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## **RIIO-ET3 Electricity Transmission Price Control – Instructions and Guidance on Business Plan Data Templates: Version 2.0**

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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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## 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 form part of an extensive reporting and monitoring pack which will allow 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 intended to ensure consistency of reporting in the BPDTs between Licensees, and to improve the quality of regulatory reporting. Alongside the BPDT Instructions, Licensees should review and complete the commentary document, rounding off the BPDT reporting suite. These instructions should be read alongside the RIIO-3 Business Plan Guidance Document.

### 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 The BPDT reporting suite includes:

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- instructions and guidance on how to complete the associated workbooks (this document); and
- a template for providing commentaries on the data.

1.9 The combined suite of documentation will form 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**

1.10 The data templates have been designed to record the basis of investment plans for the RIIO-ET3 price control. The content has built on learnings 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.

1.11 Key points to note in completing the BPDTs are detailed in the following paragraphs.

1.12 Licensees must take all reasonable steps to ensure the quality of its data. Quality data will be accurate, complete, and clearly and fairly presented.<sup>1</sup>

1.13 Where a table contains multiple years of data (actual and/or forecast) that was reported in previous submissions, the Licensee should report updated data for all years, unless otherwise stated in the specific table guidance. Licensees are required to explain any material data revisions in their accompanying narrative.

1.14 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 are mainly coloured red.
- White and Grey pattern cells are used where cells do not need to be completed.

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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.

- 1.15 Where a reportable value is zero or not applicable to the Licensee, a zero value must be input rather than leaving the cell blank.
- 1.16 Where a table states data is to be filled by another Licensee, the primary Licensee does not need to populate the data.

## **Instructions and Guidance**

- 1.17 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;
  - reasons for the data requirement;
  - a glossary of terms used in the workbook; and
  - the provision of forecast data.
- 1.18 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 where indicated. Forecasts represent the Licensee's best view following its best endeavours to take account of all relevant internal and external factors.

## **Form of submission**

- 1.19 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. If there is any doubt about the method of submission, the Licensee should contact Ofgem.
- 1.20 The submission must be accompanied by a letter signed by a director on behalf of the Licensee confirming that all data within the BPDT and accompanying commentary document is accurate and has been provided in accordance with these instructions.

## Resubmissions

- 1.21 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.
- 1.22 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.
- 1.23 For each resubmission a detailed explanation must be provided in the changes log of the BPDTs for every cell that has been amended. The explanation must include sufficient commentary to explain the reasons for the resubmission.

## Commentary

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

## Reporting timeframes

- 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. 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 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 Sector Specific Methodology Decision for the Gas Distribution, Gas Transmission and Electricity Transmission Sectors | Ofgem](#)
- RIIO-3 Business Plan Guidance, 30th September 2024
  - [RIIO-3 Business Plan Guidance | Ofgem](#)

## 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 plans 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 excluding provisions, 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

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- 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, 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.

- 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-ET1 and CPIH will be used for inflation from the start of the first year of RIIO-ET2. 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 additional information beyond that requested is necessary to develop a complete understanding of the information presented in the tables, 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, 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, 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 the list of the data table names contained within the template 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 Not Used**

## **1.7 Assumptions**

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

2.31 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**

2.32 The Licensee should complete all the required information.

## **1.8 Asset Possibilities**

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

2.33 This sheet contains the asset classification list (agreed with Licensees).

### **Instructions for completion**

2.34 There is no input required in this worksheet.

## **1.9 Look Up Tables**

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

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

2.36 Licensees are required to input schemes and the 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), Scheme Name (column B) and a Project Reference (Column C).

2.38 Where applicable, schemes that have previously been designated an OSR by Ofgem on the basis through 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) or use nomenclature chosen by the relevant Licensee 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 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 these worksheets 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 The 2.2 Universal Data worksheet uses monthly inflation data in '2.3 Monthly Inflation' to calculate the RPI/CPIH splice index, from which annual inflation values (row 26) and the real to nominal price conversion factor (row 28) are derived.
- 3.5 Other interest rate data is also stored in this worksheet (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. 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 this worksheet requires deducting any equity issuance from the opening net debt volumes sourced from the 2.6 Financial Summary (YE) worksheet, and deducting interest expense, dividends and net taxes (allowance minus cost) from the closing net debt volumes found in worksheet 2.6 Financial Summary (YE). 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 Financial Summary (TWA) (row 269) 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 Financial Summary (TWA) (row 272) to debt types, by using the proportions of embedded and new closing debt types from 2.6 Financial Summary (YE). 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 Financial Summary (YE) (rows 194 to 200) 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 Financial Summary (YE). This operation allows Ofgem 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 Financial Summary (TWA) (rows 212 to 222 and rows 227 to 236) 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 Financial Summary (TWA). 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 Financial Summary (TWA).

- 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 Ofgem 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 worksheet 2.4 Debt for BPFM.
- 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) is found in rows 12-103 of this worksheet. This top section of this worksheet 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 89-103).

- 3.16 Average debt balance and cost of debt for use in BPFM (rows 106-130). 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 135-166), debt adjustments (rows 168-205), dividends (rows 207-216) 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 30-59 reflect embedded debt volumes and costs pre interest rate and inflation derivatives; rows 62-91 reflect the impact of interest rate and inflation derivatives on embedded debt volumes and costs. Rows 94-126 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 30-126 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 Debt Dataset are aggregated and summarised in said sections of worksheet 2.5 Financial Summary (TWA).
- 3.22 Volumes of new forecasted debt raised starting from year 2024/25 and related interest expenses are determined in the section in rows 129-193 ("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 Licensees 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 129-193 is based on a number of additional inputs that Licensees 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 Licensees 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-ET3.
- 3.25 Forecast Refinancing/New Debt: Opening New debt (N160). Input opening balance of new debt as of start of 2024/25 year. We have greyed out and pre-populated this cell as zero because outstanding debt at the start of 2024/25

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 12-27 (“Inflation rates to be used [...]” and “Interest rates to be assumed [...]” sections).
- 3.28 Conversion to Regulatory (RIIO-2) Definitions of Net Debt, Net Interest, and Costs excluded from Regulatory (RIIO-2) Definition of Net Interest (rows 198-204, 212-222, 227-236). Where applicable, enter adjustments required to adjust the actual net debt and net interest expense values to their RIIO-2 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 238) should exclude equity shareholder loan interest.
- 3.29 Forecast actual equity (rows 267-272). 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 243-264). 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 worksheet.

## 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 worksheets 2.10 and 2.7 to 2.9, as well as new debt information drawn from worksheet 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 worksheet is similar to 2.5, with embedded debt calculations at the top (rows 12-148), new debt in the middle (rows 151-190) and the derivation of total regulatory closing debt, which includes Licensee adjustments, at the bottom (rows 192-209).

3.33 Rows 12-50 use worksheets 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 53-90 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 93-131 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 151-190 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 worksheet 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 worksheet 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 worksheet 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 K207 the total Opening Net Debt per Regulatory Definition for year 2016. This is needed because opening embedded debt for 2021/22 as derived from worksheets 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 worksheet 2.10 Debt Dataset and calculate annual embedded debt volumes and interest payments for each instrument. This information is subsequently aggregated and utilised in worksheets 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 worksheet 2.10 Debt Dataset and calculate annual embedded debt volumes and interest payments for each instrument. This information is subsequently aggregated and utilised in worksheets 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 worksheet 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 worksheets 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 worksheets 2.7 to 2.9 and must not be amended.
- 3.47 Columns DC-EO contain 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 worksheets 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 worksheets 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-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-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.

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- 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.
- Amount for Use: populate with the GBP amount (£m) for use in worksheets 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 worksheets 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.

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- **Inflation\_Base\_Index:** for Inflation Linked instruments, insert reference base index applied at issuance. If not available, this will be automatically determined in worksheet 2.9 from the monthly inflation dataset in worksheet 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:** include rating fees, bank fees, legal costs, audit fees, listing agent fees. Do not include premiums/discounts (above/below par issue prices) or any costs which are provided for in Totex allowances. Insert amount in GBP (£m).
- **Description:** Insert additional relevant descriptive information.
- **Amortising profile:** 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 worksheets 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.

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- 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

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- 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
  - 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

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- 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
    - 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

3.54 Debt instruments issued in a non-GBP currency converted into an GBP equivalent instrument utilising a cross-currency swap:

- Where the instrument is issued in a non-GBP currency and a cross-currency swap is utilised (meeting the criteria below), the GBP equivalent swapped rate should be provided for in the rate inputs.
- The cross-currency swap should exactly reflect the underlying debt instrument and have no other economic effect or hedging intent than to convert the instrument into a GBP equivalent.
- Where the GBP equivalent rate is inputted in line with this guidance, the associated cross-currency swap should be excluded from direct input into the debt dataset to prevent double counting.

## 2.11 Data Validation

### Purpose and Use by Ofgem

3.55 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

3.56 Licensees should not make any changes to this worksheet.

## 2.12 BPFM Inputs

### Purpose and Use by Ofgem

3.57 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

- 3.58 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.
- 3.59 Non-variant and variant allowances: at Final Business Plan stage there is not a pre-defined definition for which activities should be considered as either non-variant or variant allowances. Licensees may choose to allocate activities into either category. The total of non-variant and variant allowances should equal the total totex from worksheet 3.1 Totex Annual Profile. Where there are instances of additional variant allowances being proposed which are not part of 3.1's totex, this should be clearly indicated in the row label and in the BPDT Commentary. This guidance applies to all variant/non-variant related fields, extending down to row 937.
- 3.60 Non-variant allowances: this section contains yellow input cells which also already contain formulas linking to worksheet 3.1. Licensees may overwrite these cells with their own links or values if the provided formulas would not lead to the correct totals, and should explain the changes made in the BPDT Commentary.
- 3.61 Variant attributes: this table, in which Licensees input the attributes of variant activities (TIM or non-TIM; RPEs applicable; capitalisation bucket; natural cap rate), does not accept inputs for activities that existed in RIIO-2. The BPFM will use RIIO-2 attribute settings, so no input is required.
- 3.62 Financeability inputs: "Statutory depreciation [from BPDT]" and "BPDT capex input"; these inputs are used in the BPFM for the purposes of calculating the licensee's statutory depreciation position. Statutory depreciation should include intangibles. BPDT capex should include accruals and intangibles that are part of totex activities. "Additional borrowing cost assumption (for actual company debt)" may be used to add any expected uplift on calculated new debt costs. "Forecast

actual gearing" should be the forecast of combined embedded and new debt, based on the entries in the 2.4-2.11 debt tables.

- 3.63 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 2023 triennial pensions review. Licensees should make forecasts of values where necessary.

## **2.13 BPFM Inputs 2**

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

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

## **2.14 Difference**

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

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

## **2.15 Sum Cost Matrix Summary**

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

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

## **2.16 BP Tax Inputs**

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

- 3.67 The purpose of this worksheet is to collect information relating to forecast corporation tax information on a regulatory basis, including Capital Allowances and Tax Pool Allocations.

### **Instructions for completion**

- 3.68 A new "Intangibles" allowance has been added, whereby an appropriate weighted average amortisation would be chosen and assumed to commence in the period following addition. This has been greyed out for Business Plans but kept as a placeholder for AIP 2025.

## **2.17 BP Disposals 1**

### **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 9-113: 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).

3.71 Rows 132 to 253: in yellow input cells insert details of any adjustments or reclassifications relating to disposals.

## **2.18 BP Disposals 2**

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

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

### **Instructions for completion**

3.73 Rows 12-93: 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 worksheet 2.17 BP Disposals 1.

## **2.19 Liquidity Licensee**

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

3.74 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.

3.75 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**

- 3.76 The definitions of cash and cash equivalents should align to the applicable statutory accounting definitions.
- 3.77 Reported Revolving Credit Facilities (“RCFs”) should include committed facilities, with the ability to draw and repay loans flexibly over the term of the facility. These facilities should be available to draw at each given reporting date. The purpose of these debt facilities should be for general liquidity management or working capital purposes. Facilities which are primarily in place as credit enhancement for the benefit of lenders should be excluded, for example debt service reserve facilities.
- 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:
- 3.80 Details on any applicable licensee liquidity target or policy.
- 3.81 Confirmation on whether there are cash pooling or other similar group treasury management policies in effect. If there are these arrangements in place, how they operate.

If cash equivalents are held, what these investments are composed of.

## **2.20 Liquidity Group**

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

- 3.82 This table is optional. It should be completed where respondents consider the standalone reporting for a licensee would give a misleading impression of the required business liquidity due to intra-group treasury management arrangements such a cash pooling.
- 3.83 Where respondents choose to provide this additional data, this table should be completed in addition to 2.19 on a standalone basis.

### **Instructions for completion**

- 3.84 The provision of information should be provided on an unconsolidated legal entity basis for the group entity which is managing the liquidity.

Additional commentary should be provided where liquidity held at the group level incorporate business or activities outside the cited licensees in the disclosure. This

disclosure should explain to what extent available liquidity is attributable to these other businesses or activities.

## **2.21 Liquidity Group Structure**

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

3.85 This table provides a space for detailing the group structure.

### **Instructions for completion**

3.86 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**

3.87 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.

3.88 Therefore, all cost forecasts provided within the other tables of the BPDT should be exclusive of RPEs and OE.

### **Instructions for completion**

3.89 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.

3.90 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 Network Operating Costs to increase by 1% above CPIH from 2023/24 to 2024/25, enter 1.01 for the year 2024/25.

3.91 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 that those used in Capex, then a different index can be entered for each. Otherwise, all indices can be equal.

- 3.92 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.
- 3.93 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.
- 3.94 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).
- 3.95 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).
- 3.96 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).
- 3.97 Ongoing Efficiency: this table requests Licensees to provide their ongoing efficiency forecasts. Ongoing efficiencies are productivity improvements expected by even the most efficient Licensee. This should represent a Licensee's forecast of reductions in input volumes that can be achieved whilst delivering the same outputs.
- 3.98 Ongoing efficiency assumptions have a base year of 2023/24, ie if you expect ongoing efficiencies for Network Operating Costs to decrease costs by 1% per annum from 2023/24 to 2024/25, then enter 0.99 for year 2024/25, and so on.
- 3.99 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

- 3.100 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.
- 3.101 Excludes:

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- 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.

Specialist Labour

3.102 People employed in the following standard occupation classification codes:

- 21: science, research, engineering and technology professionals
- 31: science, engineering and technology associated professionals
- 52: skilled metal, electrical and electronic trades
- 53: skilled construction and building trades

3.103 This does not include the labour element of any contractor costs.

Transport

3.104 See section 11.8 Vehicles & Transport Memo

Materials

3.105 For the purposes of the Cost and Volumes Reporting Pack, this is a Cost Type.

3.106 The physical components that go into the make-up of a tangible asset or are used for maintenance or other duties by the licensee and related parties when undertaking activities.

3.107 INCLUDES:

- tangible items that become part of the network assets
- small tools, equipment and consumables utilised to allow work on the network and to undertake other activities
- purchase, rent or lease of vehicles (only where they are “non-operational assets”)
- fuel for the operational fleet (include under the Vehicles and Transport (CAI))

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- materials provided by a contractor where the costs have been separately identified
- delivery costs of materials or stock to stores or site from the manufacturer/supplier
- postage and stationery.

3.108 EXCLUDES:

- company cars
- procurement management
- delivery costs from stores to another stores or to site
- storage of the materials, unless the purchase price includes the cost of storage by the supplier.

Plant & Equipment

3.109 See STEPM definition under 8.7 NOCs other.

## 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 Reconciliation to RRP (row 107): Licensees are required to reconcile the Total TO auto-populated in row 26 with data provided in the 2023/24 RRP.
- 4.5 Explanation of Variance (cells D113-W119): Comment on any material variances must be reported within the Notes/Explanation of variance field.

### 3.2 Overview tables

#### Purpose and Use by Ofgem

- 4.6 The purpose of these tables is 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

- 4.7 This worksheet contains individual volume and capital expenditure tables for the following cost categories: load, non-load and network operating activity.

4.8 Table 1: Load related volume activity:

- Licensee (Column B): This column indicates which Licensee is required to report against each Sub-category (Column C).
- Units (Column D): Licensees are required to report the volume activity for each sub-category against the corresponding units.
- Reporting period (Rows 15-17): Licensees are required to report the activity volumes for each sub-category according to the reporting period indicated. Row 18 indicates the reporting document where this data can be found. For each reporting period Licensees may be asked to report:
  - Total volume planned
  - Total volume delivered
  - Annual average volume delivered
  - 3 year average volume delivered

4.9 Table 2: Load related capital expenditure:

- Licensee (Column P): This column indicates which Licensee is required to report against each Sub-category (Column Q).
- Reporting period (Rows 15-17): Licensees are required to report capital expenditure for each sub-category according to the reporting period indicated. Row 18 indicates the reporting document where this data can be found. For each reporting period Licensees may be asked to report:
  - Total cost forecasts (planned)
  - Total costs incurred
  - Annual average
  - 3 year average

4.10 Licensees should ignore any funding categories that do not apply to them.

4.11 Notes (Cells E48:Z53): Comment on any material variances between planned and delivered activity/expenditure must be reported within the Notes section.

4.12 Table 3: Non-Load related volume activity:

- Units (Column D): Licensees are required to report the volume activity for each sub-category against the corresponding units only in the yellow highlighted cells.

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- Reporting period (Rows 58-60): Licensees are required to report the activity volumes for each sub-category according to the reporting period indicated. Row 61 indicates the reporting document where this data can be found. For each reporting period Licensees may be asked to report:
  - Total volume planned
  - Total volume delivered
  - Annual average volume delivered
  - 3 year average volume delivered

4.13 Table 4: Non-load related capital expenditure:

- Licensee (Column P): This column indicates which Licensee is required to report against each Sub-category (Column Q).
- Reporting period (Rows 58-60): Licensees are required to report capital expenditure for each sub-category according to the reporting period indicated. Row 61 indicates the reporting document where this data can be found. For each reporting period Licensees may be asked to report:
  - Total cost forecasts (planned)
  - Total incurred costs
  - Annual average
  - 3 year average

4.14 Notes (Cells E75:Z80): Comment on any material variances between planned and delivered activity/expenditure must be reported within the Notes section.

4.15 Table 5: Network operating related volume activity:

- Units (Column D): Licensees are required to report the volume activity for each sub-category against the corresponding units.
- Reporting period (Rows 85-87): Licensees are required to report the activity volumes for each sub-category according to the reporting period indicated. Row 88 indicates the reporting document where this data can be found. For each reporting period Licensees may be asked to report:
  - Total volume planned
  - Total volume delivered
  - Annual average volume delivered

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- 3-year average volume delivered

4.16 Table 6: Network operating expenditure:

- Licensee (Column P): This column indicates which Licensee is required to report against each Sub-category (Column Q).
- Reporting period (Rows 85-87): Licensees are required to report capital expenditure for each sub-category according to the reporting period indicated. Row 88 indicates the reporting document where this data can be found. For each reporting period Licensees may be asked to report:
  - Total cost forecasts (planned)
  - Total incurred costs
  - Annual average
  - 3-year average

4.17 Notes (Cells E134:Z139): Comment on any material variances between planned and delivered activity/expenditure must be reported within the Notes section.

## **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 For each cost categorisation identified in row 8 information is required to be reported against the following cost types indicated in column A:

- Gross Costs (excluding Related Party Margins) (Row 14): This is auto-populated from elsewhere in the workbook;
- Related Party Margins (Rows 15-30): Licensees are required to add detailed cost information by item in rows 16-30. Row 15 will sum to total the information added in the below rows;
- Customer contributions (Row 33): All customer contributions should be input as negative values. Customer contributions will auto populate inputs from data located elsewhere in the worksheet for the majority of load and non-load cost categories identified in row 8 (Columns B-M). However, Licensees are required to manually enter customer contributions for the remaining cost categories if applicable;
- Cost recoveries (Row 34): Licensees are required to input data as negative values;
- Indirect Allocations (Rows 46-51): Licensees are required to input data against each activity for RIIO-ET2 onwards;

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- Expenditure allocations to activities outside the price control (Excl. services) (Rows 55-60): Licensees are required to input data manually for each activity listed in column A;
- Related Party totals (Rows 66-80): Licensees are required to add detailed cost information by item in rows 66-80. Row 65 will sum to total the information added in the below rows.

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)); and
- before the impact of the customer contributions and cost recoveries.

5.6 Cost matrices for RIIO-ET2 onwards (4.10 Cost Matrix 2022 - 4.24 Cost Matrix 2036) includes greater detail of information in terms of spend. These are:

- For RIIO-ET2 (4.10 Cost Matrix 2022 - 4.14 Cost Matrix 2026):
  - Baseline Gross Costs (excluding Related Party Margins)
  - Other Uncertainty Mechanism Net Costs
  - Reopener Net Costs
  - Other Net Costs
  - Uncertain Customer Contributions
- For RIIO-ET3 and beyond (4.15 Cost Matrix 2027 - 4.24 Cost Matrix 2036):
  - Baseline Gross Costs (excluding Related Party Margins)
  - Net Costs Associated with T2 deliverables
  - Other Uncertainty Mechanism Net Costs
  - Reopener Net Costs
  - Other Net Costs
  - Uncertain Customer Contributions

## 4.25 – 4.47 Asset Movements (by year)

### Purpose and Use by Ofgem

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

### Instructions for Completion

5.8 The Licensee should fill in the yellow cells:

- Opening Balance (Column G): Input is only required for sheet 4.25 Asset Movements 2014 and sheet 4.33 Asset Movements 2022;
- Data cleansing (Column H): On an ongoing reporting basis only;
- Additions (Columns I-S): Licensees are required to report additions for each asset category and voltage within each funding category indicated in row 5. Licensees should report the additions for each asset against the unit indicated in column D. Please note:
  - 'Non-load Other' in column Q refers to all non-load asset movements excluding Replacement and Decommissioning;
  - 'Other' in column R refers to any other movements not captured in the other columns; and
  - 'Faults' in column S refers to additions for fault work.
- Disposals (Columns V-AF): Licensees are required to report the disposals for each asset category and voltage within each funding category indicated in row 5. Licensees are required to report disposals as negative values. Licensees should report the disposals for each asset against the unit indicated in column D. Please note:
  - 'Non-load Other' in column AD refers to all non-load asset movements excluding Replacement and Decommissioning;
  - 'Other' in columns R & AE refers to any other movements not captured in the other columns. This may include items such as ASTI, tCSNP2 projects or items in the pipeline log. Please place any project breakdown in the commentary; and
  - 'Faults' in column AF refers to disposed fault assets.

- 5.9 Please note, for the RIIO-ET1 reporting years (2014 to 2021 inclusive) all addition and disposal columns require manual input, and there is a different asset list from RIIO-ET2 onwards.
- 5.10 Total 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 this 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 All system characteristics should 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).
  - 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 primary voltage (rows 28-30).
  - Reactive compensation numbers: Licensees to provide the number of reactive equipment type by voltage (rows 34-38).
  - Route km: Licensees to provide the number of route km by voltage for OHL (rows 41-44) and onshore and offshore underground cable (row 45-52).
  - Grid Supply Points: Licensees to provide the number of GSP by voltage (rows 56-59).
  - Grid Entry Points: Licensees to provide the number of GEP by voltage (rows 62-65).
  - HVDC links: Licensees to provide the count of number of links owned, the capacity and the length lengths of link in km disaggregated by onshore and offshore (rows 68-71).

- Modern Equivalent Asset Value (MEAV) (row 74).
- Average Circuit Unreliability (ACU): Licensees to provide the number of network assets unavailable as a result of asset unreliability (rows 77-83).

## **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:

- 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.

### Reactive compensation numbers

5.18 To be counted as a reactor, this should only include items of 13kv and above (reactors).

#### Cct Kilometres

5.19 This should exclude High Temperature Low Sag (HTLS) Conductor.

#### Average Circuit Unreliability (ACU)

5.20 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.

5.21 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.

- $ACU = \frac{\text{Total repair outage time in the period}}{(\text{No of circuits}) * (\text{time in period})}$

5.22 The calculation above should be performed for each of the assets listed on the table and consistent with that information collected and reported via the ESO system performance and availability.

#### MEAV

5.23 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). Ofgem will provide direction on a standardised approach for MEAV. This will include:

- A standardised asset list as set out in 1.8; and
- A unit cost for each operational asset included in the list. A unit cost will be issued but may be subject to change after the final submission.

## 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 costs within the RIIO-ET2 and RIIO-ET3 periods. This will act as a link to the detailed outputs, costs 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.
    - Note: Projects included in the legacy logs or pipeline log do not need adding here.

#### Worksheet inputs

- 6.5 The worksheet requires the following 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).

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- Project Reference in the Project Meta Data worksheet is driven by what is populated in the Look Up Tables.
- Scheme Reference (column B): Denotes the scheme reference code that the cost and volume details relate to. This is driven by what is populated in the Look Up Tables.
- Scheme name (column C): Entry of scheme name is driven by what is populated in the Look Up Table.
- Project name (column D): Manual entry of project name.
- TO Scheme Reference (column E): Entry of unique Scheme Reference assigned by the Licensee. This is driven by what is populated in the Look Up Table.
- 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): This 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): This drop-down menu represents the applicable units associated with the Primary Output type.
- Electrical Output Count (column L): This will capture the quantity of output anticipated to be delivered as defined by the unit categorisation selected. 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 a drop-down menu based on the current established milestones of a project (not started, in progress, completed, closed).
- Output Delivery Year (column R): The final date of output delivery (eg for a scheme delivering outputs in 2019, 2020, and 2021, the Output Delivery 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 S): Stage of maturity of the scheme as designated by the TO.
- Note/Explanation (column T): Any qualitative notes or explanations about data provided in the table or other data that the Licensee would want to highlight to Ofgem.
- Commentary/reference (column U): 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 V): This drop-down menu enables the Licensee to designate one of four options: Baseline, Re-opener, Other Uncertainty Mechanism or Other.
- Original Engineering Justification Reference (column W): The reference to the submitted EJP paper.
- Original CBA Justification Reference (column X): The reference to the submitted CBA paper.

## 5.2 Scheme Output

### Purpose and use by Ofgem

- 6.6 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.

6.7 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**

6.8 Licensees are required to enter annual scheme outputs.

#### Worksheet inputs

6.9 Licensees are required to fill in:

- Scheme reference (column A): Manual entry to denote the scheme reference code that the cost & volume details relate to.
- 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).
- Project Reference (column F): Data in column F is auto-populated from previous worksheets.
- 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 2036. 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**

- 6.10 The purpose of this table is to collate information from Licensee cost books regarding recent transactions, after 11 June 2022, for load and non-load related capex costs on an aggregated basis, to help estimate an efficient cost that is workable in current market conditions.
- 6.11 The table enables each Licensee 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.
- 6.12 This is an information gathering worksheet only and is not formulaically connected to other sheets in the BPDT.
- 6.13 We request Licensees to submit this worksheet and commentary to Ofgem by 31 January 2025 COP. This will form part of the final business plan submission for RIIO-ET3 and thus will be subject to Business Plan Incentive (BPI) assessment. This is the only worksheet for which we will accept submission after the December deadline for the final business plans.

#### **Instructions for completion**

- 6.14 Schemes are deemed to be applicable and to be reported if:
- The scheme was tendered on, or after 11 June 2022; and
  - The scheme was competitively tendered as per the internal P&C assurance process.
- 6.15 Licensees must input a single entry in this worksheet for each unique entry noted in 6.1 Scheme C&V Load Actuals where the flag in column CJ has been marked as Yes.
- 6.16 Licensees must input a single entry in this worksheet for each unique entry noted in 7.1 Scheme C&V Non Load Actuals where the flag in column CI has been marked as Yes.

#### Worksheet inputs

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- 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.
- Project Name (Column D): Manual entry of project name.
- Number of tenders invited (Column E): Number of contractors or suppliers requested to submit tenders.
- Number of tenders submitted (Column F): Number of tenders submitted to the Licensee upon invitation.
- Number of successful tenders (Column G): Number of tenders that met all technical criteria and programme requirements, consequently progressing to pricing decision stage.
- Primary reason for failure (Column H): The drop-down menu enables a Licensee to identify primary reason for tenders not reaching the stage noted in column G. Where reasons were split on multiple grounds, please select 'Mixed' from the drop-down.
- Is framework agreement applied? (Column I): Select Yes/No from the drop-down menu. This informs Ofgem if any framework agreement applied at the time of tendering.
- Framework agreement reference (Column J): Manual entry to denote any applicable framework agreement reference.
- Type of framework agreement (Column K): The drop-down menu enables a Licensee to identify type of framework agreement applied (Single Supplier Agreement or Multi Supplier Agreement).
- Mean total cost of tender submissions (Column L): Requested descriptive statistic on all the tender submissions received for this project and asset entry.
- Median total cost of tender submissions (Column M): Requested descriptive statistic on all the tender submissions received for this project and asset entry.
- Minimum total cost of tender submissions (Column N): Requested descriptive statistic on the lowest total cost of the tender submissions received for this project and asset entry.

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- Maximum total cost of tender submissions (Column O): Requested descriptive statistic on the highest total cost of tender submissions received for this project and asset entry.
- Any additional scoring information (Column P): Free text box. Licensees may opt to use the BPDTC.
- Year of Submission (Column Q): The regulatory year the tenders were submitted.
- Price fluctuation flag (Column R): Select Yes/No from the drop-down menu. This informs Ofgem if some form of indexation applies to the framework agreement or successful tender to account for price fluctuation.
- Ofgem Scheme Reference (OSR) (Column S): Manual entry to denote the scheme reference code that the cost and volume details relate to.
- Scheme Name (Column T): Manual entry of scheme name.
- TO Scheme Reference (Column U): Unique scheme reference assigned by the Licensee.
- Optioneering Stage (Column V): The stage of design the project was at when tendered.
- Start Year (Column W): The regulatory year in which expenditure on the project commenced (including the cost of Indirect Activities).
- Close Year (Column X): The date of completion (or expected completion).
- 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-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-Category Secondary (Column AB): the drop-down menu enables a Licensee to identify the secondary categorisation that may apply (eg "Security

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

- Volume Measure (Column AC): the drop-down menu enables a Licensee to capture the volume measure description that may apply (Addition, Disposal, Maintenance Volumes, Refurb Volumes, Sites Resolved).
- Units (Column AD): 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 AE): Manual entry to specify the applicable electrical or physical volume count (eg '100' Megawatts for electrical, '6' Circuit Breakers).

## 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 2014-2036, 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.
- ASTI projects where submission for funding will be sought on the day of or prior to submission of final BPDT's.
- Sub £100m tCSNP2 or CPP2030 projects that are to be considered for funding as part of T3 baseline.

7.9 Where items coming under ASTI have been submitted to Ofgem for cost assessment, projects will be reported under one line per project using the asset category 'Other (Direct)' with the mechanism category 'Other'. 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.

7.11 Licensees are required to input separate entries to detail forecasted or observed risk and contingency (R&C) spending. At minimum, each R&C entry will be unique to a project. Licensees may wish to detail R&C spending on a scheme level where appropriate. R&C spending entries will utilise the worksheet inputs detailed in this section with static input for four columns:

- Scheme sub-category (column E): To be left blank.
- Mechanism category (column L): To be left blank.
- Asset Heading (column P): Select 'Other'.

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- Asset category (column Q): Select 'Risk'.

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:
  - 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.
- Note: As a general principle, subcategory 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:

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- Substation Extension and/or OHL Reinforcement
- New Substation and/or New OHL/Cable (offline)
- Shared Drivers
- 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 menus 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 steps may 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 cost 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, Re-opener, Other Uncertainty Mechanism or Other.
- Licence Term (column M): The drop-down menu provides the option for Licensees to add the licence term, where this is applicable.
- 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, ie does it apply to a physical asset ("Assets") or to another activity (eg "Protection", "Civils" etc.).
- Asset Category (Column Q): 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-Category Primary (column R): 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-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.

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- Intervention (column U): The drop-down menu enables a Licensee to identify the intervention classification that may apply (eg Addition, Disposal or New Build).
- Volume Measure (column V): The drop-down menu enables a Licensee to capture the volume measure description that may apply (Addition, Disposal, Maintenance Volumes, Refurb Volumes, Sites Resolved).
- Units (column W): 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 X): Manual entry to specify the applicable electrical or physical volume count (eg '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. Columns Y and AC 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 (and beyond) 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 2013 and 31 March 2036 inclusive or beyond. Other schemes relate to non-baseline schemes;

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- 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” category type in column Q); and
  - the value of any cost recoveries at a scheme level (to be entered as negative values).
- Non asset cost category 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.
- 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 BD to BG 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) in the period attributable to each scheme between 1st April 2013 and 31st March 2036 (and beyond) 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 an auto-populated 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.

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- 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 drop-down menu will support with the automatic population of 6.5 T3 Baseline Load and 10.4 Crossover Projects T2-T3.
  - We have also included a T3 Uncertainty Mechanism (UIOLI) flag, where Licensees best view this is the route they use, we request they signal this to us here.
- Note: Columns CM to CN are only applicable to T2 Carry Over Projects.
- Carry Over Type (column CM): This drop-down menu gives further detail regarding the circumstances of carry over projects.
- Has there been recent engagement with Ofgem on the project? (column CN): 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)

7.12 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)

7.13 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)

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

#### Local Enabling (Exit)

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

#### Wider Works

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

7.17 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); and
- 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).

7.18 Excludes:

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

#### Infrastructure – TSS

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

#### Substation Extension and/or OHL Reinforcement

7.20 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.

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

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

7.22 New installation (greater than 5km from an existing site which does not constitute 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.

7.23 All new OHL and Cable routes.

Shared Drivers

7.24 Load related reinforcement works on:

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

7.25 It includes significant non-load related elements or other external interfaces. May include a degree of Strategic Investment.

Substation Replacement, Augmentation

7.26 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).

7.27 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)

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

NETS

7.29 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

7.30 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

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

#### Expected completion

7.32 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

7.33 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.

#### Direct Activities / Indirect Activities

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

7.35 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 (distribution assets), whereas direct activities do.

7.36 For further detail, please see Appendix 1.

7.37 Indirect activities include:

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

7.38 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.

7.39 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**

7.40 The purpose of this table is to collate all details regarding load related capex projects which had expenditure in the RIIO-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 RIIO-ET1 RRP as its base.

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

### **Instructions for completion**

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

- They are categorised as load related capex;
- Costs were incurred in the RIIO-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 in the RIIO-ET2 RRP. Those that were completed after 31st March 2021 should be included in the 6.1 Scheme C&V Load Actuals.

7.43 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.

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- 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.
- 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:
  - 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. Manual input of positive absolute value is required, no text.
- Annual costs (columns J-R): Each Licensee will provide annual direct costs information on any activity undertaken between 1st April 2013 and 31st March 2021.

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- Note: We have inserted a column for costs prior to the RIIO-ET1 period. We request Licensees to fill in this data where feasible.
- Total (column S): This will auto-populate from the manual figures listed on the worksheet.
- Customer Contributions (columns T-AA): Each Licensee 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; 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 (column AC-BD): A breakdown of scheme costs by asset category.
- Total Scheme Cost (column BE): This will auto-populate from the manual figures listed on the worksheet.
- Scheme Cost Check (column BF): This will auto-populate with either ‘OK’ or ‘Check’ depending on whether the total of annual costs amounts to the total asset cost, subject to a rounding error.
- Asset additions (columns BG-CH): 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 CI-DJ): 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

7.44 For the avoidance of doubt, these are how to classify RIIO-ET1 mechanism categories under the RIIO-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.

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

### Local Enabling (Entry):

7.46 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):

7.47 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:

7.48 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

7.49 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 Not Used**

### **6.4 Planning Consent Req**

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

7.50 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.

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

#### **Instructions for completion**

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

7.53 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 TO mitigation activities (table 1 - rows 12-27) and undergrounding provision activity (table 2 - rows 33-48) associated with planning consent requirements.

7.54 Table 3 (rows 54-69) 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 TO mitigation works:

- Undergrounding (column E): 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 (column F): 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;
- OHL d/c (column G): 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 (column H): Licensees will input the number of Towers dismantled for each scheme; and
- Bays (column I): Licensees will input the number of new substation bays that formed part of each scheme.

7.55 Table 4 (rows 79-93) 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 Commissioning date, Forecast Year (column B): This is used to determine the profile of expenditure that a Licensee will receive before the output is delivered; and
- Cable Commissioning date, Actual Year (column C): a Licensee will only fill this in when the scheme has been completed during the reporting year.

7.56 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<2500mm<sup>2</sup>). The cable volume should be input in circuit km to the nearest 0.1 circuit km.

## 6.5 T3 Baseline Load

### Purpose and use by Ofgem

7.57 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 of baseline funding they will be seeking in the RIIO-ET3 period.

**Instructions for completion**

7.58 There is no input required in this worksheet.

7.59 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
  - If any of the above are applicable but deliver outputs in timescales 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 Licensees are required to input separate entries to detail forecasted or observed risk and contingency (R&C) spending. At minimum, each R&C entry will be unique to a project. Licensees may wish to detail R&C spending on a scheme level where appropriate. R&C spending entries will utilise the worksheet inputs detailed in this section with static input for four columns:
- Scheme Sub-category (column E): To be left blank.
  - Mechanism Category (column K): To be left blank.
  - Asset Heading (column O): Select 'Other'
  - Asset Category (column P): Select 'Risk'.

#### Worksheet inputs

- 8.9 Relate each scheme to a project by selecting from the dropdown in column C, then select the appropriate categories in columns E, K and L.
- 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:
    - Replacement;
    - Refurb Major;
    - Refurb Minor;
    - Decommissioning; and
    - Uncertain Costs.

- General principle: The subcategory 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 menus 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:
    - 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 and Planning: 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 Assessments: 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 & Planning: Obtaining necessary consents and planning approvals is critical. Key steps may 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 Condition: 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 cost 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.
- Mechanism Category (column K): The drop-down menu provides four options: Baseline, Re-opener, Other Uncertainty Mechanism 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-Category Primary (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-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 (eg Replacement, Refurb Major, Refurb Minor, Maintenance, Addition, Disposal, New Build). 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 Volumes, Refurb Volumes, 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 (columns Y-AB): The Licensee is required to manually input the value of costs incurred attributable to each project by year. Columns Y to AB are auto-populated from information listed on the data worksheet.

The Licensee is required to manually input the value of direct costs incurred in the period attributable to each scheme. Columns Y and AB are auto-populated from information listed on the data worksheet.

- Annual costs (columns AC-AZ): 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 (and beyond) 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 Licensee will provide annual information on the value of:
  - capital contributions paid or currently forecast between 1st April 2013 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;

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- 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 Licensee to provide data entry at a scheme level.
- Non Asset cost category 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 Contributions (column BC-BF): The Licensee is required to manually input the value of contributions incurred in the period attributable to each scheme. Columns BC and BF are auto-populated from information listed on the data worksheet..
  - Annual Customer Contributions (columns BG-CD): Each Licensee will provide annual customer contributions information on any activity undertaken (or forecast to be undertaken) between 1 April 2013 and 31 March 2036 (and beyond) 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 an auto-populated entry cell.
  - Forecast energisation year (column CG): This will mark the anticipated date of live operation of the scheme.

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- Actual energisation year (column CH): This will mark the actual date of live operation of a scheme.
- Each Licensee 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 drop-down menu will support with the automatic population of 6.5 T3 Baseline Load and 10.4 Crossover Projects T2-T3.
  - We have also included a T3 Uncertainty Mechanism (UIOLI) flag, where Licensees best view this is the route they use, we request they signal this to us here
- Note that Columns CL-CM are only applicable to T2 Carry Over Projects.
- Carry Over Type (column CL): This drop-down menu gives further detail regarding the circumstances of carry over projects.
- Has there been recent engagement with Ofgem on the project? (column CM): Detail regarding points of contact in Ofgem regarding the project and nature of discussions.

### Definitions for use in this worksheet

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

- Replacement;
- Refurb Major;
- Refurb Minor;

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- New Build; and
- Decommissioning.

Customer Contributions (enter as negative)

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

NETS

8.12 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

- 8.13 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

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

Expected completion

8.15 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

8.16 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.

#### Direct Activities

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

#### Indirect Activities

8.18 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 (distribution assets), whereas direct activities do.

8.19 For further detail, please see Appendix 1.

8.20 Indirect Activities INCLUDE:

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

8.21 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.

8.22 EXCLUDE:

- 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**

8.23 The purpose of this table is to collate all details regarding non-load related capex projects which had expenditure in the RIIO-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 RIIO-ET1 RRP as its base.

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

### **Instructions for completion**

8.25 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 in the RIIO-ET2 RRP. Those that were completed after 31st March 2021 should be reported in 7.1 Scheme C&V Non Load Actuals.

8.26 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.

8.27 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:
  - Refurbishment;
  - Replacement;

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- 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-S): Each Licensee will provide annual direct costs information on any activity undertaken between 1st April 2013 and 31st March 2021.
- Note: We have inserted a column for costs prior to the RIIO-ET1 period. We request Licensees to fill in this data where feasible.

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- Total (column T): This will auto-populate from the manual figures listed on the worksheet
- Customer Contributions (columns U-AB): Each Licensee 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; and
  - the value of any cost recoveries at a scheme level (to be entered as negative values).
- Total Customer Contributions (column AC): This will auto-populate from the manual figures listed on the worksheet.
- Breakdown Total Scheme Cost (columns AD-AM): A breakdown of scheme costs by asset category.
- Total Scheme Cost (column AN): This will auto-populate from the manual figures listed on the worksheet.
- Scheme Cost Check (column AO): This will auto-populate with either ‘OK’ or ‘Check’ depending on whether the total of annual costs amounts to the total asset cost, subject to a rounding error.
- Asset additions (columns AP-BO): 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 BP-CO): 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

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

8.29 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

8.30 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

8.31 Non-lead assets 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.

8.32 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.

8.33 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 7.2 even if the output it is now being delivered by a lead asset scheme.

8.34 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**

8.35 The purpose of these tables is to provide a summary of costs incurred, by asset type, across the RIIO-ET3/beyond RIIO-ET2 periods, for Spares, ESR (formerly known as Black Start) and 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

- 8.36 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.
- 8.37 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.
- 8.38 The purchase of a Strategic Spare is treated as a totex cost, which is different to the treatment of normal stock items.
- 8.39 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 (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 Cost and 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 S (2027/28) 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).
  - Treatment on the utilisation of Strategic Spares:
-

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- Licensees will track the usage of Strategic Spares to specific incidents and their deployment / utilisation.
  - 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. For example, if a further 5 spare transformers were purchased in year 1 of RIIO-ET2 with an acquisition cost of £2m each, and if a single Strategic Spare transformer enters service in year 2, the cost is presented by an entry of "-2" (£m) in the cost table (column N). The impact on the total inventory is a reduction from £10m to £8m as a result of the spare entering service.
  - In terms of total volume, if the Strategic Spare transformer enters service in year 2023 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 5 to a count of 4 as one enters service in year 2.
  - 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 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 C&V table relating to the cost (in the above example - faults).
- 8.40 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).
- 8.41 For Spares reporting, Licensees should report on:
- Annual costs (columns M-AB): Each Licensee will provide annual cost information on any activity undertaken (or forecast to be undertaken)

between 1st April 2021 and 31st March 2036 and beyond. Columns AC-AE will auto-populate.

- Annual Activity Volumes (columns AH-AW): Requires manual entry of the volumes between 1st April 2021 and 31st March 2036 and beyond. Columns AX-AZ will auto-populate.
- Annual Disposals (columns BC-BR): Requires manual entry of the disposals between 1st April 2021 and 31st March 2036 and beyond. Columns BS-BU will auto-populate.

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

8.43 Mechanism Category (Rows 279-282): Additional input rows are included to allow Licensees to enter the costs split across Baseline/Reopener/Other Uncertainty Mechanism/Other incurred or forecast to be incurred in RIIO-ET2 and RIIO-ET3 (columns M-AB). This information will be used to inform the relevant PCFM calculations.

8.44 Capex Opex Split (Rows 285-286): These rows are included for Licensees to enter the baseline capex/opex split for the total Spares costs. This entry will be used to inform the PCFM calculations.

#### ESR (Electricity System Restoration)

8.45 Costs and volumes should be reported against the appropriate asset classes listed in worksheet 7.4.

8.46 In the first table 'Sites resolved' (rows 14-36), 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' (rows 41-63), Licensees are not currently required to populate costs but should report volumes.

8.48 For ESR reporting, Licensees should report on:

- Annual costs (columns M-AJ): Each Licensee will provide annual cost information on any activity undertaken (or forecast to be undertaken) between 1st April 2013 and 31st March 2036 and beyond. Columns AK-AN will auto-populate.
- Activity Volumes (columns AQ-BN): Requires manual entry of the volumes between 1st April 2013 and 31st March 2036 and beyond. Columns BO-BR will auto-populate.

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- 8.49 Mechanism Category (Rows 66-69): Additional input rows are included to allow Licensees to enter the costs split across Baseline/Re-opener/Other Uncertainty Mechanism/Other incurred or forecast to be incurred in RIIO-ET2 and RIIO-ET3 (columns U-AJ). This section is not applicable for costs incurred in RIIO-ET1. This information will be used to inform the relevant PCFM calculations.
- 8.50 Capex Opex Split (Rows 72-73): These rows are included for Licensees to enter the baseline capex/opex split for the total ESR costs. This entry will be used to inform the PCFM calculations.

Losses

- 8.51 Costs and volumes should be reported against the appropriate asset classes listed in worksheet 7.5.
- 8.52 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 costs and volumes reported in other worksheets.
- 8.53 For Losses reporting, Licensees should report on:
- Annual costs (columns M-AJ): Each Licensee will provide annual cost information on any activity undertaken (or forecast to be undertaken) between 1st April 2013 and 31st March 2036 and beyond. Columns AK-AN will auto-populate.
  - Annual Activity Volumes (columns AQ-BN): Requires manual entry of the volumes between 1st April 2013 and 31st March 2036 and beyond. Columns BO-BR will auto-populate.
  - Annual Disposals (columns BU-CR): Requires manual entry of the disposals between 1st April 2013 and 31st March 2036 and beyond. Columns CS-CV will auto-populate.
- 8.54 Mechanism Category (Rows 410-413): Additional input rows are included to allow Licensees to enter the costs split across Baseline/Re-opener/Other Uncertainty Mechanism/Other incurred or forecast to be incurred in RIIO-ET2 and RIIO-ET3 (columns U-AJ). This section is not applicable for costs incurred in RIIO-ET1. This information will be used to inform the relevant PCFM calculations.
- 8.55 Capex Opex Split (Rows 416-417): These rows are included for Licensees to enter the baseline capex/opex split for the total Losses costs. This entry will be used to inform the PCFM calculations.

## **7.6 Not Used**

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

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

8.56 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 Licensee's view of baseline funding they will be seeking in the RIIO-ET3 period.

### **Instructions for completion**

8.57 There is no input required in this worksheet.

8.58 We request Licensees 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 For Faults reporting, Licensees should report on:

- Annual costs (columns M-AJ): For each asset category, Licensees should report costs incurred or forecast to be incurred for fault restoration activity between 1 April 2013 and 31 March 2036 and beyond. Future period reporting will reflect the rolling forecast requirement (see para 2.10). Columns AK-AN will auto-populate.
- Annual Activity Volumes (columns AQ-BN): For each asset category, Licensees should report the number of faults that occurred. Columns BO-BR will auto-populate.
- Unit costs are automatically calculated in columns BU-CR.

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 We expect cost reporting 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 Mechanism Category (Rows 35-38): Additional input rows are included to allow Licensees to enter the costs split across Baseline/Re-opener/Other Uncertainty Mechanism/Other incurred or forecast to be incurred in RIIO-ET2 and RIIO-ET3 (columns U-AJ). This section is not applicable for costs incurred in RIIO-ET1. This information will be used to inform the relevant PCFM calculations.
- 9.10 Baseline Capex Opex Split (Rows 41-42): These rows are included for Licensees to enter the baseline capex/opex split for the total Faults costs. This entry will be used to inform the PCFM calculations.
- 9.11 Uncertainty Capex Opex Split (Rows 45-46): These rows are included for Licensees to enter the capex/opex split for any uncertain Faults costs.

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

### Faults

- 9.12 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**

- 9.13 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 Licensee's inspection practices on both electrical and civil assets to ensure a reasonable level of intelligence on network assets is gathered.

### **Instructions for completion**

- 9.14 Inspection costs exclude the cost of any asset interventions carried out in response to the inspection results.
- 9.15 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.

9.16 Inspections 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)
  - Substation Cable (km)
  - Circuit Cable (km)
- Civil works (each)

9.17 For Inspections reporting, Licensees should report on:

- Annual costs (columns M-AJ): For each asset sub-category, Licensees should report the costs incurred or forecast to be incurred as a result of the inspection programme between 1 April 2013 and 31 March 2036 and beyond. Columns AK-AN will auto-populate.
- Activity Volumes (columns AQ-BN): Licensees are required to report the number 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. Columns BO-BR will auto-populate.
- Unit costs are automatically calculated in columns BU-CR.

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 Mechanism Category (Rows 22-25): Additional input rows are included to allow Licensees to enter the costs split across Baseline/Re-opener/Other Uncertainty Mechanism/Other incurred or forecast to be incurred in RIIO-ET2 and RIIO-ET3 (columns U-AJ). This section is not applicable for costs incurred in RIIO-ET1. This information will be used to inform the relevant PCFM calculations.

9.20 Baseline Capex Opex Split (Rows 28-29): These rows are included for Licensees to enter the baseline capex/opex split for the total Inspections costs. This entry will be used to inform the PCFM calculations.

9.21 Uncertainty Capex Opex Split (Rows 32-33): These rows are included for Licensees to enter the capex/opex split for any uncertain Inspections costs.

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

### Inspections

9.22 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 Licensee may elect.

### Civil works

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

## **8.3 Maintenance**

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

9.24 The purpose of this table is to:

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

### **Instructions for completion**

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

9.26 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.

9.27 For Maintenance reporting, Licensees should report on:

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- Annual costs (columns M-AJ): For each asset, Licensees should report maintenance costs incurred or forecast to be incurred between 1 April 2013 and 31 March 2036 and beyond. Columns AK-AN will auto-populate.
  - Activity volumes (columns AQ-BN): For each asset category, Licensees should report the number of maintenance works that have been incurred or are forecast to be incurred. Columns BO-BR will auto-populate.
  - Unit costs are automatically calculated in columns BU-CR.
- 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' Repairs and Maintenance policy more generally.
- 9.31 Mechanism Category (Rows 34-37): Additional input rows are included to allow TOs to enter the costs split across Baseline/Re-opener/Other Uncertainty Mechanism/Other incurred or forecast to be incurred in RIIO-ET2 and RIIO-ET3 (columns U-AJ). This section is not applicable for costs incurred in RIIO-ET1. This information will be used to inform the relevant PCFM calculations.
- 9.32 Baseline Capex Opex Split (Rows 40-41): These rows are included for Licensees to enter the baseline capex/opex split for the total Maintenance costs. This entry will be used to inform the PCFM calculations.
- 9.33 Uncertainty Capex Opex Split (Rows 44-45): These rows are included for Licensees to enter the capex/opex split for any uncertain Maintenance costs.

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

#### Maintenance

- 9.34 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

9.35 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 Licensee's repair practices on both electrical and civil assets to ensure a reasonable level of intelligence on network assets is gathered.

### Instructions for completion

9.36 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.

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

9.38 For Repairs reporting, Licensees should report on:

- Annual costs (columns M-AJ): For each asset category, Licensees should report non-routine repair costs incurred or forecast to be incurred between 1 April 2013 and 31 March 2036 and beyond. Future period reporting will reflect the rolling forecast requirement (see para 2.10). Columns AK-AN will auto-populate.
- Activity volumes (columns AQ-BN): For each asset category, Licensees should report the number of non-routine repair works undertaken or forecast to be undertaken. Columns BO-BR will auto-populate.
- Unit costs are automatically calculated in columns BU-CR.

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:

- 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' Repairs and Maintenance policy more generally.
- 9.42 Mechanism Category (Rows 34-37): Additional input rows are included to allow Licensees to enter the costs split across Baseline/Re-opener/Other Uncertainty Mechanism/Other incurred or forecast to be incurred in RIIO-ET2 and RIIO-ET3 (columns U-AJ). This section is not applicable for costs incurred in RIIO-ET1. This information will be used to inform the relevant PCFM calculations.
- 9.43 Baseline Capex Opex Split (Rows 40-41): These rows are included for Licensees to enter the baseline capex/opex split for the total Repairs costs. This entry will be used to inform the PCFM calculations.
- 9.44 Uncertainty Capex Opex Split (Rows 44-45): These rows are included for Licensees to enter the capex/opex split for any uncertain Repairs costs.

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

### Repairs

- 9.45 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 non-routine 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**

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

### **Instructions for completion**

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

- 9.48 LTSAs costs reported 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.
- 9.49 For Service Agreement reporting, Licensees should report the following:
- Agreement Name (Column A);
  - Assets covered by the agreement (Column B);
  - Provider (Column C);
  - Contract Start (Column D); and
  - Contract End (Column E).
- 9.50 Annual costs (columns M-AB): For each agreement, Licensees should report contract costs incurred or forecast to be incurred between 1 April 2013 and 31 March 2036 and beyond. Future period reporting will reflect the rolling forecast requirement (see para 2.10).
- 9.51 Price Control Period Totals (Columns AK-AN): These columns will auto-populate from the manual figures listed on the worksheet.
- 9.52 Mechanism Category (Rows 38-41): Additional input rows are included to allow Licensees to enter the costs split across Baseline/Re-opener/Other Uncertainty Mechanism/Other incurred or forecast to be incurred in RIIO-ET2 and RIIO-ET3 (columns U-AJ). This section is not applicable for costs incurred in RIIO-ET1. This information will be used to inform the relevant PCFM calculations.
- 9.53 Baseline Capex Opex Split (Rows 44-45): These rows are included for Licensees to enter the baseline capex/opex split for the total Service Agreement costs. This entry will be used to inform the PCFM calculations.
- 9.54 Uncertainty Capex Opex Split (Rows 48-49): These rows are included for Licensees to enter the capex/opex split for any uncertain Service Agreement costs.

## **8.6 Vegetation Management**

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

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

## Instructions for completion

- 9.56 This table records 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.
- 9.57 OHL Activity (Rows 13-20): Licensees are required to input cost and volume data for each year:
- Annual Costs (columns M-AJ): Each TO will provide annual cost information on any activity undertaken (or forecast to be undertaken) between 1st April 2013 and 31st March 2036 and beyond. Future period reporting will reflect the rolling forecast requirement (see para 2.10). Columns AK-AN will auto populate.
  - Annual Activity Volumes (columns AQ-BN): The data must be reported by the applicable voltage category and categorisation listed in Column C. Columns BO-BR will auto-populate.
  - Unit Costs (Columns BU-CR): These are automatically calculated from the manual figures within the worksheet.
- 9.58 Totals (Rows 21-22): These rows will auto-populate from the manual figures listed in the worksheet.
- 9.59 Woodland Management (Row 24): 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.
- 9.60 Network parameters and tree cutting policy (Rows 27-60): 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.
- 9.61 Total Cost (Row 63): This row will auto-populate from the manual figures listed in the worksheet.
- 9.62 Mechanism Category (Rows 66-69): Additional input rows are included to allow Licensees to enter the costs split across Baseline/Re-opener/Other Uncertainty

Mechanism/Other incurred or forecast to be incurred in RIIO-ET2 and RIIO-ET3 (columns U-AJ). This section is not applicable for costs incurred in RIIO-ET1. This information will be used to inform the relevant PCFM calculations.

9.63 Baseline Capex Opex Split (Rows 72-73): These rows are included for Licensees to enter the baseline capex/opex split for the total Vegetation Management costs. This entry will be used to inform the PCFM calculations.

9.64 Uncertainty Capex Opex Split (Rows 76-77): These rows are included for Licensees to enter the capex/opex split for any uncertain Vegetation Management costs.

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

### Vegetation Management

9.65 Vegetation management is the activity of physically felling or trimming vegetation to ensure the reliable performance of transmission assets.

## **8.7 NOCs Other**

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

9.66 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**

9.67 Below is a list of categories for which costs and volumes are to be reported in this worksheet under NOCs other:

- Site security by number of substations split by voltage (Rows 12-14);
- Asbestos management – surveys & signage by number of sites (Row 15);
- Asbestos management – containment or removal by number of sites (Row 16);
- Safety climbing fixtures - for supports or plant items (Row 17);
- Fire protection by number of substations (Row 18);
- Earthing upgrade by number of locations (Row 19);
- Cable Pits by number of sites (Row 20);
- Shallow Cables (Row 21);

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- Vegetation Management (non-OHL, eg CSE compounds and access roads) (Row 22);
- Ongoing environmental costs associated with planning permissions (eg Biodiversity Net Gain maintenance costs) (Row 23). This will auto-populate from data entered manually in the worksheet;
- STEPm (Row 24); and
- Substation Electricity (Row 25).

9.68 Licensees are required to input cost and volume data for each year for the categories listed above by the applicable voltage category:

- Annual Costs (columns M-AJ): Each Licensee will provide annual cost information on any activity undertaken (or forecast to be undertaken) between 1st April 2013 and 31st March 2036 and beyond. Future period reporting will reflect the rolling forecast requirement (see para 2.10). Columns AK-AN will auto-populate.
- Annual Activity Volumes (columns AQ-BN): The data must be reported by the applicable voltage category and categorisation listed in Column C. Columns BO-BR will auto-populate.
- Unit Costs (Columns BU-CR): These will be automatically calculated from the manual figures within the worksheet.

9.69 Other: Rows 29-35 are available for Licensees to report any other NOCs related expenditure.

9.70 Cost and volume information is also required for ongoing environmental costs associated with planning permissions eg biodiversity net gain legislation (Rows 43-58):

- Licensees are to enter the project name (Column A);
- Licensees are to provide a description of the project (Column D);
- Licensees should indicate whether the costs are for environmental enhancement or maintenance (Column E);
- Annual Costs (columns M-AJ): Each Licensee will provide annual cost information on any activity undertaken (or forecast to be undertaken) between 1st April 2013 and 31st March 2036 and beyond. Future period reporting will reflect the rolling forecast requirement (see para 2.10). Columns AK-AN will auto populate; and

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- Annual Activity Volumes (columns AP-BM): The data must be reported in hectares of the ground affected. Columns BN-BQ will auto populate.

9.71 Mechanism Category (Rows 64-67): Additional input rows are included to allow Licensees to enter the costs split across Baseline/Re-opener/Other Uncertainty Mechanism/Other incurred or forecast to be incurred in RIIO-ET2 and RIIO-ET3 (columns U-AJ). This section is not applicable for costs incurred in RIIO-ET1. This information will be used to inform the relevant PCFM calculations.

9.72 Baseline Capex Opex Split (Rows 70-71): These rows are included for Licensees to enter the baseline capex/opex split for the total NOCs other costs. This entry will be used to inform the PCFM calculations.

9.73 Uncertainty Capex Opex Split (Rows 74-75): These rows are included for Licensees to enter the capex/opex split for any uncertain NOCs other costs.

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

#### Site Security

9.74 Activity undertaken where the primary driver is to improve the physical security of sites to prevent third party access or interference. Data is presented in the table broken down by voltage of substation.

#### Asbestos Management - Surveys and Signage

9.75 Where minor work has been carried out at a substation site for management of asbestos. This includes legal risk assessments of ACMs (Asbestos containing materials) and safety notices on site.

#### Asbestos Management - Containment or Removal

9.76 Where work has been carried out at a substation site to either remove asbestos or contain the existing asbestos by encapsulation or treatment.

#### Substation Fire Protection

9.77 The provision of fire protection system improvements including emulsifier and inert gas systems but excluding improvements to fire prevention or fire detection systems only.

#### Earthing Upgrades

9.78 The activity of upgrading the earthing installation at an existing substation:

- to mitigate against high earth potential rise (EPR) or step and touch potentials in excess of tolerable limits where identified as an issue with the existing earthing installation, and
- where the cost of the earthing upgrade is not chargeable to a third party.

9.79 This excludes sites where earthing has been replaced due to fault or theft.

#### Cable Pit

9.80 A below-ground structure that allows access to the underground cable network.

#### Vegetation Management for non-OHL activity

9.81 Any activity 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 volumes are required to be reported on an activity count (#) for vegetation cleared around non-linear assets.

#### Small Tools, Equipment, Plant and Machinery (Non-Operational) (STEPM)

9.82 Small tools, equipment, plant and machinery which are used to work on, assist work on or test system assets. They are not system assets and are not permanently attached to one system asset at one location, irrespective of when they were bought or for what purpose.

9.83 Typically INCLUDES:

- Fault location equipment - re-energising, eg
  - Bidoyng, Modular Rezap, Faultmaster Rezap)
- Fault location equipment - non re-energising, eg
  - Cable Sniffers
  - OHL Pathfinder
  - Cable fault locator (Kehui, EZ Thump, Meggar TDR, Riser Bond TDR, Bicotest TDR, BAUR Test Vans, SEBA Test Vans, Megger EZ Thump 12KV, Megger Test Van) (vans are reported under Vehicles and Transport (Non-Operational) but equipment within vehicles is within STEPM
  - Delta V (still in use but no longer manufactured)

- Hand and power tools
- Instruments and testing equipment, eg
  - Partial discharge monitors
  - Voltage recorder
  - Load monitors
- Power quality monitoring equipment
- Ladders (used at substations and transported on vehicles)
- Lifting and handling gear
- Street Works signing and guarding equipment
- Non-wheel-mounted winches and winching equipment
- Cable drum equipment, eg drum stands
- Workshop equipment, eg pedestal drills, grinding wheels and reciprocating saws
- Misc. Equipment, eg cable spiking guns, pumps, gas hoses and fittings
- Inspection costs for recertification and recalibration associated with STEPMP.

## **8.8 Flood Mitigation**

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

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

### **Instructions for completion**

9.85 Rows 10-53 require manual 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 engineering justification paper reference if applicable;
- Column D requires a description of the project deliverables: A description of removed and new network, or a description of non-technical mitigation project deliverables;
- Column E requires the Start Date;

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- Column F requires the End Date;
- Columns H-L are not applicable to these rows;
- Columns P-AM require entry of annual gross cost information across RIIO-ET1, RIIO-ET2 and RIIO-ET3 periods and beyond. Columns AN-AQ will auto-populate; and
- Columns AT-BQ require manual entry of the annual number of project deliverables per scheme across RIIO-ET1, RIIO-ET2 and RIIO-ET3 periods and beyond. Columns BR-BU will auto-populate.

9.86 The annual costs and volumes of flood mitigation schemes and flooding site surveys are to be reported for each asset category listed in Rows 58-89:

- Fluvial and Coastal (rows 58-76)
- Pluvial (rows 81-90)

9.87 Licensees should report on costs (columns P-AM) and on activity volumes (columns AT-BQ). The data must be reported by the applicable voltage category and categorisation listed within the table. Unit costs are automatically calculated in columns BX-CU.

9.88 Mechanism Category (Rows 96-99): Additional input rows are included to allow Licensees to enter the costs split across Baseline/Re-opener/Other Uncertainty Mechanism/Other incurred or forecast to be incurred in RIIO-ET2 and RIIO-ET3 (columns U-AJ). This section is not applicable for costs incurred in RIIO-ET1. This information will be used to inform the relevant PCFM calculations.

9.89 Baseline Capex Opex Split (Rows 102-103): These rows are included for Licensees to enter the baseline capex/opex split for the total Flood Mitigation costs. This entry will be used to inform the PCFM calculations.

9.90 Uncertainty Capex Opex Split (Rows 106-107): These rows are included for Licensees to enter the capex/opex split for any uncertain Flood Mitigation costs.

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

#### Flood Mitigation

9.91 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

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

### Pluvial Flooding

9.93 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**

9.94 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**

9.95 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.

9.96 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 elsewhere in the workbook.

9.97 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.

9.98 The asset categories for this worksheet, are:

- System Applications
  - Applications
- Operational Technical Infrastructure
  - Servers
  - Switches
  - Virtual Machines
  - Firewalls
- Telecommunications Network
  - Routers

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- Fibre
- Transport Equipment
- Power Supply
- 3rd Party Communications
- Synchronisation
- Air Condition
- Operational Telephony
- Field Devices, Controller & Local Supervisory
  - Field Equipment
- Opex
  - Internal Support
  - Internal Hosting & Infrastructure
  - 3rd Party Licence
  - 3rd Party Support
  - 3rd Party Hosting & Infrastructure
  - 3rd Party Professional Services
  - Other

9.99 Licensees are required to report cost and volume data for the categories listed above:

- Annual Costs (columns M-AJ): Each Licensee will provide annual cost information on any activity undertaken (or forecast to be undertaken) between 1st April 2013 and 31st March 2036 and beyond. Future period reporting will reflect the rolling forecast requirement (see para 2.10). Columns AK-AN will auto-populate.
- Annual Activity Volumes (columns AQ-BN): Requires manual entry of the volumes between 1st April 2013 and 31st March 2036 and beyond. Columns BN-BQ will auto-populate.
- Unit Costs (Columns BU-CR): These will automatically calculate from the manual figures within the worksheet.

9.100 Additional rows are included for Licensees to break down Operational Technology expenditure by scheme (Rows 36-64). For these rows:

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- Column A requires Licensees to manually enter the relevant project name for each applicable scheme;
- Column B requires the Asset Category in line with rows 10-30;
- Column C requires the Asset Sub-Category Primary in line with rows 10-30;
- Column E requires the Scheme Reference Number;
- Column F is for any comments on the scheme;
- Columns M-AJ require entry of annual gross cost information across RIIO-ET1, RIIO-ET2 and RIIO-ET3 periods and beyond; and
- Columns AQ-BN require entry of annual activity volumes across RIIO-ET1, RIIO-ET2 and RIIO-ET3 periods and beyond.

9.101 Mechanism category (rows 70-73): Additional input rows are included to allow Licensees to enter the costs split across Baseline/Re-opener/Other Uncertainty Mechanism/Other incurred or forecast to be incurred in RIIO-ET2 and RIIO-ET3 (columns U-AJ). This section is not applicable for costs incurred in RIIO-ET1. This information will be used to inform the relevant PCFM calculations.

9.102 Baseline Capex Opex Split (Rows 76-77): These rows are included for Licensees to enter the baseline capex/opex split for the total Operational Technology costs. This entry will be used to inform the PCFM calculations.

9.103 Uncertainty Capex Opex Split (Rows 80-81): These rows are included for Licensees to enter the capex/opex split for any uncertain Operational Technology costs.

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

#### Operational Technology

9.104 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.

#### Internal Support Costs

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

#### Internal Hosting & Infrastructure costs

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

#### 3rd Party License costs

9.107 License costs for a 3rd Party Solution.

#### 3rd Party Support Costs

9.108 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

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

#### 3rd Party Professional Services

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

#### Other

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

## **8.10 Visual Amenity**

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

9.112 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**

9.113 Licensees are required to report project data on proposed projects under Special Condition 3.10 of the RIIO-ET2 Licence (to be updated for RIIO-ET3):

- 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; and
- Columns M-AJ requires entry of annual gross cost information across RIIO-ET1, RIIO-ET2 and RIIO-ET3 periods and beyond. Columns AK-AO will auto-populate.

9.114 Mechanism category (rows 61-64): Additional input rows are included to allow Licensees to enter the costs split across Baseline/Re-opener/Other Uncertainty Mechanism/Other incurred or forecast to be incurred in RIIO-ET2 and RIIO-ET3

(columns U-AJ). This section is not applicable for costs incurred in RIIO-ET1. This information will be used to inform the relevant PCFM calculations.

9.115 Baseline Capex Opex split (rows 67-68): Additional input rows are included to allow Licensees to enter the baseline capex/opex split for these costs. This entry will be used to inform the PCFM calculations.

9.116 Uncertainty Capex Opex split (rows 71-72): Additional input rows are included to allow Licensees to enter the capex/opex split for any uncertain Visual Amenity costs.

## **8.11 Faults & Failures**

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

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

### **Instructions for completion**

9.118 Licensees are required to report the volumes for:

- Faults Main Assets (Rows 9-17): This will auto-populate from information added to the sheet;
- Failures Main Assets (Rows 20-27): requires manual entry;
- Total Non-Weather related Faults (Rows 32-39): requires manual entry;
- Total Weather-related Trip and DAR Faults (Rows 43-50): requires manual entry;
- Faults that required an outage of more than 3 hours (Rows 54-61): requires manual entry;
- Total Faults (Rows 65-66): requires manual entry; and
- Total Failures (Rows 70-71): requires manual entry.

9.119 Licensees are required to report the causes of failures and faults consistent with codes from the National Faults and Interruption Reporting Scheme (NaFIRS).

- All Non-Weather Related Trips (Rows 81-150): requires manual entry; and
- All Non-Weather Related Failures (Rows 157-226): requires manual entry.

9.120 The Licensee should report any faults or failures that are currently under investigation, or the cause is unknown, in the 'Cause unknown' category (Rows 150 and 226). Within the commentary the Licensee should state how many of

these are currently under investigation and when it expects the investigation to be complete.

- 9.121 Any faults or failures for which the cause is known but is not on the list provided must be explained in the commentary.
- 9.122 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.
- 9.123 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’.

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

#### Faults

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

#### Failures

- 9.125 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.
- 9.126 A reactor failure is defined as an event that requires the unit to be taken off the plinth either for replacement or factory repair.
- 9.127 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.
- 9.128 An overhead line is considered to have failed if a conductor drops.
- 9.129 Cable failures are events where a cable section, joint or sealing end has failed in service requiring its replacement.
- 9.130 Third party causes are not counted.
- 9.131 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.

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

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

#### Cardinal assets

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

#### Sub-cardinal assets

9.135 Any network assets other than cardinal assets.

## **8.12 Net Zero**

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

9.136 This table records historic and forecast expenditure against two RIIO-ET2 Net Zero mechanisms that may be extended into RIIO-ET3:

- SpC 5.5 Net Zero Fund use it or lose it (UIOLI) allowance. This was provided for SPT only in RIIO-ET2 but may be expanded in scope to all Licensees for RIIO-ET3.
- SpC 5.6 Net zero carbon Capital Construction UIOLI allowance. This was provided to NGET only in RIIO-ET2 but may be expanded in scope to Licensees for RIIO-ET3.

9.137 Licensees are requested to enter projects and costs that they propose to be covered by these funds should they be extended to RIIO-ET3 as per our SSMD.

### **Instructions for completion**

#### Special Condition 5.5 Net Zero Fund UIOLI

9.138 Insert project name (Column A).

9.139 Project partners (Column B): Where relevant, enter the name of the organisation or group that proposed the project and any other entities the Licensee expects to have a role in managing and delivering the project.

9.140 Project/cost description (Column C): Provide a short description of the project activities and costs involved.

9.141 Annual cost (Columns F-O): This should be stated on net cost basis. Columns P-Q will auto-populate.

Special Condition 5.6 Net Zero Capital Construction UIOLI

9.142 Insert project name (Column A).

9.143 Project partners (Column B): Where relevant, enter the name of the organisation or group that proposed the project and any other entities the Licensee expects to have a role in managing and delivering the project.

9.144 Project/cost description (Column C): Provide a short description of the project activities and costs involved.

9.145 Annual cost (Columns F-O): This should be stated on net cost basis. Columns P-Q will auto-populate.

9.146 Supporting information on each of columns B and C may be provided in the BPDTC.

9.147 Additional input rows are included to allow Licensees to enter the costs split across Baseline/Re-opener/Other Uncertainty Mechanism/Other. As the costs noted in this table are covered by, or proposed to be covered by, a UIOLI allowance, all costs are classed as Other Uncertainty Mechanism. This information will be used to inform the relevant PCFM calculations.

9.148 Additional input rows are included to allow Licensees to enter the capex/opex split for these costs. This entry will be used to inform the PCFM calculations.

## 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 Non-Op Capex reporting:

- Annual Costs (Columns M-AJ): Each Licensee will provide annual cost information on any activity undertaken (or forecast to be undertaken) between 1st April 2013 and 31st March 2036 and beyond. Future period reporting will reflect the rolling forecast requirement (see para 2.10). Columns AK-AN will auto-populate.
  - IT & Telecoms (Row 12) will auto-populate from row 138.
  - Vehicles (Row 13) will auto-populate from 11.8 V&T memo.
  - Non-operational Property (Row 14) should be manually populated.

10.4 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.

10.5 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.

10.6 Mechanism category (Rows 142-145): Additional input rows are included to allow Licensees to enter the costs split across Baseline/Re-opener/Other Uncertainty Mechanism/Other incurred or forecast to be incurred in RIIO-ET2 and RIIO-ET3 (Columns U-AJ). This section is not applicable for costs incurred in RIIO-ET1. This information will be used to inform the relevant PCFM calculations.

10.7 Capex Opex split (Rows 149-150): These rows are included to allow Licensees to enter the capex/opex split for the total Non-operational Capex costs. This entry will be used to inform the PCFM calculations.

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

### IT & Telecoms (Non-Operational)

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

### Vehicles

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

### Non-operational Property

10.10 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**

10.11 This worksheet 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 worksheet 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 (Rows 14-51).
- Project Ref (Column J) is the project identifier reference that corresponds with the Final Determinations documents.
- Project Name (Column K) is the name of the project.
- Start Year (Column L) is when pre-construction work on each project begins.

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- Close Year (Column M) is when construction on the project has finished.
- Annual costs (Columns O-AL): Record annual costs associated with new sites. Columns AM-AP will auto-populate.
- Licensees are to separately record costs for projects that were set as PCDs at RIIO-ET2 Final Determinations (baseline) and projects set following a re-opener (Uncertainty Mechanism).

### IT Asset Refresh

- Licensees are to enter costs associated with replacing IT assets installed as part of the PSUP programme. Licensees are to separately record cost (Rows 59-66) and workload (Rows 71-78) data for each IT asset type, as per the asset category listed in Column G.
- Any costs incurred replacing IT assets not listed in Column G are to be reported in rows 66 and 78 ('Other').

### Technical Asset Refresh

- 10.12 Licensees are to enter costs associated with replacing technical assets installed as part of the PSUP programme. Licensees are to separately record cost (Rows 85-91) and workload (Rows 96-102) data for each IT asset type, as per the asset category listed in Column G.
- 10.13 The [Insert sub category here] rows (Rows 89-90 and 100-101) allow Licensees to insert two additional sub-categories. Any costs incurred replacing technical assets not listed in Column G are to be reported in rows 91 and 102 ('Other') and justified in the BPDT commentary.
- 10.14 Mechanism category (Rows 111-114): Additional input rows are included to allow Licensees to enter the costs split across Baseline/Re-opener/Other Uncertainty Mechanism/Other incurred or forecast to be incurred in RIIO-ET2 and RIIO-ET3 (columns W-AL). This section is not applicable for costs incurred in RIIO-ET1. This information will be used to inform the relevant PCFM calculations.
- 10.15 Capex Opex split (Rows 117-118): These rows are included to allow Licensees to enter the capex/opex split for the total Physical Security costs. This entry will be used to inform the PCFM calculations.

## 9.3 Physical Security Opex

### Purpose and use by Ofgem

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

### Instructions for completion

10.17 Licensees are to report their annual PSUP opex expenditure for both owned (Rows 15-18) and shared (Rows 23-26) sites. These costs should include any operational costs, including labour, associated with the PSUP programme.

10.18 In the 'Workload' section, Licensees are to report the number of PSUP sites, both owned (Rows 37-40) and shared (Rows 45-48), that have incurred PSUP opex costs in each year (Columns K-AH). Columns AI-AL will auto-populate.

10.19 Mechanism category (Rows 53-56): Additional input rows are included to allow Licensees to enter the costs split across Baseline/Re-opener/Other Uncertainty Mechanism/Other incurred or forecast to be incurred in RIIO-ET2 and RIIO-ET3 (Columns S-AH). This section is not applicable for costs incurred in RIIO-ET1. This information will be used to inform the relevant PCFM calculations.

10.20 Capex Opex split (Rows 59-60): 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.

## 9.4 CAI

### Purpose and use by Ofgem

10.21 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.

10.22 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 Licensee and/or agents engaged to provide distinct services under instruction from a Licensee; and
- Those CAI activities performed and discharged from a licensees own internal resource framework eg internal project management, design, engineering or clerical staff.

- 10.23 In determining the separation and reporting of CAI costs incurred by Licensee staff from that incurred by contractors, a delineation is required in the types of CAI activities undertaken by a Licensee 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.
- 10.24 Licensees must delineate direct costs and indirects (ie information taken directly from an internal Contractor Management System and applied to the BPDT asset possibility construct and/or subject to an allocation process) as per the definitions irrespective of the party performing this activity.
- 10.25 The types of CAI activities undertaken while physically delivering infrastructure investments will reside within the “very” Closely Associated Indirects and include:
- Network Design & Engineering, Project Management.
    - These activities, irrespective of the delivery party, will be treated as indirects (subject to any caveats/derogations noted under the “very” CAI definitions listed in Appendix 1).
- 10.26 The types of activity that will reside within the “other” CAI include the following remaining CAI sub-activities as set out in the RIGs latest publication definitions:
- Engineering Management & Clerical Support, Network Policy (inc. R&D), Network Planning, System Mapping, Stores & Logistics, Operational Training, Vehicles & Transport, Market Facilitation, Health & Safety & Environment
    - These activities, where performed by the Licensee, 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 Licensee. For example, Operational training costs incurred by a 3rd party for the contractors’ own staff (even when required to perform work for the Licensee) would be deemed a legitimate contractor overhead and not reported as an indirect.
    - However, where 3rd parties have been engaged to specifically perform “other” CAI activities which have defined outputs and deliverables and are billable to the Licensee 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 a Licensee

engages a 3rd party for the specific purpose of delivering operational training, this would be treated as an indirect.

#### 10.27 “Other” CAI Summary:

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

CAI collectively includes the activities of:

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

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

### **Instructions for completion**

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

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- 10.30 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.
- 10.31 Excludes site surveys and non-site based costs associated with flooding (in Flood mitigation).
- 10.32 Rows 26-36 (internal costs): Please populate the yellow input cells for each category of cost for the services/activities provided by internal/in-house functions.
- 10.33 Rows 41-51 (external costs): Please populate the yellow input cells for each category of cost for the services/activities procured from a third party.
- 10.34 Rows 56-66 (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.
- 10.35 An additional input row has been included for Wayleaves, to be excluded from any econometric analysis.
- 10.36 Mechanism Category (Rows 73-76): Additional input rows are included to allow Licensees to enter the costs split across Baseline/Re-opener/Other Uncertainty Mechanism/Other incurred or forecast to be incurred in RIIO-ET2 and RIIO-ET3 (columns U-AJ). This section is not applicable for costs incurred in RIIO-ET1. This information will be used to inform the relevant PCFM calculations.
- 10.37 Baseline Capex Opex Split (Rows 80-81): These rows are included for Licensees to enter the baseline capex/opex split for the total CAI costs. This entry will be used to inform the PCFM calculations.
- 10.38 Uncertainty Capex Opex Split (Rows 84-85): These rows are included for Licensees to enter the capex/opex split for any uncertain CAI costs.
- 10.39 Rows 91-314 (Indirects by Scheme): These rows have been added to identify which very CAI costs apply directly to which scheme. This includes where costs have been incurred via a 3rd party, including through competitive tendering. Very CAI costs in this table should match the "Project Management" and "Network Design & Engineering" level costs in rows 11 and 12.
- 10.40 Note: RIIO-ET1 data SHOULD NOT be included.

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

### Network Design & Engineering

10.41 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”).

10.42 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
  - 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.

10.43 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;

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

10.44 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 costs 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 & Engineering (covered under non-op capex).

10.45 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)

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

10.47 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
  - 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).

10.48 Excludes:

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

#### Network Planning

10.49 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

10.50 Project Management from authorisation through preparation, construction and energisation to completion. (Note: 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).

10.51 Includes:

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

10.52 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.

10.53 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 & Clerical Support

10.54 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.

10.55 Includes:

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

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- 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;
  - 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.

10.56 Excludes:

- Any Employees managing indirect activities (eg logistics manager) (include under the relevant indirect activity heading);
- Responding to NRSWA notices sent to the Licensee by other parties (include under Systems Mapping);

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- 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);
- 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

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

10.58 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 Licensee by other parties; and
- Ordnance survey licence fees.

10.59 Excludes:

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

10.60 IT & Property costs associated with System Mapping activity (report under IT & T/Property).

#### Stores & Logistics

10.61 The activity of managing and operating stores.

10.62 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.

10.63 Excludes:

- Costs of oil or other insulation medium (report under the activity for which it is used, eg maintenance, faults);

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- 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

10.64 Includes operational training and operational graduate trainees and apprentices.

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

10.66 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).

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

10.68 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.

10.69 Excludes:

- HSE costs (include under Health, Safety & Environment);

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- 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 & Transport

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

10.71 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.

10.72 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

10.73 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 & Environment

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

10.75 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.

10.76 Excludes:

- Health & Safety checks on work and personnel such as:
  - 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-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 Costs

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

#### External Costs

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;
- Pension scheme admin & PPF Levy
- IT & Telecoms (Business Support); and
- Property Management (Business Support).

### Instructions for completion

10.81 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.

10.82 For the avoidance of doubt, the data requirements are relevant to the Licensee and not Group level.

10.83 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.

- Note: We request Licensees where possible giving greater detail to these projects in the commentary.

10.84 An additional memo table for potential exclusions from econometric analysis has been added.

10.85 Property Management (new): New property management costs that reflect a step change in work due to the rapid increase in scale of the network.

- 10.86 Mechanism Category (Rows 64-67): Additional input rows are included to allow Licensees to enter the costs split across Baseline/Re-opener/Other Uncertainty Mechanism/Other incurred or forecast to be incurred in RIIO-ET2 and RIIO-ET3 (columns U-AJ). This section is not applicable for costs incurred in RIIO-ET1. This information will be used to inform the relevant PCFM calculations.
- 10.87 Baseline Capex Opex Split (Rows 70-71): These rows are included for Licensees to enter the baseline capex/opex split for the total BS costs. This entry will be used to inform the PCFM calculations.
- 10.88 Uncertainty Capex Opex Split (Rows 74-75): These rows are included for Licensees to enter the capex/opex split for any uncertain BS costs.

### **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
  - 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;
- Management accounting;
- Investment accounting;
- Treasury management;

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- 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;

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- Identifying potential suppliers, undertaking background review, negotiating contracts, purchase order fulfilment & monitoring supplier performance;
- 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); 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, 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 (e.g. 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;
- 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; and
- Costs associated with Cyber Resilience (include under NIS Cyber Resilience).

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 and Non-Op Training (CAI)**

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

10.114 The purpose of these tables is to collect cost and volume data relating to operational and non-operational training activities. Namely, number of new recruits and training days. These tables will be used by Ofgem to assess the efficiency and appropriateness of costs spent improving workforce resilience.

### **Instructions for completion**

10.115 Operational Training is the provision of training to Operational Staff employed by the Licensee, 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.

10.116 Operational Training includes only the costs of training employees, 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

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contractors within Licensee training facilities should also be reported in the same way.

10.117 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 Refreshers
- 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

10.118 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.

10.119 The operational tables in the worksheet require cost and volume data to be split between the types of learner cost (New Recruits, Up-skilling, Operational Refreshers) and between the role of staff undertaking the training (Craftspersons,

Engineers), as well as reporting the costs of providing the Training Centre and courses for Operational Training.

10.120 Operational Training costs and volumes 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). Note:
  - No costs or volumes relating to contractor training should be included;
  - The associated volumes are the FTEs recognised on New Recruits training programmes. The FTEs should be adapted to recognise that a New Recruit may only have been employed 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; and
  - 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. Note:
  - No costs or volumes relating to contractor training should be included;
  - The associated volumes are the number of Training Days spent on up-skilling training, both classroom and on-the-job; and
  - 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. Note:
  - No costs or volumes relating to contractor training should be included;
  - The associated volumes are the number of Training Days spent on refresher training; and

- 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.

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

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

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

10.123 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.

10.124 The second section of the worksheet collects cost and volume data on Non-Operational Training activity. Non-Operational Training is the facilitating and operating training courses of a non-technical nature for office-based staff by the Licensee or Related Party or Agency Staff to support the Direct Activities of the Licensee.

10.125 The Non-Operational tables in this worksheet require data to be split between the types of learner costs (New Recruits, Up-skilling, Operational Refreshers) and between the role of staff undertaking the training (HR, Finance, Legal, IT, and Other).

10.126 Licensees are required to report Non-Operational Training cost and volume data from 2022 onwards. Data for the RIIO-ET1 period is not required.

10.127 Non-Operational Training costs and volumes 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). Note:
  - No costs or volumes relating to contractor training should be included;
  - The associated volumes are the FTEs recognised on New Recruits training programmes. The FTEs should be adapted to recognise that a New Recruit may only have been employed 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; and
- **Non-Operational Up-skilling:** This reports the costs of all Non-Operational Staff, Related Party Staff and Agency Staff recognised as undertaking Non-Operational Up-skilling training.
  - No costs or volumes relating to contractor training should be included.
  - The associated volumes are the number of Training Days spent on up-skilling training, both classroom and on-the-job.
- **Non-Operational Refreshers:** This reports the costs of all Non-Operational Staff, Related Party Staff and Agency Staff attending Non-Operational Refreshers. Note:
  - No costs or volumes relating to contractor training should be included; and
  - The associated volumes are the number of Training Days spent on refresher training.

## **9.8 NIS Cyber Resilience**

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

10.128 The purpose of this table is to inform Ofgem of the opex and capex expenditure in a Licensee’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.

10.129 All costs should be rounded to two decimal places and in £m.

10.130 There is a summary at the top (rows 14-16) which is to inform Ofgem of the total defined investment (TIM) and uncertain investment (UIOLI) costs in a Licensee's NIS Cyber Resilience Business Plan. We have included an automated calculation which will sum the TIM and UIOLI cost split where an Investment Category is selected from the drop-down menu in each of the detailed activity tables (rows 35-526). We have included a check formula to flag any discrepancies. We provide more detailed guidance on the two investment categories in the 'NIS Cyber Resilience Business Plan Submission Assessment Methodology and Requirements Document.'<sup>2</sup>

10.131 Within the People, Process and Technology categories there are 10 sub-categories split into capex and opex expenditure. At the top of the cyber BPDT there is an Activity Level Summary table (rows 20-30). We have included a calculation which should pull up the total cost as indicated in the detailed activity tables. We have included a check formula to flag any discrepancies. 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.

10.132 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. We ask Licensees to use the drop-down menus provided to ensure consistency in referencing to the CAF Principles and Contributing Outcomes.

10.133 To enable a comparison between RIIO-2 and RIIO-3 expenditure, network companies should include all RIIO-2 awarded allowances for cyber resilience covering both IT and OT even where there is no corresponding project for RIIO-3. For those projects where no RIIO-3 continuation allowance is required, Licensees should add a single line item per RIIO-2 project in the sub-table RIIO-2 Project Summary (rows 33-76). All RIIO-2 costs should align to the July 2024 PCD report, where relevant, we expect Licensees to include actual spend for years 1-3 and awarded allowances for years 4-5.

10.134 For projects where funding has been awarded in RIIO-2 and further funding is required in RIIO-3 for the same project, Licensees should include the RIIO-2 and RIIO-3 expenditure information in the BPDT in the relevant sub-table for People,

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<sup>2</sup> [RIIO-3 Business Plan Guidance | Ofgem](#) – see Annex 6

Process and Technology (rows 78-526). All NIS-R Cyber Resilience allowances being requested in RIIO-3 must be included in the cyber BPDT.

10.135 Mechanism Category (rows 530-533): Additional input rows are included to allow Licensees to enter the costs split across Baseline/Re-opener/Other Uncertainty Mechanism/Other incurred or forecast to be incurred in RIIO-ET2 and RIIO-ET3 (columns U-AJ). This section is not applicable for costs incurred in RIIO-ET1. This information will be used to inform the relevant PCFM calculations.

10.136 Additional input rows are included (rows 536-537) to allow Licensees to enter the capex/opex split for the Cyber cost categories. This entry will be used to inform the PCFM calculations.

### **Instructions for completion**

10.137 For the RIIO-2 Project Summary table: all RIIO-2 awarded allowances for cyber resilience covering both IT and OT should be added where there is no corresponding project / allowance request in RIIO-3. Licensees should provide the following information:

- RIIO-2 project name;
- Primary CAF Principle (use drop down list);
- Investment Category (use drop down list); and
- Annual costs (RIIO-2).

10.138 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. Licensees should provide the following information:

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

10.139 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 Licensees 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. Licensees should provide the following information:

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

10.140 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. Licensees should provide the following information:

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

10.141 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 Licensees 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

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Cyber Resilience Business Plan. Licensees should provide the following information:

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

10.142 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;
- Primary CAF Principle (use drop-down list);
- Primary CAF Contributing Outcome (use drop-down list);
- Investment Category (use drop-down list); and
- Annual costs (RIIO-2 and RIIO-3).

10.143 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 (use drop-down list);
- Primary CAF Contributing Outcome (use drop-down list);
- Investment Category (use drop-down list); and
- Annual costs (RIIO-2 and RIIO-3).

10.144 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:

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

10.145 For the Technology: Software capex table, Licensees 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. Licensees should provide the following information:

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

10.146 For the Technology: Hardware opex table, Licensees 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. Licensees should provide the following information:

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

10.147 For the Technology: Hardware capex table, Licensees 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. Licensees should provide the following information:

- Project Name;

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

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

### People

#### 10.148 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; and
- 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.

#### 10.149 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; and
- 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

#### 10.150 Professional services:

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

#### 10.151 3rd party services:

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

### Technology

#### 10.152 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 Licensee.

#### 10.153 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 Licensee.

### Investment Category:

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

10.155 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.

10.156 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

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

10.158 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

10.159 Enter a description of the activity.

10.160 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.

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

10.162 Mechanism Category (Rows 72-75): Additional input rows are included to allow Licensees to enter the costs split across Baseline/Re-opener/Other Uncertainty Mechanism/Other incurred or forecast to be incurred in RIIO-ET2 and RIIO-ET3 (columns U-AJ). This section is not applicable for costs incurred in RIIO-ET1. This information will be used to inform the relevant PCFM calculations.

10.163 Additional input rows are included (rows 78-79) to allow Licensees to enter the capex/opex split for the Uncertain Cost categories. This entry will be used to inform the PCFM calculations.

10.164

## 9.10 Innovation

### Purpose and Use by Ofgem

10.165 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**

10.166 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; and
- Amount of allowance requested.
- Please list any baseline funding you were granted by Ofgem for innovation deployment activities in RIIO-ET2. In the description (Column B), 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 RIIO-ET3, and indicate, where relevant, if you expect these activities to last beyond RIIO-ET3.

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

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

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

10.168 The purpose of the 9.11 worksheet is to report the Licensees' Network Innovation Allowance (NIA) expenditure under RIIO-ET2 and RIIO-ET3. The NIA is a set allowance that the Licensee can use to spend on innovation projects which comply with the NIA Governance Document.

10.169 The purpose of the 9.12 worksheet is to report Strategic Innovation Fund (SIF) projects that the Licensee will receive funding for in RIIO-ET3, based on SIF projects that were started in RIIO-ET2 (when the SIF programme started). Additionally, the table also seeks to capture other categories of SIF funding that will be relevant if the Licensee has to return any funds on these projects. The

different SIF categories are all defined in the SIF Governance Document.<sup>3</sup> This table does not require Licensees to input SIF projects they have not started yet/may start in RIIO-ET3.

10.170 The purpose of the 9.13 worksheet is to report the Licensees' expenditure under the carryover of the RIIO-ET2 NIA (CNIA). The CNIA allows the Licensee 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).

10.171 The purpose of the 9.14 worksheet is to report funding for NIC projects that the Licensee 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

10.172 Input details of each RIIO-ET2 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.

10.173 Input actual data from 1st April 2021 up to and including the current reporting year as well as the forecast period.

10.174 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.

10.175 Additionally, the Licensee will report how much of their Total NIA Expenditure has been spent on internal resources in row 42.

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

#### SIF - Worksheet 9.12

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<sup>3</sup> SIF Governance Document: <https://www.ofgem.gov.uk/publications/sif-governance-document>

10.177 Input details, in all applicable subcategories, 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

10.178 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.

10.179 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.

10.180 Input the required licence terms in the yellow cells in rows 76:79. These licence terms are defined in Special Condition 5.3 of the Licensee's licence as in force on 31 March 2026.

#### NIC - Worksheet 9.14

10.181 Input details, in all applicable subcategories, of each NIC project it received funding for in RIIO-ET1 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.

10.182 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**

10.183 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**

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

- Labour;
- Pensions;

- Total staff numbers;
- Average salary per FTE;
- FTE Numbers – Average;
- Total Gross Staff Costs (Salaries & Normal Pensions); and
- Average Gross Cost per FTE.

10.185 Apprentices include craft and engineering apprentices.

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

10.187 SHE Transmission for the transmission company.

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

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

10.189 Labour: Defined in Transmission Glossary.

10.190 Pensions: Defined in Transmission Glossary.

10.191 FTE: Full time equivalent.

10.192 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.

10.193 Engineer: Employees working in roles requiring engineering qualifications.

10.194 Agency: Defined in Transmission Glossary.

## **9.16 Related Party Margin**

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

10.195 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**

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

- Margin by related party;
- Turnover by related party;
- Related Party Margin by Cost Category (columns AG:AM and column AO);

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- Costs before allocations: Outside Price Control; and
- Costs before allocations: Total Related Party Margin.

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

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

### Related Party Margin

10.198 Defined in Transmission Glossary.

## **9.17 Environment**

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

10.199 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).

10.200 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

10.201 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 Column C or via the BPDTC.

#### Table 2: BCF

10.202 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.

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

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

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

10.206 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.

10.207 It is up to the Licensee to decide how it derives the BCF projections/forecast data for the remainder of RIIO-ET2 and for the RIIO-ET3 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

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

10.209 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'.

10.210 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

10.211 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.

10.212 All data should also be normalised to 2023/24 price base to remove inflationary effects.

#### Table 3b: Leaks and spills

10.213 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 'Notes' column.

Table 3c: Environmental incidents

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

Table 3d: Waste

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

Table 3e: Biodiversity improvement at network sites

10.216 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

10.217 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 (KPI). 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.

10.218 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.

10.219 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 Table 5.

Table 4a: BCF

10.220 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

10.221 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

10.222 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 'Notes' column.

Table 4d: Environmental incidents

10.223 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

10.224 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

10.225 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 Environmental initiatives

10.226 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

10.227 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

10.228 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.

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

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

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

### Instructions for completion

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

10.233 The Licensee should fill in the boxes shaded in yellow and use the drop-downs in celled shaded green.

10.234 Insulation Gas Type table (cells A8:B28): 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.

10.235 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, externally verified targets. Data should resemble that found in Table 2: Business Carbon Footprint, Scope 1, Fugitive Emissions on worksheet 9.17.

10.236 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 from the drop-down menu.

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- Unique Asset ID: Licensee to input a unique asset ID for each asset.
- Asset Voltage (kV): as listed in the drop-down menu.
- Asset Type: as listed in the drop-down menu.
- Gas Type: as listed in the drop-down menu following the Licensee updating an additional IIGs in the above table.
- Planned Intervention (Refurbish/Replace/New/Maintain): Licensee to select the intention for each asset from the drop-down menu.
- '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.
- Mass of gas installed if applicable (kg): Mass of IIG installed during intervention. Leave blank if not applicable.

10.237 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.

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

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

10.240 Key overall assessment questions:

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- Does the Licensee have a well-justified plan for minimising emissions from their IIG assets (including SF6) efficiently over RIIO-ET3?
- How will the Licensee ensure it can adopt IIG equipment with a lower GWP when commercial alternatives are available?

10.241 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.
- Licensee'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.

10.242 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**

10.243 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**

- 10.244 The Licensee should fill in the boxes shaded in yellow.
- 10.245 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.
- 10.246 It may be that some services have no identifiable costs.
- 10.247 The total costs are linked to the 4.1 Cost Matrix Collated worksheet (column AQ).
- 10.248 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).
- 10.249 If consented and De Minimis services are reported outside of the Licensee business, please do not complete the information but state this in the narrative.

## **9.20 Pass Through Costs**

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

- 10.250 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**

- 10.251 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).
- 10.252 Forecasts for future regulatory periods should be input directly into this worksheet, which should be used to populate the PCFM.
- 10.253 The 'Pension scheme established deficit' value should be input in row 14 in line with the information provided in the Price Control Financial Handbook.
- 10.254 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 RIIO-ET2 data template. This mapping worksheet will allow each Licensee to map and aggregate the data from internal systems against the classification of the BPDT 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 their 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 BPDT template).
- Column D to allocate the asset subcategory (again using the asset classification list used in the BPDT 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 RIIO-ET3 baseline delivery program:

- Circuit Breaker;
- FACTS;
- Transformer;

- Reactor;
  - HVDC;
  - Protection & Control;
  - OHL; and
  - 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 RIIO-ET3 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-ET3 against those included in the current RIIO-ET2 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.

### **Instructions for completion**

- 11.8 Information on all asset interventions in the asset categories that are forecast to be delivered in the RIIO-ET3 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 are auto populated from the information provided by Licensees in worksheet 10.1.
- Company Classification (column F): This is a drop-down populated from the information provided by Licensees in worksheet 10.1.
- 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: Enter the 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/Route ID (column L): Drop-down; select the site/route ID list generated from the free entry provided in worksheet 10.3 (Column A).
- 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.
- 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 RIIO-ET3 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.

#### Instructions for completion

##### Worksheet inputs

- Site/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 B): 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. Note:
  - 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 C): Enter the postcode of the substation or site. Where there is a linear asset, please note 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 RIIO-ET2 period such as re-openers, uncertainty mechanisms and other projects that have expenditure beyond 31st March 2026. You must include all RIIO-ET2 period projects that have expenditure in RIIO-ET3.
- 11.12 The tables enable each network company to provide a list of costs expected to be incurred in the RIIO-ET3 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; and
  - Other.
- 11.14 The following categories will be included automatically through the scheme C&V tables, according to their flag:
- Load related capex; and
  - Non-load related capex.
- 11.15 We have split these into two sections:
- Assessment on T3 spend section; and
  - No assessment on T3 spend section.
- 11.16 No assessment on T3 spend Section: We expect Licensees to add projects here that have costs in RIIO-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 RIIO-ET3 period.

11.17 Assessment on T3 spend Section: We expect Licensees to add projects here that have expected costs in RIIO-ET3, however, a decision is required by Ofgem. For example:

- Projects that do not have funding approved for the RIIO-ET3 period (this includes projects that have funding that was agreed in principle in RIIO-ET2, 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 Licensees 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 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 588-637 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 A:
  - CAI;
  - Non - Operational IT Capex;
  - Physical Security Capex;

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- Cyber; and
- 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 and 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 from the dropdown menu.
- Note: Columns B-D are to be only used where applicable in this table, for example where CAI is used for the Opex Escalator.
- Mechanism category (Column E): The drop-down menu provides four options: Baseline, Re-opener, Other Uncertainty Mechanism 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 category 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.
- Annual costs (columns AD to 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 and beyond. Future period reporting will reflect the rolling forecast requirement (see para 2.10).

- Sub-total Contributions (columns BB-BF): The Licensee is required to manually input the value of contributions received in the period attributable.
- Customer Contributions (columns BG-CD): Each Licensee will provide annual information on the value of:
  - Capital contributions (applicable to contributions relating to the RIIO-ET2 baseline agreed at Final Determinations) that is currently forecast between 1st April 2013 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).
- 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 drop-down menu gives further detail regarding the circumstances of carry over projects.
- Ofgem engagement (column CI): 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-ET2 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-ET2;
- Details of the expected spend and activities in the RIIO-ET3 period, including narrative on any reprofiling of allowance for RIIO-ET3 and rationale; and
- Details of the any expected activities beyond RIIO-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 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**

11.25 Projects that should be incorporated into the pipeline log include:

- MSIP projects earmarked for RIIO-ET2 but now will start in RIIO-ET3 due to uncertainty in costs;
- Need has been identified, probability of submission is considered high, but no costing work has been completed;
- All major projects signalled by the ESO to be part of tCSNP 2;
- Note: this includes any PCF or early development funding

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- Sub £100m tCSNP 2 projects signalled by the ESO to be part of tCSNP 2 which are not mature enough to be considered for baseline of RIIO-ET3;
- Projects signalled by the ESO to be part of tCSNP 1 projects that remain in stage 2; and
- ASTI projects where submission is currently scheduled after the final BPDT submission.

11.26 Projects that should be excluded include:

- T3 Baseline costs;
- T2 carryover costs;
- Anything that has been listed in the scheme C&V; and
- ASTI projects where submission for funding will be sought on the day of or prior to submission of final BPDTs.

11.27 Where this doesn't capture all potential projects, the pipeline log should also capture projects where Licensees 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 Licensees to submit a view in the scheme C&V.

Worksheet inputs

11.28 Input information as indicated by the yellow shaded boxes on the table.

- Project Name (Column C): 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 (Column D): Unique Ofgem scheme reference assigned by the Licensee.
- Forecast Submission Date (Column E): 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 (Column F): 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 (Column G): Select High/Medium/Low from the drop-down menu as appropriate.
- Energisation Date (Column H): Input the appropriate regulatory year.
- Forecast Expenditure (Columns I-X): For each regulatory year a forecast expenditure figure is required. 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 (Columns Z-AD) 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 (Column Z): 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.
- Option Selection Methodology (Column AA): 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 (Column AB): A free text box for a brief description of the preferred option.
- Forecast Expenditure Justification Methodology (Column AC): 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.

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- Broader Regulatory Issues to be Considered (Column AD): 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 re-opener submissions currently planned by Licensees, in a consistent manner across ET, to enable Ofgem to plan its consideration of re-openers.

#### **Instructions for completion**

##### Worksheet inputs

- Re-opener mechanism (Column A): details of the re-opener mechanism (Licence term) which the re-opener will be submitted under.
- Project name (Column B): breakdown of individual projects even if under the same re-opener.
- Description of project, including brief description of driver for project and any interdependencies (Column C).
- Likely date (Column D).
- Project start date (the actual date of physical work) (Column E).
- Project end date (Column F).
- Planned submission date (Column G).
- Scope of submission (needs, options and/or costs) (Column H).
- Probability of submission (Low/Medium/High) (Column I).
- Recent engagement with Ofgem on the project: some details on the nature of engagement and Ofgem point of contact (Column J).
- Lifetime cost (£m): Sum of all costs related to a project over its lifetime including beyond the RIIO-3 period (Column K).

### **11.2 ASTI & tCSNP 2 Memo**

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

12.2 The purpose of this table is to collect more granular information in relation to ASTI & tCSNP 2 projects. This will include baseline allowance, pre-construction allowance and expenditure.

## Instructions for completion

12.3 In relation to ASTI projects, Licensees must fill out the below tables:

- ASTI Re-opener: Please provide any existing allowance that was provided during RIIO-ET2. This should exclude pre-construction 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 ASTIAt in SpC 3.41.
- ASTI Indirect costs allowance: This should include any funding provided to the project for indirects.
- ASTI Pre-construction funding allowance: This should include any pre-construction funding provided to the project, for example any funding that aligns with the term APCFt in SpC 3.40.
- ASTI Early construction allowance: This should include any early construction funding provided to the project. Licensees should include the expected delivery date as stated in the licence condition.
- ASTI Associated Funding (£m): This should include any allowances made for the project. It includes Pre-Construction Funding Re-opener, Price Control Deliverable and Use It Or Lose It Adjustment as set out SpC 3.40. Expected delivery date should be as stated in the licence condition.
- ASTI Expenditure: This should include any expenditure (in £m). Once known, actual date of delivery should be added. If a forecasted date is known, then this could be added and a comment should be added to flag this is yet an estimation.

12.4 In relation to tCSNP2 projects, Licensees must fill out the following tables:

- tCSNP2 Baseline Allowance: Please provide any existing baseline allowance that was provided during RIIO-ET2. This should exclude pre-construction funding allowance.
- tCSNP Pre-construction funding allowance: This should include any pre-construction funding provided to the project.
- TCSNP2 Early construction allowance: This should include any early construction funding provided to the project.

- tCSNP2 Outputs, delivery dates and allowance (£m): This should include any allowance made for projects. Expected delivery date should be as stated in the licence condition.
- tCSNP2 Expenditure: This should include any expenditure (in £m). Once known, actual date of delivery should be added. If a forecasted date is known, then this could be added and a comment should be added to flag this is yet an estimation.

12.5 Commentary (Rows 143-149): 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**

12.6 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, and to reconcile specific costs between the D&D strategies and the BPDT.

#### **Instructions for completion**

12.7 In rows 10-15, costs should be reported against the following categories:

- Digital Infrastructure;
- Digital processes;
- Digital platforms;
- Digitising field works;
- Network monitoring; and
- Other data best practice investments.

12.8 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.

12.9 This table should not include any RIIO-ET3 BAU IT costs, which should be reported in 8.9 Operational Technology or 9.1 Non Op Capex, as appropriate.

12.10 In rows 19-41, Licensees should specify where in the BPDTs these Data & Digitalisation costs have been reported. Only Data & Digitalisation costs should be

reported here. For clarity, the Totals in Rows 16 and 42 should match. The table includes the following cost categories but Licensees should report against 'Other' if costs have been reported elsewhere:

- Network Operating Costs - Operational Technology;
- Non-operational Capex - IT & Telecoms, Vehicles, Non-operational Property;
- CAI - Project Management, Network Design & Engineering, System Mapping, Engineering Management & Clerical Support, Network Policy, Health, Safety & Environment, Operational Training, Stores & Logistics, Vehicles & Transport, Market Facilitation, Network Planning; and
- Business Support - IT & Telecoms, Property Management, HR & non-operational training, Finance, audit & regulation, Insurance, Procurement, CEO & group management.

12.11 Capex Opex split (Rows 45-46): These rows are included to allow Licensees to enter the capex/opex split for the total Data & Digitalisation costs.

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

#### Digital Infrastructure

12.12 This includes internal digital models to manage data including allowing data to flow smoothly across an organisation, such as enterprise architecture.

#### Digital Processes

12.13 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

12.14 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

12.15 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

12.16 Direct investment in metering and other data capture to improve internal data quality and value of associated services.

Other data best practice investments

12.17 Anything other that doesn't fit into the above but is a good example of best practice for data/digitalisation.

## **11.4 HVDC Centre (SHET only)**

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

12.18 The purpose of this table is to provide financial information on the HVDC centre.

### **Instructions for completion**

Allowance (core activities)

12.19 The allowance for the operation of the HVDC centre should be included in the CAI allowance.

12.20 The allowance should cover all core activities. If there is any additional contribution from third parties 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

12.21 Any expenditure on core activities should be included in the existing CAI expenditure table.

Revenue – non-core activities (income from third party)

12.22 The total revenue for non-core activities should be reported as revenue excluded services.

Expenditure – non-core activities

12.23 Non-core activities expenditure should be reported as expenditure excluded services.

Net revenues (reinvestment) – non-core activities

12.24 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.

12.25 Reinvestment in the HVDC centre should be reported as expenditure excluded services when it is spent.

12.26 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**

12.27 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](#).

12.28 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.

## **11.5 NARM Interface**

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

12.29 The purpose of this worksheet is to reconcile data reported in the C&V worksheets with data reported through NARM, and to help align NARM output delivery with the associated costs of delivering those outputs.

12.30 This worksheet aggregates the intervention volumes and costs for each NARM Asset Category. The NARM BPDT contains an equivalent worksheet with intervention volumes and monetised risk by NARM Asset Category. Intervention volumes reported in the C&V worksheets, and intervention NARM interface must align for each NARM Asset Category.

### **Instructions for completion**

12.31 The Licensee is required to ensure that the NARM intervention volumes reported those reported in the C&V BPDT are aligned.

12.32 The worksheet is split into two sections:

- NARM Categorisation (top section): This section aggregates the data from 'C&V Categorisation' section for relevant NARM Categories. No manual data input is required.

- C&V Categorisation (bottom section): This section will be auto-populated from scheme volume and scheme cost worksheets for each C&V asset category. The C&V Category (Column B) is mapped against relevant NARM Category (Column G). Once agreed this mapping will be fixed for the duration of the price control.

12.33 Tertiary connected reactor: The NARM Aggregation Category for 'Tertiary connected reactor' (asset no. 91 and 92) are entry cells. The Licensee 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 BPDT or the other worksheets of the C&V BPDT. We accept that this approach may lead to some misalignment between C&V BPDT reported volumes and NARM BPDT reported volumes. The Licensee should provide explanation of any misalignment in its NARM supporting narrative.

## **11.6 References**

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

12.34 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**

12.35 No input is required from Licensees in this sheet.

## **11.7 DRS & De Minimis**

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

12.36 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**

12.37 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

12.38 The purpose of this table is to provide a summary of information on Vehicles & Transport (V&T) expenditure.

12.39 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.

### Instructions for completion

12.40 Licensees are required to report costs and volume data for vehicles 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

12.41 The table also captures data for mobile generators.

12.42 Annual Costs (columns M-AJ): Costs entered should include all costs for servicing, tax, insurance, fuel and lease costs where appropriate. Each Licensee will provide annual cost information undertaken (or forecast to be undertaken) between 1st April 2013 and 31st March 2036 and beyond. Future period reporting will reflect the rolling forecast requirement (see para 2.10). Columns AK-AN will auto populate.

12.43 Annual Activity Volumes (columns AQ-BN): When populating volumes, Licensees should enter the total vehicle population and number of mobile generators purchased in the year and totals. Columns BO-BR will auto populate.

12.44 Unit Costs (Columns BT-CO): These will auto populate from the manual figures within the worksheet.

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

#### Vehicles and Transport (Non-operational)

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

#### Vehicles and Transport (CAI)

12.46 The Closely Associated Indirect activity associated with managing, operating and maintaining the commercial vehicle fleet and mobile plant utilised by the Licensee or any other Related Party for the purposes of providing services to the Licensee.

## **11.9 Climate Resilience Memo**

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

12.47 This worksheet is a Memo table to collect costs on Climate Resilience activity. We seek to provide a summary of information on Climate Resilience expenditure that is reported across the tables within the BPDT and identify the proportion of costs relating to climate resilience.

### **Instructions for completion**

12.48 This worksheet takes a cross-section of costs reported elsewhere in the pack.

12.49 Annual Climate Resilience expenditure should be reported against the key cost building blocks of totex identified in rows 13-24. For each building block, Licensees should report costs incurred or forecast to be incurred between 1 April 2021 and 31 March 2036 and beyond. Future period reporting will reflect the rolling forecast requirement (see para 2.10).

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

#### Climate Resilience

12.50 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**

12.51 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**

12.52 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.

12.53 Further guidance is contained within Appendix 1 – Indirect definition tables.

## Appendices

### Index

Appendix	Name of Appendix
1	Indirect Definition Tables

## 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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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	<u>OHL:</u> Route Corridor Analysis Tower and Pole Positioning Tower Angles Vertical Clearances Tower and Construction Access  <u>Cables:</u> Route Corridor Analysis Entry/exit from Substations/CSEs Cable Burial Depth Ducting Requirements Joint Bay Positioning	<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

<b>Indirect Design Definitions</b>	<b>Direct/ Indirect</b>	<b>Description</b>
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>

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	<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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