

Grampian House
200 Dunkeld Road
Perth
PH1 3AQ

Eliska Antosova
RIIO Price Control Operations
10 South Colonnade
Canary Wharf
London
E14 4PU

18 April 2025

Dear Eliska,

Consultation on the proposed modifications to the Re-opener Guidance and Application Requirements Document

This response is prepared on behalf of SSEN Transmission¹, part of the SSE Group, responsible for the electricity transmission network in the north of Scotland.

Thank you for the opportunity to respond to Ofgem's consultation on the Re-Opener Redaction Policy and Submissions Template. We have outlined our primary concerns below and provided answers to the individual consultation questions in Annex A.

Redaction Policy

We welcome Ofgem's proposal for a consistent, standardised and clear redaction policy for RIIO-T2 Re-Opener Submissions (with the exception of LOTI, ASTI and Cyber Re-Openers). We continually strive to share appropriate information with our stakeholders, whilst maintaining commercial confidentiality. We would support such a redaction process that appropriately balances the need for transparency with issues of confidentiality and commercial sensitivity.

We would welcome clarification from Ofgem on the scope of the Redaction policy. We appreciate that Ofgem intend for this policy to apply across TO, DNO, GT and GD Re-Opener applications. As we are now in the final year of the RIIO-T2 price control (T2), and most T2 reopener windows have now closed, we believe there is limited value in introducing and refining this policy for ET when it shall only apply to a limited number of submissions. We understand that the current scope of the policy is only for Re-Opener Applications specifically outlined in the Guidance and Policy documents. We believe that efforts may be better served in considering the value of a redaction policy and process for RIIO-T3 submissions.

We are concerned that the proposed policy as it stands is not sufficiently robust given the material impact that publication of commercially sensitive information could have on TOs, our suppliers and customers. Given the complexity of projects and the timescales involved in reopener assessments we do not think it is appropriate to rely wholly on necessary redactions being highlighted to Ofgem in the original submission. The process must include a commitment from Ofgem to engage with licensees on redactions directly ahead of publications. This engagement (which could include the sharing of draft publications (or extracts of draft publications) ahead of publication would help mitigate this.

¹ Following a minority stake sale which completed in November 2022, SSEN Transmission is now owned 75% by SSE plc and 25% by Ontario Teachers' Pension Plan Board.

Scottish and Southern Electricity Networks is a trading name of: Scottish and Southern Energy Power Distribution Limited Registered in Scotland No. SC213459; Scottish Hydro Electric Transmission plc Registered in Scotland No. SC213461; Scottish Hydro Electric Power Distribution plc Registered in Scotland No. SC213460; (all having their Registered Offices at Inveralmond House 200 Dunkeld Road Perth PH1 3AQ); and Southern Electric Power Distribution plc Registered in England & Wales No. 04094290 having their Registered Office at No.1 Forbury Place, 43 Forbury Road, Reading, RG1 3JH which are members of the SSE Group www.ssen.co.uk

Re-opener Submissions template

We are now in the final year of the T2 price control period and the majority of our reopener submissions have already been made. If changes in the template are made at this stage, with only a handful of regulatory submissions left, there will be limited value in refining a data template. We encourage Ofgem to utilise lessons learned and best practice from T2 submissions to collaboratively produce a practical and useful template for RIIO-T3 reopener submissions, taking into account our comments in this response.

We recommend integrating the template with TO Regulatory Reporting Pack (RRP), Regulatory Instructions and Guidance (RIGs) and the Business Plan Data Tables (BPDTs) templates for the new template. We have noticed several inconsistencies between the re-opener submissions template and the existing RRP and BPDTs. Therefore, we suggest Ofgem should propose sector-specific Re-Opener templates that align to our sector-specific reporting requirements. This alignment is crucial for ensuring clarity and transparency in monitoring progress against the reopener submission. We believe that a review, possible working groups, and further iterations of the Reopener template are necessary before we can achieve an appropriate and acceptable standardised template for the ET sector.

As noted, we welcome the ongoing engagement with Ofgem and would value the opportunity to discuss the points raised within our response at the earliest opportunity.

Yours sincerely,

Evelyn Morgan

Senior Regulation Analyst
SSEN Transmission

Annex A – Consultation questions

Re-opener guidance and Application Requirements Document

Q1. Do you have any views on the proposed revisions to the Re-opener Guidance and Application Requirements Document?

Yes, we have several views on the proposed revisions to the Re-opener Guidance and Application Requirements Document.

As discussed in our main response, we welcome the continued development of the Re-Opener Redaction Policy as part of the guidance; however, we query the value of developing this policy for T2 reopeners in the final year of T2 with limited submissions expected.

We are concerned that the proposed policy as it stands is not sufficiently robust given the material impact that publication of commercially sensitive information could have on TOs, our suppliers and customers. Given the complexity of projects and the timescales involved in reopener assessments we do not think it is appropriate to rely wholly on necessary redactions being highlighted to Ofgem in the original submission. The process should include a commitment from Ofgem to engage with licensees on redactions directly ahead of publications. This engagement (which could include the sharing of draft publications (or extracts of draft publications) ahead of publication would help mitigate this.

Additionally, Section 3.20 of the guidance document references that cost evidence should be provided “*using where relevant the Re-opener templates at Appendix 13 and in accordance with the Instructions in Appendix 14, and/or any other relevant templates*”. This implies a level of ambiguity that we would encourage Ofgem to resolve. In its current drafted form, the Re-Opener Submissions Template is far from aligned to our other data templates or submissions. If it is at the discretion of an individual licensee to utilise Ofgem’s proposed template, it is likely that the licensee will continue to utilise its own templates, likely based off its own best practice. There would be limited value in Ofgem developing a template that is misaligned to licensees’ own best practice. As we outlined in our main response, we recommend further consultation, possibly working groups, and further revisions of the Reopener template to ensure it becomes an acceptable standardised template for the ET sector.

Redaction Policy

Q2. Do you agree that a more comprehensive Redaction Policy is required for the purposes explained in section 1 (Introduction) of the proposed Redaction Policy?

We agree with that a comprehensive Redaction Policy is appropriate for the reasons outlined in Section 1 of the proposed policy. A clear and consistent redaction approach will help ensure that confidential information is appropriately protected while supporting transparency and stakeholder confidence in the regulatory process. We support Ofgem’s efforts to formalise and standardise this aspect of submissions.

Q3. Do you have any views on the proposed approach as set out in section 2 (Approach to Redacting Information) of the proposed Redaction Policy?

We have a few comments on the proposed approach outlined in Section 2 of the Redaction Policy.

Firstly, we seek clarification from Ofgem on what would be deemed “overly burdensome”, and whether it is possible for either the licensee or Ofgem to flag when this is likely to be the case. By transparently providing a definition of what constitutes an “overly burdensome” redaction, both licensees and Ofgem will either avoid or reduce their efforts to produce the redaction.

Additionally, as noted in our main response, we would welcome clarification on the intended scope of this Redaction Policy. We believe that efforts may be better served in understanding the value of a redaction policy and process for RIIO-T3 submissions.

Q4. Do you agree with the three proposed redactable information categories? Are there any other categories that should be considered?

Yes, we support the proposed redactable information category explanations included in these Annexes. However, we would encourage Ofgem not to be prescriptive or limited by these categories when reviewing justifications and reasoning for redactions; there will likely be other valid reasons or evidence for redacting information that do not fall into these information categories.

Q5. Do you have any views on the redactable information category explanations set out in Annexes 1, 2, and 3?

Please see our response to Q4 above.

Q6. Do you agree that the existence of a Non-Disclosure Agreement (NDA) should, in itself, not be sufficient reason for redaction or non-compliance with the policy (as explained in Annex 2)?

No, we do not agree.

As previously stated, we look to transparently share information with Ofgem wherever possible. However, when information is subject to an NDA, the TO does not own, control or have permission to share that information. Therefore, it is a reason for redaction.

Furthermore, NDA's typically carry unlimited liabilities. There may also be a contractual obligation upon a network company to maintain confidentiality, which could be under an uncapped indemnity. Either instance could have severe financial implications for the network company, which is not in the consumer interest.

If an NDA is in place, the default assumption should be that the information is redacted unless the NDA contains specific legal clauses allowing for information to be shared with a competent authority; in this case, Ofgem. We encourage Ofgem to update Annex 2 of the Redaction Policy to reflect these points.

Q7. In your view, is the proposed scope of the redaction policy correct? Should it apply to all re-openers or should some mechanisms be excluded from scope?

As previously mentioned, we believe that Ofgem should carefully consider the scope of the Redaction Policy, appreciating that LOTI, ASTI, Net Zero and Cyber-Reopener submissions will be exempt from this policy.

However, as we transition into RIIO-T3 at the start of 2026, we believe there is limited value in developing a Redaction policy and more formalised process that will only apply to a few regulatory submissions (at most) in RIIO-T2. We encourage Ofgem to consider where a consistent, standardised, fair and clear redaction policy would add the most value for consumers. It would be pertinent for Ofgem to focus efforts on considering the value of a redactions policy for T3 submissions.

Q8. Do you agree with the process as set out in Section 4 (Process for Publications) for (a) Ofgem's publications, and (b) licensee's publications?

Yes, we agree that the introduction of a standardised process for redactions will be beneficial to all involved. As such, we seek clarity on several points to improve upon the Process for Redactions, as outlined in Section 4 of the proposed Redaction Policy.

Regarding section 4.1.a, we seek clarification on the level and format of detail or evidence Ofgem expects from licensees to justify requested redactions. Secondly, regarding section 4.1.b, we request that Ofgem provide a clear set of guidelines or parameters that will be used to ascertain the necessity of redactions. It would be beneficial to licensees if Ofgem could expand on the phrase "if it is unclear" in 4.1.b. We seek to understand what conditions could trigger a request for further evidence or explanation.

The proposal from Ofgem in section 4.1.d includes committing to sharing unredacted versions with licensees (where appropriate) and explaining redaction decisions. In our view Ofgem should always share drafts showing its intended redactions. We encourage Ofgem to consider establishing a clear appeals or dispute process for licensees who disagree with final redaction decisions. We seek clarification regarding the phrase “where appropriate and feasible”, regarding sharing unredacted versions.

We are also concerned that this policy, and the supporting process, could create potential for error in the event that Ofgem are making multiple copies of the same document, but with varying information redacted between versions. Any process that requires multiple copies of the same document, with various copies being subject to edit and not others, creates the potential for human error. We seek clarification on how Ofgem intend to mitigate this risk in their process for redactions.

Q9. Do you have any views on the General Consideration set out in section 5 (General Considerations)?

We are concerned that even with approved redactions, Ofgem’s decision to publish a summary of information high level details, could jeopardise licensees in different ways. For example, the publication of total values of each work package or Direct Costs could inadvertently reveal confidential contractor information, since these costs are relatively easy to attribute to certain activities. One potential issue with this could be that a licensee’s negotiating power diminishes with supply chain. Our contractors may also have problems with publications of high-level summary figures.

We seek further clarity regarding how Ofgem intend to safeguard commercially sensitive information while maintaining transparency. Further to our prior comments, it is essential that Ofgem provides licensees with the opportunity to carry out a final sense check on the redacted version, ahead of publication, in order to help prevent any potential unforeseen problems before they arise.

Re-opener Submission Template and Instructions

Please note that several of our points below are also included in our accompanying Questions Log.

Q10. Please provide your views on the split between direct and indirect costs on each of the 2_Costs_Section worksheets.

The breakdown of cost data does not align with the RRP/BPDT format. It creates another 'split' of data that is not easily visible or traceable through other regulatory reporting. Instead, there should be a focus on what is needed for assessment and what can be seen from a regulatory reporting/monitoring viewpoint. It would be valuable for Ofgem to set out which cost categories are Direct/Indirect within this template. This would ensure consistency between submissions and companies. This categorisation should be consistent with LOTI, ASTI and RIIO-3.

Q11. Please provide your views on the split between Company Costs and Contractor Costs on each of the 2_Costs_Section worksheets.

It is unclear how Contractor and Company estimated costs should be treated on an individual asset basis. All costs reported to Ofgem are incurred by the company making the Re-opener submission. A contractor may be undertaking construction work for the company; however, the company may directly procure some key assets. It seems flawed that this template is the one place where Ofgem attempts to split things in this way as this would require new approaches to regulatory accounting and reporting that are inconsistent with LOTI/ASTI/RRP/RIIO-3.

The split between Company Costs and Contractor Costs is unclear for several cost categories: Procurement, BNG, and Environmental Costs.

Q12. In your view is specific instruction required for any of the individual worksheets? Please provide as much detail as possible on what is required. We also welcome suggested draft text.

While Ofgem references the following list of costs in the accompanying instructions document, there are not sections (as there are for Asset Direct Costs, Procurement, and Land, Consents and Wayleaves) detailing Ofgem’s purpose and use for

these cost sections or the general requirements for licensees completing the worksheet. We encourage Ofgem to provide updated instructions outlining these costs.

- Legal
- Detailed Design
- Project Management
- Commissioning
- Risk and Contingency
- Maintenance and Operating
- Business Support Costs
- Other Costs

Q13. Do you have any views on the overall structure and design of the Reopener Submission Template.

There is a general lack of consistency with ET regulatory reporting with this template. We would encourage Ofgem to update the Template format and breakdown to be aligned with current RRP, BPDT formats and associated guidance documents. We again encourage Ofgem to consider focussing efforts on utilising lessons learned and best practices from RIIO-T2 and licensees, to produce a practicable and value-add submissions template for RIIO-T3 Re-opener submissions.

We also note that costs are included in the template in 2018/19 price base. We receive information from our supply chain in a single price base, typically the current price base, which has taken into account indexation and Price Adjustment Mechanisms. When we prepare narrative to accompany our regulatory Re-opener submissions, we write in the price base that our supply chain has provided us. It is therefore substantially more effort to manually convert all of our costs back to 2018/19 price base. We propose that Ofgem therefore update the draft proposal to allow us to input costs as provided by our supply chain, with functionality to automatically convert these costs into 2018/19 price base. In this way, our narrative and costs will be aligned, while at the same time providing the information Ofgem requires.

We have provided further specific comments in our accompanying Questions Log.

Q14. Do you have any views on the scope and content of the Re-opener Submission Template?

We have a few concerns regarding the scope and content of the Reopener Submission Template.

Firstly, the Asset Volumes breakdown sheet does not align with the Asset Possibilities list adopted in the ET RRP/BPDT. The annual volume breakdown is overly burdensome and should be reported within the RRP. Reporting the 'Total' volume per asset would be more appropriate. Additionally, intervention types should be reported differently, rather than stacking tables on top of each other.

In addition, we are also concerned that the template does not include any worksheets showing the allowances that Ofgem will provide for the submission. Without a worksheet including the licensee's confirmed allowances, the flow of information becomes challenging. Furthermore, when we come to report against our allowances in our annual RRP submissions, the format for this template is misaligned. We encourage Ofgem to consider a more joined-up approach that will ensure data transparently flows from regulatory submission, to allowances approved to allowances used.