

An aerial photograph of a high-voltage electricity pylon standing in a lush green field. The pylon is a complex metal lattice structure. Several power lines extend from the pylon across the field, creating a series of parallel lines that curve slightly. The field is a vibrant green, and the overall scene is captured from a high angle, looking down at the pylon and the surrounding landscape.

nationalgrid

NGET Annex Document Response

National Grid Electricity Transmission

August 2025

NGETQ1. Do you agree with our proposal to introduce these six PCDs for NGET?

Whilst we agree that PCDs are an important regulatory tool and we see opportunities to use both mechanistic and evaluative PCDs in the RIIO-T3 framework, we do not agree with some of the PCDs as currently proposed in Draft Determination. In particular, we cannot agree to PCDs where elements have not yet been cost assessed because they are T2/T3 crossover investments.

Before Final Determination Ofgem should:

- agree the appropriate type of PCD to apply to each of the areas below, and identify and agree further areas that are suitable for the application of PCDs
- provide a full determination on all projects that are to be included in RIIO-T3 PCDs such that allowed unit costs for PCDMs can be agreed
- remove the Cables PCDM for Imperial Park – Melksham and Cilfynydd – Whitson – Seabank Cable Replacement as we believe that this has been proposed in error
- agree all other recommendations in the table.

The table below provides our more detailed view on the six PCDs Ofgem have proposed to introduce during RIIO-T3. We have already separately provided a detailed proposal regarding how the P&C PCDM could work and, subject to feedback, we need to work together to develop the full suite ready for inclusion in the RIIO-T3 Licence.

PCD name	Output to be delivered	NGET view of the PCD
Cables PCDM	Imperial Park – Melksham and Cilfynydd – Whitson – Seabank Cable Replacement	<p>We do not support the introduction of this PCD. We are assuming this has been proposed in error as our corresponding IDP “Imperial Park - Melksham and Cilfynydd - Whitson - Seabank Cables Replacement” was a needs case only non-load Major Project EJP requesting █████ of PCF funding in RIIO-T3 and is due to complete in RIIO-T4.</p> <p>It is possible Ofgem has confused our proposed cables investment with a separate investment (4YX Overhead Line) which has a very similar name (Cilfynydd – Imperial Park – Seabank – Whitson – Melksham) however later in table 7 of the NGET annex (page 15) this investment appears as part of the OHL portfolio PCDM.</p> <p>We request that Ofgem removes this PCDM as part of its Final Determination.</p>
Protection and Control (P&C) Portfolio PCDM	P&C assets contained with our non-load “Protection & Control Portfolio EJP”	<p>As part of a wider suite of PCDMs covering high volume repeatable asset interventions, we support the principle of PCDMs supporting the delivery of these P&C investments.</p> <p>We recommend that we develop the RIIO-T2 approach to Mechanistic PCDs for non-load repeatable investments such as P&C to support delivery in RIIO-T3; a summary of our recommendations can be found in the response to question ETQ44. We have separately provided a P&C spreadsheet as a worked example of how such a PCDM could work for these assets.</p>

PCD name	Output to be delivered	NGET view of the PCD
OHL and reconductoring PCDM	A portfolio of 13 OHL reconductoring investments	<p>Whilst in principle we support having a mechanistic PCD for OHL reconductoring providing a robust allowed unit cost can be established, we cannot support the introduction of this PCDM at this stage as several of the investments contained within this PCDM have not yet been cost assessed because they are T2/T3 Crossover investments.</p> <p>Without visibility of the cost assessment methodology Ofgem intend to follow and Ofgem consulting on the outputs of such cost assessment, it is not appropriate to progress this PCD. T2/T3 Crossover Investments currently listed as being in the scope of this PCD are:</p> <ul style="list-style-type: none"> • NGET_NESO_EJP_Deeseide Legacy Trawsfynydd Ironbridge Shrewsbury OHL • Bodelwyddan - Deeseide - Pentir 1 and 2 OHL • BPRE (BRFO-Pelham -Braintree -Rayleigh) OHL • Feckenham-Ironbridge OHL • SCRE (COTT4 - STAY4) and WRRE (WBUR4 - RATS4) OHL <p>There is a separate issue that the non-load OHL reconductoring projects have also been listed as NARM Outputs. This theoretically means that, if a project were not delivered within the RIIO-T3 period, both the PCDM and NARM funding adjustment mechanisms would operate to claw back allowances and consequently we would lose double the funding that we had been allowed. This needs to be corrected by either removing these projects from the NARM Outputs or, if a PCDM cannot be established for OHL reconductoring, the projects need to remain as NARM outputs only and not be included in any other framework.</p>
Substation Condition Monitoring Technology PCDM	<p>Substation Condition Monitoring Technology</p> <ul style="list-style-type: none"> • Deploy advanced condition monitoring tools to improve asset health assessment, includes • SF₆ leak detection technologies to support net zero targets • Use of thermal imaging, radio frequency interference (RFI), and visual inspections • Introduce Beyond Visual Line of Sight (BVLOS) drones for: • Partial discharge (PD) surveys on Gas Insulated Switchgear (GIS) • Thermographic inspections and CMS data collection • Enable more frequent and proactive inspections to reduce operational risk 	<p>We do not agree that a PCDM is suitable for these activities as these are not repeatable tasks with outputs that can be quantified with repeatable unit costs.</p> <p>There activities are more akin to Network Operating Costs (Inspections).</p>

PCD name	Output to be delivered	NGET view of the PCD
Substation PCE	Iron Acton Substation Upgrade	We do not support the introduction of this PCDE at this stage as the Iron Acton Substation Upgrade investment has not been cost assessed yet because it is a T2/T3 Crossover investment. Without visibility of the cost assessment methodology Ofgem intend to follow and Ofgem consulting on the outputs of cost assessment, it is not appropriate to progress with this PCDE.
OHL Tower Steelwork Management PCDE	<p>OHL Tower Steelwork Management</p> <ul style="list-style-type: none"> • Replace all Grade 5 & 6 steel members identified via climbing surveys • Recovery paint all Grade 4 steelwork • Paint all Grade 3 or lower steelwork on identified routes • Annual painting volume aligned with NGET policy: <ul style="list-style-type: none"> ○ Targeting 1/18th of the total tower population per year 	<p>Ofgem has identified this as a possible PCDE, however there is a major proportion of this which would be suitable for a PCDM.</p> <p>We propose that tower painting should be established as a PCDM, with an allowed volume and unit cost for each intervention type (i.e. recovery of Grade 4 steelwork and painting of Grade 3 and lower steelwork).</p> <p>Replacement of steel member is not amenable to being managed via a PCDM because there is not a consistent unit cost. The cost of replacing a tonne of steel varies widely depending on where it is on the tower (e.g. whether it is on a tower leg or secondary bracings in a cross-arm) and the location of the tower (e.g. in open pasture as opposed to a congested urban environment). As we have provided a detailed list of planned steelwork replacement, this can be managed via a PCDE.</p>

NGETQ2. Do you agree with our view that NGET passed all of the minimum requirements and has passed Stage A of the BPI?

We agree with Ofgem's view that NGET has passed all of the minimum requirements and has passed Stage A of the BPI.

As set out in Section 1.6 of our RIIO-T3 Business Plan, we undertook comprehensive assurance activities to assess our submission, which included checking that the minimum requirements had been met. Further information on the assurance activities that we undertook is provided in Annex 11: Assurance Statement.

Ofgem should maintain its current position at Final Determination.

NGETQ3. Do you agree with our assessment results for NGET against Stage B of the BPI?

While we welcome that the Draft Determination position for Stage B of the BPI acknowledges the efficiency of our cost base and our T3 plan, we do not agree with the results for the analysis of bespoke costs.

In the Draft Determination outcome for Stage B of the BPI, Ofgem states that it has assessed all load and non-load capex on a bespoke basis (see para 3.7 of the NGET annex of the DD).

However, it is our understanding that, for companies in the ET sector, Ofgem has in practice assessed 42% of non-risk costs for load and non-load capex on a comparative basis. This understanding is based on the comment in para 5.25 of the ET annex to the Draft Determination where Ofgem states that "*11% of non-risk costs were benchmarked against RIIO-3 benchmarks, 31% were benchmarked against RIIO-ET2 and RIIO-ET3 benchmarks and 58% were qualitatively assessed*" – therefore stating that 42% of costs have been assessed on a comparative basis.

We understand that the reason the 42% of non-risk costs have been assessed on a comparative basis is outlined in para 9.17 of the BPG where Ofgem state that "*costs will be comparatively assessed if the assessment of their efficiency relies primarily on cost information from other companies*", which Ofgem elaborates is, "*where costs from across a sector (or even multiple sectors) are directly compared against each other in order to derive a common efficient benchmark*".

In order for the BPI stage B outcome to be a true reflection, the modelled output needs to be updated to account for this split between comparative and bespoke cost assessment as above.

Additionally, for the unit cost benchmarking of non-load capex, we have identified improvements that are needed in Ofgem's analysis that should be incorporated into the final assessment of the Stage B outcome. Please refer to our responses to ETQ46-49.

Further detail can also be found in our response to ETQ50-53.

For Final Determination, Ofgem should:

- **Update the result of BPI stage B on the basis that 42% of the load and non-load capex are assessed on a comparative and not bespoke basis**
- **Implement the improvements that we have identified in the unit cost benchmarking for the non-load capex.**

NGETQ4. Do you agree with our assessment results for NGET against Stage C of the BPI?

We do not agree with all elements of the assessment results for NGET against Stage C of the BPI because there is evidence within our submission that merits higher results, using Ofgem's scoring framework. Specifically, we disagree with Ofgem's assessment for the following areas of Stage C and the table below includes our proposed revised scoring:

BPI Stage	BPI Criteria	Current Score	Proposed Revised Score
C1: Clarity of Information		Poor	Acceptable
C1: Coherence and Justification		Poor	Acceptable
C2: Infrastructure fit for a low-cost transition to net zero	Consumer Value and Additionality	Poor	Acceptable
C2: Secure and resilient supplies	Stretching Performance	Poor	Acceptable
C2: High quality of service from regulated firms	Stretching Performance	Acceptable	Outstanding

We provide further detail below including the rationale for why we believe these scores should be amended noting that we believe the scores of 'poor' have not accounted for the breadth of our plan and therefore unduly penalised us for immaterial issues. We have split the response into sections as per the first column of the table above.

By Final Determination, Ofgem should reassess the scoring of BPI stage C1 and C2 based on our feedback and amend the scores as per the table.

BPI Stage C1: Clarity of Information – we propose the score of 'poor' is amended to 'acceptable'

Ofgem points out three examples to justify the 'poor' rating while overlooking the overall clarity of the broader plan:

Ofgem Justification for score of 'poor'	Our rationale for amending to a score of 'acceptable'
<i>"Data & digitalisation element required SQs" but "still lacked clarity"</i>	<p>Ofgem clarified in response to NGET003 that there was an error in our BPDT that we rectified through the SQ process, a missing table in 1 out of 21 EJPs, and a difference of one in the total EJPs the DSAP and IT&T annex quoted as submitted. These represent minor issues that were promptly resolved. A 'poor' score is inconsistent with the 98% of funding awarded for digitalisation, suggesting that Ofgem had sufficient information to assess our plan.</p> <p>The referenced error in the BPDT resulted from a lack of clarity in the RIGs rather than our actions, which is unreasonable to consider in the BPI assessment. Ofgem refers to a perceived discrepancy between the figure reported for Data & Digitalisation (D&D) on page 83 of our Business Plan and sheet 11.3 (D&D memo) in the BPDT. The figure reported in the Business Plan was only baseline investment for D&D, whereas the figure reported in the BPDT included all IT and Digital (both digitalisation and BAU) capex investments to align with the RIGs, which stated that sheet 11.3 should include sub-categories such as 'digital platforms', which are present in both digitalisation and BAU capex. We promptly provided a revised memo sheet 11.3 that contained only the digitalisation investments in response to SQ NGET069.</p>
<i>"lack of clarity and transparency" regarding non-SF6 IIG gasses</i>	<p>Whilst non-SF6 gasses were excluded from our total in the Business Plan submission, the impact on outputs (as qualified in our response to SQ NGET071) is negligible at 3-13kg of non-SF6 IIG per year. When multiplied by the average CO2 equivalent for non-SF6 gases, this would correspond to 1.6-7.0 TCO2e, which is immaterial being at most 0.003% in comparison to FY24 scope 1 and 2 emissions of 248,482 TCO2e (excluding emissions from electricity line losses).</p>
<i>"lack of clarity and transparency" on costs associated with</i>	<p>It is challenging to provide costs associated with achieving BNG of 10% or greater since developing precise costs for this before detailed site assessment and design is not possible. In the annex to our Environmental Action Plan (EAP), we clearly indicated the</p>

biodiversity net gain (BNG).	difficulty in calculating forward-looking BNG costs and provided the indicative historical unit cost instead. We promptly provided a range in our SQ response when requested by Ofgem.
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The reasons above do not represent a significant enough reason to outweigh the clarity provided across the rest of the plan and therefore the score of 'poor' should be updated to 'acceptable' in the spirit of the incentive.

BPI Stage C1: Coherence and Justification – we propose the score of 'poor' is amended to 'acceptable'

Ofgem provides two examples to justify the 'poor' rating. The definition of 'acceptable' for this element in the scorecard is that the plan should be *"coherent overall, but some parts lack a clear golden thread"*. We believe Ofgem has not understood elements of our submission and have provided further detail in our DD response as below.

Regardless of the reasons below, our Business Plan submission comfortably meets Ofgem's definition of 'acceptable' and the BPI assessment score should be updated as such.

Ofgem Justification for score of 'poor'	Our rationale for amending to a score of 'acceptable'
<i>"the plan lacked a clear thread particularly around NARM and asset management plans"</i>	Our response to OVQ4 outlines our approach to NARMS and how the application of BNRO requires further refinement to reflect final allowed non-load plan and ensure transparency over the approved asset list. We also explain further our concerns around the use of EoL in place of a network risk metric in OVQ5.
<i>"contradictions between the load and non-load plan which suggested a lack of long term planning and meant that the overall plan lacked coherence in places"</i>	Our response to NGETQ08 further highlights decision making processes used between load and non-load planning. We believe that Ofgem's assertion is based on minority examples rather than across our whole plan. Additional detail is also included in: <ul style="list-style-type: none"> 'NGET_RII03_NGETQ10_Asset Health Decision Making' – outlines our decision-making process and addresses approach to combining load and non-load drivers 'NGET_RII03_NGETQ10_Strictly Confidential - Investment Triggers Portfolio EJP - DD Response' – provides further clarity on investment 'trigger points' for every asset within our asset base

BPI Stage C2: Infrastructure fit for a low-cost transition to net zero: Consumer value and additionality – we propose the score of 'poor' is amended to 'acceptable'

Ofgem has sought to justify the rating of 'poor' based on a selection of specific examples; overlooking the broader consumer value and additionality in our Business Plan. It is our view that, even considering the examples that Ofgem has raised, our plan delivers to consumers *"at least in line with what is currently delivered under RII0-2"*, which is the description of the 'acceptable' rating. Ofgem has not provided sufficient evidence that there is *"demonstrably less value than what is currently delivered under RII0-2"*, which is the description of the "poor" rating.

Ofgem Justification for score of 'poor'	Our rationale for amending to a score of 'acceptable'
<i>"provided a disappointing lack of detail within its losses strategy."</i>	<p>We understand that Ofgem is referring to the overview of the losses strategy that we set out in the Environmental Action Plan (EAP), rather than the losses strategy itself. The Business Plan Guidance (BPG) states that licensees should <i>"develop and commit to implementing a strategy to efficiently manage both technical and non-technical losses on the TO's network over the long term"</i>.¹ As specified on page 108 of our EAP, we updated our transmission losses strategy in FY23, and we included a commitment to implement that strategy in RII0-T3. We share our losses strategy in NGET_RII03_NGETQ4_NG Transmission Loss Strategy.</p> <p>The BPG specifies that the losses strategy <i>"should include specific actions and performance measures"</i>. As the losses strategy was not a requested document in the BP submission, we provided information on these aspects on page 29 of our EAP specifying the performance measure will be total electricity transmitted and that we would target below 2.35% in RII0-T3.</p>

¹ [RIIO-3 Business Plan Guidance](#), paragraph 4.60

Ofgem Justification for score of 'poor'	Our rationale for amending to a score of 'acceptable'
	Our EAP also specified actions including embedding the consideration of losses in our decision-making processes and reducing losses through timely connections and innovation.
<i>"our engineering assessment highlights several critical issues with the proposed use of GIS and the lack of justification"</i>	<p>Ofgem has stated that GIS is not justified due to lifespan and greenhouse gas impacts, whilst overlooking the factors that have led engineering decisions to select a GIS solution in the consumer interest. These factors, which are set out in the EJPs, include cost implications and the speed with which we can deliver projects that connect new sources of low-carbon generation as well as new data centres and gigafactories that drive economic growth.</p> <p>We set out a more detailed response regarding Ofgem's position on GIS solutions in NGETQ9, ETQ67, ETQ68, and ETQ69. The clarity of our optioneering for the use of AIS or GIS solutions is also discussed further in response to NGETQ9.</p>
<i>"lack of interaction between (LRE) and (NLRE)".</i>	It is our view that the interactions between the LRE and NLRE are demonstrated in the structure shown in the Asset Management Strategy. We address this point in our response to ETQ67.
<i>"failure to have a substantial number of load projects that were at a stage of development to be ready to request RIIO-ET3 baseline funding".</i>	<p>This was not a requirement set out in the BPG nor in the BPI Scorecard. Our plan reflects the guidance set out in the RIGs regarding what should be placed in the baseline versus pipeline. Ofgem should also recognise that the scale of investment required to achieve CP2030, meet tCSNP requirements, respond to Connections Reform and maintain a reliable network is unprecedented and uncertainty is therefore to be expected – we are required to protect consumer interests by dynamically responding to the environment we operate in.</p> <p>As outlined in our ET Load Strategy and in our BPDT Commentary for sheet 10.5 (ET Pipeline Log), our baseline investments include those where there is a high confidence in the need, costs and target delivery dates of our preferred solution. Conversely, our pipeline investments included a mix of mature projects for which funding requests would be submitted via T2 re-opener mechanisms, as well as less mature investments expected to use T3 uncertainty mechanisms to secure funding. For the latter category, we have reasonable confidence in the need for such investments but insufficient confidence in final costs or detailed scope, since many projects in the pipeline are at a lower level of maturity.</p> <p>By adhering to a clear definition of pipeline versus baseline, we have protected consumer interests with baseline funding focused on projects with high cost confidence and shielding consumers for paying for underdeveloped investments.</p> <p>Moreover, Ofgem's position that all TOs should be rated 'poor' due to the number of investments outside the baseline funding does not sufficiently reflect the uncertainties inherent in the industry at present. Ofgem has chosen a very narrow measure of ambition through the investments in the baseline plan. Consumers' interests are best protected by a balance of investments in both the baseline and the pipeline, and Ofgem should recognise the ambition in our plan across both – for example, committing 35GW of electricity generation and 19GVA of demand connections alongside the major programmes to deliver the new investments identified by NESO. Should Ofgem continue to reward only those investments in the baseline, then Ofgem should recognise two things:</p> <ol style="list-style-type: none"> 1. It is not correct for Ofgem to disregard investments that are flagged as T2/T3 crossover – the most mature investments for which we requested baseline funding – and then to apply a BPI penalty for a lack of baseline investments. 2. Ofgem should recognise the difference in approach between the TOs. Our Draft Determination contains 10 times more baseline load investment than the next TO. Ofgem also states that <i>"NGET is driving the increase in load capex spend for the sector"</i> (see para 5.19 in the ET Sector annex to the DD).

BPI Stage C2: Secure and resilient supplies: Stretching performance – we propose the score of 'poor' is amended to 'acceptable'

The examples provided for why a 'poor' score has been awarded align more closely with the definition of an 'acceptable' outcome based on the definitions set out in Ofgem's scorecards and overlooks the rest of our plan where stretching performance is delivered.

Ofgem Justification for score of 'poor'	Our rationale for amending to a score of 'acceptable'
<i>"commitments reflect compliance with our wider engineering standards rather than strategic improvement"</i>	According to the Business Plan Commitments Scorecard, a 'poor' outcome for this criterion should reflect the justification for the degree of stretch, " <i>stretching or otherwise</i> ". Conversely, an 'acceptable' outcome would be given when targets " <i>may not create stretch on targets from RIIO-2 but clearly justify the rationale behind this</i> ". We have clearly justified the targets, such as the wider engineering standards that Ofgem references here, which is aligned with an 'acceptable' outcome.
<i>"committed transformation of its asset management capabilities seems to be a regression"</i>	<p>In response to our DDQ NGET005, Ofgem clarified that "<i>the reference to 'regression' means that they did not consider the business plan commitments were materially more stretching than those set in RIIO-2, and this regression was not well justified in the business plan</i>", referencing highly specific instances of asset specific data provisions. It is our view that this does not reflect the broader plan.</p> <p>One of our three plan ambitions is to 'transform the way we work to deliver for consumers'. Specifically, commitment C1.1 in our plan is to "<i>transform our asset management capabilities to efficiently manage a larger, more complex, network going forward</i>", with three success measures/targets: the roll-out of a new enterprise asset management system; working with other networks to align asset risk methodologies; and the development of a new framework for critical infrastructure assurance. These are critical items in developing our asset management capability and continuing to transform to leading industry practice.</p>
<i>"the only TO to propose an ENS target different to its RIIO-ET2 target."</i>	<p>Ofgem added that "<i>This was initially an 8% reduction, but this was later revised by NGET to 172 MWh, a 17% increase over its RIIO-ET2 target</i>".</p> <p>The updated figure of 172MWh was not formally submitted to Ofgem – it was used as an illustration in a response to a policy working group. The updated figure uses the same methodology as the Business Plan but includes another full year of performance data as it was updated after 1st April 2025 and therefore includes the impact of storm Nelson. No SQs were raised by Ofgem on this topic and the methodology for target setting is not yet agreed. In our view, the target has therefore been interpreted incorrectly in this BPI assessment.</p>
<i>"workforce growth is noted, but the aim to 'remain competitive' appears unambitious, given the expected demands in RIIO-ET3."</i>	<p>This is an unfair interpretation of the detail in our plan. The challenge relates to commitment C2.2 in the plan, which concerns growing our workforce capability and includes the following T3 targets: "<i>53% increase in workforce output; more than 1,100 trainees, apprentices and graduates onboarded; reward and career frameworks that remain competitive.</i>"</p> <p>Our workforce strategy in T3 has clearer and more stretching targets than T2 (see annex NGET_A16.02 of the T2 submission). For example, while our T3 plan provides a stretching target of a 53% increase in workforce output, there was no equivalent target specified at T2.</p> <p>Ofgem's clarification in response to DDQ NGET005 that the "remain competitive" element was unambitious due to the lack of a target, it is our view that we have set targets in terms of the outcomes of maintaining a competitive package (e.g. a 53% increase in workforce output). The counterfactual of arbitrarily committing to increasing rewards above market rate in advance of observing labour market dynamics would not be in the interests of consumers or the industry as it may not reflect the labour market equilibrium that materialises in practice and may also create 'bidding wars' between utility networks, ultimately driving costs higher.</p>

BPI Stage C2: High quality of service: Stretching performance – we propose the score of 'acceptable' is amended to 'outstanding'

Ofgem's assessment appears to be based on two justifications (although its comments cut across the different criteria in the scorecard). We address these in the table below.

Ofgem Justification for score of 'acceptable'	Our rationale for amending to a score of 'outstanding'
<i>"internal diversity targets compare favourably to sector averages, but these</i>	It is our view that this overlooks the broader, long-term benefits that arise from having a diverse workforce. By having a workforce that reflects the consumers we serve, we are more likely to address their needs. For example, in Ofgem's (2022) Equity, Diversity and Inclusion Strategy , Ofgem states that it is " <i>more important than ever that we understand</i>

<p><i>are largely inward facing rather than offering direct financial consumer value”.</i></p>	<p><i>consumers from all backgrounds. Making sure that we have consumers’ needs in the room when we are making decisions can only be achieved through improved understanding, representation, and advocacy for the customers we serve, now and in the future.”</i> Ofgem’s (2024) Multi-year strategy also stresses the need for “diverse perspectives” to address challenges.</p> <p>Furthermore, this rationale reduces consumer value to short-term financial outcomes. This narrow lens for consumer value overlooks the long-term financial interests of consumers (such as investing in areas that are more likely to address their needs) and broader aspects of consumer value, which Ofgem’s ‘consumer interest framework’, set out in the Forward Work Programme – 2024/25, attempts to capture. For example, ‘fair prices’ is only one of the four pillars. One of the other pillars is ‘quality and standards’, which includes the need to ensure “consumers are suitably empowered”.</p> <p>We therefore believe that our sector-leading and significant efforts in this area have been unfairly overlooked.</p>
<p><i>“the use of the Quality of Connections Survey as a success metric against a commitment is questionable, given our SSMD position to remove the survey from RIIO-ET3”</i></p>	<p>Ofgem’s position within the SSMD was not a clear statement that this survey will be removed or has no further merit as a measurable outcome. Rather, para 4.89 of the SSMD simply stated Ofgem’s belief that the QoCS should not be the basis of a financial reward or penalty. Furthermore, the development of future connections initiatives is work in progress, so comparison to the T2 metric is the most meaningful way to demonstrate that our approach represents a stretch compared with T2.</p> <p>Therefore, the assertion from Ofgem detracts from the fact that this commitment is a stretch with high consumer value.</p>
<p><i>“lack of rigour and clarity in execution plans” for stakeholder engagement commitments to deliver ‘an integrated platform’</i></p>	<p>Ofgem state that <i>“NGET stated that its stakeholder engagement commitments aim to deliver ‘an integrated platform that provides seamless, personalised engagement.’ While this could represent a meaningful improvement, especially considering stakeholder concerns on this topic in response to our Call for Evidence, the lack of rigour and clarity in execution plans weakens confidence in its impact.”</i></p> <p>Given that the expenditure was approved in the Digital Plan, it is our view that this undermines the assertion that this stretching ambition was not well justified.</p>

NGETQ5. Do you agree with our proposal to introduce and proposed design of a NESO Separation re-opener?

We agree with Ofgem's proposal to introduce a NESO Separation Re-opener, however we believe that Ofgem should also include within its design the opportunity for the Authority to move the re-opener window.

We welcome Ofgem's proposal to introduce a NESO Separation Re-opener and the commitment to working collaboratively on this mechanism.

The Transition Service Agreement (TSA) between National Grid and NESO is due to conclude in late 2026. As such, we believe that it would be pragmatic to include within the design of the re-opener the opportunity for the Authority to move the re-opener window. This is a pragmatic consideration, on the basis that a submission may be ready for assessment ahead of the currently proposed April 2027 window.

At Final Determination Ofgem should:

- **Maintain its proposal to introduce a NESO Separation Re-opener**
- **Include within the design of the re-opener the ability for the Authority to move the re-opener window.**

NGETQ6. Do you agree with our proposal to introduce and proposed design of the Property re-opener mechanism?

We agree with Ofgem's position to introduce the Property Re-opener within the RIIO-T3 period. However, the benefit of the Re-opener is that it "*provides a range of opportunities for NGET to make its property function more efficient*", thus we do not support the single Re-opener window proposed as we do not believe it would deliver Ofgem's intended benefit.

Specifically, in order that our Re-openers provide clear need, optioneering and cost information demonstrating that our costs are fair, efficient and will benefit consumers in the long term, we request the following Re-opener windows:

- April 2027
- April 2028
- April 2029

Please refer to the following documents for details of the investments that we intend on using this Re-opener for:

- NGET_RIIO3_NGETQ10_EJP_Earking
- NGET_RIIO3_NGETQ10_EJP_Operational Estate
- Papers referenced within our NGET_DD_NGETQ10_Confidential_Response

At Final Determination, Ofgem must:

- **Maintain the Draft Determination to include a Property Re-opener for NGET**
- **Amend the design of the Re-opener to include windows in April 2027, April 2028 and April 2029.**

NGETQ7. Do you agree with our proposed unit rates?

We do not agree with the proposed volume driver unit rates on the basis that these will not provide sufficient funding for future outputs and are erroneously constructed. Further work is also required on the structure of the volume drivers to ensure that the costs modelled represent the scope of works that the volume driver is expected to fund.

We welcome the active engagement with Ofgem on this topic and there are already areas where we understand Ofgem is considering some changes being considered based on our feedback on the proposals set out in the Draft Determination.

Please also see our response to ETQ32 sets out the issues regarding the approach used to derive the unit rates.

In addition, there are a number of issues in how data in the BPDT has been interpreted for use in the regression models. As a result, the modelling undertaken has not accounted for the full cost of our projects and the resulting unit costs will not provide sufficient funding for future outputs. Examples include:

- **Not all investments required to deliver a connection have been included in the dataset.** For example, where projects require sole use and local enabling works within a substation, only one of these has been [REDACTED]
[REDACTED]
[REDACTED]
- **Costs have been allocated to output categories where no associated output exists and then removed from the dataset.** For example, costs relating to OHL or cables where no new conductor is planned for installation [REDACTED]
[REDACTED] However there is no OHL output, meaning that the full cost of the project is not covered in the regression); and
- **Customer contributions (which is effectively an up-front payment in lieu of ongoing connection charges)** have been incorrectly netted from project costs feeding the regression analysis. Whilst it is correct to net one-off receipts from investment costs (as these represent payments for investment beyond the typical scope that has been requested and directly funded by customers), the works covered by Capital Contributions are those that would be provided as part of a normal connection so should remain in the regression data set.

Additionally, we need to ensure that the costs modelled represent the scope of works that the volume driver is expected to fund. Given the manner in which demand for connections has increased over time, it is likely that the scope of some projects may be extended to include additional works that help facilitate further connections. Whilst such anticipatory investment is included within the multi-driver investments included in the BPDT pipeline log, those investments within the cost and volumes tables or highlighted in the pipeline log as being subject to the volume driver (i.e. those feeding into the regression analysis) have been considered standalone connections facilitating a single customer.

Therefore, the volume driver regression dataset does not consider the additional anticipatory investment that may be undertaken at these sites as a result of evolving customer requirements. Consequently, the volume driver will not fund this additional investment, and additional arrangements will be required to set allowances, as covered in our response to ETQ32. This will cause detriment to consumers and will not be in line with Ofgem's objectives on expanding the capacity of the electricity network.

By Final Determination Ofgem must:

- **Address the issues regarding the approach used to derive the volume driver unit rates (c.f. ETQ32)**
- **Resolve data issues to ensure regression modelling accounts for the full cost of our projects**
- **Update the cost modelling approach to ensure the costs modelled represent the scope of works that the volume driver is expected to fund.**

NGETQ8. Do you agree with our position on not providing funding for the non-load replacement of healthy assets?

We do not agree with Ofgem's position on not providing funding for the non-load replacement "healthy" assets because (i) healthy assets have been included in our plan where optimal to deliver an economic programme of work, and (ii) Ofgem's definition of healthy assets it does not include all the reasons why we might need to replace an asset as part of a comprehensive asset management strategy.

However, we acknowledge the feedback and have made some changes to our asset health plan, to remove some assets with lower End-of-Life scores from our baseline plan and replace them with assets with higher scores.

Good asset management practice seeks to provide value by balancing the drivers of cost, performance and risk. Ofgem has defined "healthy" assets as those with an End-of-Life (EoL) score below 75 and "unhealthy" assets as those with an EoL score above 75. This position is overly simplistic and, as it does not consider other reasons that drive the need to replace an asset besides the health score alone.

Drivers for replacement must account for additional factors such as impact of failure, obsolescence, legal and regulatory compliance, performance, environmental factors and operating cost, as well as asset condition. In addition, when building our plan, we must take account of deliverability (efficient use of limited system access, internal resources and supply chain) and cost efficiency (e.g. achieving lower overall costs by bundling the delivery of works).

Our asset management strategy and plan building process follows good asset management practice and was used as the basis of the investments in our plan. Ofgem's approach would result in an investment plan that is not optimised over the long term and therefore provides less value to consumers.

To illustrate this further, consider two specific sites. For Fawley and [REDACTED] we have created holistic site strategies to address the multiple non-load, asset management drivers in an efficient way. We agree that there are assets on site that have not yet reached the threshold for intervention if assessed on asset health drivers alone, however, when reviewing the combination of relevant factors outlined above, we believe that this is optimal due to the complexity of the challenges faced on site and the wider consumer value case for a site strategy at each location.

We have had a series of constructive meetings since the Draft Determination was published which have been focussed on improving our mutual understanding on our asset health plan and respective perceptions. This included a meeting on 17 July 2025, where we presented the 'Asset Management Decision Making' and 'Risk Management' processes adopted for submission at a bi-lateral session with Ofgem to explain the approach taken.

More information is included in three parts below and appendices²:

1. Further detail on assets with EoL<75 in our asset management strategy
2. Non-load related site strategies at both Fawley & [REDACTED] substations
3. Changes in our baseline and pipeline positions in response to Ofgem feedback

By Final Determination, Ofgem must:

- **Reassess non-load replacements considering additional asset management factors beyond simple End of Life scoring in line with best-practice risk-based asset management approaches**
- **Update its position on the two specific site strategies at Fawley and [REDACTED] based on our optioneering approach that takes into consideration additional asset management factors beyond simple End of Life scoring**
- **Agree our proposed updates to baseline and pipeline plans where we have responded to feedback.**

1. Further detail on assets with EoL<75 in our asset management strategy

In good asset management, replacement decisions should be driven by value – balancing cost, risk, and performance – rather than simply age or probability of failure. While some assets in our submission have lower EoL scores, each intervention is supported either by a clear rationale that cascades from our Asset Management Strategy through to individual asset policies or by a delivery efficiency opportunity that is in the interest of consumers. Evaluating the plan based solely on EoL scores is not a comprehensive or risk-based approach, as it excludes critical drivers like obsolescence, legislative requirements, and economic efficiency.

² 'NGET_RII03_NGETQ10_Asset Health Decision Making' – outlines our decision-making process and addresses the justification for assets in our plan with EoL<75 and those not in the original plan with EoL>75

'NGET_RII03_NGETQ10_Strictly Confidential - Investment Triggers Portfolio EJP - DD Response' – provides further clarity on investment 'trigger points' highlighting the decision-making process behind our T3 submission for every asset within our asset base

Our asset health plan is built on robust cost-benefit analysis and evidence-based data, aiming to optimise lifecycle costs and long-term consumer value. Classifying assets as 'healthy' or 'unhealthy' based on EoL scores does not take all the relevant considerations into account as it overlooks strategic delivery bundling and operational efficiencies that justify replacement of assets that may appear healthy in isolation against a simple scoring methodology.

For example, Protection & Control and Circuit Breaker assets may be obsolete or unsupported regardless of their EoL score indicating that they remain relatively healthy. However, at some point, the cost and risk of maintaining small populations of unsupported assets becomes uneconomic even if they appear to be performing acceptably. In addition, legal obligations (such as the mandatory removal of assets containing PCBs) must be met even if they are not driven by asset health.

Following Ofgem's feedback from the 17 July 2025 bilateral, we committed to improving visibility of obsolescence in future risk scoring methodologies. Given the benefits of trying to improve comparability between TOs, we think this would be sensible to undertake in conjunction with Ofgem and other networks as part of the industry-wide NARM development process and then consulted on before adoption.

Outlined below is an extract from the NGET_RII03_NGETQ10_Asset Health Decision Making document which contains explanations for the inclusion of each of the asset types in our baseline plan with an EoL score of <75.

Circuit Breakers	Included in the plan due to additional asset management drivers including obsolescence, legislation (e.g. PSSR), design issues (e.g. SRBP bushings), high maintenance costs, and air system rationalisation. These are bundled with other works for delivery efficiency and aligned with long-term resilience goals. See NGET_RII03_NGETQ10_Circuit Breakers - Technical Annex.
Light Current Equipment	Interventions are triggered at EoL 60, per policy PS(T) 131.08, due to rising risks from obsolescence and spares depletion across [REDACTED] Protection & Control assets. The removal [REDACTED] interventions in the Draft Determinations increases future risk. Sub-threshold actions are justified when aligned with broader asset needs or delivery efficiencies. See NGET_RII03_NGETQ10_Protection & Control (P&C) - Technical Annex.
Overhead Lines	EoL thresholds are set at 60 for conductors and 70 for fittings, as defined in NARA Issue 7 and supported by the 2023/24 Asset Health Review. All condition-based candidates have been identified using evidence-driven assessments. T3 work packages have been holistically developed, considering component-level deterioration across the period. All fittings are forecast to reach an EoL score of at least 96 by the end of T3. See NGET_RII03_NGETQ10_OHL Fittings and Conductor Technical Annex.
Instrument Transformers	Assets with EoL <75 are included due to bundling efficiencies; 90% of the assets not supported by Ofgem are part of multiphase sets, and replacing all phases together improves cost and delivery efficiency. The remaining 10% are forecast to deteriorate during T3, justifying replacement during the T3 period. See NGET_RII03_NGETQ10_Instrument Transformers.

2. Non-load related site strategies at Fawley & [REDACTED] substations

Our approach to identifying non-load drivers for a site strategy is based on a comprehensive, systems-thinking methodology that evaluates both technical and strategic dimensions of asset management.

Each site is assessed individually, with priority given to those most in need of intervention for inclusion in the business plan. A site strategy serves as a tailored investment roadmap, considering short-, medium-, and long-term needs. The decision-making process incorporates factors such as the health of substation infrastructure, SF6 resilience, functionality, land constraints, and deliverability, alongside regional characteristics like customer demographics and network configuration. Operational and engineering aspects such as outage sequencing, whole-life value, cost-benefit analysis, and construction feasibility are also considered, as are legal and stewardship obligations. The methodology uses a scoring system to evaluate substations against these factors.

This holistic approach ensures that site strategies are technically sound, and economically and operationally viable. This methodology does not focus solely on the asset health drivers at a site; in the instances of both [REDACTED] and Fawley we have considered all of the above before making the decision to intervene at the right time. Further information on Ofgem's concerns at Fawley and [REDACTED] is provided below and in our NGETQ10 response.

Fawley³

The decision to rebuild Fawley substation is driven by a mixture of asset health and additional asset management factors. [REDACTED]

[REDACTED]. A holistic rebuild allows for efficient delivery, minimises disruption, and supports future network needs, including load growth and [REDACTED] cable replacement. The strategy also aligns with the Future Network Blueprint as outlined in our December submission, ensuring resilience and readiness for increased renewable generation. A timeline of decision making for Fawley is included in our site-specific response to NGETQ10.

Beyond asset health drivers, the additional considerations for the [REDACTED] site strategy include primarily physical space limitations, operational constraints, and future network requirements – [REDACTED]

[REDACTED]. We disagree with Ofgem's assertion that costs and risks 'appear to be disproportionately high'.

3. Changes in our baseline and pipeline positions in response to Ofgem feedback

We have reviewed Ofgem's feedback from draft determinations and bilateral meetings, particularly around the replacement of assets with EoL<75. We have had helpful discussions on Overhead Lines and Protection & Control have sought to address Ofgem's key concerns in our DD response. These engagements helped refine our evidence and commentary to support investment confidence.

While we believe our asset inclusion rationale is robust, we acknowledge that – especially for circuit breakers – clarity on trigger points and trade-off decisions between baseline, pipeline, or exclusion is needed. We have revisited our December submission and, in the case of circuit breaker data, recognised inconsistencies in EoL and risk scoring versus trigger points. We also agree that there were pipeline assets with higher EoL scores and similar triggers.

In response, we have proposed a revised circuit breaker portfolio with adjustments to the baseline/pipeline split.

Baseline to Pipeline Proposed Movements

Based on the data currently available and pending Ofgem's final confirmation on the specific circuit breakers rejected in the PAM model, we understand that [REDACTED] assets have been excluded due to EoL scores being below 75.

Following our review, we propose transferring [REDACTED] of these from the baseline to the pipeline. For the remaining [REDACTED], we have provided further justification for their inclusion, highlighting specific trigger points beyond EoL scores. These assets are expected to reach an EoL score of ≥ 75 by the end of T3, and their proposed replacement in the plan reflects (i) the fact that we have to maintain network risk throughout a price control period, and therefore it is wrong to focus solely on the 2023/24 EoL score, and (ii) a broader asset management rationale in line with good practice.

Pipeline to Baseline Proposed Movements

We have reviewed the circuit breakers currently in the pipeline and identified assets with EoL scores ≥ 75 that are not included in the baseline plan. We are confident in the need, cost, and solution for these assets and can confirm they are not part of any longer-term site strategy at this time.

In line with our asset management logic, we propose moving these assets from the pipeline into the baseline plan. While various factors have influenced our baseline/pipeline split, we acknowledge an inconsistency in this case, which has now been addressed, and these assets are suitable candidates for inclusion. We have also appended a data extract showing the cost and volume entries to support the updated view of circuit breakers in NGET_RII03_NGETQ10_Appendices Circuit Breaker_Updated Table 7.1 alongside the

³ Further information is in 'AO case studies NARM_EJP memo – FIN' submitted to Ofgem during the SQ period.

⁴ Further information is in 'AO case studies NARM_EJP memo – FIN' submitted to Ofgem during the SQ period.

NGET_RII03_NGETQ10_Circuit Breakers - Technical Annex.

As part of our Draft Determination response, we have developed a consolidated version of the portfolio EJP in NGET_RII03_NGETQ10_Strictly Confidential - Investment Triggers Portfolio EJP – DD Response, which brings together all individual Portfolio EJPs into a single, unified sheet. This new format retains all original data without any changes to existing cells, ensuring data integrity. Within this document the proposed movement of assets between baseline and pipeline outlined above is clearly visible. A breakdown of the assets moving from pipeline into baseline specifically is reflected in the appendices of NGET_RII03_NGETQ10_Circuit Breakers - Technical Annex.

NGETQ9. Do you agree with our requirement for clarity and consistency in optioneering assessments and underlying assumptions when considering asset health and GIS use for Site Strategies?

We agree with Ofgem's requirement for clarity and consistency in optioneering assessments as this will facilitate streamlined regulatory processes to deliver the pace of change required to satisfy the CP2030, economic growth and decarbonisation agendas.

We do not agree with Ofgem's current position on asset health assumptions as per our response to NGETQ8.

We do not agree with Ofgem's current position on the use of GIS noting that an industry wide consistent approach is needed for GIS decision-making and new policy directions should not be applied retrospectively to in-flight projects. We have provided a proposal for a 'balanced scorecard' approach to be developed with Ofgem and industry before Final Determinations.

We have a statutory obligation to develop and maintain an efficient, co-ordinated and economical transmission system, whilst supporting the Government's climate and policy objectives for Clean Power 2030 and Net Zero 2050. To meet these ambitious objectives, we need to deliver an unprecedented level of infrastructure investment at speed, which requires consideration of multiple factors such as asset health, design (including safety and reliability), consumer value, environment, local constraints etc. in selecting the most appropriate solution.

From an asset health perspective, we have provided our detailed views on Ofgem's position in our response to NGETQ8. From a GIS perspective, our business plan submission has been developed to select the most appropriate solutions to balance the multiple (sometime conflicting) drivers we face. Not all factors can be quantified consistently and therefore we have considered some factors qualitatively (i.e. land-take, deliverability, stakeholder acceptance, environment) – we understand that these have been more challenging for Ofgem to assess and therefore are keen to work with Ofgem between now and Final Determinations to develop a consistent industry assessment approach.

For example, we include in our DD response the case study of Friston which exemplifies the risks of planning consents alongside evolving network requirements and the need to adapt the scope, scale and requirements for specific projects. At Friston the following sequence of events has occurred:

- Consent was initially secured for either an AIS or GIS substation
- Subsequent connection requests materialised leading to material changes to substation design whilst also maintaining the connection position of the initial applicant
- The revised design could not be achieved through the consented footprint using AIS. To accommodate AIS we would require additional land and resubmission of consents incurring delay to the project (experience of the consenting process suggests a minimum of 12-18 months delay with no guarantee of success)
- Further optioneering concluded that an SF6 free GIS substation within the consented footprint would maintain connection timelines, efficiently manage cost and delivery, and meet wider project requirements.

In this case, the delay impact cannot be quantified in the same way as other factors and therefore may be overlooked.

Acknowledging Ofgem's position that we could enhance our optioneering analysis further, we set out within our attached paper (NGET_RII03_NGETQ9_ETQ68_ETQ69_AIS GIS approach to quantification) the following:

- Further clarification on our approach to AIS/GIS selection and how these were applied to individual EJPs (we seek to address this further through specific project responses in NGETQ10),
- Explanation of the local constraints (planning, stakeholder acceptance) and environmental considerations we must also take into account and how this shapes our choice in technology, and
- Our proposal for a "Balanced Scorecard" to drive consistency on optioneering and underlying assumptions.

Our view is that to drive consistency in decision-making across the industry, reduce the regulatory burden, and ultimately accelerate the development of future pipeline works, a common, agreed approach to scoring the relative merits of an AIS or GIS solution is needed. If agreed before T3 and applied effectively, this approach would remove the need for extended optioneering debates, support a 'workable framework' and improve deliverability of CP2030 plans.

Our proposed Balanced Scorecard approach seeks industry alignment on a set of key factors in AIS/GIS decision making which can be consistently assessed on both a qualitative and quantitative basis. By aligning as an industry on the relative importance of some factors over others, as well as the quantification parameters up-front we can streamline regulatory processes, provide transparency and comparability into RII0-3 thereby 'fixing forward'. Please also see our responses to ETQ68 and ETQ69 that relate to the choice of AIS or GIS technology.

By Final Determination, Ofgem must:

- **Develop and consult on a clear set of policies for project optioneering (including AIS/GIS), which cover all engineering and other factors, to provide consistency and speed into future optioneering processes on a 'fix forward' basis**
- **Recognise that new policies cannot be applied retrospectively to 'in-flight' projects without causing significant schedule or cost implications that would impact customers, consumers and wider stakeholder objectives such as CP2030 and other national ambitions. Instead, Ofgem must work with Transmission Owners to reach acceptable positions for these projects, reflecting the prevailing policies and context at the time development decisions were taken.**

NGETQ10. What are your views on our engineering assessment of NGET's Business Plan?

We do not agree with the engineering assessment for significant parts of our RIIO-3 business plan.

Ofgem's engineering assessment covers a large proportion of our business plan. To make our response as easy to follow as possible we have structured this question as follows:

1. Load capex;
2. Non-load capex;
3. Network Operating Costs; and
4. Non-operational capex.

Where we do not agree with the Draft Determination position, we provide specific evidence that addresses the points raised through the engineering assessment.

Please note that there are two elements of Ofgem's engineering assessment that are strictly confidential and are addressed within: NGET_DD_NGETQ10_Confidential_Response.

By Final Determination, on various investments Ofgem must:

- **Maintain its Draft Determination position where no further evidence was necessary**
- **Consider additional evidence supplied and approve the pre-construction funding requested**
- **Consider additional evidence supplied and approve the baseline funding requested**
- **Consider additional evidence supplied and maintain its Draft Determination position**
- **Complete the assessment of T2/T3 crossover projects (please see our response to ETQ39)**
- **Amend the proposed PCDs (please see our response to NGETQ1)**
- **Change its policy position to support pre-construction funding for non-load and multi-driver projects (please see our response to ETQ26).**

Since the engineering assessment is broad and linked to other consultation questions, we reference within this answer our response to other questions where pertinent.

1. Load capex

a. Load capex – NESO driven EJPs

Amersham - East Claydon - Iver OHL investment

We welcome confirmation of funding for this investment listed above in the PAM Model. Pending confirmation that the PCD covering OHL investments will represent the revised submitted allowance request for these investments we also support the PCD as proposed in Table seven, page 14 of the NGET Annex.

Further detail on our views of the PCD framework can be found in NGETQ1 and [REDACTED]

See Supporting Document [REDACTED].

By Final Determination, Ofgem must:

- **Adjust the baseline allowance to reflect the revised submission**
- **Include a PCD for this project representing the revised costs**

Berkswell 275kV

We agree with Ofgem's decision to support the needs case for this investment.

Optioneering for this project is not yet complete. Berkswell supports HS2, and there is a very limited scope for optioneering within the land allocated to us secured by HS2 via Parliamentary Act – a process that started in 2012. Any options that cannot be accommodated within the existing land would pose unacceptable delays to connecting the customer and supporting this strategic government project.

See Supporting Document NGET_RIIO3_NGETQ10_EJP_Berkswell.

By Final Determination, Ofgem must:

- **Review additional evidence that explains why optioneering at Berkswell is more limited than we would usually undertake**
- **Approve baseline funding as per our request.**

Bodelwyddan - Deeside - Pentir OHL

Ofgem's concerns on this investment were the towers being in poor condition and questioning why there had been no earlier intervention.

We do not recognise this description of the condition of the assets, so believe this to be a misunderstanding.

The towers on the scheme are in good condition [REDACTED] and funding is requested to strengthen the tower to take the higher rated conductor not for asset health reasons. We have provided the EOL scores for the fittings and towers and confirmed what inspection and painting work has been completed on the towers to strengthen them. A 2019 inspection identified no asset health interventions required, other than painting, which was completed during RIIO-T2.

This investment, flagged as T2/T3 Crossover in table 6.1 "Load C&V" Business Plan Data Table, has not been cost assessed as part of Draft Determination and therefore it remains uncertain what the allowance position is for this investment.

Although the scheme hasn't been cost assessed, in Table seven, page 14 of the NGET Annex it is noted that Ofgem are proposing a Mechanistic PCD for a portfolio of OHL investments being delivered in RIIO-T3 totalling £1.213bn (23/24).

Without visibility of the cost assessment methodology or a consulted cost assessment of this investment we are not able to support the PCD as proposed. There is more detail on our views on the current suite of PCDs in response to NGET Q1.

[REDACTED]

By Final Determination, Ofgem must:

- **Assess the additional information provided to confirm that the assets are, in fact, in good condition**
- **Complete the assessment of T2/T3 crossover projects**
- **Subject to the completion of the T2/T3 crossover assessment, determine whether a PCD is required**

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

■ [REDACTED]

Bridgwater

We welcome Ofgem's recognition of high scope confidence and the inclusion of funding for the Bridgwater 400kV substation in the PAM model.

While the needs case and optioneering were deemed partially justified, we have provided clarifications to address these concerns. Specifically, we confirm that the proposed tertiary connection does not directly interact with LOTI projects, and that outage sequencing will be managed to optimise delivery and consumer value. Additionally, the responsibility for Third Party Works lies with the connecting customer and NGED, and these works are outside the scope of this EJP.

See Supporting Document NGET_RII03_NGETQ10_EJP_Bridgwater.

By Final Determination, Ofgem must:

- **Maintain its Draft Determination position**

Bulls Lodge

Ofgem expressed concerns about the compliance of this scheme with the CUSC requirements, and the choice of GIS rather than AIS switchgear.

The proposed design for Bulls Lodge complies fully with Chapter 2 of the Security and Supply Quality Standard (Section A.4). The proposed design also meets the minimum CUSC requirement for a single allocated generator bay.

An AIS option was considered during the early optioneering for this project but was not the preferred option due to land requirements and the impact on nearby ancient woodland. The planning application for the GIS solution was included within the customer's Development Consent Order.

Given that Essex County Council objected to the customer's DCO for a GIS solution, our professional judgement is that very unlikely that a Town and Country Planning Act application for an AIS solution would have succeeded. We took a decision in the round to not expose the project to the risk of delay, with the associated negative impacts on consumers.

[REDACTED]

PCF was not requested for this scheme in the Business Plan submission as at the time it was not clear which funding route would be suitable. We now anticipate that a Load Related Reopener will be submitted for this project and as such we request PCF be approved in the Final Determination

Please see also our responses to ETQ68, ETQ69, and NGETQ9.

See Supporting Documents:

- NGET_RII03_NGETQ10_EJP_Bulls Lodge
- NGET_RII03_NGETQ10_EJP_Bulls Lodge - AIS High Level programme DCO route
- NGET_RII03_NGETQ10_EJP_Bulls Lodge - AIS High Level Programme TCPA route
- NGET_RII03_NGETQ10_EJP_Bulls Lodge - CBA 2021 8 bays
- NGET_RII03_NGETQ10_EJP_Bulls Lodge - CBA 2025 12 bays

By Final Determination, Ofgem must:

- **Approve the needs case for this investment**
- **Approve PCF funding.**

Burwell South 400kV

[REDACTED]

Future reviews may occur once outcomes from Connections Reform and the Centralised Strategic Network Plan (CSNP) are clearer, at which point all connection options will be reconsidered.

By Final Determination, Ofgem must:

- **Maintain its Draft Determination position.**

Chilling-Lovedean Cable Replacement

We acknowledge Ofgem's challenge regarding the potential for a more strategic solution at Lovedean 400kV

The Transmission Works Review identified thermal constraints on the Chilling–Lovedean circuit from 2027, driven by increasing generation and interconnector activity in the Southwest. Deferring the cable replacement to align with a future substation rebuild would delay the connection of approximately 35GW of contracted capacity and significantly increase constraint costs.

In addition, this investment, flagged as T2/T3 Crossover in table 6.1 “Load C&V” Business Plan Data Table, has not been cost assessed as part of Draft Determination and therefore it remains uncertain what the allowance position is for this investment.

By Final Determination, Ofgem must:

- Review the updated information provided on a more strategic solution at Lovedean
- Confirm that the current optioneering approach is justified
- Complete the assessment of T2/T3 crossover projects.

We are interpreting the Ofgem Draft Determination position is that there are no engineering concerns regarding the proposed Deeside Legacy Trawsfynydd Ironbridge Shrewsbury investment, and we welcome that support.

Although the scheme hasn't been cost assessed, in Table seven, page 14 of the NGET Annex it is noted that Ofgem are proposing a Mechanistic PCD for a portfolio of OHL investments being delivered in RIIO-T3 totalling £1.213bn (23/24).

Without visibility of the cost assessment methodology or a consulted cost assessment of this investment we are not able to support the PCD as proposed. There is more detail on our views on the current suite of PCD's in response to NGET Q1.

- Complete the assessment of T2/T3 crossover projects
- Subject to the completion of the T2/T3 crossover assessment, determine whether a PCD is required.

Ofgem's concerns about this investment relate to whether we have sufficiently considered indoor and outdoor AIS options.

Our optioneering gave full consideration to an outdoor AIS option, this was not the selected option as there are substantial consumer benefits (██████) from proceeding with the preferred GIS option, and that an AIS option (whether indoor or outdoor) was not feasible.

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Please see also our responses to ETQ68, ETQ69, and NGETQ9.

We provide in a supporting document the articulation of how projects linked to ASTI schemes interact with the ASTI schemes requested by Ofgem in para 5.18.

See Supporting Documents:

- NGET_RII03_NGETQ10_EJP_Friston
- NGET_RII03_NGETQ10_ASTI enabling projects inclusion justification

By Final Determination, Ofgem must:

- **Assess the additional evidence provided in this response**
- **Confirm their support for a GIS substation**
- **Complete the assessment of T2/T3 crossover projects.**

Ickenham

We agree with Ofgem's decision to support the needs case for this investment.

Ickenham supports HS2, and there is a very limited scope for alternative solutions within the land allocated to us secured by HS2 via Parliamentary Act – a process that started in 2012. Any options that cannot be accommodated within the existing land would pose unacceptable delays to connecting the customer and supporting this strategic government project.

PCF was not requested for this scheme in the Business Plan submission as at the time it was not clear which funding route would be suitable. It is now anticipated that a Load Related Reopener will be submitted for this project and as such we request PCF be approved.

See Supporting Document NGET_RII03_NGETQ10_EJP_Ickenham.

By Final Determination, Ofgem must:

- **Approve PCF for this project**
- **Review additional evidence that explains why optioneering at Ickenham is more limited than we would usually undertake.**

Iron Acton

We are interpreting the Ofgem Draft Determination position is that there are no engineering concerns regarding the proposed Iron Acton Investment, and we welcome that support.

Although the scheme hasn't been cost assessed (as it will be funded via the T2+2 volume driver) in Table 7, page 16 of the NGET Annex it is noted that Ofgem proposes an Evaluative PCD for ██████████. The total allowances requested for Iron Acton is ██████████ and we are keen to understand the basis of the PCD being proposed.

Without visibility of the cost assessment methodology or a consulted cost assessment of this investment we are not able to support the PCD as proposed. There is more detail on our views on the current suite of PCDs in response to NGETQ1.

By Final Determination, Ofgem must:

- **Remove the PCD relating to this project.**

Middleton 400kV

We agree with Ofgem's decision to support the needs case for this investment.

Ofgem expressed concerns that our optioneering had not considered a sufficiently wide range of options, specifically

an AIS option, and an option to replace the Heysham substation.

Our optioneering process selected the best value option for consumers. An AIS option was discounted due to land constraints at Middleton and the coastal location of the site, in line with our policy [REDACTED]

Our Heysham 400kV substation supports Heysham nuclear power station. [REDACTED]

Asset health data for our assets at Heysham 400kV substation shows most assets are in good condition, with low end-of-life scores and risks below critical levels.

[REDACTED] This therefore need not be considered within the optioneering at Middleton.

PCF was not requested for this scheme in the Business Plan submission as at the time it was not clear which funding route would be suitable. It is now anticipated that a Load Related Reopener will be submitted for this project and as such we request PCF be approved.

See Supporting Documents:

- NGET_RII03_NGETQ10_EJP_Middleton
- NGET_RII03_NGETQ10_EJP_Middleton - AIS programme
- NGET_RII03_NGETQ10_EJP_Middleton_CBA
- NGET_RII03_NGETQ10_EJP_Middleton - Heysham Asset Health Data

By Final Determination, Ofgem must:

- **Assess the additional evidence provided that supports our optioneering process**
- **Approve PCF for this project.**

NS Hinksey Cable

We agree with Ofgem's decision to support the needs case for this investment.

Ofgem expressed concerns in the Draft Determination that our optioneering did not consider a sufficiently wide range of options that may have a lower whole life cost.

We have reviewed our optioneering and remain content that the preferred option is correct. Alternatives were rejected as they fail to meet the required thermal ratings or cannot be delivered in time to meet the required Earliest In Service Date.

PCF was not requested for this scheme in the Business Plan submission as at the time it was not clear which funding route would be suitable. It is now anticipated that a Load Related Reopener will be submitted for this project and as such we request PCF be approved.

See Supporting Document NGET_RII03_NGETQ10_EJP_NS Hinksey Cable.

By Final Determination, Ofgem must:

- **Assess the additional evidence provided**
- **Maintain its approval of the needs case for this investment**
- **Provide PCF for this investment.**

Quinton HS2

We agree with Ofgem's decision to support the needs case for this investment.

Optioneering for this project is not yet complete. Quinton supports HS2, and there is a very limited scope for optioneering within the land allocated to us secured by HS2 via Parliamentary Act – a process that started in 2012. Any options that cannot be accommodated within the existing land would pose unacceptable delays to connecting the customer and supporting this strategic government project.

See Supporting Document NGET_RII03_NGETQ10_EJP_Quinton.

By Final Determination, Ofgem must:

- Review additional evidence that explains why optioneering at Quainton is more limited than we would usually undertake.

Tilbury Warley OHL

We agree with Ofgem's assessment of the needs case for this investment. We welcome Ofgem's draft determination position to support funding for Tilbury-Warley OHL.

[REDACTED]

[REDACTED]

By Final Determination, Ofgem must:

- Assess the additional evidence provided
- Award baseline funding as per our amended request.

b. Load capex – Major projects

The response below is applicable to the following four Overhead Line Investments:

- Barking- West Ham 1 and 2 OHL
- East Claydon - Enderby - Patford Bridge 1 and 2 OHL
- Feckenham-Ironbridge OHL
- Feckenham - Hams Hall, Drakelow - Hams Hall OHL

We welcome confirmation of funding for the investments listed above in the PAM Model. Pending confirmation that the PCD covering OHL investments will represent the revised submitted allowance request for these investments, we also support the PCD as proposed in Table 7, page 14 of the NGET Annex

Further detail on our views of the PCD framework can be found in NGETQ1.

[REDACTED]

[REDACTED]

By Final Determination, Ofgem must:

- Assess the additional evidence provided
- Award baseline funding as per our amended request
- Include PCD for these projects representing the revised costs.

Portfolio response – the response below is applicable to the following seven Load related PCF needs case requests:

- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]

■ [REDACTED]

We welcome confirmation of PCF funding and need case support for the investments above. Project development of these investments will now progress with a view to submit Reopeners during early years of RIIO-T3.

By Final Determination, Ofgem must:

- **Maintain its Draft Determination position.**

■ [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

■ [REDACTED]

BPRE (BRFO-PELH-BRAI-RAYL) OHL Investment

We are interpreting the Ofgem Draft Determination position that there are no engineering concerns regarding the proposed BPRE investment, and we welcome that support.

However, this investment, flagged as T2/T3 Crossover in table 6.1 “Load C&V” Business Plan Data Table, has not been cost assessed as part of Draft Determination and therefore it remains uncertain what the allowance position is for this investment.

Although the scheme hasn’t been cost assessed, in Table 7, page 16 of the NGET Annex it is noted that Ofgem are proposing a Mechanistic PCD for a portfolio of OHL investments being delivered in RIIO-T3 totalling £1.213bn (23/24).

The total allowances requested for [REDACTED] We note footnote 5 on page 14 of the NGET annex that states “*This represents the submitted amount. This will be reduced once the treatment of non RIIO-T3 elements is determined and in accordance with our cost assessment process*”.

Without visibility of the cost assessment methodology or a consulted cost assessment of this investment we are not able to support the PCD as proposed. There is more detail on our views on the current suite of PCDs in response to NGET Q1.

We provide in a supporting document the articulation of how projects linked to ASTI schemes interact with the ASTI schemes requested by Ofgem in para 5.18.

See Supporting Document NGET_RIIO3_NGETQ10_ASTI enabling projects inclusion justification.

By Final Determination, Ofgem must:

- **Assess the additional evidence provided**
- **Complete the assessment of T2/T3 crossover projects**
- **Subject to the completion of the T2/T3 crossover assessment, determine whether a PCD is required.**

East Claydon Rebuild

We agree with Ofgem’s engineering assessment for this investment.

By Final Determination, Ofgem must:

- **Maintain its Draft Determination position.**

GRETNNA - HARKER - MOFFAT OHL Investment

We welcome confirmation of funding for this investment in the PAM Model and, pending confirmation that the PCD covering OHL investments represents the submitted amounts for both RIIO-T3 baseline and T2/T3 Crossover investments, we also support the PCD as proposed in Table 7, page 14 of the NGET Annex.

By Final Determination, Ofgem must:

- **Maintain its Draft Determination position.**

Kegworth 400kV

We are interpreting the Ofgem Draft Determination position that there are no engineering concerns regarding the needs case for the proposed Kegworth 400kV scheme and we welcome that support.

By Final Determination, Ofgem must:

- **Maintain its Draft Determination position.**

Pembroke 400kV

We agree with Ofgem's draft determination position to support the needs case for the Pembroke 400kV substation.

We welcome your early feedback on optioneering and, in line with the IDP submitted, our intention is to develop a full site strategy to support achieving maximum consumer value across all works interacting with Pembroke substation.

Since we requested pre-construction funding only, optioneering for this project is not yet complete, so we will take on board Ofgem's comments within that assessment.

See Supporting Document NGET_RII03_NGETQ10_EJP_Pembroke.

By Final Determination, Ofgem must:

- **Maintain its Draft Determination position.**

SCRE & WRRE

We agree with Ofgem's assessment of the needs case for this investment.

However, this investment, flagged as T2/T3 Crossover in table 6.1 "Load C&V" Business Plan Data Table, has not been cost assessed as part of Draft Determination and therefore it remains uncertain what the allowance position is for this investment.

Although the scheme hasn't been cost assessed, in Table 7, page 16 of the NGET Annex it is noted that Ofgem are proposing a Mechanistic PCD for a portfolio of OHL investments being delivered in RII0-T3 totalling £1.213bn (23/24).

Without visibility of the cost assessment methodology or a consulted cost assessment of this investment we are not able to support the PCD as proposed. There is more detail on our views on the current suite of PCDs in response to NGET Q1.

[REDACTED]

See Supporting Documents:

- [REDACTED]
- NGET_RII03_NGETQ10_ASTI enabling projects inclusion justification

By Final Determination, Ofgem must:

- **Assess the additional evidence provided**
- **Complete the assessment of T2/T3 crossover projects**

- **Subject to the completion of the T2/T3 crossover assessment, determine whether a PCD is required.**

Sizewell 400kV Rebuild

We agree with Ofgem's engineering assessment to award PCF for this investment.

By Final Determination, Ofgem must:

- **Maintain its Draft Determination position.**

c. Load capex – Atypical EJPs

Early Land Purchase

The engineering assessment within the Draft Determination is contrary to the position stated within Ofgem's RIIO-3 Business Plan Guidance Investment Decision Pack Guidance Annex in relation to early land purchases. The latter gives "*Strategic Land Procurement*" as an 'applicable work' for Atypical EJPs; however, the Draft Determination engineering assessment states that "*Our wider policy position is that this we will not be providing strategic land purchases.*"

Ofgem's Draft Determination position suggests there should be no strategic purchase of land, and that we should only commence purchases when there is a clear requirement linked to a specific project. We do not agree that this approach would serve the best interests of consumers.

Our Early Land Purchase investment proposal is for strategic land procurement in accordance with 'Atypical EJPs applicable works'; it is not, as has been assessed, for land relating to "[24] potential sites". Our investment is intended to secure Options or Freehold land acquisition for a suitable project from our connections queue, when said project has achieved the level of design necessary to establish land requirements.

Our connections queue is dynamic and currently changing at unparalleled pace owing to broader connections reform activities; projects within our queue will thus attain the design maturity required to identify land requirements at different times, consequently we are unable to bind this funding to any specific project at this time. Whilst we therefore agree with the assertion that "land will need to be procured", we do not agree with the assessment that "*NGET provide a more robust needs case for each of the potential sites proposed, as well as further clarity on which out of the proposed sites will be pursued.*"

We would therefore ask that our investment is reassessed in keeping with the given intent of enabling strategic land purchases, in accordance with the RIIO-3 Business Plan Guidance, and Ofgem's overall stance on strategic investment and creating a regulatory framework that supports the expansion of the electricity system now and in the future. The proposal on Early Land Purchase risks creating delays for consumers in the future, given the risks around land purchase without any funding, as we describe below.

More generally, we seek clarification concerning the position stated in 4.22 of the RIIO-3 Draft Determinations – Electricity Transmission document: "*In relation to strategic land purchase, which was covered by ECF, we determined that this should not be transferred to PCF because the TOs have a viable route for this already. TOs can request funding for land purchase in cost assessments, as has always been the case under Strategic Wider Works (SWW), LOTI and MSIP. For this reason, we do not consider that it should be within the scope of development funding on an enduring basis (post-ASTI).*" The RIIO-T3 framework as proposed across the suite of draft determinations documents does not provide MSIP or LOTI (thus Strategic Wider Works) arrangements; therefore we would welcome clarification on the "*viable route*" that TOs should use under the RIIO-T3 framework to secure funding for strategic land purchase?

We would also ask that Ofgem share the analysis underpinning the position that "*the ability to conduct the future sale of the land largely insulates the TO from any potential risk associated with a stranded purchase*". This position is contrary to our experience of land purchase in the current climate where competition for land purchase is increasing significantly, and as given, we expect that the recent connections reforms will increase this level of competition as a consequence of requiring that future connections queue applications must have secured land rights in order to receive a connection offer, thus a place within the connections queue⁵.

We would therefore welcome the opportunity to assess any analysis Ofgem has undertaken to support this position.

By Final Determination, Ofgem should:

⁵ NESO – Great Britain's Connection Reform: Overview Document

- **Confirm that the Business Plan Guidance represents its policy position relating to early land purchases**
- **Reassess our Early Land Purchase investment proposal**
- **Award allowances as per our request**
- **Clarify the position for strategic land purchases within the suite of RIIO-3 Uncertainty Mechanisms.**

Enhanced Ratings Strategy

Please see ETQ18 for our response to the engineering comments relating to our enhanced rating EJP.

Iver-Laleham Cable tail uprating and Iver-West Weybridge Cable tail uprating

We welcome Ofgem's support for the needs case of the Iver–Laleham and Iver–West Weybridge cable tails and appreciate the opportunity to provide further clarity on the optioneering process.

The decision to discount uprating to 400kV was based on extended delivery timescales, significant infrastructure replacement requirements, and the risk of delaying critical customer connections, including data centres and BESS projects. Our preferred solution – hotwiring – offers a cost-effective approach, increasing circuit capacity with minimal disruption.

The Transmission Works Review identified urgent thermal constraints. While future infrastructure into West London is being considered, including a new 400kV circuit from the Southwest, we remain committed to coordinated planning across internal teams and external stakeholders to ensure strategic alignment and consumer value.

This project has not been assessed within PAM due to our mistake of including the project in the wrong BPDT. For Final Determination we request a full cost assessment for baseline allowances.

See Supporting Document NGET_RIIO3_NGETQ10_EJP_Iver Laleham Iver West Weybridge Cable tail uprating.

By Final Determination, Ofgem must:

- **Review the optioneering assessment for these projects**
- **Provide baseline funding for the requested amounts.**

Network Operability

Ofgem expressed concern within the Draft Determination that it is not clear whether we or NESO have responsibility for the works and so decided that the needs case was only partially justified.

We agree that there is overlap between ourselves and NESO and would welcome further guidance on the best way for investments to be triggered and funded.

The needs case for Network Operability EJP aligns with Condition D3 that requires NGET to plan and develop the National Electricity Transmission System in accordance with the System Security and Quality of Supply Standard (NETS SQSS), which sets out the technical and operational requirements for maintaining the security and stability of the transmission system.

NESO has similar obligations under its licence, so it is clear both parties have a role to play. Consequently, there is potential for mutual impact between our investment plan and NESO's tender processes, reinforcing the need for strategic alignment and coordination. We provide further detail of evidence of our engagement with NESO in the supporting document listed below.

As we have no control over the process or outcome of NESO tenders nor visibility of the analysis to compare to our own, nor can we assure that the successful projects selected by NESO are ultimately delivered in the timescales required (e.g. the multiple Pathfinder projects selected through the previous process tenders that are no longer being delivered), we must actively manage our network development plans against this uncertain backdrop.

Reflecting this lack of visibility and certainty, we have requested UIOLI funding for this investment so if the need for these investments falls away due to overlap with Pathfinders tenders, then we would not use the UIOLI funding.

The funding requested within our business plan submission relate to capex investments to manage three issues operational high voltages, dynamic performance after disturbances, and harmonic headroom. The assets are, respectively, surge arresters and point-of-wave controllers, STATCOMs, and active harmonic filters. The Network Operability EJP does not request funding to undertake power system studies as Ofgem states erroneously in the Draft Determination.

See Supporting Document NGET_RII03_NGETQ10_EJP_Network Operability.

By Final Determination, Ofgem must:

- **Assess the additional information provided**
- **Support the needs case for the network operability investments**
- **Provide UIOLI funding for the investments identified.**

Reactive Compensation (load)

Ofgem commented on Reactive Compensation together with Network Operability, so the same concerns regarding whether we or NESO have responsibility for the works and so decided that the needs case was only partially justified.

Please see the comments within the Network Operability section above for a brief explanation of our and NESO's role in this area or the supporting document listed below for a fuller explanation.

Since our submission in December 2024, we have undertaken additional network assessments to support our investment plans. The Reactive Compensation EJP does not request funding to undertake power system studies as Ofgem states erroneously in the Draft Determination.

The latest round of our power system studies reconfirms [REDACTED] [REDACTED] flagged in the EJP. We have provided justifications to concerns raised by Ofgem and therefore seek to agree the need for this investment. We will progress the ongoing optioneering process that will confirm the scope, size and location for the reactive compensation assets and seek to use an uncertainty mechanism to allow a funding request to be made at an appropriate time.

We believe the additional context and information in this draft determination response should give Ofgem sufficient confidence in the needs case for this Investment.

See Supporting Document NGET_RII03_NGETQ10_EJP_Reactive Compensation.

By Final Determination, Ofgem must:

- **Assess the additional information provided**
- **Support the needs case for this EJP in advance of a funding request at a time when the scope, size, and location for the assets is known.**

d. Load capex – Portfolio

Customer Connections

Ofgem expressed concerns that the needs case for this investment was not clear and that the optioneering was not justified as the proposals were underdeveloped but noting that Ofgem supported the development of the projects in the portfolio when the need crystallises and projects can be brought forward.

We prepared the CC Portfolio EJP to expedite the development of (and subsequent delivery of) a portfolio of work. We believed an approach like this was novel and would have – potentially with further refinement – allowed early project development to progress at pace without necessarily being dependent on using the proposed Load Related Re-opener.

The EJP was clear that while there was a level of uncertainty associated with the specific projects noted, there is an overall need to undertake early development activities at this scale and pace to meet Government targets.

We note that Ofgem considers these costs to be covered by CAI allowances - please see our response to ETQ57 for further details.

By Final Determination, Ofgem must:

- **Assess the additional information provided**
- **Support the needs case for this EJP**
- **Provide PCF funding as requested.**

a. *Non-load capex – Major Projects*

By Final Determination, Ofgem must:

- ## 4TF Hawthorn Pit – Norton – Offerton Reconductoring

See Supporting Document NGET_RII03_NGETQ10_OHL & Cable (4TF) – Technical Annex.

We welcome Ofgem's early engagement on the optioneering approach proposed. Optioneering is not yet complete,

See Supporting Document NGET_RII03_NGETQ10_EJP [REDACTED].

Strategy

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[REDACTED]. The timeline shows that the site has not been extended as Ofgem states in the Draft Determination, but that there were works to install SGT4 to meet supply resilience requirements and that we plan to re-use this asset within the scheme to provide good value for consumers and avoid unnecessary early asset write off.

Please see also our response to NGETQ8.

At the point we submitted our Business Plan, this investment was undergoing initial optioneering and therefore, pending additional technical assessments and early stakeholder engagement, a preferred option had not yet been identified. We value Ofgem's feedback provided at Draft Determination and will incorporate it into our ongoing optioneering activities; these points will be addressed in our RII0-T3 re-opener submission.

See Supporting Documents:

- NGET_RII03_NGETQ10_EJP [REDACTED]
- NGET_RII03_NGETQ10_EJP [REDACTED] - AO case studies NARM_EJP memo

By Final Determination, Ofgem must:

- **Amend its policy position to allow PCF for non-load driven projects such as this**
- **Assess the additional information provided to clarify the needs case for this investment**
- **Approve the needs case for this investment**
- **Provide PCF for this investment.**

Imperial Park - Melksham and Cilfynydd - Whitson - Seabank Cables Replacement

[REDACTED]
[REDACTED]
We are interpreting the Ofgem Draft Determination position that there are no engineering concerns regarding the needs case for the proposed Imperial Park - Melksham and Cilfynydd - Whitson - Seabank Cables Replacement and we welcome that support.

There appears to be a mistake in Table 7, page 13, of the NGET Annex as Ofgem are consulting on the creation of a Mechanistic PCD for this investment at a value of [REDACTED]. Our working assumption is that this is a duplicate of a PCD for the Overhead Line Investment 4YX – Cilfynydd – Imperial Park – Seabank – Whitson – Melksham which is also contained in the proposed portfolio PCD in Page 15 of the NGET Annex. There is more detail on our views on the current suite of PCDs in response to NGETQ1.

This scheme is a good example of the substantial level of development work that can be needed to make strategic improvements to the network, and so this development work should be funded regardless of whether the work is load or non-load driven.

DDQ004 confirmed that Ofgem has not supported the release of PCF for major non-load investments. We do not support this policy. The justification given by Ofgem is that funding to develop major non-load investments exists in NGET's Closely Associated Indirect funding. This is incorrect as our proposed CAI allowances, and Ofgem's modelling approach to calculate allowances, consider only costs for projects in our baseline plan and explicitly exclude pipeline. Please see our response to ETQ26 for a fuller response on this point. We ask Ofgem to reconsider its policy position on PCF on non-load investments and support the development of this investment.

By Final Determination, Ofgem must:

- **Amend its policy position to allow PCF for non-load driven projects such as this**
- **Approve the needs case for this investment**
- **Provide PCF for this investment**
- **Remove the proposed PCD for this project.**

Kirkstall 'A' Skelton Grange Cable Replacement

We agree with Ofgem's assessment of the needs case for this investment.

Since we requested pre-construction funding only, optioneering for this project is not yet complete, so we will take on board Ofgem's comments within that assessment.

Despite Ofgem agreeing with the needs case, Ofgem has taken a policy decision not to award PCF for non-load

projects. We disagree with this policy decision as set out in response to ETQ26.

See Supporting Document NGET_RIIO3_NGETQ10_EJP_Kirkstall 'A' - Skelton Grange Cable Replacement.

By Final Determination, Ofgem must:

- **Amend its policy position to allow PCF for non-load driven projects such as this**
- **Approve the needs case for this investment**
- **Provide PCF for this investment.**

NEWX – WIMB, HURS – NEWX, HURS-LITT decommissioning

Ofgem's concerns about this investment were the needs case being unclear and the interaction with RIIO-T2 funding.

The investment is required to decommission cables that are replaced by the LPT2 scheme, rather than an integral part of the delivery of that investment.

As set out in our RIIO-T2 submission, which was approved by Ofgem, funding received to date does not cover the cost of decommissioning the cable circuits because this was envisaged to be a T3 activity. We are now seeking funding via our RIIO-T3 submission for cable decommissioning works in T2 and T3, in line with Ofgem's previous decision.

[REDACTED]

[REDACTED] We will bring forward a revised investment case that gives greater cost confidence since, as noted in our December EJP, there are supply chain risks due to the specialist nature of this work. We therefore accept Ofgem's position in the Draft Determination.

Please see our responses to ETQ44 and ETQ45 that set out our position that the non-load reopener should have a broader scope than that included in the Draft Determination to support investments such as this.

By Final Determination, Ofgem must:

- **Develop a non-load related re-opener suitable for projects such as this**
- **Maintain its Draft Determination position.**

[REDACTED] Rationalisation

Ofgem stated that the needs case for the [REDACTED] was not justified as they believe the asset health scores indicate that the site does not warrant intervention.

Consideration of the asset health scores alone discounts the wider picture, the complexities associated with the site and the longer-term asset management challenges, which, when considered holistically, form the primary driver for this site strategy. Please see also our response to NGETQ8.

In response to Ofgem's concerns, we provide further information that sets out why a piecemeal approach to interventions at [REDACTED] in early asset write off and poor consumer value compared with the holistic site approach that we propose. The physical space limitations, operational constraints, and future network requirements serving [REDACTED] mean that future consumers would be better served by us decommissioning the 275kV site to allow for expansion of the 400kV site. We also note a theme Ofgem in the Draft Determination signalling support for all three TOs adopting holistic approaches to major non-load site interventions.

We do not agree with Ofgem's policy decision that PCF will not be awarded for non-load projects, as set out in response to ETQ26. This site is a good example of the benefits of thinking more widely than just asset health – there are opportunities to re-design this site to better serve the needs of [REDACTED] even if the primary driver for intervention is asset health. Significant development work on this scale should be supported by suitable pre-construction funding.

See Supporting Documents:

- NGET_RII03_NGETQ10_██████████
- NGET_RII03_NGETQ10_██████████ - AO case studies NARM_EJP memo

By Final Determination, Ofgem must:

- Amend its policy position to allow PCF for non-load driven projects such as this
- Assess the additional information provided to clarify the needs case for this investment
- Approve the needs case for this investment
- Provide PCF for this investment.

VM IRON PENN 2 and IRON RUGE Reconductoring

We welcome confirmation of funding for this reconductoring scheme in the PAM Model. We understand that the engineering needs case for ██████████ was partially justified, however this was not reflected in the PAM Model. We assume Ofgem fully supports the scheme due to its inclusion in the PAM Model.

By Final Determination, Ofgem must:

- Maintain its Draft Determination position.

West London Cables Strategy (Ealing - Laleham, Iver - North Hyde, Ealing Willesden)

We agree with Ofgem's decision to support the needs case for this investment.

We appreciate Ofgem's early feedback on our provisional optioneering. A preferred option was not presented due to the early stages of development work of a complex project. We will take this feedback on board as we progress with the development of this project with a greater emphasis on more strategic options for reinforcement in the region.

This scheme is a good example of the substantial level of development work that can be needed to make strategic improvements to the network, regardless of whether the initial trigger is load or non-load driven. This scheme could consider, together with DNOs, NESO and the London authorities, new connections and new supply points thinking long-term and strategically. This is valuable development work that should be supported with pre-construction funding.

Despite Ofgem agreeing with the needs case, Ofgem has taken a policy decision not to award PCF for non-load and share-driver schemes. We disagree with this policy decision as set out in response to ETQ26.

See Supporting Document NGET_RII03_NGETQ10_EJP_West London Cables Strategy.

By Final Determination, Ofgem must:

- Amend its policy position to allow PCF for non-load driven projects such as this
- Approve the needs case for this investment
- Provide PCF for this investment.

b. Non-load capex – Portfolio

Circuit Breakers

Detailed feedback on Ofgem's Engineering Assessment is provided within a supporting document.

Based on Ofgem's feedback, we have revisited the trigger for intervention on these assets. We therefore propose to move ██████ assets that would have an End-Of-Life score of less than 75 at the end of the RII0-3 period from the baseline to the pipeline. Using the same logic, we therefore request that Ofgem approve the remaining ██████ assets in our December submission alongside a further ██████ assets that have an end-of-life score above this threshold that were originally within the pipeline but would now move to the baseline.

We provide a fuller response to how the asset health triggers are assessed (including end-of-life scores and obsolescence) in our response to NGETQ08, along with further detail regarding the above proposal.

See Supporting Document NGET_RII03_NGETQ10_Circuit Breakers - Technical Annex.

By Final Determination, Ofgem must:

- **Assess the additional evidence provided**
- **Approve baseline funding as per our revised request.**

Instrument Transformers – Combined CTs & VTs

Ofgem's concerns about this investment relate to the trigger for intervention not being clear on an asset health basis.

We provide a full response to how the asset health triggers are assessed (including end-of-life scores and obsolescence) in our response to NGETQ08. Please note that this response is based on assumptions; we were not able to fully reconcile Ofgem's PAM model for Instrument Transformer assets. Therefore, we are unable to see specifically which interventions have been accepted or otherwise, partially, or not justified.

We have re-assessed our planned interventions relating to instrument transformers in response to Ofgem's feedback and provide further data that supports some of the interventions selected. Of the [REDACTED] Instrument Transformers disallowed at the draft determination, the NPV analysis we have carried out demonstrates that delivering [REDACTED] of these during the T3 period has an overall cost benefit to consumers. We agree with Ofgem's Draft Determination regarding the remaining [REDACTED] assets that were disallowed.

Detailed feedback on Ofgem's Engineering Assessment is provided within a supporting document.

See Supporting Document NGET_RIIO3_NGETQ10_Instrument Transformers.

By Final Determination, Ofgem must:

- **Assess the additional evidence provided**
- **Approve baseline funding as per our revised request.**

OHL Fittings

Ofgem's concerns about this investment relate to the trigger for intervention not being clear on an asset health basis.

We provide a fuller response to how the asset health triggers are assessed (including end-of-life scores and obsolescence) in our response to NGETQ08.

We provided a detailed presentation on our investment plan for OHL fittings at a bilateral meeting with Ofgem on 30th July 2025.

To respond to Ofgem's feedback, we are providing within a supporting document further data and evidence that shows there is a need to replace [REDACTED] insulators [REDACTED] and how the programme to affect these replacements has been incorporated into our asset health review process. Of the towers identified [REDACTED], just over half have been completed, and our investment plan addresses the remaining towers across RIIO-T3 and RIIO-T4.

See Supporting Document NGET_RIIO3_NGETQ10_OHL Fittings and Conductor Technical Annex.

By Final Determination, Ofgem must:

- **Assess the additional evidence provided**
- **Approve baseline funding as per our original request.**

Protection and Control

Ofgem's Draft Determination proposes not delivering approximately [REDACTED] protection and control assets alongside a cost reduction of [REDACTED] primarily on the basis of it being unclear why certain assets are being replaced and why others were omitted.

[REDACTED]
[REDACTED]
[REDACTED].

We provide a detailed response to Ofgem's concerns within a supporting document.

The document includes a summary of our option selection rationale and intervention hierarchy, supported by four case studies illustrating the engineering considerations [REDACTED]

[REDACTED] This information goes beyond what was provided in the December 2024 T3 submission, giving Ofgem greater visibility of the decision-making process and engineering basis for our proposed

interventions. We have also included the T3 Protection & Control Asset Group Strategy narrative document that was not submitted with the original submission.

Proactive investment in protection and control assets is essential, [REDACTED]. We propose a more balanced and future-oriented approach, one that appreciates the unique technical demands and evolving risks in today's energy landscape. Our strategic asset management principles, centred on deliverability, affordability, reliability, and sustainable, long-term outcomes, guide our submission and underscore the need for careful stewardship [REDACTED].

We provide a fuller response to how the asset health triggers are assessed (including end-of-life scores and obsolescence) in our response to NGETQ08.

See Supporting Document NGET_RII03_NGETQ10_Protection & Control (P&C) - Technical Annex.

By Final Determination, Ofgem must:

- **Assess the additional evidence provided**
- **Approve baseline funding as per our original request.**

Reactive Compensation (non-load)

We agree with Ofgem's engineering assessment for this investment, as shown in the PAM Model. We understand that engineering and scope need for NGNLT30004 & Pipeline Scheme were not justified, however this was not reflected in the PAM Model. The reactive compensation submission for baseline was outlined in the portfolio EJP document confirming the need and optioneering associated.

By Final Determination, Ofgem must:

- **Maintain its Draft Determination position.**

Substation Cables

We agree with Ofgem's engineering assessment for this investment, as shown in the PAM Model. We understand that the engineering optioneering for this IDP was partially justified, however this was not reflected in the PAM output.

By Final Determination, Ofgem must:

- **Maintain its Draft Determination position.**

Substation Overheads

Ofgem's feedback in the Draft Determination was that, although there was a range of assets being considered (i.e. high-level busbars and their supporting structures) that is justified, it was hard to understand why some assets in the portfolio were to be replaced, and why others were omitted.

To address these concerns, we provide additional evidence in a supporting document to show our intervention decisions are based on asset condition data incorporating failure analysis data, outage inspections, and field trials at Deeside Innovation Centre. We outline our phased approach to these investments [REDACTED]

[REDACTED]. Our RII0-T3 programme will establish the capability to replace at scale and build momentum into RII0-T4 and beyond. Our investment proposal includes pipeline investments that, given a suitable route to funding during RII0-T3, would allow us to take advantage of opportunities as they arise. This approach will improve delivery capability and improve asset data over time.

We provide a full response to how the asset health triggers are assessed (including end-of-life scores and obsolescence) in our response to NGETQ08.

See Supporting Document NGET_RII03_NGETQ10_Substation Overheads (incl. V-Strings) - Technical Annex.

By Final Determination, Ofgem must:

- **Assess the additional information provided to support this investment**
- **Approve the needs case for this investment**
- **Agree our preferred scope for this investment**

- Approve baseline funding as per our request.

Through Wall Bushings

We agree with Ofgem's engineering assessment for this investment, as shown in the PAM Model. We understand that the engineering optioneering for this IDP was partially justified, however this was not reflected in the PAM output.

By Final Determination, Ofgem must:

- Maintain its Draft Determination position.

Transformers – SGTs

The feedback from Ofgem indicates a challenge regarding investment triggers [REDACTED]
[REDACTED] We believe there is justification for both assets to receive baseline funding.

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

[REDACTED] was previously funded under the NARM framework in RIIO-T2 based on its asset health scoring at the time, however we were unable to complete the intervention on this asset in T2. We should therefore have marked it as a T2/T3 crossover project for separate discussion as part of that process. We look forward to discussing the treatment of such delayed NARM T2/T3 crossover projects in the coming months such that a way forward can be agreed in Final Determination.

By Final Determination, Ofgem must:

- Approve the needs case for the investment to replace [REDACTED]
- Approve baseline funding [REDACTED]
- Include [REDACTED] in discussions regarding the treatment of NARM T2/T3 crossover projects that have been delayed and are now delivering in RIIO-T3.

c. Non-load capex – Atypical EJPs

Air Systems

Ofgem's concerns within the Draft Determination were that our intervention strategy was not clear as Ofgem would expect to see a trend of air blast switchgear being replaced with a modern alternative and a decommissioning of the compressed air systems.

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

This proposal seeks funding for interventions at [REDACTED] sites and [REDACTED]
[REDACTED] mobile compression units for increased network resilience. Of the [REDACTED] are scheduled for removal of all air compression functionality by the end of the RIIO-T3 period. Replacement in these cases is still needed within RIIO-T3 due to the criticality of these assets, however once the equipment is no longer needed at those sites it can be re-used across the [REDACTED] substations using air blast circuit breakers beyond the T3 period.

We provide further evidence in a supporting document which expands upon the information above. Please note the replacement of air blast circuit breakers is set out under our Circuit Breaker Portfolio EJP.

See Supporting Document NGET_RIIO3_NGETQ10_Air Systems_Technical Annex - Final Version.

By Final Determination, Ofgem must:

- Assess the additional information provided to support this investment
- Approve the needs case for this investment
- Agree our preferred scope for this investment
- Approve baseline funding as per our request.

Emergency System Restoration Resilience

We agree with Ofgem's engineering assessment for this investment, as shown in the PAM Model. We understand that the engineering optioneering for this IDP was partially justified, however this was not reflected in the PAM output.

By Final Determination, Ofgem must:

- **Maintain its Draft Determination position**

OHL Aviation

We agree with Ofgem's engineering assessment for this investment, as shown in the PAM Model, along with Ofgem's response to DDQ NGET047.

By Final Determination, Ofgem must:

- **Maintain its Draft Determination position**

OHL Enabling Works

We agree with Ofgem's engineering assessment for this investment, as shown in the PAM Model, along with Ofgem's response to DDQ NGET047. We understand that the engineering optioneering for this IDP was partially justified, however this was not reflected in the PAM output.

By Final Determination, Ofgem must:

- **Maintain its Draft Determination position.**

OHL Tower Steelwork Management

We agree with Ofgem's engineering assessment for this investment, as shown in the PAM Model.

We do not agree that all this investment is suited to a PCDE as proposed in the Draft Determination, just the tower steelwork interventions. We believe that tower painting activities could be better covered by a PCDM instead. Please see our response to NGETQ1 regarding amendments to the proposed PCD

By Final Determination, Ofgem must:

- **Maintain its Draft Determination position**
- **Revise the proposed PCD as per our response to NGETQ1.**

SF6

We agree with Ofgem's engineering assessment for this investment, as shown in the PAM Model.

By Final Determination, Ofgem must:

- **Maintain its Draft Determination position.**

Strategic Spares

We agree with Ofgem's engineering assessment for this investment, as shown in the PAM Model.

By Final Determination, Ofgem must:

- **Maintain its Draft Determination position**
- **Agree our preferred scope for this investment**
- **Approve baseline funding as per our request.**

Substation Condition Monitoring Technology

We agree with Ofgem's engineering assessment for this investment, as shown in the PAM Model.

By Final Determination, Ofgem must:

- ## Substation LVAC Auxiliary Infrastructure

To address these points, we have outlined where we intend to carry out asset replacement works and why. In a supporting document we provide a list of the sites at which we plan to intervene, and in each case whether that intervention is a replacement or a refurbishment.

See Supporting Document NGET_RII03_NGETQ10_LVAC_Technical Annex Short.

- Assess the additional information provided to support this investment
- Approve the needs case for this investment
- Agree our preferred scope for this investment
- Approve baseline funding as per our request.

d. *No separate EJP*

Within the Draft Determination, we could not see a response within the NGET Annex Appendix 1 for post insulators directly, however these form part of the Substation Supports Portfolio. They are shown as disallowed in the PAM Cost model and therefore we understood there was a need for further information regarding our funding request.

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For further information please see Supporting Document NGET_RII03_NGETQ10_Post Insulator DD Justification.

By Final Determination, Ofgem must:

- **Assess the additional information provided to support this investment**
- **Approve the needs case for this investment**
- **Review our proposal for UIOLI funding.**

3. Network Operating Costs

a. *Atypical EJPs*

NOC Capex Repairs - Cable Repairs and Minor Replacements

In the Draft Determination Ofgem states the needs case for this investment is not justified because “it is unclear why this investment isn’t categorised under NGET’s existing emergency repair budget”.

Forecast expenditure in this area is categorised as NOC Repairs (which Ofgem has confirmed is the appropriate category).

The RII0-ET2 emergency repair budget was intended to cover emergency cable repairs and replacements during T2. We expect to spend [REDACTED] in T2 compared with ex-ante funding of [REDACTED], so there is no unutilised T2 budget, nor any other T2 funding that should be used to cover these costs.

For RII0-3, we request an increase to the emergency repairs and minor replacements for two reasons:

- [REDACTED] to cover a dedicated programme of [REDACTED] units of cable sealing ends following an asset survey and advice from the manufacturer; and
- [REDACTED] to cover unforeseen and emergency repairs as per the RII0-2 allowance, updated for inflation and a contingency risk factor.

Please note that we have reduced our RII0-3 funding request by [REDACTED] due to additional interventions being delivered during RII0-2 so our baseline request is now [REDACTED].

Please see NGET_RII03_NGETQ10_NOC Capex Repairs (Provisions) - Cables - Technical Annex for further details.

By Final Determination, Ofgem must:

- **Assess the additional information provided to support this investment**
- **Approve baseline funding as per our request.**

NOCs Other - Energy Efficiency

In the Draft Determination, Ofgem expressed concern that the investment was not justified due to a lack of a robust implementation plan and limited cost evidence presented.

We have taken Ofgem’s engineering assessment on board and provided further information to justify the needs case and optioneering for this proposal. To do this, we provide additional information on our robust implementation plan in both our technical note response (see NGET_RII03_NGETQ10_EEP - Technical Annex) and associated appendix documentation detailing the sites at which we plan to implement energy efficiency measures and highlighting the cost to benefits relationship.

[REDACTED]

We have also reassessed the costs that were used within the project and have identified efficiency opportunities that reduce the allowances we request for this project, as explained within the note.

By Final Determination, Ofgem must:

- **Assess the additional information provided to support this investment**
- **Approve baseline funding as per our request.**

NOCs Other - Fixed Wire Testing

We welcome the engineering assessment presented by Ofgem in their Draft Determination position, consequently we have provided a robust workplan for justified scope of works as requested in NGET_RII03_NGETQ10_EJP_Fixed Wire Testing.

We have re-assessed the viability, cost effectiveness, technical feasibility and associated risks of the project based on Ofgem's feedback. We have revised the scope of the project so that only those investments required for statutory remedial works remain within scope and are therefore seeking reduced baseline funding of [REDACTED] at Final Determination.

By Final Determination, Ofgem must:

- **Assess the additional information provided to support this investment**
- **Approve baseline funding as per our request.**

NOCs Other - Operational Estate

We welcome Ofgem's acknowledgement of the benefits of our proposal and agree with their assessment of our optioneering, overlap and wellbeing outputs.

To ensure that our Operational Estate investment represents sufficiently robust optioneering and demonstrates that our costs are fair, efficient and will benefit consumers in the longer-term, we are splitting our investment between baseline allowances and a future Re-opener:

- Baseline funding request: [REDACTED] for early works that establish the foundations for broader modernisation, inclusivity, and compliance improvements across the estate
- Re-opener window request: April 2027 for remaining works across the estate informed by lessons learned from the delivery of early works

For further information concerning this investment please refer to NGET_RII03_NGETQ10_EJP_Operational Estate.

By Final Determination, Ofgem must:

- **Assess the additional information provided**
- **Allow baseline funding of [REDACTED].**

NOCs Other - Submetering Project

Ofgem's concerns about the sub-metering proposal highlighted that the needs case is partially justified and the optioneering was not justified due to a lack of survey data.

In response, we provide further information, on the sites and costs of the installation for these investments. The data we have supplied is additional cost data from a specialist contractor following further site surveys. We propose to share further desktop survey data with Ofgem by the end of September – making up a total of 24% of the estate surveyed.

The additional information can be found in supporting document NGET_RII03_NGETQ10_Submetering - Technical Annex, which also provides further detail on the impacts to the LV infrastructure, justifying the ability to facilitate these works, as well as further information on the proposed strategy for an EMS platform.

By Final Determination, Ofgem must:

- **Assess the additional information provided to support this investment**
- **Approve the needs case for this investment.**

NOCs Repairs - OHL Repair and Minor Replacements

We agree with Ofgem's engineering assessment as reflected in the financial modelling and confirmed in DDQ047 (see below).

By Final Determination, Ofgem must:

- **Maintain its Draft Determination position subject to the correction noted in section c below**

NOCs Repairs - Substation Battery Systems and Room Upgrades (Substation Auxiliary Systems)

We agree with Ofgem's engineering assessment as reflected in the financial modelling.

By Final Determination, Ofgem must:

- **Maintain its Draft Determination position.**

NOCs Repairs & NOCs Other - Substation Infrastructure Civils

Ofgem expressed concern in the Draft Determination that this investment was not justified as we had not adequately articulated our programme of works to maintain substation infrastructure civils.

As requested by Ofgem, we provide in a supporting document a full list of sites where we propose these investments. The appendix sets out the sites where problems have been found, the specific defects at each site, solutions to resolve, and forecast costs. This additional data has been used to create a phased spend profile over the RIIO-T3 period.

See supporting Document NGET_RIIO3_NGETQ10_Appendices Substation Infrastructure Civils.

By Final Determination, Ofgem must:

- **Assess the additional information provided to support this investment**
- **Approve the needs case for this investment**
- **Agree our preferred scope for this investment**
- **Approve baseline funding as per our request.**

b. No separate EJP

NOC HVDC Service Agreements

Page 142 of the RIIO-3 Draft Determination – Electricity Sector document sets out: "SQ responses suggested that NGET's submission was incomplete, so we have not allowed these costs at this stage, pending further information" and that such costs were subject to a qualitative engineering assessment.

Within our SQ response we identified that there was an inadvertent duplication of the costs for HVDC Service Agreements and reduced the amount of funding requested [REDACTED].

The Service Agreements for HVDC systems are essential to allow Western Link to continue to operate safely and in compliance with national regulations. We have two types of HVDC service agreements:

- Service Contracts
- Marine Contracts (including seabed leases and seabed surveys)

To respond to Ofgem's concerns, we set out in the supporting document listed below all relevant contracts as well as confirmation that no HVDC service agreement costs are captured on other BPDT tables.

See Supporting Document NGET_RIIO3_NGETQ10_NOC Service Agreements (HVDC) - Technical Annex (Narrative).

By Final Determination, Ofgem must:

- **Assess the additional information provided**
- **Allow baseline funding [REDACTED].**

c. Engineering adjustments applied in error

NOCs Repairs & NOCs Other

From DDQ047, we understand that deductions were made to the following items in error. The table below indicates our understanding of these and therefore we have not provided further evidence to support these line items.

If this understanding is incorrect, we welcome the opportunity to discuss this issue further with Ofgem to understand the rationale for their proposal at Draft Determination so we have the opportunity to provide further evidence prior to Final Determination.

BPDT	EJP	Table Line	Request (£m)	Original Engineering Reduction (£m)	Revised Engineering Reduction (£m)	Revised DD Allowance (£m)
8.4 Repairs	T3 - Substation Minor Capex and Repairs	Subs – Wound Plant	████	████	████	████
8.7 NOCs Other	T3 - Substation Infrastructure Civils	Site Security 400kV	████	████	████	████
8.7 NOCs Other	T3 - OHL Repairs and Minor Replacements	Safety climbing fixture	████	████	████	████

By Final Determination, Ofgem must:

- Confirm that the assumptions above are correct
- If correct, reinstate the removed values
- If not correct, provide appropriate feedback and the opportunity to provide further evidence for review.

4. Non-Operational Capex

a. Atypical EJPs

Conversion of Wayleaves to Easements

No engineering assessment was provided for this investment.

Ofgem has indicated that this will be assessed as part of the RIIO-T2/T3 Crossover workstream between now and Final Determination.

By Final Determination Ofgem must:

- Complete the assessment of T2/T3 crossover projects
- Award allowances for this investment.

Development Clause Claims

No engineering assessment was provided for this investment.

This investment needs to be incorporated within the RIIO-T2/T3 Crossover workstream such that we may engage with Ofgem on this investment to secure full funding as requested.

By Final Determination, Ofgem must:

- Complete the assessment of T2/T3 crossover projects
- Award allowances for this investment.

Eakring Training Centre

Ofgem's concerns about this investment were that we had not justified the need for the full range of investments proposed and that optioneering was limited.

To respond to this feedback, we propose that we utilise a re-opener so that we can revert with further detail when the scope is suitably mature. We have therefore split the planned investments between baseline allowances and a future re-opener:

- Baseline funding request: █████ for critical asset replacement and early preliminary works

- Re-opener window request: April 2027 for our investment proposals relating to full welfare and wellbeing works; existing accommodation refurbishment; new accommodation and refurbishment of the wider site (training block etc.)

We request that Ofgem consider the detailed information provided within NGETQ6, to allow a baseline amount [REDACTED] at Final Determination, for essential asset health maintenance works and preliminary funding to progress the scheme.

See Supporting Document NGET_RII03_NGETQ10_EJP_Eakring

By Final Determination, Ofgem must:

- **Assess the additional information provided**
- **Award baseline allowances [REDACTED].**

NGETQ11. Do you agree with the level of proposed NIA funding for NGET?

We agree with Ofgem’s position on the level of funding provided for Network Innovation Allowance (NIA), however we disagree with the proposed disallowance of SF6-related innovation. A disallowance of all SF6-related innovation overlooks the varied and essential work still required to mitigate environmental impacts, develop safe and cost-effective management approaches, and transition from legacy assets.

Overall NIA Funding

We agree with Ofgem’s position on the level of funding provided for Network Innovation Allowance (NIA) in the Draft Determination. Overall, this level of funding allows us to deliver the majority of the plan we set out in our T3 innovation annex, except for in the specific areas where Ofgem have proposed disallowances. It will enable us to continue to scale and grow our innovation capabilities, to deliver more savings for the UK consumer and to deliver and deploy innovation that builds the future network, accelerates customer connections, enhances sustainability and improves resilience.

SF6 Disallowance

We disagree with the proposed disallowance of SF6-related innovation. While reducing SF6 emissions remains a key driver for us, the scope of work extends beyond leak prevention and reflects the ongoing strategic need to safely manage existing SF6 assets throughout their remaining life. SF6 equipment will remain on the network for some time due to its wide deployment across GIS and AIS substations (e.g. SF6 circuit breakers etc.) and there is consequently material consumer benefit providing funding to support its management. An example from T2 includes rawwater low melting-point allow leak seal for small-bore pipework, which has moved into business-as-usual during T2 and has reduced emissions by an estimated 425kg. It is therefore critical that NIA funding remains available to support:

- Development of non-commercialised technologies (e.g. existing graphene or Rawwater sealing innovation projects)
- Validation of new techniques (e.g. drone or acoustic leak detection)
- Assessment of emerging risks (e.g. gas degradation in alternatives like C4F7N)
- Academic and SME partnerships to convert research into practical tools.

We note that, elsewhere in the Draft Determination, Ofgem proposes £132.5m of funding for an SF6 intervention plan that includes retrofill projects. Our innovation proposals are integral to an SF6 lifecycle asset management approach that addresses residual SF6 leakage risks and better understands the lifecycle and environmental impacts of retrofill.

Given the maturity of non-SF6 technologies, we believe that NGET should be adopting non-SF6 insulating and interrupting gas (IIG) systems – primarily C4F7N admixtures with natural origin gases – for some new GIS installations, and potentially for AIS circuit breakers. Past innovation funding has enabled the successful development and deployment of these alternatives, helping to reduce SF6 use and emissions.

While we have moved beyond basic research into C4F7N admixtures, innovation is still needed to manage these systems through their early operational stages, where failure risk is higher. One promising area is non-invasive condition assessment using optical methods, with a T2 project already exploring gas composition diagnostics. As per the Innovation Annex included alongside our T3 business plan, we are considering advancing this through quantum cascade laser (QCL) technology, aiming to raise it to a medium TRL level and ready for suppliers to take forward towards commercial deployment.

At Final Determination Ofgem should provide NIA funding for SF6-related innovation, as part of an overall approach of assessing NIA proposals based on merit, consumer benefit and emissions impact, not solely by technology type.

NGETQ12. Do you agree with our proposed level of funding for NGET's data and digitalisation investments?

We do not agree with Ofgem's proposed level of funding for NGET's data and digitalisation investments. While we welcome the overall recognition of the importance of this portfolio and the strong level of acceptance across most programmes (with 98% of requested funding approved), we disagree with the disallowances applied to two investments that directly support our capital efficiency and workforce planning under the RIIO-3 capital programme.

Our Cost & Estimating Management [REDACTED] and Resource Management [REDACTED] investments are delivery-critical investments. They represent continuations of the existing data and digital transformation roadmap initiated under RIIO-2 and are not discretionary digital projects.

These capabilities must be mobilised from the outset of RIIO-T3 to enable accurate project baselining, effective workforce planning, and strong governance across a large and fast-moving capital portfolio. Deferring funding to a 2028 reopener would be too late to support these outcomes, as key projects will already have progressed beyond the point where discovery-phase investment can be effective.

We note that both proposals received [REDACTED] disallowances based on perceived solution uncertainty or insufficient needs justification. However, in both cases, we believe the needs case is strong, the delivery model is clearly defined, and the cost is proportionate to the benefits.

To demonstrate this, we are providing two project-specific addenda as part of our consultation response:

Addendum 1: Cost & Estimating Management

- Clarifies that the proposed platform is fundamentally different from the tools referenced in the DSAP and EJP (i.e. the Solution Lab prototype and Candy). It enables dynamic, integrated, and data-driven cost estimation, supports early-stage decisions across a [REDACTED], and aligns with the Advanced Procurement Mechanism (APM) and the Electricity Transmission Partnership (ETP) requirements to improve delivery accuracy, governance, and consumer value. [NGET_DD_NGETQ12 Company Annex Consultation_Cost&Estimation Management Addendum 1 - Response (IT&D)]
- The APM, introduced in March 2025, provides transmission operators with a £4 billion "use-it-or-lose-it" allowance to secure long-lead items (e.g. cables, switchgear, transformers) ahead of formal project approval.
- The ETP, launched through a formal procurement process in February 2025, modernises NGET's Engineering, Procurement, and Construction (EPC) framework to address the scale and pace of substation delivery. It establishes new regional delivery models with long-term partner contractors and introduces performance-based Key Performance Indicators (KPIs) covering efficiency, safety, and customer satisfaction.

Addendum 2: Resource Management

- Provides further detail on delivery phasing, alignment with existing platforms, and the role of this investment in mitigating key programme risks. [NGET_DD_NGETQ12 Company Annex Consultation_Resource Management Addendum 2 - Response (IT&D)]

At Final Determination Ofgem should include our Cost & Estimating Management and Resource Management investments within baseline funding.

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