# **RIIO-GT3 Business Plan Data Template Commentary**

Publication date: 30 September 2024

Contact: RIIO-GT3 Cost Team

Team: GT Cost Analysis

Email: RIIO3@ofgem.gov.uk

This document provides a template and instructions for providing supporting commentary for the RIIO-GT3 Business Plan data templates.

This document is for people who are filling out the RIIO-GT3 Business Plan data templates and this associated commentary template. It explains what information should be provided in the commentary, and where to find more information.

© Crown copyright 2024

The text of this document may be reproduced (excluding logos) under and in accordance with the terms of the [Open Government Licence](http://www.nationalarchives.gov.uk/doc/open-government-licence/version/3/).

Without prejudice to the generality of the terms of the Open Government Licence the material that is reproduced must be acknowledged as Crown copyright and the document title of this document must be specified in that acknowledgement.

Any enquiries related to the text of this publication should be sent to Ofgem at:

10 South Colonnade, Canary Wharf, London, E14 4PU.

This publication is available at [www.ofgem.gov.uk](file:///C:/Users/harknessd/Documents/03%20Templates/01%20Template%20updates/New%20Templates/1163/Uploaded/www.ofgem.gov.uk). Any enquiries regarding the use and re-use of this information resource should be sent to: [psi@nationalarchives.gsi.gov.uk](file:///C:/Users/harknessd/Documents/03%20Templates/01%20Template%20updates/New%20Templates/1163/Uploaded/psi@nationalarchives.gsi.gov.uk)

**Contents**

[RIIO-GT3 Business Plan Data Template Commentary 1](#_Toc178258030)

[1. Instructions and Guidance 6](#_Toc178258031)

[Background 6](#_Toc178258032)

[Instructions and guidance 6](#_Toc178258033)

[2. Data Table Commentary 9](#_Toc178258034)

[Section 3 - Totex 9](#_Toc178258035)

[3.1 TO Totex 9](#_Toc178258036)

[3.2 SO Totex 9](#_Toc178258037)

[Section 4 – Revenue 10](#_Toc178258038)

[4.1 BPFM Inputs TO 10](#_Toc178258039)

[4.2 BPFM Inputs SO 10](#_Toc178258040)

[4.3 BP Tax Inputs 10](#_Toc178258041)

[4.4 Liquidity Licensee 10](#_Toc178258042)

[4.5 Liquidity Group 10](#_Toc178258043)

[4.6 Liquidity Group Structure 11](#_Toc178258044)

[4.7 BP Disposals 1 11](#_Toc178258045)

[4.8 BP Disposals 2 11](#_Toc178258046)

[Section 5 – Opex 12](#_Toc178258047)

[5.1 TO Indirects 12](#_Toc178258048)

[5.2 SO Indirects 12](#_Toc178258049)

[5.3 TO Direct Opex 12](#_Toc178258050)

[5.4 SO Direct Opex 12](#_Toc178258051)

[5.5 Quarry and Loss 12](#_Toc178258052)

[5.6 PSUP Opex 13](#_Toc178258053)

[5.7 Provisions 13](#_Toc178258054)

[5.8 Business Support Allocation 13](#_Toc178258055)

[5.9 FTE 13](#_Toc178258056)

[5.10 IT&T Cost 13](#_Toc178258057)

[5.11 IT&T Allocation 14](#_Toc178258058)

[5.12 Property Costs 14](#_Toc178258059)

[5.13 Operational Training 14](#_Toc178258060)

[5.14 Insurance Costs 14](#_Toc178258061)

[5.15 De Minimis, Directly Remunerated & Consented 14](#_Toc178258062)

[5.16a NISR Cyber Resilience (GTO) 15](#_Toc178258063)

[5.16b NISR Cyber Resilience (GSO) 15](#_Toc178258064)

[Section 6 – Capex 16](#_Toc178258065)

[6.1 Capex Summary 16](#_Toc178258066)

[6.2 Projects 16](#_Toc178258067)

[6.3a Asset Health Interventions 16](#_Toc178258068)

[6.3b Asset Health (2) 16](#_Toc178258069)

[6.4a Asset Health Projects 16](#_Toc178258070)

[6.4b Asset Health Projects (2) 17](#_Toc178258071)

[6.5 Redundant Assets 17](#_Toc178258072)

[6.6 PSUP Capex 17](#_Toc178258073)

[6.7 TO Non-operational Capex 17](#_Toc178258074)

[6.8 SO Non-operational Capex 17](#_Toc178258075)

[6.9 Unit Cost 18](#_Toc178258076)

[6.10 IT Projects 18](#_Toc178258077)

[Section 7 – Network Data 19](#_Toc178258078)

[7.1 Pipeline Data 19](#_Toc178258079)

[7.2 Activity Indicators 19](#_Toc178258080)

[7.3 Peak Input Demand 19](#_Toc178258081)

[7.4 Demand Performance 19](#_Toc178258082)

[7.5 Compressor Performance and Utilisation 19](#_Toc178258083)

[7.6 Compressor Assets 20](#_Toc178258084)

[7.7 Emissions 20](#_Toc178258085)

[7.8 Asset Data 20](#_Toc178258086)

[7.9 Forecast Scenarios 20](#_Toc178258087)

[7.10 System Characteristics 20](#_Toc178258088)

[Section 8 – Outputs 22](#_Toc178258089)

[8.1 Customer Satisfaction 22](#_Toc178258090)

[8.2 Environment 22](#_Toc178258091)

[8.3 Gas Constraints 22](#_Toc178258092)

[8.4 Innovation 22](#_Toc178258093)

[8.5 Network Innovation Allowance 22](#_Toc178258094)

[8.6 Carry Over Network Innovation Allowance 23](#_Toc178258095)

[8.7 Network Innovation Competition 23](#_Toc178258096)

[8.8 Strategic Innovation Fund 23](#_Toc178258097)

[8.9 Net Zero 23](#_Toc178258098)

[Section 9 – GSO Incentives 24](#_Toc178258099)

[9.1 Operating Margins 24](#_Toc178258100)

[9.2 NTS Shrinkage Report 24](#_Toc178258101)

[9.3 Residual Balancing 24](#_Toc178258102)

[9.4 Demand Forecasting 24](#_Toc178258103)

[9.5 GHG Venting Data 24](#_Toc178258104)

[9.6 Maintenance 25](#_Toc178258105)

[Section 10 – Finance 26](#_Toc178258106)

[10.1 Debt for BPFM 26](#_Toc178258107)

[10.2 Financial Summary (TWA) 26](#_Toc178258108)

[10.3 Financial Summary (YE) 26](#_Toc178258109)

[10.4 Fixed Rate Debt 26](#_Toc178258110)

[10.5 Floating Rate Debt 26](#_Toc178258111)

[10.6 Inflation Linked Debt 27](#_Toc178258112)

[10.7 Debt Dataset 27](#_Toc178258113)

[10.8 Data Validation 27](#_Toc178258114)

[10.9 Related Party 27](#_Toc178258115)

[10.10 RPEs and OE 27](#_Toc178258116)

[Section 11 – Memo Tabs 28](#_Toc178258117)

[11.1a FES – Final Submission 28](#_Toc178258118)

[11.1b FES – March Submission 28](#_Toc178258119)

[11.2 Data and Digitalisation 28](#_Toc178258120)

[11.3 Vehicles and Transport (Non-op) 28](#_Toc178258121)

[11.4 Vehicles and Transport (CAI) 28](#_Toc178258122)

[11.5a Climate Resilience 29](#_Toc178258123)

[11.5b Network Resilience 29](#_Toc178258124)

[11.6 Uncertainty Mechanisms 29](#_Toc178258125)

[11.7 Cross Period Projects 29](#_Toc178258126)

[Additional Commentary 30](#_Toc178258127)

[Additional Commentary 30](#_Toc178258128)

1. Instructions and Guidance

#### Background

* 1. This document, the RIIO-GT3 Business Plan Data Templates Commentary (BPDTC), is a template for the network company to provide additional information alongside the Business Plan Data Templates (BPDT), to help:
* identify, explain, and justify the main drivers of forecast expenditure and volume profile across the RIIO-GT3 price control period
* **explain any assumptions made in populating the tables and,**
* **the allocation methodologies that have been applied, which haven’t been detailed elsewhere in the business plan submission,**
* assist Ofgem in the process of navigating the data submission and supporting documentation.
  1. This template should be read alongside the Business Plan data template instructions and guidance for RIIO-GT3, the RIIO-3 Business Plan guidance, and the RIIO-3 Sector Specific Methodology Decision.

#### Instructions and guidance

* 1. Alongside the submission of the RIIO-GT3 BPDT, GDNs must, to the best of their ability, complete this BPTDC template for each worksheet in the BPDT. For each worksheet, where appropriate, include commentary on the following:
* Please compare the current forecast across the RIIO-3 period and the latest information on the historic and forecast position across the RIIO-2 period and explain any material differences between them. Please include information in terms of run rates, trends, unit costs etc. and explain the reason for any material step change or difference.
* Please summarise and explain the profile of the RIIO-3 information.
* Please provide a justification for any unit cost/trend outliers, including any regional and/or site-specific factors and where there is material interaction with other areas of the BPDT.
* Please identify and explain the level of sensitivity within the forecasts used and clarify how uncertainty has been considered/tested. Indicate the materiality of these assumptions.
* Explain the interactions with wider governmental policy.
* Please explain the types of internal and external benchmarking exercises (where applicable) that have been undertaken to support the RIIO-3 forecasts (e.g. internal tendered framework rates and/or international unit cost comparison).
* Please reference areas of the BPDT submission that can be used to further evidence or substantiate the submission (e.g. cells A:B of tab “X” of the BPDT or supporting document “Y”).
* Highlight any relevant additional information to aid Ofgem’s understanding and interpretation of the information.
* Where costs have been apportioned across one or more activities, the basis of apportionment must be provided in the cost commentary document. Please also give an indication of the robustness of those assumptions.

*Note: Only required for Final Business Plan submission*

* 1. The BPDTC template is applicable to all worksheets in the final RIIO-GT3 BPDT, except for any cover, contents or summary sheets, and some finance, asset and other sheets. If the network company considers it necessary or useful to provide supporting information on any worksheet we have not requested commentary on, there is space for this at the end of this document. The network company must use reasonable endeavours to provide a commentary for each of the categories above. The network company should report “n/a” where questions do not apply to the subject matter of the worksheet and should ignore any tables that do not apply to them.
  2. The BPDTC must not exceed 3 pages in length for each worksheet unless otherwise specified.  Where visual representations of information (e.g. waterfall diagrams) may aid understanding, these should be included and will not contribute to the 3-page limit.
  3. Where information that is relevant for the BPDTC is located in the main Business Plan submission or supporting files (e.g. engineering justification, CBA etc.); directions to the relevant information must be clearly signposted in the BPDTC. Where it is not possible to include all information as prescribed, the network company will need to clearly explain the reasons why.
  4. The appropriateness and materiality of the commentary provided should be at a level that minimises the need for Ofgem to ask supplementary questions.
  5. The network company should, to the fullest extent possible, ensure that the BPDTC contains all information relevant to Ofgem’s assessment of the plan. This includes providing a proportionate summary of the overall activity level experienced and costs incurred and expected by the network company. The BPDTC must therefore provide overview information on the level of activity and costs across the RIIO-GT1 and RIIO-GT2 periods as well as the current BPDT forecasts for the RIIO-GT3 period. Where a variance is observed in the transition between price control periods, a succinct explanation of the material differences between them and factors driving the variation is required.

1. Data Table Commentary
   1. The network company must provide commentary for each BPDT worksheet using the templates below.

### Section 3 - Totex

#### 3.1 TO Totex

|  |
| --- |
| **Commentary** |
|  |

#### 3.2 SO Totex

|  |
| --- |
| **Commentary** |
|  |

### Section 4 – Revenue

#### 4.1 BPFM Inputs TO

|  |
| --- |
| **Commentary** |
|  |

#### 4.2 BPFM Inputs SO

|  |
| --- |
| **Commentary** |
|  |

#### 4.3 BP Tax Inputs

|  |
| --- |
| **Commentary** |
|  |

#### 4.4 Liquidity Licensee

|  |
| --- |
| **Commentary** |
|  |

#### 4.5 Liquidity Group

|  |
| --- |
| **Commentary** |
|  |

#### 4.6 Liquidity Group Structure

|  |
| --- |
| **Commentary** |
|  |

#### 4.7 BP Disposals 1

|  |
| --- |
| **Commentary** |
|  |

#### 4.8 BP Disposals 2

|  |
| --- |
| **Commentary** |
|  |

### Section 5 – Opex

#### 5.1 TO Indirects

|  |
| --- |
| **Commentary** |
|  |

#### 5.2 SO Indirects

|  |
| --- |
| **Commentary** |
|  |

#### 5.3 TO Direct Opex

|  |
| --- |
| **Commentary** |
|  |

#### 5.4 SO Direct Opex

|  |
| --- |
| **Commentary** |
|  |

#### 5.5 Quarry and Loss

|  |
| --- |
| **Commentary** |
|  |

#### 5.6 PSUP Opex

|  |
| --- |
| **Commentary** |
|  |

#### 5.7 Provisions

|  |
| --- |
| **Commentary** |
|  |

#### 5.8 Business Support Allocation

|  |
| --- |
| **Commentary** |
|  |

#### 5.9 FTE

|  |
| --- |
| **Commentary** |
|  |

#### 5.10 IT&T Cost

|  |
| --- |
| **Commentary** |
|  |

#### 5.11 IT&T Allocation

|  |
| --- |
| **Commentary** |
|  |

#### 5.12 Property Costs

|  |
| --- |
| **Commentary** |
|  |

#### 5.13 Operational Training

|  |
| --- |
| **Commentary** |
|  |

#### 5.14 Insurance Costs

|  |
| --- |
| **Commentary** |
|  |

#### 5.15 De Minimis, Directly Remunerated & Consented

|  |
| --- |
| **Commentary** |
|  |

#### 5.16a NISR Cyber Resilience (GTO)

|  |
| --- |
| **Commentary** |
|  |

#### 5.16b NISR Cyber Resilience (GSO)

|  |
| --- |
| **Commentary** |
|  |

### Section 6 – Capex

#### 6.1 Capex Summary

|  |
| --- |
| **Commentary** |
|  |

#### 6.2 Projects

|  |
| --- |
| **Commentary** |
|  |

#### 6.3a Asset Health Interventions

|  |
| --- |
| **Commentary** |
|  |

#### 6.3b Asset Health (2)

|  |
| --- |
| **Commentary** |
|  |

#### 6.4a Asset Health Projects

|  |
| --- |
| **Commentary** |
|  |

#### 6.4b Asset Health Projects (2)

|  |
| --- |
| **Commentary** |
|  |

#### 6.5 Redundant Assets

|  |
| --- |
| **Commentary** |
|  |

#### 6.6 PSUP Capex

|  |
| --- |
| **Commentary** |
|  |

#### 6.7 TO Non-operational Capex

|  |
| --- |
| **Commentary** |
|  |

#### 6.8 SO Non-operational Capex

|  |
| --- |
| **Commentary** |
|  |

#### 6.9 Unit Cost

|  |
| --- |
| **Commentary** |
|  |

#### 6.10 IT Projects

|  |
| --- |
| **Commentary** |
|  |

### Section 7 – Network Data

#### 7.1 Pipeline Data

|  |
| --- |
| **Commentary** |
|  |

#### 7.2 Activity Indicators

|  |
| --- |
| **Commentary** |
|  |

#### 7.3 Peak Input Demand

|  |
| --- |
| **Commentary** |
|  |

#### 7.4 Demand Performance

|  |
| --- |
| **Commentary** |
|  |

#### 7.5 Compressor Performance and Utilisation

|  |
| --- |
| **Commentary** |
|  |

#### 7.6 Compressor Assets

|  |
| --- |
| **Commentary** |
|  |

#### 7.7 Emissions

|  |
| --- |
| **Commentary** |
|  |

#### 7.8 Asset Data

|  |
| --- |
| **Commentary** |
|  |

#### 7.9 Forecast Scenarios

|  |
| --- |
| **Commentary** |
|  |

#### 7.10 System Characteristics

|  |
| --- |
| **Commentary** |
|  |

### Section 8 – Outputs

#### 8.1 Customer Satisfaction

|  |
| --- |
| **Commentary** |
|  |

#### 8.2 Environment

|  |
| --- |
| **Commentary** |
|  |

#### 8.3 Gas Constraints

|  |
| --- |
| **Commentary** |
|  |

#### 8.4 Innovation

|  |
| --- |
| **Commentary** |
|  |

#### 8.5 Network Innovation Allowance

|  |
| --- |
| **Commentary** |
|  |

#### 8.6 Carry Over Network Innovation Allowance

|  |
| --- |
| **Commentary** |
|  |

#### 8.7 Network Innovation Competition

|  |
| --- |
| **Commentary** |
|  |

#### 8.8 Strategic Innovation Fund

|  |
| --- |
| **Commentary** |
|  |

#### 8.9 Net Zero

|  |
| --- |
| **Commentary** |
|  |

### Section 9 – GSO Incentives

#### 9.1 Operating Margins

|  |
| --- |
| **Commentary** |
|  |

#### 9.2 NTS Shrinkage Report

|  |
| --- |
| **Commentary** |
|  |

#### 9.3 Residual Balancing

|  |
| --- |
| **Commentary** |
|  |

#### 9.4 Demand Forecasting

|  |
| --- |
| **Commentary** |
|  |

#### 9.5 GHG Venting Data

|  |
| --- |
| **Commentary** |
|  |

#### 9.6 Maintenance

|  |
| --- |
| **Commentary** |
|  |

### Section 10 – Finance

#### 10.1 Debt for BPFM

|  |
| --- |
| **Commentary** |
|  |

#### 10.2 Financial Summary (TWA)

|  |
| --- |
| **Commentary** |
|  |

#### 10.3 Financial Summary (YE)

|  |
| --- |
| **Commentary** |
|  |

#### 10.4 Fixed Rate Debt

|  |
| --- |
| **Commentary** |
|  |

#### 10.5 Floating Rate Debt

|  |
| --- |
| **Commentary** |
|  |

#### 10.6 Inflation Linked Debt

|  |
| --- |
| **Commentary** |
|  |

#### 10.7 Debt Dataset

|  |
| --- |
| **Commentary** |
|  |

#### 10.8 Data Validation

|  |
| --- |
| **Commentary** |
|  |

#### 10.9 Related Party

|  |
| --- |
| **Commentary** |
|  |

#### 10.10 RPEs and OE

|  |
| --- |
| **Commentary** |
|  |

### Section 11 – Memo Tabs

#### 11.1a FES – Final Submission

|  |
| --- |
| **Commentary** |
|  |

#### 11.1b FES – March Submission

|  |
| --- |
| **Commentary**  The number of pages for the commentary accompanying Tab 11.1b must not exceed 100 pages. It may be submitted separately, as an Annex to the March submission. |
|  |

#### 11.2 Data and Digitalisation

|  |
| --- |
| **Commentary** |
|  |

#### 11.3 Vehicles and Transport (Non-op)

|  |
| --- |
| **Commentary** |
|  |

#### 11.4 Vehicles and Transport (CAI)

|  |
| --- |
| **Commentary** |
|  |

#### 11.5a Climate Resilience

|  |
| --- |
| **Commentary** |
|  |

#### 11.5b Network Resilience

|  |
| --- |
| **Commentary**  The number of pages for commentary to this tab must not exceed 10 pages. |
|  |

#### 11.6 Uncertainty Mechanisms

|  |
| --- |
| **Commentary** |
|  |

#### 11.7 Cross Period Projects

|  |
| --- |
| **Commentary** |
|  |

### Additional Commentary

* 1. The network company should include additional supporting commentary on the BPDT where they consider it necessary to aid Ofgem’s understanding of the BPDT submission. Please insert any additional commentary below using headings and commentary boxes.

#### Additional Commentary

|  |
| --- |
| **Commentary** |
|  |