue processes. Includes system mapping & network design.

#### Digital platforms

12.17 These are tools for internal and external stakeholders to interact with network data eg open data platforms, consumer engagement platforms, and visual representations of networks.

#### Digitalising field works

12.18 Tools for onsite employees to improve efficiency and safety of field works, such as using machine learning to analyse historical accident data and change behaviours to prevent repeats

#### Network monitoring

12.19 Direct investment in metering and other data capture to improve internal data quality and value of associated services.

#### Other data best practice investments

12.20 Anything other that doesn't fit into the above but is a good example of best practice for data/digitalisation.

## **11.4 HVDC Centre**

### **Purpose and use by Ofgem**

12.21 The purpose of this table is to provide financial information on the HVDC centre.

### **Instructions for completion**

#### Allowance (core activities)

12.22 The allowance for the operation of the HVDC centre should be included in the CAI allowance.

12.23 Note this is subject to opex efficiency (OE) challenge of 1.25%

12.24 The 1.25% challenge is compounded year on year starting from 18/19: the OE is a compounded calculation (ie Yr1 1.25% challenge on £1 = £0.9875, then 1.25% on £0.9875 the following year and so on) applied each year from 18/19

12.25 The allowance should cover all core activities. If there is any additional contribution from third party to cover core activities, then this needs to be reported in the respective CAI's line for additional income. This sum is then deducted from the CAI allowance.

#### Expenditure on core activities

12.26 Any expenditure on core activities should be included in the existing CAI expenditure table

#### Revenue – non-core activities (income from third party)

12.27 The total revenue for non-core activities should be reported as revenue excluded services.

#### Expenditure – non-core activities

12.28 Non-core activities expenditure should be reported as expenditure excluded services.

#### Net revenues (reinvestment) – non-core activities

12.29 In line with the decision on the future operation of the HVDC centre, SHET is required to reinvest any net revenues in the HVDC centre.

12.30 Reinvestment in the HVDC centre should be reported as expenditure excluded services when it is spent.

12.31 In line with the decision on the future operation of the centre (see link below), any remaining net revenue which was not reinvested in the centre should be shared with consumers.

### **Commentary requirements**

12.32 The Licensee is required to provide a report in line with Annex A of the Decision on the future operation of the HVDC centre following end of NIC funding period.

12.33 This will include at least the following:

- Update on the activities held in the previous year, including but not limited to those listed above (core activities and dissemination).
- Planned activities for the coming year (core activities and dissemination).
- Include any updates on agreements with suppliers.
- Financial report which will include income and expenditure.
- Summary of annual/periodic Technical Advisory Board meetings; and
- Key decisions made by SHET and the rationale for those decisions.

12.34 SHET will additionally flag to Ofgem any issues or events which might affect the benefits to be gained from the Centre as set out in its BP proposal submitted to Ofgem in February 2020.

## **11.5 NARM Interface**

### **Purpose and use by Ofgem**

12.35 The purpose of this worksheet is to reconcile data reported the C&V with data reported through NARM, and to help align NARM output delivery with the associated costs of delivering those outputs.

12.36 This worksheet aggregates the intervention volumes and costs for each NARM Asset Category. The NARM RRP contains an equivalent worksheet with intervention volumes and monetised risk by NARM Asset Category. Intervention volumes reported in the C&V RRP, and intervention NARM RRP must align for each NARM Asset Category.

### **Instructions for completion**

12.37 The Licensee is required to ensure that the NARM intervention volumes reported those reported in the C&V RRP are aligned. Should any misalignment occur due to

a resubmission of either RRP, then the other RRP must also be resubmitted with input data updated to bring the two submissions back into alignment.

12.38 The worksheet is split into two sections:

- NARM Categorisation (top section): This section aggregates the data from 'CV Categorisation' section for relevant NARM Categories. No manual data input is required.
- CV Categorisation (bottom section): This section will be auto-populated from scheme volume and scheme cost worksheets for each CV asset category. The CV Category (column B) is mapped against relevant NARM Category (column C). Once agreed this mapping will be fixed for the duration of the price control

12.39 Tertiary connected reactor: The NARM Aggregation Category for 'Tertiary connected reactor' (asset no. 91 and 92) are entry cells. The ETO is required to select the reactor category from the drop-down list that best aligns with the categorisation convention that it applies for these assets, and that best represents the asset volumes reported. This requirement does not amend the instructions/definitions relating to reporting of these asset in either the NARM RRP or the other worksheets of the CV RRP. We accept that this approach may lead to some misalignment between CV RRP reported volumes and NARM RRP reported volumes. The ETO should provide explanation of any misalignment in its NARM supporting narrative.

## **11.6 References**

### **Purpose and Use by Ofgem**

12.40 This sheet provides an index of references to match terms and data points referred to in the BPDTs across to their relevant license terms.

### **Instructions for completion**

12.41 No input is required from Licensees in this sheet.

## **11.7 DRS & De Minimis**

### **Purpose and Use by Ofgem**

12.42 These tables contain the necessary algebra as outlined in the license to convert the cost, output or incentive data provided by Licensees in the BPDT into the required inputs to the PCFM.

## **Instructions for completion**

12.43 Where guidance is required in completing this worksheet, please refer to the latest PCFM guidance.

## **11.8 Vehicles & Transport Memo**

### **Purpose and use by Ofgem**

12.44 The purpose of this table is to provide a summary of information on Vehicles & Transport (V&T) expenditure. This table is split between Non-op Capex and CAI and total costs in this table will flow through to those tables.

### **Instructions for completion**

12.45 The tables collect data for vehicles costs and volume split by:

- Size
  - Small Vehicles (<=3.5 tonnes)
  - Medium and Commercial Vehicles (>3.5 tonnes but <=7.5 tonnes)
  - Heavy Good Vehicles (>7.5 tonnes)
- Fuel
  - ICE
  - Hybrid
  - Electric

12.46 The table also captures data for Electric Vehicles Charging Points.

12.47 The table makes provision to capture data on both Capex (to pick up vehicles that are bought) and CAI (to pick up leased vehicles) in order to make comparable assessment for companies operating different procurement models for these assets. Total costs from this table will feed into the Non-op Capex and CAI tables as appropriate.

12.48 When populating volumes, Licensees should enter the total vehicle population and number of EV charging points purchased in the year and totals.

12.49 Costs entered should include all costs for servicing, tax, insurance, fuel and lease costs where appropriate.

### **Definitions for use in this worksheet**

#### Vehicles and Transport (Non-operational)

12.50 Expenditure on new and replacement wheeled vehicles and generators which are not system assets but are utilised by the TO or any other Related Party for the purposes of providing services to the TO.

#### Vehicles and Transport (CAI)

12.51 The Closely Associated Indirect activity associated with managing, operating and maintaining the commercial vehicle fleet and mobile plant utilised by the TO or any other Related Party for the purposes of providing services to the TO.

## **11.9 Climate Resilience Memo**

### **Purpose and use by Ofgem**

12.52 This worksheet is a Memo table to collect costs on Climate Resilience activity. We seek to identify the proportion of costs relating to climate resilience.

### **Instructions for completion**

12.53 This worksheet takes a cross-section of costs reported elsewhere in the pack.

12.54 The purpose of this table is to provide a summary of information on Climate Resilience expenditure that is reported across the tables within the BPDT.

12.55 Climate Resilience expenditure should be reported against the key cost building blocks of totex identified in the sheet for the SO and the TO.

### **Definitions for use in this worksheet**

#### Climate Resilience

12.56 The ability for an individual, group, asset or system to anticipate, prevent, respond to and recover from a climate-driven stress events.

## **11.10 Contractor Indirects Memo**

### **Purpose and use by Ofgem**

12.57 The purpose of this table is to provide Ofgem with visibility of very CAI costs as defined within the CAI RIGs table for 9.4. Very CAI costs only apply prior to construction costs within the Project Management and Network Design and Engineering categories as per the guidance Appendix 1 – Indirect definition tables.

**Instructions for completion**

12.58 Licensees should follow the guidance set out within table 9.4 CAI definition for Very CAIs. This sets out that activities performed by third parties that perform very CAI activities prior to construction for Project Management and Network Design & Engineering categories.

12.59 Further guidance is contained within Appendix 1 – Indirect definition tables.

## Appendices

### Index

Appendix	Name of Appendix
1	Indirect Definition Tables
2	Draft Submission Assurance Requirements

## Appendix 1 - Indirect Definition Tables

### Manufacturing Configuration Design/Functional Design Table

Classification	Direct/ Indirect	Examples	Comments
Manufacturing Configuration Design – Non-Route	Direct	<p><u>Circuit breaker:</u> Manufacturer design of CB Such as: design to meet TRV requirements, Fault Rating requirements, bespoke design requirements.</p> <p><u>Transformer:</u> Manufacturer design of Transformer Such as: design to meet impedance requirements, fire risk requirements, bespoke design requirements.</p> <p><u>GIS Building Design:</u> Structural Design Materials engineering Lighting systems <u>Temperature control systems</u></p>	<p>The example Asset Specific Designs are those which the Licensee does not have direct control over.</p> <p>The decisions on how to meet the specification in function design are for the manufacturer/contractor to determine.</p>
Functional Design – Non-Route	Indirect	<p><u>Substation Layout drawings ready for construction</u> Specification for Circuit breakers Specification for Transformer <u>Transformer layout design including:</u></p>	<p>The example design activities are works which the Licensee has direct control over and heavily influence the short and long term efficacy of the intervention which they are planning.</p>

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on Business Plan Data Templates: Version 1.1

Classification	Direct/ Indirect	Examples	Comments
		<p>Cooler bank position</p> <p>Auxiliary systems position</p> <p>Civil design for plinth and bund</p> <p><u>GIS hall design:</u></p> <p>Height, width and length of GIS Hall</p> <p>Location of staff welfare</p> <p>Location of relay/control rooms</p> <p>Location of stores</p> <p>Positioning of switchgear within building.</p>	<p>These decisions may have overlap and interaction with Asset specific design works, but the Licensee retains control in these types of design.</p>
<p>Manufacturing Configuration Design – Route</p>	<p>Direct</p>	<p><u>OHL:</u></p> <p>Design of Main Body strengthening</p> <p>Design of Cross arm strengthening</p> <p>Design of Muffs, ACDs, Signage</p> <p>Design of Spacers</p> <p>Design of Dampeners</p> <p><u>Cabling:</u></p> <p>Design of Joint Pits</p> <p>Design of Jointing</p> <p>Design of cross bonding</p>	<p>These are specific design works which may be bespoke to the individual Tower, Pole or Cable Route.</p> <p>We Note that this design work is for the contractors/supplier to meet the requirements of the specification which the Licensee used to procure works.</p>

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Classification	Direct/ Indirect	Examples	Comments
Functional Design – Non-Route	Indirect	<p><u>OHL:</u></p> <p>Route Corridor Analysis</p> <p>Tower and Pole Positioning</p> <p>Tower Angles</p> <p>Vertical Clearances</p> <p>Tower and Construction Access</p> <p><u>Cables:</u></p> <p>Route Corridor Analysis</p> <p>Entry/exit from Substations/CSEs</p> <p>Cable Burial Depth</p> <p>Ducting Requirements</p> <p>Joint Bay Positioning</p>	<p>The example design activities are works which the Licensee has direct control over and heavily influence the whole life costs of the route which is planned.</p> <p>These decisions may have overlap and interaction with Manufacturing Configuration design works, but the Licensee retains control in these types of design.</p>

## Indirect Design Definitions Table

Indirect Design Definitions	Direct/ Indirect	Description
Stage 1	Indirect	System Design level drawings which is compliant with SQSS and where applicable Grid Code
Stage 2	Indirect	Provides a Layout drawing at 3 phase level which does not include the as found environment. Eg does not include civils related works, access related. Includes Route maps, Tower Positions, Cable Routes
Stage 3	Indirect	Provides layout drawings on the as found (or built) environment. This will include such elements as: Maintenance access checks, clash management, civils design, access design, fittings design, CSE design, Downloads design and other elements. Includes Tower types, Tower Angles, Tower access
Stage 4	Direct	Provides detailed design down to the level of design where assets are physically connected such as: BusBar clamps, expansion joints, multicores, temporary works, etc. Jumper design, cable joint pit locations, cable spacing and backfill
Stage 5	Direct	Design works which are included in the construction of assets, or specific design elements which are designed on site to account for construction designs. This includes items such as: Layout areas, Hardstanding areas for access, temporary fencing, temporary welfare etc.

## Project Management Definitions Table

Stage	Title	Direct/ Indirect	Example deliverables (not exhaustive)
Identify (Internal)	Identify need and opportunity for the project	Indirect	Management of system/network or asset condition studies Development of design management plan Management of any Procurement, Insurance or Legal considerations

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			Development of sustainability plan
Develop (Internal)	Develop the project through to planning submission	Indirect	<p>Management of project plan/milestones</p> <p>Management of design /engineering team (internal or external)</p> <p>Management of tender process</p> <p>Management of business case preparation</p> <p>Management of risk register</p> <p>Management of planning applications and community consultations process</p> <p>Management of design/development contracts or early contractor involvement contracts (ie functional design)</p> <p>Management of contracts</p> <p>Management of risk registers, health and safety plans</p>
Refine (Internal)	Refine the design, engage with the supply chain and secure funds	Indirect	<p>Management of project plan/milestones</p> <p>Management of tender process</p> <p>Management of work instructions development</p> <p>Management of manufacturing design process</p> <p>Management of planning applications including discharge of consents</p> <p>Management of contracts</p> <p>Management of risk registers, health and safety plans</p>
Execution (Internal)	Execution of the design, ie build and energise the asset	Indirect	<p>Management of contracts</p> <p>Management of risk registers, health and safety plans</p> <p>On-site supervision and technical guidance.</p> <p>Quality checks on work undertaken.</p> <p>Organising network access and outages</p> <p>Arranging energisation of asset</p>

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Handover (Internal)	Handover the asset to operations and monitor conditions through the defect period.	Indirect	<p>Management of commissioning plan</p> <p>Management of handover plan</p> <p>Management of closure report</p> <p>Management of engagement with operations</p> <p>Management of defects process</p> <p>Management of lessons learnt process</p>
Identify, develop, design and refine (External)	Identify need, develop and refine the project	Indirect	<p>Management of bid / tender process where appropriate</p> <p>Management of project plan / milestones</p> <p>Management of risk registers, health and safety plans</p> <p>Management of on-site works, including GI, marine surveys, preliminary works etc</p> <p>Management of work instructions and clarifications with client</p> <p>Management of client</p> <p>Management of interfaces with other contractors</p> <p>Management of subcontractors</p> <p>Management of materials and placing of orders</p> <p>Management of plant and machinery</p> <p>Management of manufacturing design process</p> <p>Management of any preparatory or preliminary works</p> <p>Management of planning applications including discharge of consents</p>
Execution and handover (External)	Execution of the design and handover	Direct	<p>Management of contracts</p> <p>Management of risk registers, health and safety plans</p> <p>Management of client</p>

Guidance – RIIO-ET3 Electricity Transmission Price Control – Instructions and Guidance on Business Plan Data Templates: Version 1.1

	<p>ie build and energise and handover the asset</p>		<p>Management of subcontractors  Management of materials and placing of orders  Management of plant and machinery  Management of interfaces with other contractors  Management of on-site construction works including  civils, electrical engineering, site set up  Quality checks on work undertaken.  Management of commissioning plan  Management of handover plan  Management of closure report  Management of defects process</p>
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## Appendix 2 - Draft Submission Assurance Requirements

14.1 This appendix outlines assurance needs for each worksheet within the BPDTs for the draft submission, detailed to the below process:

- where assurance is not required, the rationale for this position is provided; and
- where assurance is required, any applicable exclusions are noted.
- Where assurance is required, please refer to the guidance for draft BPDT submissions issued on 27th June 2024 for more details on sign-off requirements.

14.2 As noted in the instructions in chapter 1 of these Instructions, we encourage Licensees to fill out the worksheets where possible even when assurance is not required. This will provide early sight of the relevant data and facilitate development of the worksheets and methodology for the final submission.

### Assurance Requirements Table

Tab Name	Draft Submission	Rationale/Exclusions
1.1 Cover	Assurance not required	Workbook administration
1.2 Contents	Assurance not required	Workbook administration
1.3 Version History	Assurance not required	Workbook administration
1.4 Change Log	Assurance not required	Workbook administration
1.5 Data Checks	Assurance not required	Workbook administration
1.6 Data Constants	Assurance not required	Workbook administration
1.7 Assumptions	Assurance not required	Workbook administration
1.8 Asset Possibilities	Assurance not required	Workbook administration
1.9 Look Up Tables	Assurance not required	Workbook administration
2.1 Data Inputs	Assurance required	No exclusions
2.2 Universal Data	Assurance not required	Ofgem inputs
2.3 Monthly Inflation	Assurance not required	Ofgem inputs
2.4 Debt for BPFM	Assurance not required	We do not expect Licensees to complete this tab.

Guidance – RIIO-ET3 Electricity Transmission Price Control – Instructions and Guidance on Business Plan Data Templates: Version 1.1

<b>Tab Name</b>	<b>Draft Submission</b>	<b>Rationale/Exclusions</b>
		To be completed for BPFM submissions.
2.5 Financial Summary (TWA)	Assurance not required	We do not expect Licensees to complete this tab. To be completed for BPFM submissions.
2.6 Financial Summary (YE)	Assurance not required	We do not expect Licensees to complete this tab. To be completed for BPFM submissions.
2.7 Fixed Rate Debt	Assurance not required	We do not expect Licensees to complete this tab. To be completed for BPFM submissions.
2.8 Floating Rate Debt	Assurance not required	We do not expect Licensees to complete this tab. To be completed for BPFM submissions.
2.9 Inflation Linked Debt	Assurance not required	We do not expect Licensees to complete this tab. To be completed for BPFM submissions.
2.10 Debt Dataset	Assurance not required	We do not expect Licensees to complete this tab. To be completed for BPFM submissions.
2.11 Data Validation	Assurance not required	We do not expect Licensees to complete this tab. To be completed for BPFM submissions.
2.12 BPFM Inputs	Assurance not required	We do not expect Licensees to complete this tab. To be completed for BPFM submissions.

Guidance – RIIO-ET3 Electricity Transmission Price Control – Instructions and Guidance on Business Plan Data Templates: Version 1.1

<b>Tab Name</b>	<b>Draft Submission</b>	<b>Rationale/Exclusions</b>
2.13 BPFM Inputs 2	Assurance not required	We do not expect Licensees to complete this tab. To be completed for BPFM submissions.
2.14 Difference	Assurance not required	We do not expect Licensees to complete this tab. To be completed for BPFM submissions.
2.15 Sum Cost Matrix Summary	Assurance not required	We do not expect Licensees to complete this tab. To be completed for BPFM submissions.
2.16 BP Tax Inputs	Assurance not required	We do not expect Licensees to complete this tab. To be completed for BPFM submissions.
2.17 BP Disposals 1	Assurance not required	We do not expect Licensees to complete this tab. To be completed for BPFM submissions.
2.18 BP Disposals 2	Assurance not required	We do not expect Licensees to complete this tab. To be completed for BPFM submissions.
2.19 Liquidity Licensee	Assurance not required	We do not expect Licensees to complete this tab. To be completed for BPFM submissions.
2.20 Liquidity Group	Assurance not required	We do not expect Licensees to complete this tab. To be completed for BPFM submissions.
2.21 Liquidity Structure	Assurance not required	We do not expect Licensees to complete this tab.

Guidance – RIIO-ET3 Electricity Transmission Price Control – Instructions and Guidance on Business Plan Data Templates: Version 1.1

<b>Tab Name</b>	<b>Draft Submission</b>	<b>Rationale/Exclusions</b>
		To be completed for BPFM submissions.
2.22 RPE & OE Tables	Assurance required	No exclusions
3.1 Totex Annual Profile	Assurance required	No exclusions
3.2 Overview Tables	Assurance required	No exclusions
4.1 Cost Matrix Collated	Assurance required	No exclusions
4.2 Cost Matrix 2014	Assurance not required	Exclusion: Data that requires T1 restatement
4.3 Cost Matrix 2015	Assurance not required	Exclusion: Data that requires T1 restatement
4.4 Cost Matrix 2016	Assurance not required	Exclusion: Data that requires T1 restatement
4.5 Cost Matrix 2017	Assurance not required	Exclusion: Data that requires T1 restatement
4.6 Cost Matrix 2018	Assurance not required	Exclusion: Data that requires T1 restatement
4.7 Cost Matrix 2019	Assurance not required	Exclusion: Data that requires T1 restatement
4.8 Cost Matrix 2020	Assurance not required	Exclusion: Data that requires T1 restatement
4.9 Cost Matrix 2021	Assurance not required	Exclusion: Data that requires T1 restatement
4.10 Cost Matrix 2022	Assurance required	No exclusions
4.11 Cost Matrix 2023	Assurance required	No exclusions
4.12 Cost Matrix 2024	Assurance required	No exclusions
4.13 Cost Matrix 2025	Assurance required	No exclusions
4.14 Cost Matrix 2026	Assurance required	No exclusions
4.15 Cost Matrix 2027	Assurance required	No exclusions
4.16 Cost Matrix 2028	Assurance required	No exclusions
4.17 Cost Matrix 2029	Assurance required	No exclusions
4.18 Cost Matrix 2030	Assurance required	No exclusions
4.19 Cost Matrix 2031	Assurance required	No exclusions
4.20 Cost Matrix 2032	Assurance required	No exclusions
4.21 Cost Matrix 2033	Assurance required	No exclusions

Guidance – RIIO-ET3 Electricity Transmission Price Control – Instructions and Guidance on Business Plan Data Templates: Version 1.1

<b>Tab Name</b>	<b>Draft Submission</b>	<b>Rationale/Exclusions</b>
4.22 Cost Matrix 2034	Assurance required	No exclusions
4.23 Cost Matrix 2035	Assurance required	No exclusions
4.24 Cost Matrix 2036	Assurance required	No exclusions
4.25 Asset Movements 2014	Assurance not required	Exclusion: Data that requires T1 restatement
4.26 Asset Movements 2015	Assurance not required	Exclusion: Data that requires T1 restatement
4.27 Asset Movements 2016	Assurance not required	Exclusion: Data that requires T1 restatement
4.28 Asset Movements 2017	Assurance not required	Exclusion: Data that requires T1 restatement
4.29 Asset Movements 2018	Assurance not required	Exclusion: Data that requires T1 restatement
4.30 Asset Movements 2019	Assurance not required	Exclusion: Data that requires T1 restatement
4.31 Asset Movements 2020	Assurance not required	Exclusion: Data that requires T1 restatement
4.32 Asset Movements 2021	Assurance not required	Exclusion: Data that requires T1 restatement
4.33 Asset Movements 2022	Assurance required	No exclusions
4.34 Asset Movements 2023	Assurance required	No exclusions
4.35 Asset Movements 2024	Assurance required	No exclusions
4.36 Asset Movements 2025	Assurance required	No exclusions
4.37 Asset Movements 2026	Assurance required	No exclusions
4.38 Asset Movements 2027	Assurance required	No exclusions
4.39 Asset Movements 2028	Assurance required	No exclusions
4.40 Asset Movements 2029	Assurance required	No exclusions
4.41 Asset Movements 2030	Assurance required	No exclusions

Guidance – RIIO-ET3 Electricity Transmission Price Control – Instructions and Guidance on Business Plan Data Templates: Version 1.1

<b>Tab Name</b>	<b>Draft Submission</b>	<b>Rationale/Exclusions</b>
4.42 Asset Movements 2031	Assurance required	No exclusions
4.43 Asset Movements 2032	Assurance required	No exclusions
4.44 Asset Movements 2033	Assurance required	No exclusions
4.45 Asset Movements 2034	Assurance required	No exclusions
4.46 Asset Movements 2035	Assurance required	No exclusions
4.47 Asset Movements 2036	Assurance required	No exclusions
4.48 System Characteristics	Assurance required	No exclusions
5.1 Project Meta Data	Assurance required	No exclusions
5.2 Scheme Output	Assurance required	No exclusions
5.3 Market Rate Information	Assurance not required	Content in development. We do not expect Licensees to complete this tab.
6.1 Scheme C&V Load Actuals	Assurance required	No exclusions
6.2 Load ET1 Legacy Log	Assurance required	No exclusions
6.3 Load R&C	Assurance not required	Content in development. To aid development, we still invite Licensees to complete this tab as best as they can.
6.4 Planning Consent Req	Assurance required	No exclusions
7.1 Scheme C&V Non Load Actuals	Assurance required	No exclusions
7.2 Non Load ET1 Legacy Log	Assurance required	No exclusions
7.3 Spares	Assurance required	No exclusions
7.4 ESR	Assurance required	No exclusions
7.5 Losses	Assurance required	No exclusions
7.6 Non Load R&C	Assurance not required	Content in development.

Guidance – RIIO-ET3 Electricity Transmission Price Control – Instructions and Guidance on Business Plan Data Templates: Version 1.1

<b>Tab Name</b>	<b>Draft Submission</b>	<b>Rationale/Exclusions</b>
		To aid development, we still invite Licensees to complete this tab as best as they can.
8.1 Faults	Assurance required	No exclusions
8.2 Inspections	Assurance required	No exclusions
8.3 Maintenance	Assurance required	No exclusions
8.4 Repairs	Assurance required	No exclusions
8.5 Service Agreements	Assurance required	No exclusions
8.6 Veg Mgmt	Assurance required	No exclusions
8.7 NOCs Other	Assurance required	No exclusions
8.8 Flood Mitigation	Assurance required	No exclusions
8.9 Operational Technology	Assurance required	No exclusions as early sight provided for consideration and review
8.10 Visual Amenity	Assurance required	No exclusions
8.11 Faults & Failures	Assurance required	No exclusions
9.1 Non Op Capex	Assurance required	No exclusions
9.2 Physical Security Capex	Assurance required	No exclusions
9.3 Physical Security Opex	Assurance required	No exclusions
9.4 CAI	Assurance required	No exclusions
9.5 BS	Assurance required	Exclusion: Assurance exclusion where late changes have been made  This can be found in 1.4 Change log, no. 238 and 243
9.6 BS Allocation	Assurance required	No Exclusions
9.7 Op Training (CAI)	Assurance required	Exclusion: Assurance exclusions where late changes have been made  These can be found in 1.4 Change log, changes 222-224
9.8 NIS Cyber Resilience	Assurance required	No exclusions

Guidance – RIIO-ET3 Electricity Transmission Price Control – Instructions and Guidance on Business Plan Data Templates: Version 1.1

<b>Tab Name</b>	<b>Draft Submission</b>	<b>Rationale/Exclusions</b>
9.9 Uncertain Costs	Assurance required	No exclusions
9.10 Innovation	Assurance required	No exclusions
9.11 NIA	Assurance required	No exclusions
9.12 SIF	Assurance required	No exclusions
9.13 CNIA	Assurance required	No exclusions
9.14 NIC	Assurance required	No exclusions
9.15 Salary & FTE	Assurance required	No exclusions
9.16 Related Party Margin	Assurance required	No exclusions
9.17 Environment	Assurance required	No exclusions
9.18 IIG SF6 Incentive	Assurance required	No exclusions
9.19 DR Services	Assurance required	No exclusions
9.20 Pass Through Costs	Assurance required	No exclusions
10.1 Asset Mapping	Assurance required	No exclusions
10.2 Asset ID	Assurance required	No exclusions
10.3 Site ID	Assurance required	No exclusions
10.4 Crossover Projects T2-T3	Assurance not required	Late development and potential for further refinement, but we expect Licensees to complete this table.
10.5 ET Pipeline Log	Assurance not required	Late development and potential for further refinement, but we expect Licensees to complete this table.
11.1 ET Pipeline Log Memo	Assurance not required	Late development and potential for further refinement, but we expect Licensees to complete this table.
11.2 ASTI & tCSNP 2 Memo	Assurance not required	Late development and potential for further refinement, but we expect Licensees to complete this table.
11.3 D&D Memo	Assurance required	No exclusions

Guidance – RIIO-ET3 Electricity Transmission Price Control – Instructions and Guidance on Business Plan Data Templates: Version 1.1

<b>Tab Name</b>	<b>Draft Submission</b>	<b>Rationale/Exclusions</b>
11.4 HVDC Centre	Assurance required	No exclusions
11.5 NARM Interface	Assurance required	No exclusions
11.6 References	Assurance not required	No company inputs
11.7 DRS & De Minimis	Assurance required	No exclusions
11.8 V&T memo	Assurance not required	New sheet. We do not expect Licensees to complete this tab.
11.9 Climate Resilience memo	Assurance not required	New sheet. We do not expect Licensees to complete this tab.
11.10 Contractors Indirect memo	Assurance not required	New sheet. We do not expect Licensees to complete this tab.