Guidance

RIIO-3 Electricity Transmission Price Control – Draft Regulatory Instructions and Guidance on Data Templates: Version 3.1

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This document provides instructions and guidance to the three electricity transmission owners - National Grid Electricity Transmission plc (NGET), SP Transmission Ltd (SPT) and Scottish Hydro Electric Transmission plc (SHET) - to enable them to complete the annual reporting requirements associated with the RIIO-ET3 transmission price control from 1 April 2026 to 31 March 2031.

This document is for people who are filling out the "Costs & Volume" Regulatory Reporting Process (C&V RRP) data templates and want to know general and specific guidance for reporting data. It explains the scope of the data templates, what to consider when completing them, and where to find more information

Version History

Version No.	Purpose	Author	Release Date
1.09	RIIO- 2 Consultation Notice document	Ofgem	21/02/2025
1.09	RIIO- 2 Decision document	Ofgem	10/4/2025
1.10	RIIO- 2 Consultation Notice document	Ofgem	02/03/2026
1.10	RIIO- 2 Decision Document	Ofgem	17/04/2026
3.1	RIIO-3 Consultation Notice document	Ofgem	30/06/2026

Contents

Foreword

This document contains the electricity transmission price control cost, outputs, financial Regulatory Instructions and Guidance (RIGs). This guidance applies to reporting during the RIIO-ET3 period from 1 April 2026 until 31 March 2031.

The purpose of this document is to provide a framework to allow Ofgem to collect accurate and consistent cost, volume, allowed expenditure and output delivery information from the three onshore electricity transmission owners (TOs) - National Grid Electricity Transmission plc (NGET), SP Transmission Ltd (SPTL) and Scottish Hydro Electric Transmission plc (SHE Transmission). The framework also enables TOs to complete the reporting requirements associated with updating various variable values and performance data in the Price Control Financial Model (PCFM) during the Annual Iteration Process (AIP) which in turn drives Allowed Revenue for the forthcoming Regulatory Year.

A number of licence conditions require the three electricity TOs to provide us with this information. The main licence condition for the purposes of this document is Standard Condition B15: Regulatory Instructions and Guidance.

The template has been designed to be consistent with our RIIO-ET3 Final Determinations and will enable us to collect the information we need to assess TO's performance.

1. Introduction

This chapter sets out the purpose and structure of the Regulatory Instructions and Guidance (RIGs) which will apply to the onshore electricity transmission owners (TOs) for RIIO-ET3. It also sets out guidance on the process for reporting under the RIGs and our audit requirements.

Background

1.1 RIIO-ET3 is the second iteration of electricity transmission price control to be conducted under the RIIO (Revenue = Incentives + Innovation + Outputs) model. This will apply to electricity transmission network companies (Transmission Owners, or TOs) from 1 April 2026 to 31 March 2031.

1.2 As part of our regulatory oversight of the electricity transmission network companies, we collect a wide variety of both qualitative and quantitative information.

1.3 The RIGs provide a framework which enables Ofgem to collect data from the TOs during the RIIO-ET3 period. We collect data to enable us to administer the Special Conditions of the TOs' licences (the conditions which relate to the price control) and our price control Final Determination for each TO. For example, the RIGs allow us to monitor TOs' performance against the outputs that they are required to deliver, to calculate any rewards or penalties associated with incentive mechanisms, and to determine adjustments to allowances determined within period, i.e. costs determined through uncertainty mechanisms.

1.4 The RIGs inform TOs about the information we plan to collect, guide them on how to provide this information and enable licensees to put systems in place to collect the data to the detail we require.

1.5 The RIGs framework also:

- allows us to collect data on provisional total expenditure (Totex)[1] for use in the annual iteration process (AIP); and
- provides a database of licensee performance which we draw on to set cost proposals at subsequent review periods.

1.6 For instructions and guidance on the completion of the triennial Pension Pack, please see the Pension Regulatory Instructions and Guidance supplement.[2]

[1] Totex is provisional as it may be adjusted as a result of subsequent efficiency reviews or for the correction of any errors either after the 31 July or in subsequent years.
[2] Pension Regulatory Instruction and Guidance Version 3.0: https://www.ofgem.gov.uk/publications/decision-modify-regulatory-financial-performance-reporting-rfpr-and-pension-regulatory-instructions-and-guidance-rigs-riio1

Legal framework

1.7 The RIIO-ET3 reporting requirements are contained in a single licence condition: Standard Condition B15: Regulatory Instructions and Guidance ('the RIGs Licence Condition').

1.8 The RIGs Licence Condition sets out the scope and governance arrangements for the RIGs.

1.9 These instructions do not change any definitions or obligations contained within the electricity transmission licence applicable to and in the event of any conflict, the licence conditions will always take precedence.

Components of the RIGs

1.10 The RIGs comprise a set of templates (in MS Office Excel format) for reporting data. They are one element of the wider suite of information provided to Ofgem on an annual basis to enable effective monitoring of TOs' performance against the outputs that they are required to deliver, in relation to the allowances set as part of RIIO-ET3 settlement and against previous year's submitted actuals and forecasts.

1.11 Other elements include instructions and guidance on how to complete the associated workbooks and report the data (this document) and the PCFM Guidance, which contains instructions and guidance on how to complete the revenue worksheets in the template.

RIGs templates

1.12 The data templates have been designed to act as a means of recording the basis of the RIIO-ET3 price control Final Determination. Their content has built on the learning from the Regulatory Instructions and Guidance (RIGs) used to monitor the regulatory settlement throughout RIIO-ET2 period and the reporting requirements developed as part of the RIIO-ET3 Business Plan Data Template (BPDT) submission.

1.13 Information provided by each TO will be subject to annual review and confirmation by Ofgem.

1.14 The key points to note in completing the RIGs templates are:

- The Licensee must take all reasonable steps to ensure the quality of its RIGs data. Quality data will in all material respects be accurate, complete and fairly presented.
- Where a table contains multiple years of data (actual and/or forecast) that was reported in a previous RIGs template, the licensees should report,

unless otherwise stated in the specific table guidance, data for all years that is to the best of its knowledge up to date and accurate. Licensees are required to explain any material data revisions in their accompanying narrative.

- The Licensee must notify Ofgem of the possibility of any significant revisions to improve data quality. This notification must be issued to Ofgem as soon as it becomes evident to the Licensee that a reasonable likelihood exists of significant inaccuracies in any of its previously submitted data.
- Workbooks in these RIGs may link to other workbooks. These links must be retained by the TOs in the version submitted to Ofgem. Failure to do so will be considered non-compliant with the RIGs.
- The RIGs tables are colour coded to reflect the action required.
    - Yellow cells represent editable input fields.
    - Green is used to denote cells containing a formula or dropdown lists.
    - Light blue cells are auto populated from elsewhere in the template (and not editable)
    - The model also contains several "check" cells. These can be mainly found coloured red.
    - White & Grey pattern cells are used where cells do not need to be completed.
- The ET3 PCFM works in a constant 2023/24 price base except in respect of some calculations internal to the model that use nominal prices, e.g., tax and legacy calculations. Values that feed into the PCFM are therefore either required to be stated in 2023-24 prices or are converted into 2023/24 prices.
- Unless otherwise stated, all financial values in the C&V RRP will be input in 2023/24 prices, i.e. 2026/27 data should be in 2023/24 prices.
- Unless otherwise indicated in the guidance document or templates, actual financial values should be provided in £ million to a minimum of three decimal places, and displayed at one decimal place, with financial values reconciling with the audited regulatory accounts. However, TOs are required to provide all actual financial data to the highest reasonable level of

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

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

Instructions and guidance

1.15 The purpose of this document is to provide instructions and guidance to enable the licensees to complete the associated workbooks. This document provides information on:

- the systems, processes, procedures, recording and provision of the required data
- reporting units
- levels of accuracy (including rounding)
- the methodology for calculating or deriving required numbers
- the provision of the data to the Ofgem (format, frequency etc)
- reasons for the data requirement
- a glossary of terms used in the workbooks.
- Provision of forecast data.

1.16 Licensees are required to provide forecast expenditure profiles, where applicable, for all years of the RIIO-ET3 price control. Forecasts represent the licensees best view following its best endeavours to take account of all relevant internal and external factors.

Form of submission

1.17 Instructions for the electronic submission of the workbooks will be circulated to each licensee's regulation manager in advance of each submission deadline. However, if there is any doubt about the method of submission, the licensee must contact Ofgem.

1.18 The submission must be accompanied by a letter signed by a director on behalf of the TO confirming that the data is accurate and has been provided in accordance with the RIGs.

Commentary

1.19 Alongside the submission of its templates, each TO must complete a commentary. A strategic commentary is required in order to:

- Provide a useful executive summary, focusing attention on distilling key messages of the drivers of performance and presenting clear strategic insights at this point in the price control period.
- Give Ofgem an understanding of the key drivers of business performance in terms of expenditure, workload and outputs and the materiality of each driver.
- Provide a summary of the key outputs the network company has delivered during the year and set them in the context of the delivery of the overall RIIO-ET3 price control outputs.
- Provide a summary explanation of the forecast, including outputs, deliverables, costs and workload.
- Provide an understanding of material variances against previous year's actuals, forecasts and against the opening baseline allowances established by the RIIO-ET3 Final Determinations.
- To inform Ofgem of any organisational changes / performance improvements, including modification/enhancements to allocation methodology and/or data capture e.g. systems.
- It should also provide details of the approach to delivering whole system outcomes.
- TOs may draw on the data and analysis provided in the 'Analysis' section of the RRP to support their narrative submission, although use of this material is

not mandatory. As a minimum requirement, the narrative must clearly describe and explain the cost and volume actuals and forecasts relative to the allowances, for both the current reporting year and the full Price Control period. The narrative should also explain any reasons why the reported data may differ from the outputs presented in the Analysis tabs.

- Additional narrative and supporting evidence, where appropriate, may include the justification and rationale on how the current reporting year actuals (e.g. outturn of 2027/28) has changed from the previous forecast provided in July 2027 RRP (2026/27 forecast). Also, an explanation of how prior years' view on drivers of 5 Year Price Control totex performance have changed e.g. prior year reporting estimated Price Control performance to be driven by Load PCDs (projects A, B…) and expected re-openers (projects C, D…), whereas current reporting year estimated Price Control performance reflects a PCD programme that has dropped/delayed and performance drivers shifted to non-load program and uncertainty mechanisms etc.

Reporting under the ET RIGs

Timescales for reporting

1.20 The reporting year for the provision of information under the RIGs is from 1 April to 31 March in the following calendar year. The excel templates for reporting on summary costs, workload and outputs should include forecasts for each of the remaining years of the RIIO-ET3 price control period.

1.21 Except where otherwise stated, the TOs must provide the required information on an annual basis. The information is required under the RIGs as soon as reasonably practicable and in any event not later than 31 July following the end of the reporting year to which such information relates (unless Ofgem has previously consented to a request received from a TO in writing to follow alternative submission timescales).

Resubmissions

1.22 TOs are required to seek the agreement of Ofgem or person nominated by Ofgem before resubmitting any information provided in accordance with these RIGs.

1.23 In any such instance the report concerned must be resubmitted in full (unless agreed otherwise). The resubmission must only be accompanied by a letter signed by a director where significant changes have been made and where Ofgem and/or

the TO decide such a letter is required. The volume of supporting information the licensee will be required to submit to support any resubmission will be dependent on the nature of any required resubmission.

1.24 For each resubmission a detailed explanation must be provided in the changes log in the RIGs listing every cell that has been amended. The explanation must include sufficient commentary to explain the reasons for the resubmission.

1.25 In relation to the detailed return required as part of revenue reporting, this must only be resubmitted where a restatement is necessary in the opinion of the appropriate auditor.

Review

1.26 Once the TOs have submitted the information to Ofgem, Ofgem or a person nominated by it ('a reviewer') will undertake a detailed review of the information. A review may include a visit to each TO for discussion of the information submitted. Such visits will be agreed with the TOs in advance.

1.27 Where a reviewer has been nominated, the reviewer will enter into an agreement with the licensee to maintain confidentiality on reasonable terms.

Appointing an examiner

1.28 In accordance with the RIGs Licence Condition the TO must permit a person nominated by Ofgem to examine:

- the systems, processes and procedures for measuring the specified information
- the specified information collected by the licensee
- the extent to which the systems, process and procedures and the specified information complies with the RIGs; and
- any further information relevant to the RRP submissions.

Audit requirements in relation to revenue reporting

1.29 In accordance with the RIGs Licence Condition, Ofgem will identify the specified information, which is to be subject to audit, the terms on which an auditor is to be appointed by the licensee for that purpose and the nature of the audit to be carried out by that person. We will issue an Agreed Upon Audit Procedures (AUP) for use by an appropriate auditor by 31 March of the year of submission.

Publication and sharing of templates

1.30 It is a requirement for TOs to publish an annual report, on their company website. The report should be published by the 30 September. The information published must align with the information provided to Ofgem. The report should cover the following as a minimum:

- Executive Summary
- Revenue Impact - actual revenue v allowances for reporting year and expected outturn across the price control period.
- Incentive – performance in the year against targets (with potential future highlights).
- Innovation – summary of innovation projects and funding.
- Outputs - performance in the year against targets, outputs forecast to be delivered during the price control period, and how these levels vary from last year's information.
- Costs –
    - performance in the year against targets for costs and workload where relevant, highlights of future performance, and expected outturn at the end of RIIO.
    - identify the proportion of expenditure (actual and forecast) and forecast allowance related to projects that span RIIO-ET3 and RIIO-ET4 and the delivery of outputs in "T3+2" timescales (31 March 2033), where applicable.
    - Uncertainties - a high-level commentary in relation to anticipated impact(s) of any uncertainty mechanism and how this has evolved from the expectations at the time of drafting the Business Plans. Comment on how these have affected forecast capex and output delivery.
- Strategic performance explanation to identify and explain the proportion of annual performance that each TO determine to be attributable to the following drivers:
    - Efficiency / Inefficiency
    - External factors outside the control of TOs', and/or
    - Assumptions made within the RIIO-ET3 settlement that have varied against the actual position.[3]

1.31 Where possible, the narrative will provide a high-level summary of the five-year estimate of the totex under -/ over-spend across the RIIO-ET3 period.

1.32 Additional appendices can be used to provide further detail on specific performance areas. Examples include a deeper explanation of any missed or deferred outputs, to provide an overview and timelines to mitigate any perceived delivery risks, or explanation of changes in data methodologies/organisation structure and the effect that this has on reporting.

1.33 Tables that should be published with / in the report are:

- Totex, actuals against allowances and forecasts.

[3] delivery of outputs in line with the original 'baseline' assumptions but where the method employed by the network company differs in some regard.

- Cost type / Funding category (e.g. Load, Non-Load, Non-operational capex, NOCs), actuals against allowances and forecasts.
- Output performance summary.

1.34 Ofgem may publish any further information contained in the templates but will notify TOs in advance of any intention to do so and will make any necessary redactions.

1.35 The RRP template is intended to enable each company to give summary details on specific areas of expenditure/activity to aid Ofgem's understanding of the data from a number of perspectives. In doing so, the data template will enable each company to:

- identify and explain the main drivers of forecast expenditure and volume profile across the RIIO-ET3 price control period,
- explain scenarios used for justifying the forecast workload volumes and costs across the RIIO-ET3 period, and
- assist Ofgem in the process of navigating the data submission and supporting documentation. This in turn should help to minimise the requirement for Ofgem to originate subsequent supplementary questions (SQs).

Structure of this document

1.36 This document is divided into sections reflecting the different component parts of the C&V RRPs workbooks. These are as follows:

- Chapter 2 provides general instructions and guidance for completing the C&V RRP data template worksheets.
- Chapters 3 to 10 provide instructions and guidance for worksheets collating cost, volume, and output information on a granular level for disaggregated cost categories.

Related publications

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

- RIIO-3 sector specific methodology consultation
- RIIO-3 sector specific methodology decision

- RIIO-3 Draft Determinations for Transmission, Gas Distribution and Electricity System Operator
- RIIO-3 Final Determinations for Transmission and Gas Distribution network companies and the Electricity System Operator
- RIIO-3 Informal licence drafting consultation for Transmission, Gas Distribution and Electricity System Operator licences
- Decision on the proposed modifications to the RIIO-3 Transmission, Gas Distribution and Electricity System Operator licence conditions

Publication

1.38 Ofgem is bound by the requirements of section 105 of the Utilities Act 2000 relating to the disclosure of information.

1.39 Ofgem recognises the value of improving transparency of information in regulating natural monopolies and we intend to continue to review to what extent to publish further disaggregated data and analysis alongside the RIGs submissions.

Your feedback

1.40 We believe that consultation is at the heart of good policy development. We are keen to receive your comments about this guidance. We'd also like to get your answers to these questions:

1. Do you have any comments about the overall quality of this guidance?
2. Do you have any comments about its tone and content?
3. Was it easy to read and understand?
4. Any further comments?

Please send any general feedback comments to evelyn.mulvin@ofgem.gov.uk.

2. General instructions for completing the data template

Section summary

The purpose of this section is to provide general instructions for completing the C&V RRP worksheets. This is to enable Ofgem to effectively monitor the performance of TO's in relation to the opening allowance set as part of the RIIO-ET3 Final Determinations and against previous years submitted actuals and forecasts. Ofgem will use this information to assist in the annual assessment of the C&V RRP submissions for RIIO-ET3.

2.1 The C&V RRP consists of a series of data tables in MS Excel. The purpose of the C&V RRP is to facilitate the submission of uniform and comparable financial and outputs information from licensees. This enables comparison of licensees with the baseline settlement agreed at Final Determination, in the first instance, and against prior year's performance as we progress through RIIO-ET3. This will enable comparative regulation on a consistent basis throughout the RIIO-ET3 period. The workbooks should support and be consistent with the RIIO-ET3 Final Determinations.

2.2 Ofgem will use this information to assess and monitor the performance of TO's in relation to the opening allowance set as part of the RIIO-ET3 Final Determinations and against previous years submitted actuals and forecasts.

2.3 The workbooks have been designed to have single data entry where possible in order to avoid duplication and to facilitate reconciliations and balance checks.

2.4 Each licensee must complete the template in full, unless otherwise instructed in the specific table guidance. If information is incomplete, the licensee must provide a clear explanation for why.

Accounting policies

2.5 All costs are to be entered on a cash basis. Cash means exclusive of provisions and accruals and prepayments that are not incurred as part of the ordinary level of business. Licensees should use the same accounting policies as in the preparation of the regulatory financial statements, in accordance with UK GAAP or IFRS unless otherwise stated.

2.6 In the event that the accounting policies applied to prepare the template differ from those used in the regulatory financial statements (for some or all years) the Licensee must include appropriate details including quantification of the difference.

Structure of the template

2.7 The template has a common structure, comprising an initial series of tabs dealing with procedural issues (contents tables, log of changes, etc), followed by the main data input sections.

2.8 The C&V RRP template has been separated into the following sections:

- Company input (scheme level): Cost, volumes and outputs where activity can be represented at a scheme level.[4] Worksheets have light green colouring.
- Company allowance input (scheme level): allowance where activity can be represented at a scheme level (initial population will reflect the Final Determination set for each TO). Worksheets have dark Turquoise colouring.
- Other company input (functional level): Cost and volumes information where activity is represented at a functional level.[5] Worksheets have light red and yellow colouring and have the prefix "5" or "6" in the title respectively.
- Other company allowance input (functional level): allowance where activity is represented at a functional level (initial population will reflect the Final Determination set for each TO). Worksheets have dark blue colouring and prefix of "8" in the title.
- Other input: to summarise financial information and output activity in bespoke area (applicable to LOTI, HVDC centre). Worksheets have brown colouring. A further worksheet is reconciling data (reported through the NARM RRP) with the associated costs of delivering those outputs (reported through the C&V RRP).
- Totex and cost summary: The worksheets collate and summarise the cost information populated in the Company Input section above (i.e. scheme representation and functional level information). Worksheets have pale green colouring respectively.
- Asset Movement matrix tabs which have lavender purple colouring.
- Allowances summary: The worksheets collate and summarise the allowance information populated in the Company Input section above. Worksheets have pale green colouring.

[4] For the following categories: Local Enabling (Entry), Local Enabling (Exit), Wider Works, Local Enabling (Exit - Sole Use), Local Enabling (Entry - Sole Use), TSS Infrastructure, Replacement, Refurb Major, Refurb Minor, uncertain costs and Decommissioning.

[5] For the following categories: Spares, Black Start, Losses, Non-Operational capex, Network Operating Costs (e.g. Inspections), Indirect costs (CAI and BS) and Other Costs within the price control (e.g. Physical security).

- Additional tables: The worksheets capture information on areas of performance against the output targets and incentives. Worksheets have bright green colouring.

Interface worksheets

2.9 There are two interface worksheets which exist to allow data that is common to other parts of the price control to be collated and linked where necessary. The purpose and instructions for each are outlined below.

- Revenue Workbook linking sheet: the purpose of this worksheet is to provide a single interface point to gather the required inputs for the revenue worksheets. Where practical the revenue information is linked to the relevant C&V worksheets. Where the data is not contained elsewhere the cells are yellow input cells. Please refer to the latest published version of the PCFM guidance.
- NARM Interface: this worksheet is required to provide a summary of the capex expenditure that is linked to NARM outputs. This table draws upon data from elsewhere in the pack, there are no input requirements for this sheet. This table will be subject to further auto-population on the finalisation of the NARM RRP.

Revenue Sheets and interface with the C&V RRP

2.10 As noted above, the revenue elements of reporting now reside in the C&V RRP and RIIO-ET3 PCFM. The PCFM Guidance sets out the data input requirement for these data worksheets.

2.11 The RRP contains a “Revenue Workbook linking sheet” that serves as a link between the Revenue sheets and the rest of the C&V RRP. To facilitate the data input to the Revenue Workbook and input to the ET3 PCFM, two additional “working” sheets have been established to collate information from the C&V RRP and translate into the relevant totex spend categories (licence terms ALC, AOC etc. represented in the “Revenue Workbook linking sheet” rows 8 to 22).

Baseline allowance population

2.12 As agreed with licensees, an initial population of the C&V RRP data template is required to capture the population of expenditure profiles, outputs and allowances to reflect the Final Determination of each licensee. This process will establish a common interpretation and avoid the need for annual restatement of the opening baseline allowance position. Once this position is established the

C&V RRP template will focus on the reporting of the RIIO-ET3 price control and will be used as the basis for monitoring future adjustments to allowances (e.g. uncertainty mechanism activity and re-opener adjustments).

General

2.13 This document (version 3.1) details the tables that need to be filled in for conveying data for annual reporting.

2.14 As the templates are a series of tables in MS Excel workbooks, links and formulae have been included to limit, where possible, the amount of manual data entry required. Licensees are not to change any formulae or formats (including insertion of deletion of rows or columns, moving any cells, or altering any text, figures, or formulae in any cells not shaded yellow) without instruction from Ofgem first. If a change is necessary (to correct an error, for example), Ofgem will notify licensees of the correction to be made.

2.15 Certain fields require positive entries (e.g. asset additions), whereas others require negative entries (e.g. asset disposals). Unless specified in the individual table instructions below, the following rules apply:

- Gross costs are to be entered as positive values.
- Contributions (customer or otherwise) are to be entered as negative values.
- Cost recoveries are to be entered as negative values.

2.16 The RIGs require the reporting of actual and forecast costs for RIIO-ET3. The C&V RRP data worksheets also currently contain the six years beyond (2032-2037) which will be used to provide a rolling forecast during RIIO-ET3 for schemes that commence works in T3 but are not expected to complete until T4. For the avoidance of doubt, all tables requiring annual historical data must be fully reconcilable to the latest published Regulatory Reporting Pack.

2.17 A financial year for the provision of information required will be a period of 12 months commencing on 1 April of each year and ending on 31 March of the following calendar year.

2.18 All C&V RRP allowance worksheets are to be completed:

- exclusive of real price effects (RPE)[6], and
- inclusive of all adjustments and attributions the final BPDT submission was subject to i.e. scheme allowance will reflect all in-built adjustments relevant to each licensee to reflect the Final Determinations.

[6] The impact of RPEs is captured as a single data entry adjustment in the 3.8 allowance worksheets.

2.19 Each licensee must use reasonable endeavours to populate each of the tables above. Licensees should ignore any funding categories that do not apply to them.

2.20 The template is unprotected to allow each licensee to add additional rows to the relevant tables to facilitate data entry.

Definitions

2.21 Definitions are included in the specific instructions for the tables. Licensees must ensure that the definitions are clearly understood and are complied with when entering any data into the template. Where there is doubt or uncertainty, please refer to Ofgem for clarification. This is to ensure consistency and comparability of data entry across licensees.

Use of Estimates and Allocations

2.22 Where a licensee (and any affiliate or related undertaking of the licensee) has apportioned costs to complete the tables, the basis of apportionment must be provided. Changes in apportionments should also be highlighted and explained.

Cost phasing

2.23 Each licensee is required to populate year-on-year actual asset category level cost information the current reporting year.

2.24 In terms of costs reporting in future years, licensees are required to provide robust forecast information at a scheme level (to be provided as part of the accompanying narrative). Each licensee is required to explain and justify the allocation methods that are applied in providing forecast information and can ensure that the information provided is representative, reliable, repeatable, and auditable.

2.25 We acknowledge that attribution and allocation methods will take time to develop and establish, and that processes applied translating internal financial systems to the RRP categorisations will improve as the reporting cycle progresses. The focus in the formative years (reporting year one and two) is on the development of a robust allocation and reporting process, including the control and governance mechanisms that will support and provide assurance to the data. Licensees will be required to explain and justify exceptions where stable forecast information cannot be provided through the allocation method, and an alternative method is applied (i.e. generic profiling).

Additional information

2.26 If licensees consider that additional information beyond that requested is necessary to develop a complete understanding of the information presented in the tables then such information should be included in the narrative.

Template errors

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

Re-Openers

2.28 In relation to re-openers, where licensees expect their application to be successful and report forecast expenditure, licensees should also ensure they report the corresponding forecast allowance. Please refer to the PCFM Guidance for further forecasting guidance for re-openers.

2.29 For the avoidance of doubt, the following applies where a re-opener submission has been made but no Determination has yet been issued.

Re-opener submissions under assessment

2.30 Where a licensee has formally submitted a re-opener application to Ofgem (including, but not limited to, PCF or Net Zero re-openers) but a Determination has not yet been issued at the time of RRP submission, the project should continue to be treated as a re-opener for reporting purposes.

2.31 Such projects should not be reported as determined schemes within the scheme-level C&V worksheets until a Determination has been made and the allowance value is known. Pending this outcome, they should remain recorded within the relevant re-opener reporting and pipeline information.

2.32 Licensees should clearly flag re-opener submissions that have been submitted and are under Ofgem assessment using the appropriate narrative fields within the RRP templates, and provide a brief explanatory note in the accompanying RRP narrative to distinguish these from purely prospective or future re-opener proposals.

2.33 Once Ofgem has issued a Determination for a re-opener submission, the project should be removed from the re-opener pipeline and reflected in the scheme-level C&V worksheets in accordance with the reporting requirements for determined projects, irrespective of whether the associated licence modification has been completed at the time of reporting.

General tables

1.2 Cover

- **Purpose and Use by Ofgem**: The purpose of this worksheet is to capture the licensee name, as well as the data file submission date and version number.

- **Instructions for Completion**: The licensee should complete the company name, version number and submission date.

1.3 Contents

- **Purpose and Use by Ofgem**: The purpose of this sheet is to provide a summary of the data table names contained within the template, a detailed description of the contents, and quick reference links.
- **Instructions for Completion**: There is no input required in this worksheet.

1.4 User Guide

- **Purpose and Use by Ofgem**: The purpose of this table is to provide a high-level summary of the inputs required in the template.
- **Instructions for Completion**: There is no input required in this worksheet.

1.5 Data Flow

- **Purpose and Use by Ofgem**: The purpose of this table is to provide a visual representation of how data flows through the model.
- **Instructions for Completion**: There is no input required in this worksheet.

1.6 Change Log

- **Purpose and Use by Ofgem**: The purpose of this table is to track the status of change proposals (and the action taken) and the correction of errors within the template.
- **Instructions for Completion**: There is no input required to this sheet, any errors identified, or changes required should be notified to Ofgem, who will update the template, record the changes and issue a revision.

1.7 Asset possibilities / 1.8 Look up tables

- **Purpose and Use by Ofgem**: This sheet contains the asset classification list (agreed with TOs) and any data constants used throughout the template, including lookup values. TOs are required to input schemes and associated project references, which are fundamental to the completion of the whole workbook.
- **Instructions for Completion**: Look Up Tables sheet requires each licensee to input the Ofgem Scheme Reference (OSR) (column A) and a Project Reference (Column B).
- Where applicable, schemes that form the basis of the RIIO-ET3 Final Determination must be assigned the same OSR consistent with the BPDT submission upon which the Final Determinations were based. Referencing will continue in chronological order for new schemes.

- All new schemes will be assigned a new OSR and continue the sequence established through the Final Determinations.
- A Project Reference can apply to one scheme or multiple schemes. All schemes must therefore be assigned a Project Reference.
- For example, a new generation connection project delivering an output within the RIIO-ET3 period (hence a "Load" project under the "Local Enabling (Entry)" category) is comprised of three individual schemes: OSR1, OSR2 and OSR3. The Project Reference in column B will either be consistent with the BPDT submission upon which the Final Determinations were based (in the case of baseline projects) or use nomenclature chosen by the relevant TO that concisely and accurately identifies the Project. The descriptor chosen will apply equally to each of the OSR's (three in the above example).

Other Switchgear clarification

- Primary "Asset Heading" Other Switchgear → "Asset sub heading" Other Switchgear is used only for Busbars, Disconnectors and Earth Switches at the voltage range currently proposed. We note that the reporting of "Civils" information against the Other Switchgear category remains unchanged.
- Primary "Asset Heading" Other Switchgear → "Asset sub heading" Switchgear – Other is used only for surge arrestors and through wall bushings at the voltage range proposed. These assets must not be reported under "Other Switchgear / Other Switchgear" or any other variant of the category.

1.9 Check sheets

- **Purpose and Use by Ofgem**: This sheet contains and data cross checks or validation within the template.
- **Instructions for Completion**: There is no input required in this worksheet.

1. 10 Universal Data

- **Purpose and Use by Ofgem**: The purpose of this worksheet is to capture data used throughout the workbook, such as reporting year and indexation data.
- **Instructions for Completion**: There is no input required to this sheet. Ofgem will update the relevant information each year.

3. Summary Tables and Asset Matrices

Section summary

The purpose of this chapter is to inform the purpose and completion of worksheets that provide information on elements of the total expenditure of each TO (where applicable) and summarise costs and asset volumes. This information is to enable Ofgem to effectively monitor the performance of the companies in relation to their business plans and expenditure baselines set in the Final Determinations.

Overview

3.1 The worksheets included within this chapter are:

- 2.2 Totex
- 2.3 Cost_Summary
- 2.4 Allowance_Summary
- 2.5 Move_Summary
- 2.6 Major_Projects_Summary
- 2.7 Major_Projects_Cost_Summary
- 2.8 Major_Projects_Allow_Summ
- 3.2-3.12 Asset Movements 2027-2037

2.2 Totex

Purpose and Use by Ofgem

3.2 This table summarises costs and allowances attributable to 'price control' and 'non price control' categories for each Licensee and delineates costs relating to Baseline, Uncertainty Mechanisms, T2 Carry Over and Total. This information is auto-populated from the data entry tables contained with the RRP template.

- 'Price control costs' is further separated into the following cost categories: Load Related, Non Load Related, Network Operating Costs (NOCs), Indirect Costs, Non Operational and Other costs.
- 'Non price control costs' is further separated into the following cost categories: Non-Activity Based Costs and Excluded Services.

Instructions for Completion

3.3 Licensees are not required to input any data for this sheet.

2.3 Cost Summary

Purpose and Use by Ofgem

3.4 This tables summarises costs attributable to 'price control' and 'non price control' categories for each Licensee per individual reporting year.

Instructions for Completion:

3.5 Information is reported against the following categories which is auto-populated from the relevant scheme data tables. Non scheme data (e.g. NOC's, Indirects etc.) will require a manual entry for contributions and non-asset costs:

a) Baseline - Gross Direct Costs. Values are auto populated.

b) Customer Contributions (baseline) - (input as negative values and auto populated from Scheme C&V Actuals worksheets). Manual entry required for non-scheme activity contributions where applicable.

c) TOTAL NET BASELINE – calculation rows.

d) Uncertainty Mechanism – auto populated from Scheme C&V Actuals worksheets.

e) Re-opener - auto populated from Scheme C&V Actuals worksheets.

f) Other - auto populated from Scheme C&V Actuals worksheets. Manual entry required for non-scheme activity worksheets where applicable.

g) One-off contribution - auto populated from Scheme C&V Actuals worksheets. Manual entry required for non-scheme activity worksheets where applicable.

h) Customer Contributions (other) - auto populated from Scheme C&V Actuals worksheets. Manual entry required for non-scheme activity worksheets where applicable.

i) TOTAL NET UNCERTAIN – calculation rows.

j) Other T3 capital costs associate with T2 deliverables (net) - auto populated from Scheme C&V Actuals worksheets. Manual entry required for non-scheme activity worksheets where applicable.

k) TOTAL COSTS – calculation rows should not be construed to mean the sum of direct capex costs and indirects.

3.6 For each cost categorisation (e.g. 'load' Wider Works, 'non-load' Asset Replacement, etc.), Gross costs will equal:

- the sum of applicable schemes
- net of indirects
- before the impact of the customer contributions and cost recoveries.

2.4 Allowances Summary

Purpose and use by Ofgem

3.7 These worksheets collate the allowance input data provided earlier in the template (see "Allowances input" and "Scheme_C&V_Load_Allow" etc.) and summarises allowances attributable to each category for each Licensee per individual reporting year

Instructions for completion

3.8 The worksheet requires the following data entry from each licensee:

a) Baseline: data entry is auto-populated from information provided elsewhere in the pack (e.g. "Scheme_C&V_Load_Allow" for Load Related schemes)

b) Customer Contributions (baseline) - (input as negative values and auto populated from Scheme C&V Allowance worksheets). Manual entry required for non-scheme activity contributions where applicable.

c) TOTAL NET BASELINE – calculation rows.

d) Uncertainty Mechanism – auto populated from Scheme C&V Allowance worksheets.

e) Re-opener - auto populated from Scheme C&V Allowance worksheets.

f) Other - auto populated from Scheme C&V Allowance worksheets. Manual entry required for non-scheme activity worksheets where applicable.

g) One-off contribution - auto populated from Scheme C&V Allowance worksheets. Manual entry required for non-scheme activity worksheets where applicable.

h) Customer Contributions (other) - auto populated from Scheme C&V Allowance worksheets. Manual entry required for non-scheme activity worksheets where applicable.

i) TOTAL NET UNCERTAIN – calculation rows.

j) Other T3 capital costs associate with T2 deliverables (net) - auto populated from scheme data. Manual entry required for non-scheme activity worksheets where applicable.

k) TOTAL COSTS – calculation rows.

2.5 Move Summary

Purpose and Use by Ofgem

3.9 The purpose of this table is to collate data from the asset movements worksheets and summarise asset additions and disposals by intervention type, asset category and by voltage in each reporting year.

Instructions for Completion

3.10 Data is auto populated from the annual Asset movements worksheets.

3.5 Asset movements 2027-2037

Purpose and use by Ofgem

3.11 The purpose of this table is to collect information in relation to asset additions and disposals by intervention type, asset category and by voltage in each reporting year. These provide a sense of the scale of the TO's network and how this changes as a result of additions and disposals linked to data cleansing and areas of activity (i.e. refurbishment and replacement).

3.12 Columns A-D are auto-populated from the directory of electrical assets listed in the "Asset possibilities" worksheet (Columns C-F).

3.13 Data is required to be captured for both Load Related schemes and Non-Load Related schemes.

Instructions for completion

3.14 Data is auto-populated in columns: I to P, V to AC, AI to AS.

3.15 The licensee should fill in the boxes shaded in yellow:

3.16 Additions.

- Opening Balance (column G). Input required in the first ET3 reporting year only.
- Data cleansing (column H). On an ongoing reporting basis only.
- Non-load Other (column Q): All non-load asset movements excluding Replacement and Decommissioning.
- Other (column R): any other movements not captured in the other columns.

- Faults (column S): where applicable.

3.17 Disposals (Report as negative values)

- Non-load Other (column AD): All non-load asset movements excluding Replacement and Decommissioning.
- Other (column AE): any other movements not captured in the other columns.
- Faults (column AF): where applicable.

3.18 Please note, for the RIIO-ET3 reporting years (2027 to 2031 inclusive) all other addition and disposal columns auto-populated from information provided earlier in the RRP.

3.19 We note that asset energisation associated with the output delivery and completion of T2/T3 crossover projects (funded through the relevant T2 volume driver mechanisms) may require consideration as part of the data cleanse exercise (column H).

4. Load and Non-Load

Section summary

The purpose of this chapter is to inform the completion Load and Non-Load associated worksheets. This is to enable Ofgem to effectively review the annual reporting submission of the companies.

4.1 The purpose of the worksheets in this area is to report projected expenditure, volume and allowance information for Load and Non-Load projects at various levels of granularity to enable Ofgem to fully understand the relationships with proposed outputs.

4.2 All costs are to be entered on a cash controllable basis (see Definitions). Cash controllable means exclusive of all provisions and all accruals and prepayments that are not incurred as part of the ordinary level of business.

Overview

4.3 The worksheets included within this chapter are:

- 4.2 Project Meta Data
- 4.3 Scheme C&V Calc Load Actuals
- 4.4 Scheme C&V NonLoad Actuals
- 4.5 Spares
- 4.6 ESR
- 4.7 Losses
- 4.8 Uncertain Costs
- 4.9 Scheme Output
- 4.10 Other T3 Capital Cost From T2
- 4.11 T3 Baseline Non-Load
- 4.12 T3 Baseline Load

4.2 Project Meta Data

Purpose and use by Ofgem

4.4 The purpose of this table is to collate all administrative details on projects incurring cost with the RIIO-ET3 period. This will act as a link to the detailed outputs, cost and volumes in the supporting sheets and avoid the need for duplicate entry of identifying details.

4.5 This is a summary sheet presenting a consolidated view of the individual scheme information relevant to the delivery of the project deliverable (to be consistent with RIIO-ET3 Final Determinations).

Instructions for completion

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

- A scheme has actual or forecast expenditure within RIIO-ET3
- OR
- A scheme has an associated RIIO-ET3 Capital Contribution
- OR
- A scheme is expected to deliver Outputs on or before 31 March 2033 (i.e. end of RIIO-ET3+2) or beyond.

4.7 The purpose of this information is to provide visibility of all Projects (and schemes that contribute to this project delivery) that meet the above criterion irrespective of the price control period they are initiated or completed.

4.8 For this worksheet please input:

1. **Project Reference (column A)**

   - All schemes will be assigned a Project Reference. For example, a new generation connection project delivering an output within the RIIO-ET2 period is comprised of three individual schemes: OSR1, OSR2 and OSR3. The Project Reference in column B will be consistent with the BPDT submission upon which the Final Determinations were based (in the case of baseline projects). The descriptor chosen will apply equally to each of the OSR's (three in the above example).
   - Project Reference in the Scheme Data worksheet is driven by what is populated in the Look up Table.

2. **Start Year (Column M):** the commencement of expenditure on the project (including the cost of Indirect Activities)
3. **Close year (Column N).** The date of financial closure (or expected financial closure).
4. **Stage (column O).** This is drop-down menu based on the current established milestones of a project (not started, in progress, completed, closed).
5. **Column U** can be used to reference relevant supporting documents (e.g. engineering justification paper) or sections in the supporting narrative that will provide more detail on a particular project or element of a project that requires further explanation to aid understanding.

4.3 Scheme C&V Load Actuals

Purpose and use by Ofgem

4.9 The purpose of this table is to collate all details on load related schemes. This will act as a link to the detailed outputs and cost matrix tables and avoid the need for duplicate entry of identifying details.

4.10 The table enables each network company to provide a list of the expected volumes (electrical and physical) across the agreed asset classification categories. This will allow Ofgem to have a more granular understanding of the proposed volumetrics in each of the scheme activities (which is a sub-element of a project).

4.11 The table enables each network company to provide a list of the associated direct costs across the agreed asset classification categories. This will allow Ofgem to have a more granular understanding of the proposed costs in each of the aggregated cost activities.

4.12 Individual schemes delivering multiple outputs can be captured as well as multiple schemes delivering single outputs.

4.13 For example, consider a project (A) consisting of two schemes: scheme 1 delivering a section of OHL, scheme 2 is delivering a transformer, and together they are delivering a reinforcement to the licensee's system of 10MW. The template design provides an overview of what is denoted as being delivered by the component parts (i.e. schemes) of project A. A licensee is able to denote the physical assets against the relevant schemes (km of OHL and # of transformers using the embedded asset possibilities list) and denote the value of the reinforcement resulting from the completion of the scheme activity (either by allocating against scheme 1 or 2 or by allocating proportionally across both schemes).

4.14 NB: adjustments to the available options in the Look Up table (option for "WWVD DAF adjustment" and the term "DAF") allow the capability to capture specific DAF adjustments for specific projects/schemes to be entered in the scheme entry tab and ultimately flow into the A8 allowances.

Instructions for completion

4.15 Schemes are deemed to be applicable and to be reported if:

- Scheme has actual or forecast expenditure within RIIO-ET3
  OR
- Scheme has an associated RIIO-ET3 Capital Contribution
  OR
- Scheme is expected to deliver Outputs on or before 31 March 2033 (i.e. T3+2) or beyond.

4.16 The purpose of this information is to provide visibility of all schemes that meet the above criterion irrespective of the price control period they are initiated or completed.

4.17 Relate each scheme to a project by selecting from the dropdown in column C, then select the appropriate categories in columns E, N and O.

1. **Scheme Reference (column A):** The drop down menu should be used to denote the scheme reference code (as entered on the Look Up Tables) that the cost & volume details relate to. See "Look up" table guidance.2.
2. **Active (column B):** automated entry to denote if the scheme is active i.e. works have commenced on the scheme
3. **Project reference (column C):** This will capture the mapping of schemes to projects. A project may consist of a single scheme or many schemes. A scheme can only be part of one project
4. **Scheme name (column D):** Manual entry of scheme name.
5. **Scheme subcategory (column E).** The drop-down menu is based on the current established cost categorisation for "Load Related" schemes, which must only be assigned against the following categories in column E:

    - Local Enabling (Entry)
    - Local Enabling (Exit)
    - Wider Works
    - LRE - sole-use Local Enabling (Exit - Sole Use)
    - LRE - sole-use Local Enabling (Entry - Sole Use)
    - TSS Infrastructure

    General principle: sub category will be driven by the primary purpose of the scheme and costs subsequently recorded against the primary activity/purpose chosen. When categorising works on a single asset, the descriptor chosen in the drop down menu will follow the greatest level of intervention applied with any other consequential costs also being recorded under this activity.

    Schemes that are associated with activities/assets that are covered by connection charges (as of the connection charging boundary at the time) please enter as either 'Local enabling entry sole use' or 'Local enabling exit sole use' as appropriate.

6. **Columns F to J** contain drop down menu that enable each licensee to identify, where applicable, all the relevant cost driver information across categories that were originally established through the BPDT. These categories include:

    - Geographical location
    - Consents & Planning
    - Ground condition

- Environmental condition
- Proximity to Existing Electrical Infrastructure

The population of driver information will represent the licensees best available information and intelligence. The supporting narrative can be used to provide further explanation and/or identify factors that are not currently captured by the list (or to confirm where no drivers are applicable to certain schemes).

Outputs determine the number of rows needed; a scheme that is anticipated to deliver one output directly need only be listed once (in this instance the scheme and the project are the same). Where a project is anticipated to deliver two or more outputs the requirement is to list all constituent elements of the project (each "scheme") on separate rows, e.g. local enabling (entry) investment - distinction is required to be made between the connection output (MW) and the associated transmission infrastructure reinforcement activity where appropriate.

7. **Mechanism category (column K):** The drop down menu provides four options: Baseline, Uncertainty Mechanism, Re-opener.
8. **Licence term, (column L):** the drop down menu enables a licensee to assign an applicable licence term against the scheme/activity, where applicable.
9. **Start Year (Column M):** the commencement of expenditure on the project (including the cost of Indirect Activities).
10. **Close year (Column N):** The date of financial closure (or expected financial closure).
11. **Asset Heading (Column O):** the drop down menu enables a licensee to identify the type of volumetric category, i.e. does it apply to a physical asset ("Assets") or to another activity (e.g. "Protection", "civils" etc.).
12. **Asset Category (Column P):** the drop down menu enables a licensee to identify the type of asset category (e.g. transformer). The list is informed by the asset classification list agreed with all TOs.
13. **Asset sub asset category Primary (column Q):** the drop down menu enables a licensee to identify the specific asset category (e.g. "CB (Air insulated busbar)"). The list is informed by the asset classification list agreed with all TOs.
14. **Asset sub asset category secondary (column R):** the drop down menu enables a licensee to identify the secondary categorisation that may apply (e.g. "Security – Gates(#)"). The list is informed by the asset classification list agreed with all TOs.
15. **Voltage (column S):** the drop down menu enables a licensee to identify the voltage or rating classification that may apply.
16. **Intervention (column T):** the drop down menu enables a licensee to identify the intervention classification that may apply (Addition, Disposal or New Build).
17. **Volume Measure (column U):** the drop down menu enables a licensee to capture the volume measure description that may apply (Addition, Disposal, Maintenance volume, Refurb volume, Sites Resolved).

18. **Units (column V):** the drop down menu enables a licensee to identify the applicable volumetric unit that may apply (e.g. MW electrical output, the count of a physical asset, or length of security fencing).
19. **Volume (column W):** manual entry to specify the applicable physical volume count (e.g. '6' Circuit Breakers).
20. **Subtotal RIIO-1 (column Y):** The licensee is required to manually input the value of direct costs incurred in the RIIO-1 period attributable to each scheme. Columns AA and AB are auto-populated from information listed on the data worksheet.
21. **Subtotal RIIO-2 (column Z):** The licensee is required to manually input the value of direct costs incurred in the RIIO-2 period attributable to each scheme. Columns AA and AB are auto-populated from information listed on the data worksheet.
22. **Annual costs (columns AC to AM):** Each TO will provide annual direct costs information on any activity undertaken (or forecast to be undertaken) between 1 April 2026 and 31 March 2033+ (T3+2period) associated with the progression and delivery of outputs in the RIIO-ET3+2 period and beyond. Future period reporting will reflect the rolling forecast requirement (see para 2.11).
23. **Customer Contributions (column AN):** Each TO will provide annual information on the value of

    - capital contributions (applicable to contributions relating to the T2 baseline agreed at Final Determinations) that is currently forecast between 1 April 2026 and 31 March 2033+2 inclusive (T3+2 period) or beyond. Other schemes relate to non-baseline schemes.
    - the value of any "one-off" works paid directly by the connecting customer, or
    - legal settlement and insurance claims that relate to the transmission business, or other cost items that have no associated volumes (using the drop down option "non-asset cost type").
    - the value of any cost recoveries at a scheme level (to be entered as negative values).

    NOTE: the forecast value attributable to "risk and contingency" allocated at a scheme level is not an entry option in this worksheet. An additional category has been included in the Asset Possibilities worksheet (entitled "Risk") to enable each TO to provide data entry at a scheme level.

24. **Non Asset cost type descriptor (column AO):** can be used to reference relevant supporting documents or sections in the supporting narrative that will provide more detail on a particular project or element of a project that requires further explanation to aid understanding.
25. **Sub-total RIIO-1 Contributions (column AP):** The licensee is required to manually input the value of contributions received in the RIIO-1 period attributable to each scheme.

26. **Sub-total RIIO-2 Contributions (column AQ):** The licensee is required to manually input the value of contributions received in the RIIO-2 period attributable to each scheme.
27. **Annual Customer Contributions (columns AT to BD):** Each TO will provide annual customer contributions information on any activity undertaken (or forecast to be undertaken) between 1 April 2026 and 31 March 2033 inclusive (T3+2 period) associated with the progression and delivery of outputs in the RIIO-ET3 period and beyond. Future period reporting will reflect the rolling forecast requirement (see para 2.11).
28. **Delivery year (column BE):** This will mark the scheme completion or expected completion date. This is a manual entry cell.
29. **Delivery Period (column BF):** This will mark the price control period for the expected completion date. This is a manual entry cell.
30. **Forecast energisation year (column BG):** This will mark the anticipated date of live operation of the scheme.
31. **Actual energisation year (column BH):** This will mark the actual date of live operation of a scheme.

For each RRP submission a TO will populate only one column (BE or BF) for each scheme. If the date is a forecast, column BE must be populated (Column BF will be blank). Once energised column BF will be populated (Column BE will be blank).

32. **CP2030 Flag (column BI**): This drop-down menu will support with the identification of projects which were identified by the National Energy System Operator (NESO) as being critical for Clean Power 2030.
33. **Connections Reform Flag (column BJ):** This drop-down menu helps identify the stage of connections projects at the time of reporting, aligned with Connections Reform licence obligations (Gate 1 and Gate 2).
34. **LRR Track Flag (column BK):** This drop-down menu will support, where applicable, with identification of different tracks of projects for the LRR.
35. **Advanced Funding Flag (column BL):** This drop-down menu will flag where early enabling work costs can be attributed to Pre-Construction Funding (PCF) or Early Construction Funding (ECF).These flags will be used to auto-populate and consolidate expenditure with indirect expenditure which is also funded through PCF/ECF. The trace dependents functionality in excel to see where this data is collated elsewhere in the pack.
36. **Narrative (column BM)** can be used to reference relevant supporting documents (e.g. engineering justification paper) or sections in the supporting narrative that will provide more detail on a particular project or element of a project that requires further explanation to aid understanding.

Definitions used in this worksheet

4.18 **Local Enabling (Entry – sole-use)**: Defined as expenditure by the Licensee required to meet increases in the total power entering the network from generators and interconnectors. It only includes expenditure on assets that are covered by connection charges as of the connection charging boundary at the time.

4.19 **Local Enabling (Exit – Sole-Use):** Defined as expenditure by the Licensee required to meet increases or changes in the power demand of grid supply points and other directly connected customers as a result of load growth, load transfer or closure of embedded generation. Only includes expenditure on assets that are covered by connection charges as of the connection charging boundary at the time.

4.20 **Local Enabling (Entry):** Expenditure on assets covered by TNUoS charges yet directly triggered by one or more individual generation connection projects.

4.21 **Local Enabling (Exit):** Expenditure on assets covered by TNUoS charges yet directly triggered by one or more individual demand connection projects.

4.22 **Wider Works:** Expenditure required for generation- or demand-driven reinforcement of the transmission system in order to fulfil the company's obligations to the transmission Licence. Includes

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

Excludes

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

4.23 **Infrastructure – TSS:** Expenditure on schemes aimed primarily at improving the efficiency of system operation.

4.24 **Customer Contributions (enter as negative):** These exclude connection charges and contributions associated to customer specific connection assets.

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

4.26 **Transmission Assets:** Transmission assets that are owned by the Licensee fall into two distinct subcategories:

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

4.27 **Scheme completion:** The date and time that the apparatus is made fully available for service to the Electricity System Operator without exclusion or limitation.

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

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

4.30 **Early Enabling Works (EEW):** means establishment of site welfare and access e.g. access track construction, welfare installation with groundworks. The asset heading 'Other (direct)' should be used to report this activity separately from direct asset costs. Separate reporting of EEW is required for schemes which have received PCF or ECF.

4.31 **Early Construction Funding (ECF):** is an advanced funding mechanism for ASTI projects which relates to activities around strategic land purchases, early enabling works, early procurement activities and other activities.

4.32 **Pre-Construction Funding (PCF):** is an advanced funding mechanism provided for select Load schemes and relates to early-stage development activities. For ET3, it includes funding for direct activities where these are considered Early Enabling Works.

4.33 **Direct and Indirect Activities**

- Direct Activities: Those activities which involve physical contact with transmission network infrastructure assets.
- Indirect Activities: Activities which in most cases support work being physically carried out on transmission network infrastructure assets that

could not, on their own, be classed as a direct network activity. Indirect Activities do not involve physical contact with transmission network infrastructure assets and secondary systems, whereas direct activities do.

INCLUDES:

- Closely Associated Indirects (see 6.4)
- Business Support Costs (see 6.5)
- Non-Operational Capex (see 6.1)
- Pre-Construction Funding (see 10.14)

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

- site surveys and non-site based costs associated with flooding (in Direct Activities)

4.4 Scheme C&V Non Load Actuals

Purpose and use by Ofgem

4.34 The purpose of this table is to collate all details on non-load related schemes. This will act as a link to the detailed outputs and cost matrix tables and avoid the need for duplicate entry of identifying details.

4.35 The table enables each network company to provide a list of the expected volumes (electrical and physical) across the agreed asset classification categories. This will allow Ofgem to have a more granular understanding of the proposed volumetrics in each of the scheme activities (which is a sub-element of a project).

4.36 The table enables each network company to provide a list of the associated direct costs across the agreed asset classification categories. This will allow Ofgem to have a more granular understanding of the proposed costs in each of the aggregated cost activities.

4.37 Individual schemes delivering multiple outputs can be captured as well as multiple schemes delivering single outputs.

Instructions for completion

4.38 Schemes are deemed to be applicable and to be reported if:

- Scheme has actual or forecast expenditure within RIIO-ET3

OR

- Scheme has an associated RIIO-ET3 Capital Contribution

OR

- Scheme is expected to deliver Outputs on or before 31 March 2033 (i.e. T3+2) or beyond.

4.39 The purpose of this information is to provide visibility of all schemes that meet the above criterion irrespective of the price control period they are initiated or completed.

4.40 Relate each scheme to a project by selecting from the dropdown in column C, then select the appropriate categories in columns E, N and O.

1. **Scheme Reference (column A):** The drop down menu should be used to denote the scheme reference code (as entered on the Look Up Tables) that the cost & volume details relate to. See "Look up" table guidance.2.
2. **Active (column B):** automated entry to denote if the scheme is active i.e. works have commenced on the scheme
3. **Project reference (column C):** This will capture the mapping of schemes to projects. A project may consist of a single scheme or many schemes. A scheme can only be part of one project
4. **Scheme name (column D):** Manual entry of scheme name.
5. **Scheme subcategory (column E):** The drop-down menu is based on the current established cost categorisation for "Non Load Related" schemes, which must only be assigned against the following categories in column E:

    - Replacement
    - Refurb Major
    - Refurb Minor
    - Decommissioning
    - Uncertain Costs

    General principle: sub category will be driven by the primary purpose of the scheme and costs subsequently recorded against the primary activity/purpose chosen. When categorising works on a single asset, the descriptor chosen in the drop down menu will follow the greatest level of intervention applied with any other consequential costs also being recorded under this activity.

6. **Columns F to J** contain drop down menu that enable each licensee to identify, where applicable, all the relevant cost driver information across categories that were originally established through the BPDT. These categories include:

    - Geographical location
    - Consents & Planning
    - Ground condition

- Environmental condition
- Proximity to Existing Electrical Infrastructure

The population of driver information will represent the licensees best available information and intelligence. The supporting narrative can be used to provide further explanation and/or identify factors that are not currently captured by the list (or to confirm where no drivers are applicable to certain schemes).

Outputs determine the number of rows needed; a scheme that is anticipated to deliver one output directly need only be listed once (in this instance the scheme and the project are the same). Where a project is anticipated to deliver two or more outputs the requirement is to list all constituent elements of the project (each "scheme") on separate rows.

7. **Mechanism category (column K):** The drop down menu provides four options: Baseline, Uncertainty Mechanism, Re-opener or Other.
8. **Licence term, (column L):** the drop down menu enables a licensee to assign an applicable licence term against the scheme/activity, where applicable.
9. **Start Year (Column M):** the commencement of expenditure on the project (including the cost of Indirect Activities).
10. **Close year (Column N):** The date of financial closure (or expected financial closure).
11. **Asset Heading (Column O):** the drop down menu enables a licensee to identify the type of volumetric category, i.e. does it apply to a physical asset ("Assets") or to another activity (e.g. "Protection", "civils" etc.).
12. **Asset Category (Column P):** the drop down menu enables a licensee to identify the type of asset category (e.g. transformer). The list is informed by the asset classification list agreed with all TOs.
13. **Asset sub asset category primary (column Q):** the drop down menu enables a licensee to identify the specific asset category (e.g. "CB (Air insulated busbar)"). The list is informed by the asset classification list agreed with all TOs.
14. **Asset sub asset category secondary (column R):** the drop down menu enables a licensee to identify the secondary categorisation that may apply (e.g. "Security – Gates(#)"). The list is informed by the asset classification list agreed with all TOs.
15. **Voltage (column S):** the drop down menu enables a licensee to identify the voltage or rating classification that may apply.
16. **Intervention (column T):** the drop down menu enables a licensee to identify the intervention classification that may apply (Replacement, Refurb Major, Refurb Minor, Addition, Disposal). Note that for replacement activity the costs of Disposal will be separated and captured in this worksheet (i.e. costs are not allocated to Additions only).
17. **Volume Measure (column U):** the drop down menu enables a licensee to capture the volume measure description that may apply (Addition, Disposal, Maintenance volume, Refurb volume, Sites Resolved).

18. **Units (column V):** the drop down menu enables a licensee to identify the applicable volumetric unit that may apply (e.g. MW electrical output, the count of a physical asset, or length of security fencing).
19. **Volume (column W):** manual entry to specify the applicable electrical or physical volume count (e.g '6' Circuit Breakers).
20. **Subtotal RIIO-1 (column Y):** The licensee is required to manually input the value of direct costs incurred in the RIIO-1 period attributable to each scheme.
21. **Subtotal RIIO-2 (column Z):** The licensee is required to manually input the value of direct costs incurred in the RIIO-1 period attributable to each scheme.
22. **Annual costs (columns AC to AM):** Each TO will provide annual direct costs information on any activity undertaken (or forecast to be undertaken) between 1 April 2026 and 31 March 2033 inclusive (T3+2 period) associated with the progression and delivery of outputs in the RIIO-ET3+2 period and beyond. Future period reporting will reflect the rolling forecast requirement (see para 2.11).
23. **Customer Contributions (column AN):** Each TO will provide annual information on the value of:

    - capital contributions (applicable to contributions relating to the T2 baseline agreed at Final Determinations) that is currently forecast between 1 April 2026 and 31 March 2033 inclusive (T3+2 period) or beyond. Other schemes relate to non-baseline schemes.
    - the value of any "one-off" works paid directly by the connecting customer, or
    - legal settlement and insurance claims that relate to the transmission business, or other cost items that have no associated volumes (using the drop down option "non-asset cost type").
    - the value of any cost recoveries at a scheme level (to be entered as negative values).

    NOTE: the forecast value attributable to "risk and contingency" allocated at a scheme level is not an entry option in this worksheet. An additional category has been included in the Asset Possibilities worksheet (entitled "Risk") to enable each TO to provide data entry at a scheme level.

24. **Non Asset cost type descriptor (column AO):** can be used to reference relevant supporting documents or sections in the supporting narrative that will provide more detail on a particular project or element of a project that requires further explanation to aid understanding.
25. **Sub-total RIIO-1 Contributions (column AP):** The licensee is required to manually input the value of contributions received in the RIIO-1 period attributable to each scheme.
26. **Sub-total RIIO-2 Contributions (column AQ):** The licensee is required to manually input the value of contributions received in the RIIO-2 period attributable to each scheme.

27. **Annual Customer Contributions (columns AT to BD):** Each TO will provide annual customer contributions information on any activity undertaken (or forecast to be undertaken) between 1 April 2026 and 31 March 2033 inclusive (T3+2 period) associated with the progression and delivery of outputs in the RIIO-ET3+2 period and beyond. Future period reporting will reflect the rolling forecast requirement (see para 2.11).
28. **Delivery year (column BE):** This will mark the scheme completion or expected completion date. This is a manual entry cell.
29. **Delivery Period (column BF):** This will mark the price control period for the expected completion date. This is a manual entry cell.
30. **Forecast energisation year (column BG):** This will mark the anticipated date of live operation of the scheme.
31. **Actual energisation year (column BH):** This will mark the actual date of live operation of a scheme.
32. **Narrative (column BI)** can be used to reference relevant supporting documents (e.g. engineering justification paper) or sections in the supporting narrative that will provide more detail on a particular project or element of a project that requires further explanation to aid understanding.

Definitions used in this worksheet

4.41 **Replacement, Refurb Major, Refurb Minor, New Build Decommissioning**: See Transmission Glossary

4.42 **Customer Contributions (enter as negative):** These exclude connection charges and contributions associated to customer specific connection assets.

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

4.44 **Transmission Assets**: Transmission assets that are owned by the Licensee fall into two distinct sub categories:

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

4.45 **Scheme completion**: The date and time that the apparatus is made fully available for service to the Electricity System Operator without exclusion or limitation.

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

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

4.48 **Early Enabling Works:** means establishment of site welfare and access e.g. access track construction, welfare installation with groundworks.

4.49 **Direct and Indirect Activities**

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

INCLUDES:

- Closely Associated Indirects (see 6.4)
- Business Support Costs (see 6.5)
- Non-Operational Capex (see 6.1)
- Pre-Construction Funding (see 10.14)

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

EXCLUDES:

- site surveys and non-site based costs associated with flooding (in Direct Activities)

4.5/6/7: Spares, ESR, Losses

Purpose and use by Ofgem

4.50 The purpose of these tables is to provide a summary of costs incurred, by asset type, across the RIIO-ET2/beyond T2 periods, for each of Spares, Black Start & Losses. This will allow Ofgem to have a more granular understanding of the proposed costs in each of the aggregated cost activities.

Instructions for completion

Spares

4.51 The costs of acquiring and the credits associated with utilising Strategic Spares are to be recorded in this worksheet. Instructions on how to record Strategic Spares costs are included below.

4.52 We expect Strategic Spares captured in this worksheet to be whole assets only. Sub-component parts of whole assets are not considered to be Strategic Spares and Licensees should maintain their own record of volumes, as they would for stock items.

4.53 The purchase of a Strategic Spare is treated as a Totex cost, which is different to the treatment of normal stock items.

4.54 There are two treatments to be considered when recording the activities relating to Strategic Spares:

(a) Strategic Spares currently held:

- Volumes should be reported against the relevant asset classification (or pre-agreed aggregation point) within the "Activity Volumes" section of the worksheet under column AA (e.g. a positive entry of “5” if 5 strategic spare transformers are currently held by the Licensee).
- No volumes should be recorded in the Scheme Volumes worksheets as the strategic spare has not yet been utilised on the network.
- No cost reporting is required for Strategic Spares currently held (i.e. purchased in T2) because the expense incurred will have been reported and funding provision made in the previous price control.

(b) The acquisition of new Strategic Spares within the RIIO-ET3 period (1 April 2026 to 31 March 2031):

- The costs of acquisition should be recorded as a positive value within the year of purchase against the relevant asset classification (or pre-agreed aggregation point). For example, if a further 5 spare transformers are purchased in year 2 of RIIO-ET3 with an acquisition cost of £2m each, the

Licensee will enter £10m in column N (2027/28) against the relevant asset classification.

- Volumes should be reported against the relevant asset category (or pre-agreed aggregation point) within the "Activity Volumes" section within the year of purchase against the relevant asset classification (a positive entry of "5" using the example above, giving a total inventory of 10 Strategic Spare transformers).

4.55 Reporting and Treatment of Strategic Spares Utilisation:

- Licensees will track the usage of Strategic Spares to specific incidents and their deployment / utilisation within specific schemes in the RIIO-ET3 period.
- Once utilised on the network the cost of the spare should be recorded as a negative value within the year of utilisation as it enters service. Using the example above, if a single Strategic Spare transformer enters service in year 3, the cost is presented by an entry of "-2" (£m) in the cost table (column O). The impact on the total inventory is a reduction from £20m to £18m as a result of the spare entering service.
- In terms of total volume, if the Strategic Spare transformer enters service in year 3 the Licensee will report an entry of "-1" in the Activity Volumes section against the relevant asset classification in year 3 (column AC). The impact on the total inventory is a reduction in the count from 10 to a count of 9 as one enters service in year 3.
- A "matching" positive cost & volume entry can then be recorded in the "Scheme cost and volume" worksheets for which the utilisation relates (e.g. the scheme in which the Strategic Spare is utilised will record the costs and volume against the relevant asset classification - a count of 1 and a cost of £2m against the transformer type using the example above). This will allow the auto-population of the relevant A7 asset movements worksheet and record the scheme cost in its entirety.
- If a Strategic Spare is required to rectify a fault, these costs are to be recorded on the relevant row on Table '5.1 – Faults'.
- The associated asset volume should be recorded at this point on Asset Register class row of the CV table relating to the cost (in the above example - faults).

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

4.57 Costs will be populated in columns M to W.

4.58 Activity Volumes will be populated in columns AA to AK.

ESR

4.59 Volumes and costs should be reported against the appropriate asset classes listed in worksheet 4.5.

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

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

Costs will be populated in columns M to W. Asset additions will be populated in columns AB to AL.

Losses

4.62 Volumes and costs should be reported against the appropriate asset classes listed in worksheet 4.7. Licensees should only complete this worksheet where losses management is the primary driver of the investment or action. This is to avoid double counting of volumes and costs reported in other worksheets.

4.63 Costs will be populated in columns M to W. Asset additions will be populated in columns AB to AL. Disposal information is auto-populated.

4.8 Uncertain Costs

Purpose and use by Ofgem

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

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

Instructions for completion

4.66 Enter a description of the activity.

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

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

4.9 Scheme Output

Purpose and use by Ofgem

4.69 The purpose of this table is to enable each network company to provide a list of the associated scheme outputs (and projects) delivered through the prescribed mechanisms defined in the RIIO-ET3 licence.

4.70 This sheet will capture all electrical outputs (e.g. MW or MVA) and any physical outputs that are not recorded through the Scheme Volumes worksheets and the agreed Asset Possibilities list.

Instructions for completion

4.71 Data in column F is auto populated from previous worksheets.

4.72 For this worksheet please input:

1. Scheme reference (Column A)
2. **Mechanism type (Column B):** the drop down menu enables a licensee to identify the type of mechanism through which the output is being delivered, e.g. does it form part of a PCD, is it being delivered through a Volume Driver mechanism, is it expected to form part of a Re-opener application submission or is it non-variant in nature. For Volume Driver schemes (generation and demand connection mechanisms), functionality has been included on the drop down menu to allow data entry.
3. **Mechanism (Column C):** the drop down menu enables a licensee to identify the precise mechanism (e.g. Generation connection).
4. **Licence term (column D):** the drop down menu enables a licensee to identify the applicable licence term.
5. **Boundary (column E):** the drop down menu enables a licensee to identify the applicable boundary that may apply (for use against the Wider Works volume driver mechanism only).
6. **Units (column I):** the drop down menu enables a licensee to identify the applicable unit metric.
7. **Annual profile (columns K to Q):** Each TO will provide annual information on the profile of output delivery activity that is currently forecast between 1 April 2026 and 31 March 2033 inclusive (T3+2 period) or beyond. Future period reporting will reflect the rolling forecast requirement (see para 2.11).
8. **Narrative (column T)** can be used to reference relevant supporting documents or sections in the supporting narrative that will provide more detail on a particular project or element of a project that requires further explanation to aid understanding.

4.10 Other T3 capital costs from T2

Purpose and use by Ofgem

4.73 This tables enables TOs to capture costs associated with schemes that have delivered an output (and received funding through the appropriate T2 mechanism) but are continuing to incur costs in the T3 period. It will also cover cost inputs for T2/T3 volume driver schemes which will deliver outputs within the first two years of T3..

4.74 This will allow Ofgem to have visibility of the costs of schemes that span the ET2 and ET3 price control periods.

4.75 For the avoidance of doubt, this worksheet will not duplicate information on schemes with outputs in the RIIO-ET3+2 period and beyond reported in the "Scheme Costs" worksheet. This sheet should not duplicate information reported in 10.18 crossover worksheet.

Instructions for completion

1. **Scheme Reference (column A).**
2. **Project reference (column B).** This will capture the mapping of schemes to projects. A project may consist of a single scheme or many schemes.
3. **Scheme category (column C).** The drop down menu provides two choices: Load related and Non Load related.
4. **Scheme sub category (column D).** The drop-down menu is based on the established cost categorisation for load related schemes (Local enabling (Entry), (Local enabling (Exit), Wider Works, etc) and non-load related schemes (Replacement, Refurb_Major, Refurb_Minor). The options also enable licensees to choose to further sub categories of activity: Decommissioning and Uncertain Costs.
5. **Licence Term (column E):** The drop-down menu allows selection of the appropriate option from the ET2 licence terms..

   Please note columns F-K are only necessary for items under the "NARMAt" term. Otherwise this granularity is unnecessary.

6. **Asset Category (Column F):** the drop down menu enables a licensee to identify the type of asset category (e.g. transformer). The list is informed by the asset classification list agreed with all TOs.
7. **Asset sub asset category primary (column G):** the drop down menu enables a licensee to identify the specific asset category (e.g. "CB (Air insulated busbar)"). The list is informed by the asset classification list agreed with all TOs.
8. **Voltage (column H):** the drop down menu enables a licensee to identify the voltage or rating classification that may apply.

9. **Intervention (column I):** the drop down menu enables a licensee to identify the intervention classification that may apply (Replacement, Refurb Major, Refurb Minor, Addition, Disposal). Note that for replacement activity the costs of Disposal will be separated and captured in this worksheet (i.e. costs are not allocated to Additions only).
10. **Delivery year (column J):** This will mark the scheme completion or expected completion date. This is a manual entry cell.
11. **Volume (column K):** manual entry to specify the applicable physical volume count (e.g. '6' Circuit Breakers).

12. **Subtotal RIIO-1 (column N):** The licensee is required to manually input the value of direct costs incurred in the RIIO-1 period attributable to each scheme. Columns N and O are auto-populated from information previously listed on the meta data worksheets.
13. **Subtotal RIIO-2 (column O):** The licensee is required to manually input the value of direct costs incurred in the RIIO-2 period attributable to each scheme. Columns N and O are auto-populated from information previously listed on the meta data worksheets.
14. **Annual costs (columns R to AB):** Each TO will provide annual direct costs information between 1 April 2026 and 31 March 2031 inclusive. Future period reporting will reflect the rolling forecast requirement (see para 2.11).
15. **Narrative (column AC)** can be used to reference relevant supporting documents or sections in the supporting narrative that will provide more detail on a particular project or element of a project that requires further explanation to aid understanding.

4.76 The annual total from this worksheet feeds into the relevant Cost Summary tables.

4.11 & 4.12 T3 Baseline Load/T3 Baseline Non-Load

Purpose and use by Ofgem

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

Instructions for completion

4.78 There is no input required in this worksheet.

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

5. NOCs

Section summary

The purpose of this chapter is to inform the completion worksheets associated with Non-Operational Costs by each Licensee. This is to enable Ofgem to effectively review the annual reporting submission of the companies.

5.1 The purpose of the worksheets in this area is to report projected expenditure and volume information for Non-Operational Cost categories to enable Ofgem to effectively compare company performance against allowances.

5.2 All costs are to be entered on a cash controllable basis (see Definitions). Cash controllable means exclusive of all provisions and all accruals and prepayments that are not incurred as part of the ordinary level of business.

Overview

5.3 The worksheets included within this chapter are:

- 5.1 Faults
- 5.2 Inspections
- 5.3 Repairs
- 5.4 Maintenance
- 5.5 Service Agreements
- 5.6 Veg_Mgt
- 5.7 NOCs Other
- 5.8 Flood_Mitigation
- 5.9 Operational Technology
- 5.10 Visual_Amenity_LEI
- 5.11 Faults_and_Failures

5.1 Faults

Purpose and use by Ofgem

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

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

Instructions for completion

5.6 Volumes and costs should be reported against the appropriate asset classes listed in worksheet 5.1. Licensees should report on costs of the types of works done as a result of fault restoration activity (columns M:W) and on activity volumes (columns AB:AL) to capture a count of the number of faults.

5.7 For non-linear asset categories the volume metric reflects a simple count of a fault (represented by “Each”, “per site”, “Per set”). For linear assets, the volume metric reflects that a fault is likely to reflect a single point of failure, which may require replacement of a length of cable (represented by “km”). We understand from TOs’ that the cost of certain fault activities are not individually discernible, but that volumetric information is available and can be recorded at a more granular level. Volumetric information should therefore be reported against the specific asset (or the lowest level practical based on the asset possibilities list).

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

5.9 Where not available, we expect costs to be reported

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

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

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

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

Definitions for use in this worksheet

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

5.2 Inspections

Purpose and use by Ofgem

5.14 The purpose of this table is to

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

Instructions for completion

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

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

5.17 For Inspections reporting, Licensees should report on costs (columns M:W) on activity volumes (columns AB:AL) as a result of the inspection programme performed.

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

5.19 We understand from TOs' that the cost of certain inspections (bay inspection, for example) is not individually discernible but that volume reporting at an asset level is available and can be recorded at a more granular level. Volumetric information should therefore be reported against the specific asset (or the lowest level practical based on the asset possibilities list).

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

1. Assets:

- Sites at 132kV (each)
- Sites at 275kV (each)
- Sites at 400kV (each)

- HVDC sites (each)
- Overhead lines (km)
- Submarine cable (km)
- Circuit cable (km)
- Substation Cable (km)

2. Civil sites (each)

5.21 Volume reporting is required across the remaining asset points, where applicable.

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

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

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

Definitions for use in this worksheet

5.25 **Inspections:** The standardised and systematic collection of information from as found asset condition indicators which can be used in a standalone or aggregated format to provide asset data sufficient to determine or justify any intervention or deferral of standard maintenance, refurbishment or replacement works a TO may elect. Please note that this definition is comprehensive but not exhaustive.

5.3 Repairs

Purpose and use by Ofgem

5.26 The purpose of this table is to

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

Instructions for completion

5.27 Repair activities - definitions are available in the Transmission Glossary.

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

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

5.30 For Repairs reporting, Licensees should report on costs (columns M:W) on activity volumes (columns AB:AL) as a result of the programme or works performed.

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

5.32 We understand from TOs' that the cost of certain repair activities are not individually discernible, but that volumetric information is available and can be recorded at a more granular level. Volumetric information should therefore be reported against the specific asset (or the lowest level practical based on the asset possibilities list).

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

5.34 Where not available, we expect costs to be reported

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

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

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

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

Definitions for use in this worksheet

5.38 **Protection Communication Circuits – Repair:** Protection Communication Circuits are used within power system protection schemes where signalling and

information exchange is required between protection equipment at separate remote sites to allow high speed clearance of faults. The activity 'Protection Communication Circuits – Repair refers to the repair of existing protection communication circuits and all necessary work associated with the activity

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

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

5.4 Maintenance

Purpose and use by Ofgem

5.40 The purpose of this table is to

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

Instructions for completion

5.41 Maintenance activities - definitions are available in the Transmission Glossary.

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

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

5.44 For Maintenance reporting, Licensees should report on costs (columns M:W) on activity volumes (columns AB:AL) as a result of the programme or works performed.

5.45 **Note:** Note that the asset possibilities list in this worksheet is different to the list applicable elsewhere in the reporting pack. The list was developed and agreed in discussion with the ETOs. We understand from TOs' that the cost of certain maintenance activities are not individually discernible, but that volumetric information is available and can be recorded at a more granular level. Volumetric

information should therefore be reported against the specific asset (or the lowest level practical based on the asset possibilities list).

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

5.47 Where not available, we expect costs to be reported

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

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

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

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

Definitions for use in this worksheet

5.51 **Protection Communication Circuits –Maintenance:** Protection Communication Circuits are used within power system protection schemes where signalling and information exchange is required between protection equipment at separate remote sites to allow high speed clearance of faults. The activity 'Protection Communication Circuits – Maintenance' refers to the maintenance of existing protection communication circuits and all necessary work associated with the activity

5.52 **Maintenance:** The activity relating to the invasive ("hands on") examination of, and the undertaking of any subsequent maintenance works on, system assets.

5.5 Service Agreements

Purpose and use by Ofgem

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

Instructions for completion

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

5.55 LTSAs costs reported here should be those commercially negotiated with the supply chain, as part of agreement of main construction contracts. They should be competitively appointed and bespoke to specific assets.

5.56 For Service Agreement reporting, TOs should report the following:

- Agreement Name (Column A);
- Assets covered by the agreement (Column B);
- Provider (Column C);
- Contract Start (Column D); and
- Contract End (Column E).

1. **Annual costs (Columns M-Q) and Costs Beyond RIIO-3 (Columns R–W):** For each agreement, TOs should report the contract costs incurred or forecast to be incurred between 1 April 2026 and 31 March 2031, as well as any costs expected beyond this period. Reporting for future years will follow the rolling forecast requirement.
2. **Price Control Period Totals (Columns X & Y):** These columns will auto-populate based on the manual figures entered elsewhere on the worksheet, providing a calculated summary of total costs for the relevant price control period.
3. **Mechanism Category (Rows 37-39):** Additional input rows are provided to enable TOs to record how costs are allocated across Baseline, Re-opener, Other Uncertainty Mechanisms, and Other categories. These rows should be used to report both incurred and forecast expenditure for RIIO-ET3 and for periods beyond RIIO-ET3, using columns M–W. The information entered in this section will be used to support the relevant PCFM calculations by ensuring that costs are correctly attributed to the appropriate funding mechanisms.
4. **Baseline Capex/Opex Split (Rows 42-43):** These rows allow TOs to record the baseline capex and opex expenditure split for the total Service Agreement costs. The information entered in this section will be used to inform the relevant PCFM calculations by ensuring that the baseline cost allocation is accurately reflected.
5. **Uncertainty Capex/Opex Split (Rows 46-47):** These rows allow Licensees to record the capex and opex split associated with any uncertain Service Agreement costs.

5.6 Vegetation Management

Purpose and use by Ofgem

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

Instructions for completion

5.58 **Vegetation management:** The activity of physically felling or trimming vegetation in order to ensure the reliable performance of transmission assets. These are the costs and volumes directly related to tree cutting and facilitation of cutting activities. This includes the workload involved with the physical felling or trimming of vegetation away from network assets and also associated costs for activities such as outages, traffic management, obtaining consents and Network Rail costs, compliance with the requirements of ENATS 43-8 (horizontal and vertical clearances) and ETR 132 (network resilience) of the ESQCR 2006.

5.59 For Veg Mgt reporting, Licensees should report on costs (columns M: W) on activity volumes (columns AB:AL). The data must be reported by the applicable voltage category and categorisation listed within the table.

5.60 **Rows 12-19 (inclusive):** Each licensee is required to separately report the cumulative activity of physically felling or trimming vegetation included as part of a management contract and/or to maintain minimum safety clearances for overhead network length (km) for the following voltages (where applicable): 66kV, 132kV, 275kV and 400kV.

5.61 This worksheet contains a data entry for “Woodland Management” (row 23). This is intended to capture tree felling and tree planting and maintenance measures (potentially at different sites) associated with adhering to planning requirements and wider environmental policy objectives.

5.62 **Network parameters and tree cutting policy (Rows 28-61):** Each Licensee is required to separately report the cumulative activity of physically felling or trimming vegetation included as part of a management contract and/or to maintain minimum safety clearances for overhead network length (km) for the following voltages (where applicable): 66kV, 132kV, 275kV and 400kV

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

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

5.7 NOCs other

Purpose and use by Ofgem

5.65 This table requires licensees to report all relevant data relating to site security, asbestos management, safety-related climbing fixtures, earthing upgrade works, cable pits, shallow-depth cables, non-OHL vegetation management, environmental obligations arising from planning permissions, non-operational small tools, equipment, plant and machinery (STEPM), substation electricity usage, and other NOCs activities.

Instructions for completion

5.66 Licensees should report the costs and volumes for the following categories within the NOCs Other worksheet.

- Site security by number of substations split by voltage (Rows 11–13)
- Asbestos management – surveys & signage by number of sites (Row 14)
- Asbestos management – containment or removal by number of sites (Row 15)
- Safety climbing fixtures - for supports or plant items (Row 16)
- Fire protection by number of substations (Row 17)
- Earthing upgrade by number of locations (Row 18)
- Cable Pits by number of sites (Row 19)
- Shallow Cables (Row 20)
- Vegetation Management (non-OHL, eg CSE compounds and access roads) (Row 21)
- Ongoing environmental costs associated with planning permissions (e.g., Biodiversity Net Gain maintenance costs). No input is required in Row 22. This row will automatically populate with the total of the granular data manually entered in Rows 40–57 of the worksheet.
- STEPM (Row 23) and
- Substation Electricity (Row 24)

5.67 Licensees should report cost data (Columns M–W) and activity volume data (Columns AB–AL). Volume data must be reported by the applicable voltage category and in accordance with the categorisation listed within the table.Other (Rows 28–35): These rows are available for Licensees to report any NOCs-related

expenditure and activity volumes that are not covered by the categories listed above. Licensees must specify and clearly describe the nature of the NOCs activities reported in these rows..

5.68 Granular cost and volume information is also required for ongoing environmental costs associated with planning permissions (e.g., Biodiversity Net Gain legislation) in Rows 41–56. The total of the granular data reported in these rows will automatically populate the *"Ongoing environmental costs associated with planning permissions"* category within the NOCs Other section (Row 22).

5.69 The following granular data are required:

1. **Project Name (Column A):** Licensees must enter the name of the project.
2. **Project Description (Column D):** Licensees must provide a brief description of the project.
3. **Type of Environmental Project (Column E):** Licensees must indicate whether the reported costs relate to environmental enhancement or environmental maintenance.
4. **Annual Costs (Columns M–W):** Licensees must provide annual cost information for all activities undertaken (or forecast to be undertaken) between 1 April 2026 and 31 March 2031 and beyond. Reporting in future years must reflect the rolling forecast requirement. Columns X–Y will auto-populate.
5. **Annual Activity Volumes (Columns AB–AL):** Licensees must report annual activity volumes in hectares of ground affected. Columns AM–AN will auto-populate.

5.70 **Mechanism Category (Rows 62–64):** Additional input rows are provided to allow Licensees to report costs split across Baseline, Re-opener, and Other Uncertainty Mechanism categories. This information will be used to inform the relevant PCFM calculations.

5.71 **Baseline Capex/Opex Split (Rows 68–69):** These rows are provided for Licensees to enter the baseline capex/opex split for the total NOCs Other costs. The information entered in these rows will be used to inform the relevant PCFM calculations.

5.72 **Uncertainty Capex/Opex Split (Rows 72–73):** These rows are provided for Licensees to enter the capex/opex split for any NOCs Other costs that fall under an Uncertainty Mechanism

Definitions for use in this worksheet

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

5.74 **Asbestos Management - Surveys and Signage:** Where minor work has been carried out at a substation site for management of asbestos. This includes legal risk assessments of ACMs (Asbestos containing materials) and safety notices on site.

5.75 **Asbestos Management - Containment or Removal:** Where work has been carried out at a substation site to either remove asbestos or contain the existing asbestos by encapsulation or treatment.

5.76 **Substation Fire Protection:** The provision of fire protection system improvements including emulsifier and inert gas systems but excluding improvements to fire prevention or fire detection systems only.

5.77 **Earthing Upgrades:** The activity of upgrading the earthing installation at an existing substation:

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

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

5.78 **Cable Pit:** A below-ground structure that allows access to the underground cable network.

5.79 **Vegetation Management for non-OHL activity:** Any activity physically felling or trimming vegetation included as part of a management contract and/or to maintain minimum safety clearances for non-OHL activity. This includes cutting and management activity required near non-linear assets (eg substations, compounds, cable routes and cable link boxes). The volumes are required to be reported on an activity count (#) for vegetation cleared around non-linear assets.

5.80 **Small Tools, Equipment, Plant and Machinery (Non-Operational) (STEPM):** Small tools, equipment, plant and machinery which are used to work on, assist work on or test system assets. They are not system assets and are not permanently attached to one system asset at one location, irrespective of when they were bought or for what purpose.

- Typically INCLUDES:
    - Fault location equipment - re-energising, e.g.
        - Bidoyng, Modular Rezap, Faultmaster Rezap)
    - Fault location equipment - non re-energising, e.g.
        - Cable Sniffers
        - OHL Pathfinder

        - Cable fault locator (Kehui, EZ Thump, Meggar TDR, Riser Bond TDR, Bicotest TDR, BAUR Test Vans, SEBA Test Vans, Megger EZ Thump 12KV, Megger Test Van) (vans are reported under Vehicles and Transport (Non-Operational) but equipment within vehicles is within STEPM
        - Delta V (still in use but no longer manufactured)
    - Hand and power tools
    - Instruments and testing equipment, e.g.
        - Partial discharge monitors
        - Voltage recorder
        - Load monitors
    - Power quality monitoring equipment
    - Ladders (used at substations and transported on vehicles)
    - Lifting and handling gear
    - Street Works signing and guarding equipment
    - Non-wheel-mounted winches and winching equipment
    - Cable drum equipment, eg drum stands
    - Workshop equipment, eg pedestal drills, grinding wheels and reciprocating saws
    - Misc. Equipment, eg cable spiking guns, pumps, gas hoses and fittings
- Inspection costs for recertification and recalibration associated with STEPM

5.8 Flood Mitigation

Purpose and use by Ofgem

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

Guidance on completing this worksheet

5.82 The annual costs and volumes of flood mitigation schemes and flooding site surveys are to be reported for each asset category listed in Rows 10 - 42:

- Fluvial and Coastal (rows 10 - 28)

- Pluvial (rows 33 - 42)

5.83 Licensees should report on costs (columns M - W) and on activity volumes (columns AB - AL). The data must be reported by the applicable voltage category and categorisation listed within the table.

5.84 **Mechanism Category (Rows 49 - 52):** Additional input rows are included to allow Licensees to enter the costs split across Baseline/Re-opener/Other Uncertainty Mechanism/Other incurred or forecast to be incurred in RIIO-ET3 and RIIO-ET4 (columns M-W). This information will be used to inform the relevant PCFM calculations.

5.85 **Baseline Capex Opex Split (Rows 56-57):** These rows are included for Licensees to enter the baseline capex/opex split for the total Flood Mitigation costs. This entry will be used to inform the PCFM calculations.

5.86 **Uncertainty Capex Opex Split (Rows 60-61):** These rows are included for Licensees to enter the capex/opex split for any uncertain Flood Mitigation costs.

Definitions for use in this worksheet

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

5.88 **Fluvial Flooding:** Flooding that occurs as a result of flooding from rivers and watercourses.

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

5.9 Operational Technology

Purpose and use by Ofgem

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

Instructions for completion

5.91 The tables in this worksheet report the volumes and costs associated with IT and telecommunications systems and equipment

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

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

5.94 The asset categories for this worksheet, are:

- System Applications
    - Applications
- Operational Technical Infrastructure
    - Servers
    - Switches
    - Virtual Machines
    - Firewalls
- Telecommunications Network
    - Routers
    - Fibre
    - Transport Equipment
    - Power Supply
    - 3rd Party Communications
    - Synchronisation
    - Air Condition
    - Operational Telephony
- Field Devices, Controller & Local Supervisory
    - Field Equipment
- Opex
    - Internal Support
    - Internal Hosting & Infrastructure
    - 3rd Party Licence
    - 3rd Party Support
    - 3rd Party Hosting & Infrastructure
    - 3rd Party Professional Services

- Other

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

- **Annual Costs (columns N-X):** Each Licensee will provide annual cost information on any activity undertaken (or forecast to be undertaken) between 1st April 2026 and 31st March 2031 and beyond. Future period reporting will reflect the rolling forecast requirement. Columns Y-Z will auto-populate.

- **Annual Activity Volumes (columns AC-AM):** Requires manual entry of the volumes between 1st April 2026 and 31st March 2031 and beyond. Columns AN-AO will auto-populate.

5.96 Additional rows are included for Licensees to break down Operational Technology expenditure by scheme (Rows 35-63). For these rows:

- Column A requires Licensees to manually enter the relevant project name for each applicable scheme;
- Column B requires the OT Category in line with rows 9-29;
- Column C requires the OT Sub-Category in line with rows 9-29;
- Column E requires the Scheme Reference ;
- Column F requires the Company ID of the scheme
- Column G is for any comments on the scheme.
- Columns N-X require entry of annual gross cost information across RIIO-ET3 period and beyond; and
- Columns AC-AM require entry of annual activity volumes across RIIO-ET3 period and beyond.

5.97 Baseline Capex Opex Split (Rows 69-71): These rows are included for Licensees to enter the baseline capex/opex split for the total Operational Technology costs. This entry will be used to inform the PCFM calculations.

5.98 Re-opener Capex Opex Split (Rows 72-74: These rows are included for Licencees to enter the capex/opex split for any Operational Technology re-opener costs

5.99 Uncertainty Capex Opex Split (Rows 75-77): These rows are included for Licensees to enter the capex/opex split for any uncertain Operational Technology costs.

Definitions for use in this worksheet

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

5.101 **Internal Support Costs:** Internal resource support costs for a specific solution. Examples would include the IT Internal Help Desk support for incident resolution.

5.102 **Internal Hosting & Infrastructure costs:** Internal Costs relating to the infrastructure that a solution runs on.

5.103 **3rd Party Licence costs:** Licence costs for a 3rd Party Solution.

5.104 **3rd Party Support Costs:** 3rd Party Support Costs for a specific solution. Examples would include the 2nd/3rd line support for incident resolution which may previously have been resourced in-house or applying patches to the solution.

5.105 **3rd Party Hosting & Infrastructure costs:** Costs from a 3rd Party relating to the infrastructure that a solution runs on.

5.106 **3rd Party Professional Services:** Any professional services not covered in the above categories eg small change or consultancy.

5.107 **Other:** Any IT & Telecoms costs and/or activities not covered in the above categories.

5.10: Visual Amenity LEI

Purpose and use by Ofgem

5.108 The purpose of this table is to provide costs on the volume and associated cost of work for Landscape Enhancement Initiative (LEI) Projects.

5.109 The scope of activities, as defined in the final determinations is a landscaping or environmental enhancement scheme that has been informed by stakeholder engagement, to mitigate the impact of pre-existing transmission infrastructure on the visual amenity of designated areas.

Instructions for completion

5.110 Licensees are required to report project data on proposed projects under Special Condition 5.4 of the T3 Licence.

5.111 Licensees must provide all required data for each proposed project. The following inputs are required within the reporting template.

- Column A requires licencees to manually enter the relevant project name for each applicable scheme
- Column B requires licencees to identify and enter project partners
- Column C requires licencees to specify the designated location of the visual amenity
- Column D requires licencees to describe the outputs and objectives that the project is expected to achieve
- Column E requires licencees should enter the date on which the project is expected to commence
- Column F requires licencees to enter the anticipated project completion date
- Column M-W requires licencees to provide annual gross cost information across the ET3 period and, where applicable, beyond.
- Additional input rows are included below the gross cost line to allow TO's to provide the capex/opex breakdown. This information will be used to inform PCFM calculations.
- Additional inputs rows are also provided to enable TOs to allocate costs across baseline, reopener, and uncertainty mechanism categories. This information will be used to inform the relevant PCFM calculations.

5.11 Faults & Failures

Purpose and use by Ofgem

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

Instructions for completion

5.113 Licensees are required to report on:

- Total Weather-related Trip and DAR Faults (rows 42 to 49): TOs should enter only weather-related trips and DAR faults that are weather-related.
- Faults that required an outage of more than 3 hours (rows 53 to 60)
- Total faults (rows 64and 65)
- Total failures (rows 69 and 70)

- The causes of failures and faults consistent with codes from the National Faults and Interruption Reporting Scheme (NaFIRS) – see rows 91 to 150 for Trips and DAR fault that are non-weather related and rows 156 to 224 for Failures – and the asset classification provided within the worksheet.

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

5.115 Any faults or failures that the cause is known but is not on the list provided must be explained in the commentary.

5.116 When reporting fault and failures caused by airborne deposits licensees should focus on the specific cause of the fault or failure – did the industrial pollution lead to corrosion of conductors which subsequently failed (in which case use code 15) or did the depositing of material on the conductors lead to arcing or similar or was it the moisture content of the industrial pollution.

5.117 Only faults and failures of cardinal assets are required to be broken down by asset type and cause. For sub-cardinal assets licensees are required to report only the total numbers of faults and failures for 'measurement transformers' and for 'other sub-cardinal assets'.

5.118 Faults and failures are expected to be reported on a financial year basis. Summary information on any events associated with significant disruption, loss of supply or customer disconnection greater than 3 minutes ('Category a') must provide detail on the duration of the event and magnitude of the associated loss.

5.119 Summary information on significant condition related faults affecting a family or a number of lead or non-lead asset category that have occurred ('Category b') must provide a description of the fault, its cause, the actions that will be taken e.g. maintenance, replacement etc. and detail on the duration of the event and magnitude of the associated loss (where applicable).

5.120 **Note**:

- NAFIR Code 97 – No Fault Found: The post-event investigation concluded that no defects or abnormalities were present within the system. The incident was attributed to the associated equipment failing to operate as intended, rather than to any identifiable fault within the protection or control systems.
- NAFIR Code 98 – Cause Unclassified: This code is applied where a genuine system fault has occurred and the Transmission Owner is able to describe the event; however, the underlying cause cannot be assigned to any of the defined NAFIR cause codes. It is used when the event is understood but does not align with existing categorisation criteria.
- NAFIR Code 99 – Cause Unknown: This code is applied when a genuine fault has occurred—or is strongly suspected to have occurred—but the

investigation is unable to determine the underlying root cause. Despite evidence of a fault event, no definitive explanation can be established from available data, inspections, or testing.

Definitions for use in this worksheet

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

5.122 **Failures:** A power transformer failure is defined as an event that requires the unit to be taken off the plinth either for replacement or factory repair.

- A reactor failure is defined as an event that requires the unit to be taken off the plinth either for replacement or factory repair.
- Failure of circuit breakers is defined as an event that requires the replacement of the breaker, or repair equivalent to the replacement of at least one head.
- An overhead line is considered to have failed if a conductor drops
- Cable failures are events where a cable section, joint or sealing end has failed in service requiring its replacement.
- Third party causes are not counted.
- A protection or control failure is defined as an event that requires the bay (and associated primary equipment) to be removed from service to undertake repair which entails the replacement of a complete device (containing a protection or control function) without which the bay could not remain service on a continuous basis.
- Compensation failure is defined as an event that requires replacement of fault-damaged components other than those normally replaced under routine maintenance.
- A substation auxiliary's failure is defined as an event that requires the replacement of the entire unit.

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

5.124 **Sub cardinal assets:** Any network assets other than cardinal assets.

6. Other Expenditure

Section summary

The purpose of this chapter is to inform the completion of worksheets associated with remaining price control cost categories by each Licensee, including Non-Operational Capex, Indirect and Other costs. This is to enable Ofgem to effectively review the annual reporting submission of the companies.

6.1 The purpose of the worksheets in this area is to report projected expenditure and volume information for Non-Operational Capex, Indirect and Other price control activities to enable Ofgem to effectively compare company performance against allowances.

6.2 All costs are to be entered on a cash controllable basis (see Definitions). Cash controllable means exclusive of all provisions and all accruals and prepayments that are not incurred as part of the ordinary level of business.

Overview

6.3 The worksheets included within this chapter are:

- 6.1 Non Op Capex
- 6.2 Physical_Security_Capex
- 6.3 Physical_Security_Opex
- 6.4 CAI
- 6.5 BS
- 6.6 BS_Alloc
- 6.7 Major Projects Indirects
- 6.8 Op & Non-Op_Training_(CAI)
- 6.9 TO_Cyber_Security
- 6.10 DR Services
- 6.11 Pass_Through

6.1 Non Op Capex

Purpose and use by Ofgem

6.4 The purpose of this table is to report expenditure on non-operational capital expenditure which are not system assets. We will use this information to assess the performance of each licensee over the price control period.

Instructions for completion

6.5 Non-Op Capex has been categorised into the following expenditure types:

- IT & telecoms (non-operational)
- Non-Operational Property
- Vehicles (non-operational)

6.6 For Non-Op Capex reporting:

- Annual Costs (Columns M-W): Each Licensee will provide annual cost information on any activity undertaken (or forecast to be undertaken) between 1st April 2026 and 31st March 2031 and beyond. Future period reporting will reflect the rolling forecast requirement (see para 2.10). Columns X-Y will auto-populate.
  - IT & Telecoms (Row 9) will auto-populate from row 323.
  - Vehicles (Row 10) will auto-populate from 9.7 V&T memo.
  - Non-operational Property (Row 11) will auto-populate from row 347.

For IT and Telecoms expenditure greater than £1m (> £1m), licensees are required to complete rows 18–217 by specifying the name of each IT system or project where the total expenditure exceeds £1m. Full project details should be provided in line with the column headings, covering the entire project lifecycle rather than solely the expenditure incurred in the reporting year. Where the total spend on a project exceeds £1m but the expenditure in a particular year is less than £1m, the project must still be reported in the IT Systems/Projects >£1m table. This table specifically excludes funding associated with the provision of Ministry of Defence Armed Guards. See definition for 'security (armed guards)'.

6.7 For IT and Telecoms expenditure on all other IT assets with total expenditure less than or equal to £1m (<= 1m), licensees are required to complete rows 221–320. Full project details should be provided in line with the column headings, covering the entire project lifecycle rather than solely the expenditure incurred in the reporting year. .

6.8 For non-operational property projects, licensees are required to complete rows 326–346. Full project details should be provided in line with the column headings, covering the entire project lifecycle rather than solely the expenditure incurred in the reporting year.

Mechanism category (rows 351–353): Additional input rows are provided to allow licensees to record costs split by Baseline, Re-opener, and Other Uncertainty Mechanism categories. This information will be used to inform the relevant PCFM calculations.

6.9 Capex Opex split (Rows 358-359): Thes rows are included to allow Licensees to enter the capex/opex split for the total Non-operational Capex costs. This entry will be used to inform the PCFM calculations. .

Definitions for use in this worksheet

6.10 **IT & Telecoms:** Expenditure on new and replacement IT assets which are not system assets. These include Hardware and Infrastructure and Application Software Development.

INCLUDES:

- Purchase of IT equipment that is either located away from network assets or does not directly relate to the control of those assets.
- Purchase and installation of new hardware systems (e.g. servers, firewalls, switches & ISDXs).
- Purchase of equipment for the physical IT environment (i.e. air conditioning, fire and flood prevention and detection), where these can be differentiated from Property costs.
- Purchase of Client equipment (e.g. desktops, laptops, monitors, printers, plotters).
- Purchase of Telecoms equipment (e.g. staff mobile devices) where not used exclusively in the real time management of network assets
- Hardware that is purchased as part of an IT software project.
- IT software upgrade costs: New and upgraded software licences where the benefit is received over more than one year.
- Cost of software development staff employed to undertake development work during the reporting year.
- Purchase and installation of new application software and their licence fees.

EXCLUDES:

- Ordnance survey data / licences (include under System Mapping).
- Any of the property costs associated with IT & Telecoms (include under Property Management), except where the cost of specific IT environmental control systems can be distinguished from other property costs.

6.11 **Non-Operational Property**: Expenditure on new and replacement property assets which are not system or operational assets.

INCLUDES:

- Premises used by people (e.g. stores, depots and offices) which are not operational premises (e.g. substations)
- Office equipment.

6.12 **Vehicles (Non-Operational):** Expenditure on new and replacement wheeled vehicles and generators which are not system assets but are utilised by the TO or any other Related Party for the purposes of providing services to the TO.

INCLUDES:

- Commercial vehicle fleet
    - Mobile plant for example:
    - Mobile compressors
    - Cranes
    - Excavators
    - Dumpers
    - Trailers
    - Drum trailers
    - Wheel mounted winches
    - Hiab vehicles and accessories
    - All-terrain vehicles
    - Water pumping vehicles.
- Generators, which include wheel mounted and non-wheel mounted generators used to power the network and small portable generators, used to power tools.
- The labour costs of fuelling unfuelled generators.

EXCLUDES:

- Company cars (except where included under the labour cost)
- Fork lifts (include in stores)
- Fuel costs for wheeled vehicles and generators (report in Vehicles and Transport (CAI)).

6.2 Physical Security Capex

Purpose and use by Ofgem

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

Instructions for completion

6.14 New sites: Licensees to enter costs associated with New Site projects.

6.15 **'Project Ref'** is the project identifier reference that corresponds with the Final Determinations documents.

6.16 **'Start date'** is when pre-construction work on each project begins.

6.17 **'End date'** is when construction on the project has finished.

6.18 **Columns AC-AM** – record annual costs associated with new sites.

6.19 TOs are to separately record costs for projects that were set as PCDs at Final Determinations (baseline) and projects set following a re-opener (Uncertainty Mechanism)

6.20 **IT assets:** Licensees are to enter costs associated with replacing IT assets installed as part of the PSUP programme. TOs are to separately record cost (rows 80-88) and workload (rows 92-100) data for each IT asset type, as per the asset category listed in Column I.

6.21 Any costs incurred replacing IT assets not listed in Column I are to be reported in row 87 ('other') and justified in the RRP narrative submission.

6.22 Technical assets

- TOs are to enter costs associated with replacing Technical assets installed as part of the PSUP programme. TOs are to separately record cost (rows 107-114) and workload (rows 118-125) data for each IT asset type, as per the asset category listed in Column I.

- Any costs incurred replacing Technical assets not listed in Column I are to be reported in row 113 ('other') and justified in the RRP narrative submission.

6.23 Mechanism category (Rows 135-137): Additional input rows are included to allow Licensees to enter the costs split across Baseline/Re-opener/Other Uncertainty Mechanism. This section is not applicable for costs incurred in RIIO-ET1. This information will be used to inform the relevant PCFM calculations.

6.24 Capex Opex split (Rows 141-142): These rows are included to allow Licensees to enter the capex/opex split for the total Physical Security costs. This entry will be used to inform the PCFM calculations

6.3 Physical Security Opex

Purpose and use by Ofgem

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

Instructions for completion

6.26 Licensees are to report their annual PSUP opex expenditure for both owned (row 14 -17) and shared (row 22 - 25) sites. These costs should include any operational costs, including labour, associated with the PSUP programme.

6.27 In the 'Workload' section, Licensees are to report the number of PSUP sites, both owned (row 36 - 39) and shared (row 44 - 47), that have incurred PSUP opex costs in each year (columns AC-AM).

6.28 Mechanism category (Rows 53-55): Additional input rows are included to allow Licensees to enter the costs split across Baseline/Re-opener/Other Uncertainty Mechanism. This information will be used to inform the relevant PCFM calculations

6.29 Capex Opex split (Rows 60-61): Additional input rows are included below the gross cost line to allow Licensees to enter the capex/opex split for these costs. This entry will be used to inform the PCFM calculations.

6.4 CAI

Purpose and use by Ofgem

6.30 The purpose of this table is to collect cost information on the Closely Associated Indirect Activities listed below, which in most cases support work being physically

carried out on network infrastructure assets, that could not, on their own, be classed as a direct network activity.

Instructions for completion

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

- those performed by external 3rd parties i.e. contractors engaged to perform "very" Closely Associated Indirect activities on behalf of the ETO and/or agents engaged to provide distinct CAI services under instruction from an ETO.
- those CAI activities performed and discharged from an ETOs own internal resource framework e.g. internal project management, design, engineering or clerical staff.

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

6.33 ETOs must adhere to and be compliant with the RIGs requirements regarding the recording of all indirect costs. For the current ET3 RIGs, applicable for 26/27 reporting and beyond (i.e. forecast), this necessitates the delineation of direct and indirects (i.e. information taken directly from an internal Contractor Management System and applied to the RRP asset possibility construct and/or subject to an allocation process) as per the definitions irrespective of the party performing this activity.

6.34 The types of activities, regardless of the delivery party, that reside under the "very" Closely Associated Indirects include:

- Project Management, and
- Network Design & Engineering (subject to any caveats/derogations noted under the "very" CAI definitions listed below, including appendix 3).

6.35 These activities when carried out by 3rd parties can be referred to as 'contractor indirects'. The types of activities that will fall under "other" Closely Associated Indirects include the remaining CAI sub-activities as defined in the RIGs:

- System Mapping,
- Engineering Management & Clerical Support,
- Network Policy (including R&D),
- Health, Safety & Environment
- Operational Training,
- Stores & Logistics,
- Vehicles & Transport,

- Market Facilitation, and
- Network Planning.

6.36 These activities, where performed by the ETO, will be recorded as indirects but would not need to be costed and separately identified if performed by 3rd parties, where undertaken as part of their wider duties and/or delivery of direct activities on behalf of the ETO. For example, Operational training costs incurred by a 3rd party for the contractors' own staff (even when required to perform work for the ETO) would be deemed a legitimate contractor overhead and not reported as an indirect.

6.37 However, where 3rd parties have been engaged to specifically perform "other" Closely Associated Indirect activities which have defined outputs and deliverables and are billable to the ETO e.g. Network Planning, Network Policy, System Mapping, Operational Training etc., our expectation is that costs incurred in performing these activities will also be recorded as indirects. For example, where an ETO engages a 3rd party for the specific purpose of delivering operational training, this would be treated as an indirect.

6.38 "Other" CAI Summary:

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

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

6.39 Costs associated with each of the indirect activities (listed definitions can be found below) should be reported in this table.

EXCLUDES:

- site surveys and non-site based costs associated with flooding (in Direct Activities)
- indirect costs related to any scheme captured under 9.18 ET Pipeline Log

6.40 Rows 41 to 51 (internal costs). Please populate the yellow input cells for each category of cost for the services/activities provided by internal/in-house functions.

6.41 Rows 56 to 66 (external costs). Please populate the yellow input cells for each category of cost for the services/activities procured from a third party.

6.42 Row 70 (wayleaves). An additional memo line to input costs associated with wayleaves which are reported under Engineering Management and Clerical Support.

6.43 Additional input rows are included to allow TO's to enter the CAI costs split across baseline/re-opener/uncertainty mechanism and the capex/opex split for the Baseline and Uncertain CAI costs. This entry will be used to inform the PCFM calculations.

6.44 Row 94 (CAI UIOLI by scheme) TO's should fill in the table with expenditure for schemes under the scope of Special Condition 3.13 Closely Associated Indirects Use it or lose it mechanism. Information required is the scheme reference, category type, expenditure type and annual expenditure for these schemes. Within the commentary the Licensee should include the apportioning methodology used for any non-project specific CAI expenditure and justification that the spend is efficient.

Definitions for use in this worksheet

6.45 **Project Management** Project Management from authorisation through to preparation. Please see Appendix 3 "Project Management Definitions Table" for further clarification on the treatment of the project management activity.

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

Activities include:

- Overall responsibility for major project delivery.
- Determining resource requirements.
- Planning and requisitioning materials & equipment.
- Work and resource programming.
- Risk assessments of the overall project content.
- Preparation and management of work instructions.
- Issue of work to own staff and contractors.
- On-site supervision and technical guidance.
- Quality checks on work undertaken (execution stage, internal, and handover stage, external).

- Organising network access and co-ordination of outages.
- Organising and supervising (where appropriate) the undertaking of commission tests.
- Issuing completion certificates.
- Arranging energisation of assets.
- Cost control.

For all project management activities undertaken by either the ETO or a 3rd party please see appendix 3 for a project management definitions table which sets out the various stages of project management; their cost treatment (i.e. direct or indirect) and examples of the various deliverables that would be undertaken in each stage by the relevant party.

Excludes:

- Any IT or property costs associated with Project Management.
- Any employees managing other indirect activities.

6.46 **Network Design and Engineering:** Network Design and Engineering include processes and tasks involved in the:

- Detailed engineering design of transmission assets and changes to the network at all voltages ("functional design"), and strategic planning of the network at all voltages. This relates to the tasks associated with the network in totality rather than individual projects, including:
    - Maintenance of network design data models.
    - Development of long term development statements.
    - Network wide demand forecasting.
    - Network Modelling associated with determination of Use of System charges.
    - Strategic planning of the network in respect of new connections, load related network reinforcement and all aspects of the "non-load new and replacement asset installation" activity.
- The tasks associated with transmission asset projects and enquiries and all other aspects of Network Investment projects including:
    - Load forecasting.
    - Network modelling.
    - Network and engineering design of the network to accommodate new connections, specific changes in either demand or distributed generation and all aspects of the "non-load new and replacement asset installation" activity.
    - Provision of connection charge quotations.

- Approval of network designs undertaken by other parties, such as independent connection providers and related parties.
- The surveying of a specific overhead line in order to identify the detailed work required to address an identified problem/issue.
- The determination of land profiles to select the routes and pole sizes for new or replacement lines.
- The surveying associated with new and existing operational sites in order to identify detailed work requirements.
- Network performance monitoring and evaluation of impact of salient policies.
- Planning new projects up to the point of authorisation.
    - System Studies for Compliance – Thermal, Stability, Voltage, Fault.
    - System Studies for Network Development – Includes providing options for ESO/FSO analysis and ETYS related purposes.

Please see Appendix 3 for additional tables which further clarify the treatment of design activity, providing specific examples of our delineation between manufacturing configuration design (direct) and functional design (indirect) and table which sets specific types of design activity against 5 stages of design and their regulatory cost treatment.

6.47 **Network Policy (incl. R&D):** All processes and tasks involved in the development and review of environmental, technical and engineering policies, and including research and development.

Includes:

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

- Development, regular review and updating of environmental policy.
- Research and development (including Fees paid to research and development organisations).

Excludes:

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

6.48 **Network Planning:** This covers the following activities:

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

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

6.50 **Engineering Management and Clerical Support:** The office-based activities of engineering and clerical support staff (i.e. depot clerical staff, managers, work planners, etc) managing or assisting employees undertaking direct activities and Wayleave Administration.

Includes:

- Strategic Network Plan Development and implementation:
    - Managing the delivery organisational structure to achieve the long and short term company goals.
    - Agreeing resource requirements (own employees, contractors, finances and outcome targets).
    - Managing the allocation and distribution of delivery resources to achieve plans.

  - Managing key corporate policies and standards for investment/ service delivery.
  - Leading the management team for service delivery.
  - Monitoring the achievement of plans.
  - Overseeing the management of teams with responsibility for service delivery.

- Identification and implementation of improvement initiatives:
  - Redesign of business processes

- Work Planning, Budgeting, Allocation and Control:
  - Monitoring delivery of major works
  - Monitoring fault activity.
  - Monitoring budgets of Inspections and maintenance, faults and major works.
  - Setting and agreeing performance targets, monitoring actual performance.
  - Reporting and analysis of Key Performance Indicators ("KPIs").

- Line management of staff undertaking direct activity work:
  - Standards of performance, disciplinary and sickness absence procedures.
  - Monitoring absence, back-to-work-interviews and welfare visits.
  - Establishing day to day work plans.
  - Managing the allocation tasks to achieve the delivery of operational and capital plans.
  - Scheduling and monitoring the achievement of work jobs.
  - Managing budget.
  - Ensuring work activity adheres to company technical and health & safety requirements.

- Operational Performance Management:
  - Health and Safety checks on work and personnel

  - Compliance checks on staff and contractors work carried out
  - Site safety inspections
  - Providing safety advise to cable contractors and others (to help prevent damage)
  - Investigation, report and corrective action following an accident or environmental incident
  - Authorisation of team members for operational and non-operational duties
  - Operational safety checks

- Providing safety advice to persons working in proximity to network assets.

- Wayleave Payments:
  - Annual payments made in advance to the owner and/or occupier to cover the financial impact of having equipment on their land.

- Wayleaves and Easements/Servitudes: Admin Costs:
  - Obtaining, managing and administering Wayleave, substation rents, easements and servitudes.
  - Negotiating new Wayleaves.
  - Managing Wayleave terminations.
  - Administration of existing Wayleaves including the preparation of payments.
  - Negotiation conversions from Wayleave arrangements to permanent easement/ Servitudes, substation rents and Wayleave payments.

- Clerical Support:
  - Updating plant and overhead line support asset inventory databases following asset commissioning and decommissioning.
  - Updating plant and overhead line support asset condition data following inspection and maintenance.
  - Dealing with verbal and written enquires for new connections, or faults.
  - Programming of minor works.

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

Excludes:

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

- Updating financial asset register (Finance & regulation).
- Time of employees attending training (include as labour cost under the relevant activity of that employee).
- Purchase of equipment (include under non-operational capex).
- Training, courses and training centre costs for staff relating to working on system assets (include under operational training and workforce renewal).
- Any on-site activities carried out by field engineers or onsite supervisors including, for example:
    - Health and Safety checks on work and personnel
    - compliance checks on staff and contractors' work carried out,
    - site safety inspections,
    - operational field safety checks before or during operational work,
    - site supervision,
    - authorisations that are part of field work, post-incident asset inspections,
    - investigation, report and corrective action following an accident or environmental incident, and
    - authorisation of team members for operational and non-operational duties.

6.51 **System Mapping:** The activity of mapping of the network and operational premises of the network to geographical locations.

Includes:

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

Excludes:

- Clerical support and admin associated with New Roads and Street Works Act (NRSWA).

- Updating the network control diagram
- Onsite collection of asset and locational information where this task is undertaken with the installation of the asset which is part of the associated direct activity.

Any IT & Property costs associated with System Mapping activity

6.52 **Stores and Logistics:** The activity of managing and operating stores.

Includes:

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

Excludes:

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

6.53 **Operational Training:** Includes operational training and graduate trainees and apprentices.

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

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

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

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

Includes:

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

Excludes:

- HSE costs (include under Health, Safety & Environment).
- IT & Property management costs associated with Ops Training and Training Centres (include under IT & Property costs respectively).

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

Includes:

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

Excludes:

- Direct field staff time spent on utilising the vehicles for a direct cost activity (include under direct cost activity).
- IT & Property costs associated with vehicle management.

- Purchases of vehicles, mobile plant and equipment (include under non-op capex).
- Cost of providing company cars to employees which are benefits in kind (include as labour cost under the relevant activity of that employee.

6.55 **Market Facilitation:** This covers the following activities:

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

6.56 **Health Safety and Environment:** The activity of promoting and maintaining health and safety of employees, contractors, customers and the public.

Includes:

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

Excludes:

- Health & Safety checks on work and personnel such as:
    - compliance checks on staff and contractors' work carried out
    - site safety inspections
    - investigation, report and corrective action following an accident or environmental incident
    - authorisation of team members for operational and non-operational duties
    - operational field safety checks
    - time of employees attending training (include as labour cost under the relevant activity of that employee)
    - purchase of equipment (include under non-op capex)

  - training, courses and training centre costs for staff relating to working on system assets (include under operational training)

- engineering and health and safety training, courses for staff involved in indirect activities (include under operational training).

6.57 **Internal costs:** cost for the services/activities provided by internal/in-house functions.

6.58 **External:** cost for services/activities procured via a third party.

6.5 Business Support

Purpose and use by Ofgem

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

6.60 Business Support Costs

Collectively includes the activities of:

- IT & Telecoms (Business Support)
- Property Management (Business Support)
- HR & Non-Operational Training
- Finance, Audit & Regulation
- Insurance
- Procurement
- CEO & Group Management
- Pension Scheme Admin & PPF Levy

6.61 IT & Telecoms Memo Table

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

- Other

Instructions for completion

6.62 Rows 23 to 33 (internal costs). Please populate the yellow input cells for each category of cost for the services/activities provided by internal/in-house functions.

6.63 Rows 38 to 48 (external costs). Please populate the yellow input cells for each category of cost for the services/activities procured from a third party.

6.64 Costs associated with IT & Telecoms are further broken down by category in the "IT & Telecoms Memo Table" (rows 55 to 61).

6.65 NESO separation memo: NGET should record costs associated with the NESO separation Re-opener (NSRt). These costs should be reported under relevant BS cost categories according to the RIGs activity-level categorisation. However, the added memo table will provide transparency on the expenditure specific to the NESO separation costs, consistent with T2 reporting. NESO separation reopener allowances should be input into the Allowances Input tab, assigned to Business Support and the 'reopener' mechanism category, in line with guidance in section 8.1.

6.66 For the avoidance of doubt, the data requirements are relevant to the transmission owner entity and not Group level.

6.67 Additional input rows are included to allow TO's to enter the BS costs split across baseline/re-opener/uncertainty mechanism and the capex/opex split for the Baseline and Uncertain BS costs. This entry will be used to inform the PCFM calculations.

6.68 Where baseline allowances include Business Support funding associated with ASTI/CSNP activities (e.g. for SHET and SPT), this should be reported in 6.5 BS. Where no such baseline funding exists (e.g. NGET), Business Support expenditure related to the Major Projects office function should be reported in 6.7 Major Projects Indirects tab.

Definitions for use in this worksheet

6.69 **HR:** This would include provisions of the HR function i.e. the full range of professional activity for an individual's career path from recruitment to retirement and post-retirement where applicable, e.g. management and administration of pension payments (NB PPF scheme administration costs are excluded) and from related professional advice to directly resolving grievances for staff.

Includes:

- Costs of payroll and pension's management and operation.
- Facilitating staff performance, development and reviews.
- Industrial and employee relations including HR strategy, policies and procedures.
- Monitoring equal employment opportunities.
- HR advice to management, succession planning and also retentions and rewards.

Excludes:

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

6.70 **Non-operational training:** Facilitating and operating training courses of a non-technical nature for office-based staff.

Includes:

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

Excludes:

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

6.71 **Finance, Audit & Regulation:** Performing the statutory, regulatory and internal management cost and performance reporting requirements and customary financial and regulatory compliance activities for the network.

Includes:

- Process of payments and receipts.
- Time sheet evaluation where not part of the payroll process.

- Financial & risk management - e.g. credit & exposure management.
- Financial planning, forecasting & strategy.
- Financial accounting.
- Management accounting.
- Investment accounting.
- Treasury management.
- Transportation income accounting.
- Pricing.
- Statutory & regulatory reporting.
- Tax compliance & management.
- Internal audit & management of the relationship with external audit function.
- External audit fees.
- Cost of regulatory department.

Excludes:

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

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

Includes:

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

6.73 **Procurement:** Responsible for the procurement of goods & services in the support of the business operations, through the management of procurement contracts with suppliers.

Includes:

- The cost of carrying out market analysis.

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

Excludes:

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

6.74 CEO & Group Management

Includes:

- Communications - communication within the UK businesses, internal communications, external communications, media relations, issues management, regional communications, community relations, community awareness, branding, events management
- Group Strategy- function has the responsibility of evaluating the strategic options of the Group.
- Legal / Risk and Compliance/ Company Secretary - legal department, the management corporate governance for all companies to ensure they comply with legislation, regulations and best practice.
- Corporate Responsibility and investor relations - corporate responsibility and interaction with institutional equity investors and market analysts, management of rating agencies also advertising, charity and sponsorship arrangements.
- Board Members and Other – staff and other costs of Board members and other corporate costs not fitting into other categories.
- Non-executive & group directors' labour costs (where they are not carrying out specific departmental duties) and Board meeting costs.

Excludes:

- Insurance management.
- Legal advice relating to wayleaves/servitudes/easements.

- Group costs relating to specific activities e.g. HR, Finance, Audit, Regulation, Taxation, HSE, Insurance, etc (include under the specific cost category).

NOTE: Community Benefit Fund-related costs have been removed from BS and are now reported in "9.12 Community Benefits".

6.75 **IT & Telecoms:** Provision of IT services for the day-to-day service delivery.

Includes:

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

Excludes:

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

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

Includes:

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

Excludes:

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

6.77 **Internal costs:** cost for the services/activities provided by internal/in-house functions.

6.78 **External:** cost for services/activities procured via a third party.

6.6 Business Support Allocation

Purpose and use by Ofgem

6.79 The purpose of this table is to provide Ofgem with visibility of Business Support costs incurred at a Group level and their subsequent attribution across the Group legal entity structure. This will be used to ensure that allocation methodologies

applied are fair and consistent and do not attempt to unfairly apportion these costs to a licensee.

Instructions for completion

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

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

6.7 Major Projects Indirects

Purpose and use by Ofgem

6.82 The purpose of this table is to collect indirect cost data relating to Major Projects re-openers including Accelerated Strategic Transmission Investment (ASTI) and Centralised Strategic Network Plan (CSNP). This will be used to provide transparency and comparability with expenditure in the rest of the licensee's portfolio and ensure consistency with the ET3 RIGs activity-based classification framework.

Instructions for completion

6.83 This worksheet collects indirect expenditure which should be allocated according to the ASTI/CSNP funding framework, which is split into CAI, BSC, PCF and ECF.

6.84 Where baseline allowances include Business Support funding associated with ASTI/CSNP activities (e.g. for SHET and SPT), this should be reported in 6.5 BS. Where no such baseline funding exists (e.g. NGET), Business Support expenditure related to the Major Projects office function should be reported in this tab.

6.85 Direct PCF/ECF Expenditure table. Please populate the yellow input cells with the scheme reference of major projects. This table will auto-populate any direct costs flagged under Pre-Construction Funding (PCF) and Early Construction Funding (ECF) for CSNP/ASTI projects in tab 4.3 Scheme C&V Load Actuals.

6.86 Major Projects indirects by scheme table. Please populate the yellow input cells with scheme reference and indicate using the drop-down columns the following: project flag, cost category and by category type. Category type refers to the classification of expenditure based on the RIGs activity-based hierarchy (CAI and Business Support), reflecting the nature of the activity undertaken. Funding labels (CAI, BSC, PCF and ECF) are applied separately to enable comparison of expenditure against funding allowances and do not determine classification. Expenditure should first be classified by activity and then attributed to the relevant funding mechanism using 'cost category' (CAI/BSC/PCF/ECF) where applicable and as defined below.

Definitions for use in this worksheet

6.87 Early Enabling Works (EEW) means establishment of site welfare and access, and validation of assumptions at the design stage. For ASTI projects this is funded through Early Construction Funding (ECF) and for CSNP projects this is funded through Pre-Construction Funding (PCF).

6.88 Pre-construction Funding for the purposes of this sheet refers to the expenditure provided under SpC 3.15 for CSNP re-opener projects and SpC 3.21 for ASTI re-opener projects. The expenditure in Direct PCF/ECF table and Major Projects indirects by scheme tables will auto-populate tab 10.12 PCF for comparison with the licence allowances.

6.89 Cost Category for the purposes of this table is required to map the expenditure activity to the major projects funding framework. Therefore, CAI and BSC will reflect the indirects funded through project assessment and PCF/ECF will reflect expenditure using the advanced funding mechanisms.

6.90 **Internal costs:** cost for the services/activities provided by internal/in-house functions.

6.91 **External:** cost for services/activities procured via a third party.

6.8 Operational and Non-Operational Training

Purpose and use by Ofgem

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

Instructions for completion

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

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

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

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

6.96 The key terms for this worksheet, are:

- Operational Training
- Craftsperson
- Engineer
- Other Operational Employee
- Operational Staff
- Non-Operational Staff
- Operational Refresher
- Operational Up-skilling
- New Recruits
- New Recruits – Craftsperson
- New Recruits – Engineer
- Learner Costs
- Leaver
- Leaver – Due to Retirement
- Leaver – Due to Reasons Other than Retirement
- Training Days
- Agency Staff.

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

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

6.99 Learner Costs should be reported as follows:

- New Recruits (in year and previous years) – this reports the costs of all operational New Recruits to the Licensee or Related Party, often on a formal training programme for several years (e.g. apprenticeship). The associated volumes are the FTEs recognised as on New Recruits training programmes. No costs or volumes relating to contractor training should be included. The FTEs should be adapted to recognise that a new recruit may only have been employed for part-way through the year, for example 1 FTE starting work in October would be classed as 0.5 FTE; and a part time employee of 0.8 FTE starting work in October would be classed as 0.4 FTE. These costs and volumes should be reported separately between Craftsperson's Engineers and Other Operational Employees.

- Operational Up-skilling – this reports the costs of all Operational Staff, Related Party Staff and Agency Staff recognised as undertaking Operational Up-skilling training. The associated volumes are the number of Training Days spent on up-skilling training, both classroom and on-the-job. No costs or volumes relating to contractor training should be included. These costs and volumes should be reported separately between Craftsperson's, Engineers and Other Operational Employee (the role reported against should be the role towards which the employee has been working). A unit cost is then calculated automatically by the table.

- Operational Refreshers – this reports the costs of all Operational Staff, Related Party Staff and Agency Staff attending Operational Refreshers. The associated volumes are the number of Training Days spent on refresher training. No costs or volumes relating to contractor training should be included. These costs and volumes should be reported separately between Craftsperson's, Engineers and Other Operational Employee. A unit cost is then calculated automatically by the table.

6.100 Cost of Training Provision should be reported separately between the following,

- Trainer and Course Material Costs
- Training Centre and Training Admin Costs.

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

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

- New Recruits in year – this reports the New Recruits (on an FTE basis) appointed to the Licensee in the year. This should not be pro-rated to adapt for date the new recruit joined the Licensee. This should be reported separately between Craftsperson's and Engineers.

- Leavers – this reports the number of Leavers **in the year** (on an FTE basis), reported separately between Leavers due to Retirement and Leavers for Reasons other than Retirement. These should not be pro-rated to adapt

for date the leaver left the Licensee. These are also reported separately by Craftsperson's and Engineers.

6.9 TO Cyber Security

Purpose and use by Ofgem

6.103 Refer to guidance to be published by Cyber Resilience Team

Instructions for completion

Refer to guidance to be published by Cyber Resilience Team

6.10 Directly Renumerated Services (DRS)

Purpose and use by Ofgem

6.104 The purpose of this table is to collect information relating to each category of DRS as set out in the RIIO-ET3 licence.

Instructions for completion

6.105 The licensee should fill in the yellow input boxes shaded. Costs should be input as positive values for each category of DRS as set out in paragraph 10 of Special Condition 9.7 of the RIIO-ET3 Licence.

6.106 It may be that some services have no identifiable costs.

6.107 The total costs are linked to the Cost Summary sections for Non-Activity Based Costs (NABC). To avoid double counting, do not enter information if it is populated elsewhere in the template (e.g. information associated with investment categories local enabling entry/exit sole use connection activity). If consented and de Minimis services are reported outside of the TO business, please do not complete the information but state this in the narrative.

6.11 Pass Through

Purpose and use by Ofgem

6.108 The purpose of these tables is to record information on certain elements of allowed revenue that are treated as pass-through items.

Instructions for completion

6.109 Actual data for the reporting period in question should be input directly into the yellow input cells, which will be used to populate the PCFM. The licence terms have the definitions as set out inf Special Condition 6.1 (Pass-through items). Forecasts for future regulatory periods should be input directly into this worksheet, which will be used to populate the PCFM. The 'Pension scheme established deficit' value should be input in line with the information provided in the Price Control Financial Handbook. The second table requests actuals to be input in nominal price base.

6.110 All values should be exclusive of VAT.

7. Innovation

Section summary

The purpose of this chapter is to inform the completion of worksheets associated with Innovation mechanisms by each Licensee. This is to enable Ofgem to effectively review the annual reporting submission of the companies.

Overview

7.8 The worksheets included within this chapter are:

- 7.1 NIA
- 7.2 SIF
- 7.3 CNIA
- 7.4 NIC

7.1-7.4 Innovation

7.9 Development of innovation reporting is progressing separately and in partnership with the Energy Network Association. Consultation on these worksheets will commence as part of the standard regulatory cycle in early 2027.

Purpose and use by Ofgem

7.10 The purpose of these tables is to record information directly applicable to the innovation mechanisms.

7.11 D4.13: The purpose of this table is to report the TO's expenditure under the RIIO-ET2 Network Innovation Allowance (NIA). The NIA is a set allowance that the TO can use to spend on innovation projects which comply with the RIIO-ET2 NIA Governance Document.

7.12 D4.14: The purpose of this table is to report Strategic Innovation Fund (SIF) projects that the TO will receive funding for in RIIO-ET2. Additionally, the table also seeks to capture other categories of SIF funding that will be relevant if the TO has to return any funds on these projects. The different SIF categories are all defined in the SIF Governance Document. [7]

7.13 D4.15: The purpose of this table is to report the TO's expenditure under the carryover of the RIIO-ET1 NIA (CNIA). The CNIA allows the TO to spend and

[7] SIF Governance Document: https://www.ofgem.gov.uk/publications/sif-governance-document

recover any remaining unspent funds from the 2020-21 NIA, providing that projects were started before 31 March 2021 and comply with the NIA Governance Document. The table only includes reporting for 2021-22 because this is the only year that CNIA can be recovered.

7.14 D4.16: The purpose of this table is to report funding for NIC projects that the TO received funding for in RIIO-ET1 and remain in-flight during the RIIO-ET2 price control. Additionally, the table also seeks to capture other categories of NIC funding that will be relevant if the TO has to return any funds on these projects.

Instructions for completion

NIA

7.15 Input details of each RIIO-ET2 NIA activity / project in the yellow cells in cells D11:F110 as required and provide the outturn and forecast expenditure in the yellow cells V11:Z110.

7.16 Input actual data from 1 April 2021 up to and including the current reporting year and forecast data for the remaining RIIO-ET2 period, i.e. each year of RIIO-ET2 (as applicable).

7.17 Input details of any expenditure has been declared Unrecoverable NIA Expenditure by Ofgem in the yellow cell D120:F121 as required and provide the outturn and forecast expenditure in the yellow cells V120:Z121.

7.18 Additionally, the TO will report how much of their Total NIA Expenditure has been spent on internal resources in the yellow cells V127 (year one).

7.19 Input unfunded NIA expenditure for each RIIO-2 year in the yellow cells in row 139.

CNIA:

7.20 Input the CNIA expenditure by cost type in the yellow cells V13 and details of each CNIA activity / project in the yellow cells in columns D:F as required and provide the outturn expenditure in the yellow cells in column V.

7.21 Input the total of any third-party income or contributions towards projects into the yellow cell V66. Input the unrecoverable CNIA expenditure into the yellow cell V70.

7.22 Input the required licence terms in the yellow cells in rows 74:78. These licence terms are defined in Special Condition 5.3 of the TO's licence as in force on 31 March 2021.

NIC:

7.23 Input details of each NIC project it received funding for in RIIO-2 in the yellow cells in columns D:F as required and provide the outturn and forecast expenditure in the yellow cells in columns U:Z.

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

SIF:

7.25 Input details of each SIF project it receives funding for in the yellow cells in columns D:G as required and provide the outturn and forecast expenditure in the yellow cells in columns W:AA.

8. Allowances

Section summary

The purpose of this chapter is to inform the completion of the allowance worksheets. This is to enable Ofgem to effectively review the annual reporting submission of the companies.

8.1 The purpose of the worksheets in this area is to report allowance information at various levels of granularity against different cost categories to enable Ofgem to compare allowance allocation against expenditure.

8.2 All costs are to be entered on a cash controllable basis.

Overview

8.3 The worksheets included within this chapter are:

- 8.1 Allowances input
- 8.2 Scheme_C&V_Calc_Load_Allow
- 8.3 Scheme_C&V_Calc_NonLoad_All
- 8.4 Scheme_Output_Allowance
- 8.6 Spares_Allowances
- 8.7 ESR_Allowances
- 8.8 Losses_Allowances
- 8.9 Faults_Allowances
- 8.10 Inspections_Allowances
- 8.11 Repairs_Allowances
- 8.12 Maintenance_Allowances
- 8.13 Service_Agreements_Allowa
- 8.14 Veg_Mgt_Allowances
- 8.15 NOC_Allowances
- 8.16 Flood_Mitigation_Allowance
- 8.17 Operational_Tech_Allowance
- 8.18 Visual_Amenity_LEI Allow
- 8.19 Non_Op_Capex_Allowances
- 8.20 CAI_Allowances

- 8.21 BS_Allowances
- 8.22 Major_Project_Allowances
- 8.23 Physical_Security_Cap_All
- 8.24 Physical_Security_Opex_All
- 8.25 TO_Cyber_Security_Allowanc

8.1 Allowances Input

Purpose and use by Ofgem

8.4 The purpose of the Allowance Input worksheet is two fold:

i. to enable each network company to provide a list of the associated allowances for each cost category area that is not represented at a scheme level or for which no separate a baseline allowance memo worksheet exists that enable allowed expenditure to be input.

ii. to report the constituent parts of schemes that form part of approved Re-openers or an Uncertainty Mechanism.

8.5 To illustrate **category (i)** an example of "cyber security" activity (represented on the A8 allowance worksheets in column AG and AH) is set out in the worksheet guidance below. This activity is not represented at a scheme level (no Scheme Reference), and it does not have an associated memo table. To illustrate the reporting of a functional activity (category ii above) an example of an approved investment through the Non-operational IT Capex Reopener is set out in the worksheet guidance below.

8.6 To further illustrate category ii, a further example of a load-related capex scheme (LE Entry cost category) that is subject to an indirect cost uplift through the opex escalator uncertainty mechanism is provided.

8.7 For any cost category listed in the column header an annual allowance must be entered at an aggregate level. This will allow Ofgem to have visibility of the aggregate representation of allowances across the remaining categories of activity in the ET2 period.

8.8 (NOTE: cost categories where the information is collated from scheme or memo worksheets are greyed out. Licensees must populate the remaining columns.)

Population of baseline position

8.9 To assist in the data population exercise to capture baseline allowance representation, columns within the Allowance Input worksheet were initially

proposed to be 'greyed-out' to indicate areas where baseline allowances are populated elsewhere in the C&V RRP and no data input is required.[8] The current version of the template reinstates the data entry requirements (i.e. reverts from grey to yellow input cells) to allow for possible data entry associated with uncertainty mechanism activity or re-opener activity in annual reporting timescales.

Instructions for completion

8.10 The majority of the worksheet is manual data entry.

8.11 Licensees will create a separate data entry line for each year and for each category (representing the aggregated activity).

8.12 **Category (i) example**: if at Final Determinations a network company was provided funding for Cyber activity at £1m per annum for each of the RIIO-ET2 price control, the worksheet will be populated as follows:

1. **Column A:** Five separate data entries containing a description of the cyber activity in each reporting year (2022, 2023, 2024, 2025 and 2026).
2. **Column B:** Drop down menu: "baseline" option chosen for each entry.
3. **Column C:** Free entry. Five separate line entries "2022", "2023", "2024", "2025" and "2026".
4. **Column D:** The applicable Scheme Reference should be entered in this field; this should be consistent with the referencing in the Scheme data.
5. **Column E:** Drop down menu: the applicable licence term will be chosen.
6. **Column Y or Z:** Five separate line entries each of "£1m" will be recorded in the applicable column against the "Cyber Security" category.
7. The total would be £5m (reported as the sum of the applicable cells).

8.13 **Category (ii) example**: a network company receives approval under special Condition 3.7 to install IT equipment; £5m in 2024 and £10m in 2025 (total £15m). The worksheet will be populated as follows:

1. **Column A:** Two separate data entries containing a description of the activity in each reporting year will be provided (2024 and 2025).
2. **Column B:** Drop down menu: "Re-opener" option chosen for each entry.
3. **Column C:** Free entry. "2024" will be inserted in one line and "2025" inserted in the second reporting line applicable to this activity.
4. **Column D:** Free entry. As this is a functional activity there is no applicable Scheme Reference collated from the Scheme Data worksheet. "n/a" will be entered.
5. **Column E:** Drop down menu: the applicable licence term will be chosen. In this example, "NOITt" will be chosen for each separate entry.

[8] This included columns F (Spares), G (Black Start), H (Losses), J (Non-Op capex), L to R (NOC categories), T (CAI) and U (BSC).

6. **Column J:** Two separate line entries; one for "£5m" in 2024 and another for "£10m" in 2025 will be recorded in column J against the "Non-Operational Capex" category.

8.14 **Category (iii) example**: a network company incurs expenditure over a two year period (2024 and 2025) on an activity that is subject to an uplift through the opex escalator mechanism. To simplify, we assume that an uplift of £1m is applied in 2024 and a further uplift of £1m is provided in 2025. The worksheet will be populated as follows:

1. **Column A:** In this example a two data entry lines are required to capture the opex escalator uplift value in reporting years 2024 and 2025. The element associated with direct cost activity - allocated a Scheme Reference through the Scheme Cost and Volume worksheets – does not require a data entry row or description in this worksheet.
2. **Column B:** Drop down menu: "Uncertainty Mechanism" option chosen for each entry.
3. **Column C:** Free entry. "2024" will be inserted in one line and "2025" inserted in the second reporting line applicable to this activity.
4. **Column D:** Free entry. Data entry is required to align these activities to the direct cost activity allocated a Scheme Reference (through the Scheme Cost and Volume worksheets). The relevant Scheme Reference will be inserted for each separate entry.
5. **Column E:** Drop down menu: the applicable licence term will be chosen. In this example, "OEt" will be chosen for each separate entry.
6. **Column J:** Two separate line entries; one for "£1m" in 2024 and another for "£1m" in 2025 will be recorded in column T against the "CAI" category.

8.15 NOTE: Once the company input is complete go to the "Controls" tab and click the "Update Calculations" button. This will automatically populate the "Scheme_Cost_Calc" and "Scheme_Volume_Calc" sheet into a list of all the actuals and allowance cost and volume inputs respectively.

8.2 Scheme C&V Calc Load Allowance/8.3 Scheme C&V NonLoad Allowance/ Scheme output allowance

Purpose and use by Ofgem

8.16 The purpose of this table is to enable each network company to provide the detail on the value of allowance attributable to all applicable schemes.

8.17 This will act as a link to the opening allowance (reflecting Final Determinations) and be used as the basis for monitoring future adjustments. This will provide a more granular understanding of the levels of allowed expenditure for each scheme and provide improved visibility to the movement in allowance across the price control period.

Instructions for completion

8.18 The licensee is required to input allowance data attributed against each scheme.

8.19 The structure replicates that of the scheme C&V Actuals (Load & NonLoad) / scheme output worksheets described above. The same data input requirements apply.

8.20 The worksheet requires each licensee to enter the annual value of allowed expenditure attributable to each asset entry (reflecting all necessary adjustments that the final BPDT submission was subjected to, i.e. all in-built adjustments relevant to each licensee to reflect the Final Determinations pre-Real Price Effects)

8.21 These allowances flow through to the outputs on the "Allowance summary" worksheet.

8.22 Annual reporting will then present a view of what the actual costs (at a scheme level) are at the end of each reporting year. The information will be provided through the data worksheets (for scheme) and the relevant memo style worksheets (non-scheme)

8.23 Where a scheme was provided with a level of funding provision through Final Determinations, we will be able to track this via the referencing.

Population of baseline position:

8.24 Licensees have agreed to populate the RRP template with their understanding of the scheme level baseline allowance position, to reflect the position directed at Final Determinations.

8.25 The one-off exercise is intended to mitigate issues experienced in RIIO-ET1 on traceability of the BPDT submission (what network companies were expected to do and what they had budgeted for), the settlement decision (what funding was provided based on the BPDT submission) and the outturn activity (the actual cost incurred and output delivery. Only those schemes with allowance agreed at Final Determinations will be reported through the scheme data worksheets, and allowances for non-scheme activity will be reported through the non-scheme memo style worksheets.

8.26 We recognise that the baseline plan will be subject to change as the price control progresses. Reporting will provide visibility on what has changed from the original composition and anything “new”, that was not part of the original baseline

representation, will be captured as a new data entry with an accompanying new OSR. For example, if a hypothetical baseline connection project A (consisting of three constituent schemes and delivering an output of 10MW) is subsequently removed from the baseline plan and replaced with a new connection at a new location, this will be presented in the RRP by an entirely new set of schemes and OSR's.

8.22 Major Projects Allowances

Purpose and use by Ofgem

8.1 The purpose of this table is to enable each network company to provide the detail on the value of indirect allowances and advanced funding mechanisms provided for Major Project schemes where this falls under the following funding mechanisms: indirect CAI and/or BSC provided via project assessment, Pre-Construction Funding (PCF) and Early Construction Funding (ECF) where this applies to ASTI.

Instructions for completion

8.2 The licensee is required to input annual allowance data attributed against each scheme in the yellow cells. The structure is similar to that in 6.7 Major Projects Indirects expenditure tab. The licensee must select the cost category drop-down to select the funding mechanism which the allowance was provided under and this will allow for comparison with expenditure reported against the appropriate funding mechanisms.

9. Memos

Section summary

The purpose of this chapter is to inform the completion memo worksheets. This is to enable Ofgem to effectively review the annual reporting submission of the companies.

Overview

9.8 The worksheets included within this chapter are:

- 9.1 NARM Interface Sheet
- 9.2 HVDC centre
- 9.3 EECA memo
- 9.4 FTE
- 9.5 Data&Digi memo
- 9.6 V&T memo
- 9.7 Climate Resilience memo
- 9.8 Contractor Indirects
- 9.9 R&C Memo
- 9.10 Community Funding
- 9.11 APM Expenditure
- 9.12 APM Recovered Expenditure
- 9.13 System Characteristics
- 9.14 Towers Memo
- 9.15 Asset_Mapping
- 9.16 Asset_ID
- 9.17 Site_ID
- 9.18 ET Pipeline Log
- 9.19 ET Pipeline Log Memo Tab

9.1 NARM Interface

Purpose and use by Ofgem

9.9 The purpose of this worksheet is to reconcile data reported the C&V RRP with data reported through the NARM RRP, and to help align NARM output delivery (reported through the NARM RRP) with the associated costs of delivering those outputs (reported through the C&V RRP).This worksheet aggregates the intervention volumes and costs for each NARM Asset Category.

9.10 The NARM RRP contains an equivalent worksheet with intervention volumes and monetised risk by NARM Asset Category. Intervention volumes reported in the C&V RRP, and intervention NARM RRP must align for each NARM Asset Category.

Instructions for completion

9.11 The licensee is required to ensure that the NARM intervention volumes reported those reported in the CV RRP are aligned. Should any misalignment occur due to a resubmission of either RRP, then the other RRP must also be resubmitted with input data updated to bring the two submissions back into alignment.

9.12 The worksheet is split into two sections:

1. NARM Categorisation (top section)
2. CV Categorisation (bottom section)

NARM Categorisation

9.13 This section aggregates the data from 'CV Categorisation' section for relevant NARM Categories. No manual data input is required.

CV Categorisation

9.14 This section will be auto-populated [formulae to be entered once the NARM RRP is finalised] from scheme volume and scheme cost worksheets for each CV asset category. The CV Category (column B) is mapped against relevant NARM Category (column C). Once agreed this mapping will be fixed for the duration of the price control.

Tertiary connected reactor

9.15 The NARM Aggregation Category for 'Tertiary connected reactor' (asset nos. 130 and 131) are entry cells. The ETO is required to select the reactor category from the drop-down list that best aligns with the categorisation convention that it applies for these assets, and that best represents the asset volumes reported. This requirement does not amend the instructions/definitions relating to reporting of these asset in either the NARM RRP or the other worksheets of the CV RRP. We accept that this approach may lead to some misalignment between CV RRP reported volumes and NARM RRP reported volumes. The ETO should provide explanation of any misalignment in its NARM supporting narrative.

9.2 HVDC centre (SHET only)

Purpose and use by Ofgem

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

Instructions for completion

Allowance (core activities)

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

9.18 Note this is subject to opex efficiency (OE) challenge of 1%

9.19 The 1% challenge is compounded year on year starting from 23/24: the OE is a compounded calculation (i.e. Yr1 1% challenge on £1 = £0.990, then 1% on £0.990 the following year and so on) applied each year from 23/24

9.20 The allowance should cover all core activities. If there is any additional contribution from third party to cover core activities, then this needs to be reported in the respective CAI's line for additional income. This sum is then deducted from the CAI allowance.

Expenditure on core activities

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

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

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

Expenditure – non-core activities

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

Net revenues (reinvestment) – non-core activities

9.24 In line with the decision on the future operation of the HVDC centre, SHET is required to reinvest any net revenues in the HVDC centre.

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

9.26 In line with the decision on the future operation of the centre (see link below), any remaining net revenue which was not reinvested in the centre should be shared with consumers.

Commentary

9.27 The licensee is required to provide a report in line with Annex A of the Decision on the future operation of the HVDC centre following end of NIC funding period.

9.28 This will include at least the following:

- Update on the activities held in the previous year, including but not limited to those listed above (core activities and dissemination).
- Planned activities for the coming year (core activities and dissemination).
- Include any updates on agreements with suppliers.
- Financial report which will include income and expenditure.
- Summary of annual/periodic Technical Advisory Board meetings; and
- Key decisions made by SHET and the rationale for those decisions.

9.3 EECA memo (SPT and SHET only)

Purpose and use by Ofgem

9.29 The memo table is designed to enable SHET and SPT to provide the necessary details to derive the value of EECAt (the entry and exit connection asset allowance term) in accordance with the formula specified in Special Condition 3.22: Entry and exit connection asset allowance of the RIIO-ET3 licence.

9.30 The requirement to populate the table does not apply to NGET, as the necessary details to derive EECAt are provided elsewhere within the RRP template.

Instructions for completion

9.31 Transmission assets that are owned by the licensee fall into two distinct categories:

- Transmission “connection” assets, which are for the sole use of each connected party. The costs of these assets are recovered directly from the user via connection charges.
- Transmission “infrastructure” assets that cannot be solely attributed to a single user. In other words, the assets can be potentially shared by other users of the NETS. The costs of these assets are charged to all users of the NETS via Transmission Network Use of System charges.

9.32 For NGET, the effect of SpC 3.22 is to adjust the Totex Allowance for the capital contributions relating to Transmission Connection Assets that the licensee receives from users during the RIIO-ET3 period. The value of EECAt is equal to any capital contribution from users relating to Transmission Connection Assets.

9.33 A different approach is taken in SpC 3.22 applicable to SHET and SPT to account for historical differences between the high voltage systems. The effect is to adjust the Totex Allowance to fund the licensee for the net cost of Transmission Connection Assets delivered during the RIIO-ET3 period.

9.34 A different approach is required due to the impact that the differences have on the prevalent charging boundary arrangements in Scotland (compared to E&W) and

the relevant information required to derive the value of EECAt in Scotland (compared to E&W). Specifically, to capture situations where a (specific) customer elects to make a choice that goes beyond a TO's statutory obligations (under the Electricity Act) and is prepared to fund the difference.[9]

9.4 FTE

Purpose and use by Ofgem

9.35 The purpose of this table is to provide a high-level view of total transmission Full Time Equivalents (FTEs).

Instructions for completion

9.36 The Licensee should fill in the boxes shaded in yellow across each of the cost categories to provide total staff numbers for each activity.

9.37 The first table should capture the licensee's FTEs across the full portfolio, including Major Projects. There is a Major Project memo table which should include FTEs related specifically to any Major Project office function. If there is no distinguishable office function this can be left blank. If there is a separate office function for Major Projects but this is not split across ASTI/CSNP, input into one row and detail whether this covers all Major Projects within the commentary box provided.

9.5 Data and Digi memo

Purpose and use by Ofgem

9.38 The purpose of this table is to provide a summary of information on Data and Digitalisation (D&D) expenditure that is reported in relevant tables within the RRP.

Instructions for completion

9.39 In rows 9-14, costs should be reported against the following categories:

- Digital Infrastructure;

[9] A typical example of this relates to where their 'connection' involves both connection (referred to as "A1") and infrastructure assets (referred to as "H1"). In this case the infrastructure assets are represented by an OHL (the most economic technical solution) which is necessary to integrate the connection assets associated with a wind farm (for example) to the Main Interconnected Transmission System. Due to the (anticipated) longer timescales associated with planning consents for an OHL, the customer chooses to be 'connected' by an underground cable to the MITS. In these cases, the customer will pay the difference between the actual cost of the installed solution (cable) and the design cost of the most economical solution (OHL). Historically, this has had to be through Capital Contributions.

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

9.40 Ongoing costs following implementation will only become BAU IT in the following price control period, so all costs associated with this investment over this price control period should be considered digitalisation investment.

9.41 This table should not include any RIIO-ET3 BAU IT costs, which should be reported in 5.9 Operational Technology or 6.1 Non Op Capex, as appropriate.

9.42 In rows 18-40, Licensees should specify where in the RRPs these Data & Digitalisation costs have been reported. Only Data & Digitalisation costs should be reported here. For clarity, the Totals in Rows 15 and 41 should match. The table includes the following cost categories but Licensees should report against 'Other' if costs have been reported elsewhere:

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

9.43 Capex Opex split (Rows 44-45): These rows are included to allow Licensees to enter the capex/opex split for the total Data & Digitalisation costs.

Definitions for use in worksheet

9.44 **Digital Infrastructure:** This includes internal digital models to manage data including allowing data to flow smoothly across an organisation, such as enterprise architecture.

9.45 **Digital Processes:** This is about improving the efficiency of core services and processes by leveraging digital technologies. Can include digitising processes or analogue processes. Includes system mapping & network design

9.46 **Digital platforms:** These are tools for internal and external stakeholders to interact with network data eg open data platforms, consumer engagement platforms, and visual representations of networks.

9.47 **Digitalising field works:** Tools for onsite employees to improve efficiency and safety of field works, such as using machine learning to analyse historical accident data and change behaviours to prevent repeats.

9.48 **Network monitoring:** Direct investment in metering and other data capture to improve internal data quality and value of associated services.

9.49 **Other data best practice investments:** Anything other that doesn't fit into the above but is a good example of best practice for data/digitalisation.

9.6 Vehicles & Transport Memo

Purpose and use by Ofgem

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

9.51 The table makes provision to capture data on both Capex (to pick up vehicles that are bought) and CAI (to pick up leased vehicles) in order to make comparable assessment for companies operating different procurement models for these assets. Total costs in Row 30 of this table feed into the Non-Op Capex. The gross total of CAI costs (Row 54) in the V&T Memo table is not linked to the 6.4 CAI table. TOs will be required to enter any relevant costs incurred into the Vehicle and Transport section or other appropriate cost sections of the CAI, where applicable.

Instructions for completion

9.52 Licensees are required to report costs and volume data for vehicles split by:

- Size
    - Small Vehicles (<=3.5 tonnes)
    - Medium and Commercial Vehicles (>3.5 tonnes but <=7.5 tonnes)
    - Heavy Good Vehicles (>7.5 tonnes)
    - Mobile Generators
- Fuel

- ICE
- Hybrid
- Electric
- Red and White Diesel, Petrol, Low Carbon Fuel

9.53 Annual Costs (columns M-W): Costs entered should include all costs for servicing, tax, insurance, fuel and lease costs where appropriate. Each Licensee will provide annual cost information undertaken (or forecast to be undertaken) between 1st April 2026 and 31st March 2036 and beyond. Future period reporting will reflect the rolling forecast requirement. Columns X-Y will auto populate.

9.54 Annual Activity Volumes (columns AB-AL): When populating volumes, Licensees should enter the total vehicle population and number of mobile generators purchased in the year and totals. Columns AM-AN will auto populate.

9.55 Unit Costs (Columns AP-AZ): These will auto populate from the manual figures within the worksheet

Definitions for this worksheet

9.56 **Vehicles and Transport (Non-operational):** Expenditure on new and replacement wheeled vehicles and generators which are not system assets but are utilised by the Licensee or any other Related Party for the purposes of providing services to the Licensee.

9.57 **Vehicles and Transport (CAI):** The Closely Associated Indirect activity associated with managing, operating and maintaining the commercial vehicle fleet and mobile plant utilised by the Licensee or any other Related Party for the purposes of providing services to the Licensee.

9.7 Climate Resilience Memo

Purpose and use by Ofgem

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

Instructions for completion

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

9.60 Annual Climate Resilience expenditure should be reported against the key cost building blocks of totex identified in rows 12-24. For each building block,

Licensees should report costs incurred or forecast to be incurred between 1 April 2026 and 31 March 2036 and beyond. Future period reporting will reflect the rolling forecast requirement.

Definitions for this worksheet

9.61 **Climate Resilience:** The ability for an individual, group, asset or system to anticipate, prevent, respond to and recover from a climate-driven stress event.

9.8 Contractor Indirects memo

Purpose and use by Ofgem

9.62 The purpose of this table is to provide visibility of contractor indirect costs which are very CAI costs carried out by third parties.

Instructions for completion

9.63 Licensees should follow the guidance set out within 6.4 CAI definition for Very CAIs. This sets out that activities performed by third parties that perform Very CAI activities for Project Management and Network Design & Engineering categories which can be termed ‘contractor indirects’.

9.64 Further guidance is contained within Appendix 3 – Indirect definition tables.

9.65 Licensees should fill-in the table “Contractor Indirects by scheme” with costs associated with contractor indirects at a scheme level. Licensees are required to use the drop-downs to populate the scheme reference, licence term, cost type, category type and mechanism category. Scheme Name and Project Reference are automatically filled in using 1.8 Look Up Tables.

9.66 Licensees should fill in the table for all schemes covering all mechanism categories (baseline, uncertainty mechanism and re-opener) and this is inclusive of Major Project schemes (ASTI and CSNP).

Definitions for this worksheet

9.67 Cost type for the purposes of this tab refers to the delineation of PCF activities per the licence, when these activities are carried out by third parties. This will auto-populate a table for external PCF within tab 10.14 PCF for comparison with the overall licence allowance. For more information on the delineation of PCF activities, see section 10.14 PCF.

9.9 R&C Memo

Purpose and use by Ofgem

9.68 The purpose of this table is to collect memo cost information on the use of Risk and Contingency funding supplied as part of project assessment.

9.69 Risk allowances cover uncertain but foreseeable cost pressures. This table will be used to collect data on the cost and use of risk and contingency for approved projects. We need visibility to identify and track:

- How much of the risk/contingency pot is utilised, and if TOs are delivering within their allowances
- The uses of risk and contingency funding what it was used for
- The extent to which it aligns with the original intended purpose (managing in-scope project risks)
- The rate at which contingency is drawn down, and the use of contingency
- The effectiveness of risk mitigation and cost management measures

9.70 This table will also help provide an evidence base for future setting of risk and contingency allowances and help Ofgem in understanding the risk environment and appropriate setting of risk for projects.

Instructions for completion

9.71 TO's will provide data on the costs and forecasts of schemes risk and contingency. The format ensures consistency and comparability across TOs, prevents double funding, and supports audit, assurance and enforcement processes.

9.72 The schemes in scope are capital expenditure projects, and this includes Major Projects i.e. ASTI. For year one of the price control, schemes with a total cost of £10m or above should be reported. This will be reviewed and is subject to change in future reporting years. Schemes are deemed to be applicable and to be reported if:

- Scheme has actual or forecast expenditure within RIIO-ET3

  OR

- Scheme has an associated RIIO-ET3 Capital Contribution

  OR

- Scheme is expected to deliver Outputs on or before 31 March 2033 (i.e. T3+2) or beyond.

1. **Scheme Reference (column A):** The drop-down menu should be used to denote the scheme reference code (as entered on the Look Up Tables) that the cost & volume details relate to. See "Look up" table guidance.2.
2. **Project reference (column B):** This will capture the mapping of schemes to projects. A project may consist of a single scheme or many schemes. A scheme can only be part of one project
3. **Scheme name (column C):** Manual entry of scheme name.
4. **Licence term (column D):** the drop-down menu enables a licensee to assign an applicable licence term against the scheme/activity, where applicable.
5. **Reporting table (column E):** this provides Ofgem on information regarding where these costs were reported.
6. **Project Risk Category (column F):** the drop-down menu enables a licensee to assign an applicable risk category (defined below) to a risk.
7. **Project type (column G):** this provides Ofgem with further detail on the project to allow understanding of project types can have an impact on risk. This should be determined based on the primary purpose and dominant characteristics of the activity. If a project includes multiple elements the dominant activity type should be selected or, where appropriate, the activity should be split into separate entries.
8. **Project Phasing (column H):** the drop-down menu enables a licensee to assign a phasing of the project using NESO's project maturity stages.
9. **Narrative (column I):** this is a free form box for TOs to provide information on the risk, either forecasted or actualised. This may include root causes or provide other information on the complexity of the risk.

Definitions for this worksheet

Project Risk Categories

9.73 **Ground Conditions:** Relates to the ground on the project site.
Includes:

- Ground, topology and water table issues
- Archaeological issues

Excludes:

- Consenting delays triggered by ground conditions

9.74 **Environment & Weather-related:** Relates to environmental & ecological factors and risk caused by ordinary and extraordinary weather events.
Includes:

- Pollution (e.g. Air, Water, Noise, Dust)
- Invasive/protected species (flora/fauna)

- Outage delays caused by yellow, amber and red categorised weather events
- Safety issues relating to weather events

9.75 **Outage delays:** Relates to delays of planned outages for work on the network.
Includes:

- Other delays driven by the NESO, including system coordination

9.76 **Consenting delays:** Relates to issues regarding access of land.
Includes:

- Issues relating to planning permission
- Costs related to additional land purchases
- Changes in planning permissions in result of ground conditions (refer to definition)
- Landowner requirements

Excludes:

- Issues of land access relating to legislative change

9.77 **Contractors:** Delays or events relating to the direct or indirect contractors employed by the company.
Includes:

- Outcome of pre-agreed contractual settlements
- Contractor insolvency
- Contractor labour shortages

9.78 **TO impact:** A delay caused by the actions, decisions or lack thereof by the TO e.g. the TO PM doesn't reply within period set by the contract, delay cause by a TO breach in contract.
Includes:

- TO labour shortages
- TO resourcing bottlenecks
- TO joint ventures

9.79 **Procurement & Supply chain impacts:** Delays and cost overruns caused by primary manufacturer and other issues within the supply chain. For example, creations of long lead times.
Includes:

- Supply chain labour shortages e.g. manufacturers

Excludes:

- On-site contractors and indirect contractors the licensee has direct control over

9.80 **Other External:** Delays relating to other 3rd parties that are not inclusive of other categories that are listed here.
Includes:

- Government policy and legislative changes
- DNO driven issues
- Issues driven by other TO's

Excludes:

- Issues on projects for TO joint ventures

9.81 **Scope change (prior to execution):** Relates to changes in scope to the project that happen prior to the breaking of ground on the project.

Includes:

- Expansion/additional works or requirements requested by customer or driver of work, including NESO
- Impacts on civils as a result of scope change

9.82 **Scope change (post execution):** Relates to changes in scope to the project that happen after the breaking of ground on a project.

Includes:

- Impacts on civils as a result of scope change

9.83 **Safety:** Relates to hazards, events or issues that impact the safety of workers – regardless of origin – to fulfil the execution of the project.

Includes:

- Security (personal and site), theft and vandalism-related risks.

Excludes

- Safety issues relating to weather events (under related delays)

9.84 **Miscellaneous:** Anything not included above. Can include other force majeure events not included above, such as a pandemic.

9.85 **Unidentified Risk:** For forecast risk costs ONLY where the specific risk has not yet been identified. All actualised risk costs should not be allocated this category.

Project Type

9.86 **New Build:** Building entirely new assets (e.g. lines, substations).

9.87 **Reinforcement / Upgrade:** Modification of existing assets.

9.88 **Replacement:** Asset renewal.

9.89 **Diversion / Relocation:** Asset rerouting.

9.90 **Enabling Works:** Works for site access and site preparation.

9.91 **Programme / Portfolio:** Non-scheme PMO or coordination.

9.92 **Mixed / Multi-phase:** Combination of types.

9.10 Community Funding

Purpose and use by Ofgem

9.93 This guidance sets out the reporting expectations for Transmission Owners (TOs) relating to Community Funding (CF) costs. Ofgem's role is to ensure that any CF delivery costs for electricity transmission infrastructure recovered through the price control are reasonable, necessary and proportionate, and whether they fall within the relevant cap established by the UK Government's guidance and licence conditions. .

9.94 Funds though the CF process may only support activities beyond normal business operations and cannot be used for work funded through price control allowances or corporate social responsibility programmes. Community engagement and funded activities must be proportionate to the scale of the project and the anticipated level of community benefit.

9.95 A supporting expenditure table must detail the annual allocation of funds through the CF process. Delivery costs may be recovered up to 10% of total portfolio community fund value, subject to providing detailed breakdowns to enable Ofgem to scrutinise and ensure transparent, accountable use of community project funds. The 10% cap does not apply on an annual basis and does not apply at the level of individual projects.

9.96 The default reporting requirement for Community Funding is annual, portfolio-level reporting. TOs are not required to submit detailed supporting evidence for individual cost items as part of routine reporting. However, TOs must retain full underlying records and first-principles evidence for all Community Funding delivery costs. Ofgem may request detailed supporting evidence where a risk-based sample of costs is selected as part of assurance activity; material variances or unusual cost patterns are identified; or specific concerns arise that require further assurance.

9.97 Please note, responsibility for the level, design and delivery of community benefits rests with developers and is governed by the UK Government's Guidance, not by Ofgem.

9.98 Important note:

- Community Fund (CF) activities are not linked to asset delivery, energisation, scheme-level interventions, or re-opener mechanisms. CF reporting should not be used to capture any activities that would otherwise fall under 9.18 Re-opener application pipeline log.
- CF timelines are not intended to mirror the energisation-based timelines applied to re-opener reporting under 9.18 Re-opener application pipeline log, as Community Funding operates on a portfolio-level, community-led basis. Delivery timelines begin from the qualifying start of main works and may extend up to 15 years, independent of asset energisation.

Instructions for completion

9.99 The tables are designed to provide Ofgem with full visibility of total project costs and delivery costs associated with Community Funding under Special Condition 6.1 of the Electricity Transmission Licence.

9.100 Although the CF pass-through mechanism takes effect at the start of RIIO-3, TOs may begin delivering community fund activities from the date on which the DESNZ Guidance was published (10 March 2025). Where this occurs, the relevant allowance will be reimbursed through RIIO-3. **All reported figures must be provided in nominal prices,** ensuring consistency across reporting years and alignment with Ofgem's wider price-control framework.

9.101 TOs are required to complete two reporting tables:

- Table 1a – Summarises portfolio-level project details, including total expenditure, total units of overhead and substation, and project references.
- Table 1b – Outlines funding already disbursed for the project, including delivery costs and the allowance cap.

9.102 The tables collectively enable Ofgem to assess Community Funding (CF) expenditure and confirm that delivery costs are within the allowable limit.

9.103 There is no Community Fund mechanism reporting obligation under RIIO-2. However, any Community Funding related expenditure incurred during RIIO-2 (including in 2025/26) should still be reflected in the RIIO-3 RRP for transparency and to support the recovery of such costs, where determined through the RIIO-3 licence framework.

Table 1a

9.104 The purpose of this table is to report the project reference, project type, unit, and cost for RIIO-2 (2026 only), RIIO-3, and beyond.

1. **Year (Column A):** No input is required in this column. It displays the project year, starting from RIIO-2 (2026) and covering RIIO-3 (2027–31) and beyond.
2. **Eligible Substation Infrastructure (Column B):** Enter the aggregate number of eligible substations across the project portfolio. This includes Substations, Converter Stations, and Switching Stations**.**
3. **Eligible Overhead Line Infrastructure (Column C):** Enter the aggregate length (in kilometres) of eligible overhead line infrastructure across the project portfolio related to Community Funding.
4. **Ofgem Scheme Reference (OSR) (Column D):** Enter the Ofgem Scheme Reference associated with the Community Funding (CF) transmission project infrastructure.
5. **TO Internal Project ID (Column E):** Enter the Transmission Owner's internal project or programme identifier used to manage or track the eligible infrastructure associated with Community Funding.
6. **Community Funding Project Reference (Public-facing) (Column F):** Enter the Community Funding project name or reference used in public communications with communities and stakeholders.
7. **Project Awards Available (£m) (Column G):** Enter the total Community Funding (CF) available for the portfolio-led project, covering overhead lines and/or substations. The funding level should be calculated in line with the applicable unit rates set out in DESNZ guidance, and must not exceed:
    - £200,000 per km of eligible overhead line; and
    - £530,000 per eligible substation-type asset.
8. **Delivery Costs (£m) (Column H):** No manual input is required in this column. The cells are automatically linked to total project costs (Column G). This column calculates the associated delivery cost allowance (£m) for the funding becoming available in each year, based on the 10% delivery cost cap set out in DESNZ guidance. This allowance is used as a reference point to monitor Transmission Owners' (TOs') reported delivery costs, which are reported in Table 1b, ensuring they remain within the delivery cost allowance cap.

Note:

- Published DESNZ guidance (10 March 2025 – see Associated Documents for a link) states that "we expect all of the funding to be delivered by developers within 15 years from the start of a project's construction."
- The guidance further clarifies that "projects that have not yet commenced construction, which would include projects where work has not started on site for the full main works contract, are expected to comply with this guidance.

Table 1b

9.105 This table is used to report, by year, the Community Benefit funding disbursed and the delivery costs incurred in administering and delivering that funding. It provides an aggregate, portfolio-level view of delivery costs, rather than a project-level breakdown.

9.106 As outlined in the guidance documents, there will be costs linked to developing and administering the community funding package, including engagement activities and any capacity-building support required within the local community.

9.107 TOs must demonstrate that delivery costs have been built from first principles, with all resourcing costs clearly itemised. Costs should not be based on fixed rates or calculated as a percentage of the overall project cost.

9.108 No minimum mandatory itemisation standard is prescribed for routine Community Funding reporting. Where delivery costs are centralised across multiple projects (for example, shared teams or resources), TOs are not required to disaggregate costs line-by-line for each project. In such cases, costs may be allocated proportionally across projects, provided that the allocation methodology is reasonable and records are retained showing how the allocation was calculated.

9.109 Note: DESNZ guidance (10 March 2025) states that "*The non exhaustive list of potential delivery-related costs includes (but is not limited to):*

- *Capacity building*
- *Feasibility work*
- *Staff costs*
- *Engagement Marketing*
- *PR costs*
- *Third-party administrator costs*
- *Governance costs"*

The table should be completed as follows:

1. **Year (Column A):** No input is required in this column. This column shows the relevant calendar year covering RIIO-2, RIIO-3, and beyond, in which Community Benefit funding is disbursed and delivery costs are incurred.
2. **Funding Disbursed (£m) (Column G):** Enter the total amount of Community Benefit funding (£m) disbursed in the relevant year. This should align with, but not exceed, the funding made available in Table 1a.
3. **Delivery Costs (£m) (Column H):** Enter the total delivery costs (£m) incurred in the relevant year in relation to administering and delivering Community Benefit funding. These should reflect actual costs incurred

4. **Row 40, Column H and I** contain a formula that automatically indicates whether the 10% delivery cost cap has been breached.

9.110 Table 1b is used to evidence compliance with the delivery cost allowance and Community Benefit funding disbursement requirements. It should be read alongside Table 1a (funding availability) to confirm that all available funding is expected to be disbursed within the permitted timeframe and that delivery costs remain within the allowable limits.

Worked Example

9.111 The following example illustrates how Community Funding should be reported on a portfolio basis. Figures are illustrative only.

Assumptions

In calendar year 2028, a Transmission Owner expects the following eligible infrastructure to reach the point at which Community Funding becomes available:

- 3 eligible substations
- 10 km of eligible overhead line

Applicable unit rates (per DESNZ guidance):

- £530,000 per eligible substation
- £200,000 per km of overhead line

Table 1a – Funding becoming available

Project awards available:

- Substations: 3 × £530,000 = £1.59m
- Overhead line: 10 km × £200,000 = £2m
- Total funding becoming available in 2028: £3.59m

Delivery cost allowance (10% cap):

- 10% × £3.59m = £0.359m

Table 1b – Funding Disbursed and Delivery Costs Incurred

- Funding disbursed to communities in 2028: £1.5m
- Delivery costs incurred in 2028: £0.12m

Portfolio position

- Cumulative delivery costs to date (£0.12m) are below the cumulative delivery cost allowance (£0.359m).
- Delivery costs therefore remain compliant with the portfolio-level 10% cap.

Guidance RIIO-3 Electricity Transmission Price Control – Draft Regulatory Instructions and Guidance on Data Templates: Version 3.1

Associated documents

9.112 RIIO-3 Draft Determinations for the Electricity Transmission, Gas Distribution and Gas Transmission sectors | Ofgem

9.113 RIIO-3 Final Determinations for the Electricity Transmission, Gas Distribution and Gas Transmission sectors | Ofgem

9.114 **Government Guidance:** Community funds for transmission infrastructure (accessible webpage) - GOV.UK

Commentary

9.115 TOs must submit a short explanation on:

- whether delivery costs across the CF portfolio are (and are forecast to remain) below the 10% threshold, and
- what mitigation measures are being applied where costs risk exceeding the threshold.

9.116 The short narrative must follow the structure outlined below.

1. **Portfolio Cost Position Against the 10% Threshold**

- Provide a clear statement of the current actual CF delivery costs incurred to date relative to the 10% limit.
- Provide the latest forecast of portfolio delivery costs for the remainder of the price control period and state whether these remain within the threshold.
- Confirm whether, at portfolio level, delivery expenditure is:
    - currently below the threshold,
    - forecast to remain below the threshold, or
    - forecast to exceed the threshold in any year or cumulatively.

2. **Explanation of Variances and Delivery Cost Drivers**

- Summarise the primary drivers of delivery costs across the CF portfolio (e.g., delivery partners, campaign delivery spend, construction activities, staff costs, or contracted services).
- Provide a short explanation where actual or forecast delivery costs are materially different from previous expectations.
- Where delivery costs are rising, describe the specific causes (e.g., market inflation in delivery services, scope expansions, delivery partner pricing, community engagement requirements).

3. **Mitigation Measures**

- Where delivery costs are forecast to exceed the 10% limit, TOs must set out:
    - The mitigation actions being taken to manage and reduce costs (e.g., re-scoping activities, re-procurement, reducing delivery complexity, using lower-cost delivery channels, shared delivery across sites or partners).

- Any ongoing or planned efficiency measures applied across the portfolio.
- How TOs are ensuring that spend remains proportionate, value for money, and consistent with the intent of the CF mechanism.

4. **Delivery Progress Overview (Portfolio Level)**

- Provide a short summary of delivery progress across the portfolio to support interpretation of the cost position, including:
  - Confirmation that activities funded under CF are on track in terms of delivery timelines.
  - Any material risks to delivery that could lead to delivery cost increases, and the mitigations in place.
- **Note**: This section is not intended to provide detailed descriptions of each individual project; TOs should report only information relevant to understanding portfolio-level cost performance.

9.11 Advanced Procurement Mechanism (APM) Expenditure

Purpose and use by Ofgem

9.117 The purpose of the APM Expenditure worksheet is to report any expenditure that the licensee has incurred. Ofgem will use this to determine the amount of the licensee's APM Allowance (APMt).

9.118 Note that this APM Expenditure worksheet must be accompanied by a separate Procurement Report, in accordance with the requirements set out in the APM Governance Document. Ofgem will provide a template for the Procurement Report. The information for the Procurement Report can be submitted in worksheet or report format.

Instructions for completion

9.119 Values in this worksheet must be entered using 2023/24 prices.

1. **APM Expenditure identifier (Column A):** Enter an identifier in a format similar to [TO]_APMS_000001, to be kept consistent throughout all current and future reporting on the APM. Where expenditure on Equipment and Related Services is separate, use modifiers as follows:
   - For Equipment that has separate Related Services, use the modifier [TO]_APMS_000001-E01.
   - For Related Services linked to an Equipment expenditure identifier, use [TO]_APMS_000001-RS01.

2. **Internal TO procurement identifier (Column B):** This is an optional column for a licensee to enter any tracking identifier for internal use.

3. **Contract date (Column C):** Enter the date on which the contract for the procurement of this Equipment and/or Related Service was entered into. Note that APM Expenditure must relate to contracts entered into on or after 20 November 2024.
4. **APM-specific category (Column D):** Select the relevant APM-specific category from the drop-down list.
5. **APM-specific sub-category (Column E):** Select the relevant APM-specific sub-category from a drop-down list.
6. **Unit measurement (Column F):** Select the relevant units that the Equipment and/or Related Services is measured in from a drop-down list.
7. **Intervention (Column G):** Select the relevant type of intervention classification that applies from a drop-down list (Replacement, Refurb Major, Refurb Minor, Maintenance, Addition, Disposal, New Build, and Both New Build and Replacement).
8. **Volume Measure (Column H):** Select the relevant type of volume measure description that applies from a drop-down list (Addition, Disposal, Maintenance volume, Refurb volume, Sites Resolved).
9. **UK-based supplier? (Column I):** Select **yes or no** whether final production is located in the United Kingdom.
10. **Contract scope (Column J):** Select the type of contract from a drop-down list (Equipment, Related Services, or Both Equipment and Related Services).
11. **Contract type (Column K):** Select whether the contract is a direct or indirect contract.
12. **Procurement type (Column L):** Select the type of procurement from a drop-down list (Bespoke, Fungible and/or Optionality). Note that Fungible and Optionality are types of Flexible procurement.
13. **Bespoke Procurement identifier (Column M):** Enter the unique Bespoke Procurement identifier from the licensee's APM Register for this expenditure. Leave blank if the expenditure is not for Bespoke Procurement.
14. **Ofgem Scheme Reference (Column N):** Enter the Ofgem Scheme Reference (OSR), if known, for the projects that the licensee intends or expects to use the procured Equipment and/or Related Services for. Multiple OSRs can be added to this column in the same row. If the OSR is not known, leave blank and complete Column O.
15. **Licence term (Column O):** Select from a drop-down list the expected licence term against the APM Expenditure.
16. **Expected project delivery date (Column P**): Enter the expected date of project delivery. This is the estimated year of delivery/energisation.
17. **Additional TO comments (Column Q):** An optional column for the licensee to enter any additional comments, if required.
18. **Estimated final cost for all units in row (£m) (Column R):** Enter the estimated final cost (in £m) of all units of Equipment and/or Related Services that you are claiming APM Expenditure for under the contract. This will be

used to calculate the average APM Expenditure as a percentage of expected costs.

19. **Total expenditure on this procurement (£m) (Column S):** The expenditure on the contract (e.g., deposit) at this time, which may be equal to or higher than the amount entered in later columns as 'APM Expenditure requested'.
20. **Total Units procured (Column T):** This column will automatically calculate the total units procured across all Regulatory Years.
21. **Units procured (Columns U to AD):** Enter how many units of the Equipment and/or Related Services have been purchased through this contract in the relevant Regulatory Year. The expectation is that for each row only one year would be filled out.
22. **Total APM Expenditure requested (£m) (Column AE):** This column will automatically calculate the total APM Expenditure (in £m) requested across all price controls.
23. **APM Expenditure as percentage of final cost (Column AF):** This column will automatically calculate APM Expenditure requested as a percentage of the estimated final cost of all units in the row (Column R).
24. **Sub-total RIIO-3 and RIIO-4 (Columns AG to AH):** These columns will automatically calculate the APM Expenditure requested across individual price control periods.
25. **APM Expenditure requested (Columns AI to AR):** Enter the APM Expenditure being requested for all the units in this row in the relevant Regulatory Year. The expectation is that for each row only the years in which the APM Expenditure has taken place (i.e., money has been spent) will be completed. This column will be used for calculating the average APM Expenditure as a percentage of expected costs.
26. **Customer Contributions (Column AS):** Select yes or no whether there are customer contributions associated with the project you are likely to use the Equipment and/or Related Services for, acknowledging that with flexibly procured Equipment and/or Related Services, there is less certainty. Note that the APM can be used only for the TO's portion of expected costs of procuring Equipment and/or Related Services for a project with customer contributions i.e., excluding customer contributions towards costs.
27. **Total Customer Contributions RIIO-3 and RIIO-4 (Columns AT to AU):** For each price control period, enter the expected customer contributions associated with the project you are likely to use the APM-procured Equipment and/or Related Services for.

9.12 Advanced Procurement Mechanism (APM) Recovered Expenditure Input

Purpose and use by Ofgem

9.120 The purpose of the APM Recovered Expenditure worksheet is to report any APM-procured Equipment or Related Service that has been allocated funding through other mechanisms in the price control. Ofgem will use this to determine the amount of the licensee's APM Allowance (APMt).

Instructions for completion

9.121 Values in this worksheet must be entered using 2023/24 prices.

1. **Ofgem Scheme Reference (Column A):** Enter the Ofgem Scheme Reference (OSR) to which the APM-procured Equipment or Related Service has been allocated. There should be one OSR per row.
2. **Scheme Name (Column B):** Enter the corresponding Scheme Name to Column A.
3. **Scheme Sub-Category (Column C):** Select the Scheme Sub-Category from the drop-down list.
4. **Mechanism Category (Column D):** Select the Mechanism Category from the drop-down list (Baseline, Uncertainty Mechanism, Re-opener, Other).
5. **Other Mechanism Category (Column E):** Enter the Mechanism Category if "Other" was selected in Column D.
6. **APM Expenditure identifier (Column F):** Enter the APM Expenditure identifier for which you have recovered expenditure for. Please use the same identifier as in the APMS spreadsheet of the RRP and modify as follows:
    - For both Equipment and Related Services, use the modifier [TO]_APMS_000001_APMR01
    - For Equipment that has separate Related Services, use the modifier [TO]_APMS_000001-E01_APMR01.
    - For Related Services linked to an Equipment expenditure identifier, use [TO]_APMS_000001-RS01_APMR01.
7. **APM-specific category (Column G):** Select the APM-specific category that this recovered expenditure relates to from a drop-down list.
8. **APM-specific sub-category (Column H):** Select the APM-specific sub-category that this recovered expenditure relates to from a drop-down list.
9. **Unit measurement (Column I):** Select the relevant units that the recovered APM Equipment or Related Services is measured in from a drop-down list.
10. **Intervention (Column J):** Select the relevant type of intervention classification that applies from a drop-down list (Replacement, Refurb Major, Refurb Minor,

Maintenance, Addition, Disposal, New Build, and Both New Build and Replacement).

11. **Volume Measure (Column K):** Select the relevant type of volume measure description that applies from a drop-down list (Addition, Disposal, Maintenance volume, Refurb volume, Sites Resolved).
12. **Licence term (Column L):** Select from a drop-list of licence terms that this APM Expenditure was recovered against.
13. **Contract scope (Column M):** Select the type of contract from a drop-down list (Equipment, Related Services, or Both Equipment and Related Services).
14. **Contract type (Column N):** Select whether the contract is a direct or indirect contract.
15. **Procurement type (Column O):** Select the type of procurement from a drop-down list (Bespoke, Fungible and/or Optionality). Note that Fungible and Optionality are types of Flexible procurement.
16. **Flexible or bespoke (Column P):** This column automatically sorts responses in Column O into Flexible or Bespoke.
17. **Recovery scope (Column Q):** Select from a drop-down list whether the APM Expenditure recovered is for Equipment, Related Services, or both.
18. **Recovery volume (Column R):** Select from a drop-down list whether the APM Expenditure recovered is for 100% or less than 100% of the units for this specific APM Expenditure identifier.
19. **Total volume (Column S):** Automatically calculates the total volume of all APM-procured Equipment and/or Related Services recovered.
20. **Volume 2027 to Volume 2036+ (Columns T to AC):** Enter the volume of APM-procured Equipment and/or Related Services recovered in a given Regulatory Year.
21. **Total expenditure recovered (£m) (Column AD):** Automatically calculates the total APM Expenditure recovered across all price controls.
22. **Sub-total RIIO-3 and RIIO-4 expenditure recovered (£m) (Columns AE to AF):** Automatically calculates APM Expenditure recovered in RIIO-3 and RIIO-4 from data entered in Columns AG to AP.
23. **Expenditure Recovered 2027 to 2036 (Column AG to AP):** Enter the APM Expenditure that was used to secure procurement for the units in the row and has since been allocated funding through other mechanisms in the price control.
24. **Total customer contributions (£m) (Column AQ):** This column will automatically calculate total customer contributions towards the project to which APM-procured units have been allocated across all price control periods. Note that the APM can only be used for the TO's portion of expected costs of procuring Equipment and/or Related Services for a project with customer contributions e.g., excluding customer contributions towards costs.
25. **Sub-total RIIO-3 and RIIO-4 Contributions (£m) (Columns AR to AS):** These columns will automatically calculate the customer contributions towards the

project to which APM-procured units have been allocated for individual price control periods.

26. **Customer Contributions 2027 to 2036 (Columns AT to BC):** Enter values (in £m) to reflect customer contributions received towards the project to which you have allocated all APM-procured units in the row.

9.13 System Characteristics

Purpose and use by Ofgem

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

Instructions for completion

9.123 All system characteristics should normally be entered as at the end (i.e. 31 March) for a reporting year. Data for the reporting period in question should be input directly into the yellow input cells of this worksheet. Forecast for future regulatory periods is not required.

9.124 **Substation sites:** TOs to provide the count of sites by voltage (rows 13-18)

9.125 **Circuit Breaker numbers:** TOs to provide the count of CB type by voltage (rows 21-24)

9.126 **Transformer numbers:** TOs to provide the count of transformer by type (rows 27-29)

9.127 **Reactive compensation numbers:** TOs to provide the count of reactive equipment type by voltage (rows 33-39)

9.128 **Cct Kilometres:** TOs to provide the count of route km by voltage for OHL (rows 43-46) and onshore/offshore underground cable (row 47-54)

9.129 **Grid Supply Points:** TOs to provide the count of GSP by voltage (rows 58-61)

9.130 **Grid Entry Points:** TOs to provide the count of GEP by voltage (rows 64-67)

9.131 **HVDC links:** TOs to provide the count of number of links owned, the capacity and the length of link in km (rows 70-74). This now includes HVDC converter stations.

9.132 **FACTs:** Includes harmonic filters, synchronous compensators and STATCOMs (rows 77-79)

9.133 **Modern Equivalent Asset Value (MEAV)** (row 82)

Definitions used in this worksheet

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

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

- Has voltage changing transformers, i.e. SGTs or GTs; Has circuit breaking switchgear, i.e. a switching substation.
- Has capacitors or voltage regulators.
- Connects two or more transmission circuits through a busbar.
- Is electrically separated from another substation of the same voltage on the same physical site, and this is reflected in the operational nomenclature.

The number of substations at a site is dependent on the number of different voltage busbars there are, not the number of different voltages in use at that site. For example, one or more of the feeders may be transformer feeders, e.g. 400/275kV, but the site would only be considered as a 275kV site unless there was 400kV switchgear/busbar present.

Cable compounds are not substations unless they have circuit breaking switchgear.

Where there is more than one company's equipment at a substation, the owner of that substation is defined as being the owner of the busbars, couplers and sections, if present.

9.136 **MEAV:** MEAV is a proxy for the cost of replacing every operational asset that is currently on a TO's asset register. Please specify the MEAV for the network in each year reflecting the changes in assets year to year. [NOTE: MEAV does not need to be populated until further notice.]

9.137 **Average Circuit Unreliability**: ACU is leading indicator of Loss of supply incidents and lagging indicator of asset condition. A change risk to reliability can be observed through changes in the ACU as levels of repair work change.

Average Circuit Unreliability (ACU) measures network unavailability resulting from asset unreliability. It is effectively monitoring asset functional failure: a reliability-related event which results in the unavailability of an asset. It identifies all reliability issues, including catastrophic failures as well as defect repairs and fault investigation.

ACU= Total repair outage time in the period/(No of circuits)*(time in period)The calculation above should be performed for each of the assets

listed on the table (i.e. Cables (Main Interconnected Transmission System) & Supporting equipment (e.g. cable cooling), Switchgear (Circuit Breaker, Disconnector, Earth switch, Instrument Transformers, Surge Arresters, Insulators and Busbar), Transformers (SGT, Reactor, Quad Booster), Substation Infrastructure and Auxiliaries (Security Systems, Civils, Air Systems, Aux Supplies), Overhead Lines, Protection & Substation Control, Telecommunications) and consistent with that information collected and reported via the ESO system performance and availability.

9.14 Towers Memo

Purpose and use by Ofgem

9.138 The purpose of this table is to collate details regarding the work on towers that is not currently not captured within the scheme cost and volume tables due to the complexity of the asset.

Instructions for completion

9.139 Schemes are deemed to be applicable and to be reported if:

- Scheme has actual or forecast expenditure within RIIO-ET3

OR

- Scheme has an associated RIIO-ET3 Capital Contribution

OR

- Scheme is expected to deliver Outputs on or before 31 March 2033 (i.e. T3+2) or beyond.

1. **Scheme Reference (column B):** The drop down menu should be used to denote the scheme reference code (as entered on the Look Up Tables) that the cost & volume details relate to. See “Look up” table guidance.2.
2. **Project reference (column C):** This will capture the mapping of schemes to projects. A project may consist of a single scheme or many schemes. A scheme can only be part of one project
3. **Scheme name (column D):** Manual entry of scheme name.
4. **Scheme subcategory (column E):** The drop-down menu is based on the current established cost categorisation for “Non-Load Related” schemes, which must only be assigned against the following categories in column E:

    - Replacement
    - Refurb Major
    - Refurb Minor
    - Decommissioning
    - Uncertain Costs

General principle: sub-category will be driven by the primary purpose of the scheme and costs subsequently recorded against the primary activity/purpose chosen. When categorising works on a single asset, the descriptor chosen in the drop-down menu will follow the greatest level of intervention applied with any other consequential costs also being recorded under this activity.

5. **Start Year (Column F):** the commencement of expenditure on the project (including the cost of Indirect Activities).
6. **Close year (Column G):** The date of financial closure (or expected financial closure).
7. **Asset Heading (Column H):** the drop down menu enables a licensee to identify the type of volumetric category, i.e. does it apply to a physical asset ("Assets") or to another activity (e.g. "Protection", "civils" etc.).
8. **Asset Category (Column I):** the drop down menu enables a licensee to identify the type of asset category (e.g. transformer). The list is informed by the asset classification list agreed with all TOs.
9. **Asset sub asset category primary (column J):** the drop down menu enables a licensee to identify the specific asset category (e.g. "CB (Air insulated busbar)"). The list is informed by the asset classification list agreed with all TOs.
10. **Asset sub asset category secondary (column K):** the drop down menu enables a licensee to identify the secondary categorisation that may apply (e.g. "Security – Gates(#)"). The list is informed by the asset classification list agreed with all TOs.
11. **Tower Type (column L):** Provides the towers designation
12. **Voltage (column M):** the drop down menu enables a licensee to identify the voltage or rating classification that may apply.
13. **Intervention (column N):** the drop down menu enables a licensee to identify the intervention classification that may apply (Replacement, Refurb Major, Refurb Minor, Addition, Disposal). Note that for replacement activity the costs of Disposal will be separated and captured in this worksheet (i.e. costs are not allocated to Additions only).
14. **Volume Measure (column O):** the drop down menu enables a licensee to capture the volume measure description that may apply (Addition, Disposal, Maintenance volume, Refurb volume, Sites Resolved).
15. **Units (column P):** the drop down menu enables a licensee to identify the applicable volumetric unit that may apply (e.g. MW electrical output, the count of a physical asset, or length of security fencing).
16. **Volume (column Q):** manual entry to specify the applicable electrical or physical volume count (e.g '6' Towers).
17. **Total (column R):** The licensee is required to manually input the value of direct costs incurred.

Definitions used in this worksheet

9.140 **Replacement, Refurb Major, Refurb Minor, New Build Decommissioning:** See Transmission Glossary

9.141 **Customer Contributions (enter as negative):** These exclude connection charges and contributions associated to customer specific connection assets.

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

9.143 Transmission Assets Transmission assets that are owned by the Licensee fall into two distinct sub categories:

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

9.144 **Scheme completion:** The date and time that the apparatus is made fully available for service to the Electricity System Operator without exclusion or limitation.

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

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

9.147 **Direct and Indirect Activities:**

- Direct Activities: Those activities which involve physical contact with transmission network infrastructure assets.
- Indirect Activities: Activities which in most cases support work being physically carried out on transmission network infrastructure assets

that could not, on their own, be classed as a direct network activity. Indirect Activities do not involve physical contact with transmission network infrastructure assets and secondary systems, whereas direct activities do.

INCLUDES:

- Closely Associated Indirects (see 6.4)
- Business Support Costs (see 6.5)
- Non-Operational Capex (see 6.1)

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

EXCLUDES:

- site surveys and non-site based costs associated with flooding (in Direct Activities)

9.15 Asset mapping

Purpose and use by Ofgem

9.148 We recognise that the granularity recorded within the internal systems of each TO will be different (and deeper) to the asset possibilities list within the T3 data template. This mapping worksheet will allow each TO to map and aggregate the data from internal systems against the classification of the RRP template. This will provide a new level of understanding and removes the need to have further detailed debates on definitional points on to allocate assets.

Instructions for completion

9.149 Licensees are required to populate:

- column A to capture their asset classification list from its internal system. For example, each licensee is required to provide a list reflecting the full range of all types of “overhead tower line” that are captured through the internal system.
- column B to allocate the appropriate asset heading from the drop down list.
- column C to allocate the appropriate asset category (using the established asset classification list used in the RRP template)

- column D to allocate the asset sub category (again using the asset classification list used in the RRP template).

9.150 The mapping exercise must either assign a 1:1 relationship between assets or "1:many" allocation. A licensee cannot map the same asset to more than one classification.

9.16 Asset identification

Purpose and use by Ofgem

9.151 The purpose of this table is to provide detail on the actual and forecast interventions for the following asset categories included in the current T3 delivery program.

- Circuit Breaker
- FACTS
- Transformer
- Reactor
- HVDC
- Protection & Control
- OHL
- Cables

9.152 Licensees must also populate, where available, all forecast interventions due to a Load driver for any categories listed on the worksheet (e.g. replacement to increase rating) included in the current T3 delivery program.

9.153 This information will be used by Ofgem to check the interventions and additions carried out in the period prior to RIIO-ET3 against those included in the current T3 delivery program.

9.154 The information in this table will allow Ofgem to have a definitive list of the exact assets specified within this table, with information such as their type, serial number/unique asset identifier, unique operational identifier, location etc., that have been and are forecast to be the subject of intervention. This table will be updated as part of annual reporting to allow Ofgem to track what has been taken out, added or moved. Any addition of new assets due to a Load driver within RIIO-ET3 will also be reported as part of annual reporting.

Instructions for completion

9.155 Information on all asset interventions in the asset categories that are to be delivered in the RIIO-ET3 period, must be entered in this table.

9.156 For this worksheet please input:

1. **Unique Operational ID (column A):** Enter the unique operational ID given to the asset being intervened on or added, for example, SGT1 or ABCDSGT1. For P&C schemes, enter the name of the protection or control scheme being intervened on, for example, Feedername_MP1 or Mesh Corner_1.

2. **Serial Number/Unique Asset ID (column B):** Enter the manufacturer's unique serial number for the lead asset being intervened on or added. Where a manufacturer's serial number is not available, a unique identifier assigned by the licensee to the lead asset should be entered. This identifier should be similar to a manufacturer's serial number and be unique to the physical asset itself and not change due to a change in the physical location of the asset. For example, a transformer that has been relocated from substation A to B at some point in its life, should still have the same unique identifier. Similarly, if a circuit breaker has undergone major refurbishment off site, it should still have the same unique identifier post refurbishment as it did before refurbishment. Where a lead asset might have multiple components, the unique identifier of the main component that is being reported should be entered. For example, where a transformer might have multiple components like main tank, bushings, tap changer etc., with each component having a serial number or unique identifier, the serial number or unique identifier of the main tank should be entered. Where FACTs or HVDC equipment have multiple components and sub assets, a serial number is not required, however a unique asset identifier may be entered where there is a clear unique asset identifier assigned to the asset as a whole. A serial number is not required for Protection or Control equipment.

3. **Columns C, D, E and F** are auto populated from the information provided by licensees in worksheet 9.15.

4. **Voltage (kV) (column G):** Drop down. Select the voltage of the asset being intervened on or added. For transformers, select the Primary voltage. For P&C schemes, select the voltage of the asset being protected or controlled. Where multiple assets of different voltages are being controlled as part of a substation control system, select the highest voltage applicable.

5. **Secondary Voltage (kV) (column H):** Drop down. Select secondary voltage for transformers.

6. **Rating (column I):** Enter the nominal rating of the asset together with units.

7. **Volume unit number or route km (column J):** Route km is not relevant to non-linear assets.

8. **Age (column K):** Enter the age of the asset being intervened on at the forecast year of intervention (in years).

9. **Site ID (column L):** This is auto-populated form the information provided by Licensees in worksheet 9.17

10. **Ofgem Scheme Reference (column M):** Drop down (linked to original look up table)

11. **Driver (column N):** Drop down; select either "load" or "non load" option

12. **Intervention type (column O):** Drop down (linked to original look up table)

13. **Intervention Delivery Year (column P):** Enter the year the asset is expected to be electrically commissioned and put in service.

9.17 Site ID

Purpose and use by Ofgem

9.157 The purpose of this table is to provide detail on the forecast interventions included in the current T3 delivery program.

9.158 The information in this table will allow Ofgem to have a definitive list of the exact assets, with information such as their type, serial number/unique asset identifier, unique operational identifier, location etc., that have been and are forecast to be the subject of intervention. This table will be updated as part of annual reporting to allow Ofgem to track what has been taken out, added or moved.

Instructions for completion

9.159 For this worksheet please input:

1. **Site ID (column A):** Enter the unique ID of the substation or site where the non-linear asset or protection and control scheme is/was physically located. This information is used to populate worksheet 9.16, column L.
2. **Substation Name (column B):** Enter the name of the substation where the non-linear asset or protection and control scheme is/was physically situated. Where the protection or control scheme relates to more than one substation, enter multiple lines for the same scheme, with work at each

substation listed in a separate line. For example, for a feeder differential protection replacement scheme relating to substations A and B, with work planned at both substations, a separate line should be entered for work at each substation even if it is part of the same Ofgem Scheme Reference.
If a location is not yet known (e.g. the asset location was not specified as part of the BPDT or Final Determinations) a licensee can report the location as "unspecified" if currently unknown to facilitate the provision of a volume and intervention assumption. Licensees are required to specify the specific assets/sites as soon as future work programmes are confirmed.

3. **Postcode (column C):** Enter the postcode of the substation or site.
4. **Geographical Area (column D):** Where a postcode is not available, enter the name of the city or town or parish where the site or substation is, was or will be located. If unspecified in column C, then leave blank until such times as location can be confirmed.

9.18 ET Pipeline Log

Purpose and use by Ofgem

9.160 This table records information relating to all future Re-opener applications under the RIIO-ET3 Electricity Transmission Licence. The pipeline log should include both re-opener submissions that have not yet been made and submissions that have been made but not yet determined, provided the associated costs have not already been reported elsewhere in the RRP (for example in the C&V tables).

9.161 The information is to be forecast as far as is reasonably practicable and with a particular emphasis on providing accurate information for Re-openers due to be submitted within the next 12 months. The log can be used to also report spend in the RIIO-ET3 period on activities under the provisions of the RIIO-ET3 Electricity Transmission Licence that are not captured elsewhere in the C&V pack or in other RIIO-ET3 cost or PCD-specific worksheets. Any items in the C&V pack should not be duplicated here. Before completing the table licensees should refer to our Re-opener Guidance and Application Requirements document and our Indicative Re-opener Application Assessment Process document.

9.162 This table will be used by Ofgem primarily for ongoing monitoring and resource planning purposes including pre-application engagement with licensees. This will facilitate timely decision making once Re-opener applications have been received.

9.163 In addition, the table will be used to source the estimated value of the adjustment to baseline allowances which will feed into the relevant Re-opener Price Control Financial Model (PCFM) Variable Value and will be reflected in its Allowed Revenue at the next Annual Iteration Process.

9.164 When a decision is made to adjust allowances, the decision will supersede the forecast information that was previously taken from the Re-opener application pipeline log, and any differences between the forecast Re-opener allowances and the final decision will be trued up within the PCFM with an appropriate time value of money adjustment.

9.165 The Re-opener application pipeline log includes an option for the licensee to select if they do or do not wish for the forecast adjustment to baseline allowances for each relevant Re-opener to feed in to the Re-opener Variable Value in the PCFM; for example, if the project or costs are too uncertain at the point in time the Re-opener application pipeline log is submitted.

Instructions for completion

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

- **Columns A to D:** These are intended to identify the "route to funding" and intended to indicate the regulatory mechanisms through which an activity is reasonably expected to progress (for example, PCF, CAI/UIOLI, or a re-opener). A single project or programme may involve more than one mechanism over time. At pipeline stage, licensees can but are not obliged or expected to identify a single definitive route but should flag all funding routes that are reasonably expected to apply as the activity matures.

- **Column E, Type of Expenditure to be Included:** Select Direct/Indirect/Direct + Indirect /NA/Gross from the drop-down menu as appropriate.

- **Column F, Project Name:** Where individual projects or programs are to be submitted, for separate assessment under the same mechanism each should be assigned a unique name. This will be used by Ofgem during future engagements. A separate row should be used to submit information on each individual project.

- **Column G, Ofgem Scheme:** unique Ofgem Scheme Reference assigned by the licensee.
- **Column H, Forecast Submission Date:** In those instances where there is no defined application window a forecast month and year of submission should be input. This informs Ofgem as to when future applications might be expected. To be used in PCFM? Yes/No: Select Yes/No from the drop-down menu. This informs Ofgem if the licensee wishes for the potential value of adjustment to baseline allowances specified by the licensee in the Re-opener application pipeline log for a relevant Re-opener to feed into the Re-opener Variable Value in the PCFM.

- **Column I, Probability of Submission High/Medium/Low:** Select High/Medium/Low from the drop-down menu as appropriate.
- **Column J, Energisation Date:** Select the appropriate regulatory year from the drop-down menu.
- **Column K, Energisation Date:** This is intended to provide the best current estimate of the date when the asset, scheme or programme is expected to be capable of being energised and available for operational use. Indicative dates (month/year) are acceptable, particularly for early-stage or longer-dated activity.
- **Columns L to AE enable licensees to provide an early indication of scale and funding nature in two cost classification categories:** Direct costs and Indirect costs. Licensees are expected to use reasonable endeavours to populate the Direct and Indirect cost columns using available information; they are not a detailed breakdown by individual funding mechanisms or cost categories. Licensees must be able to explain and evidence the basis on which any forecast values have been provided.

    - Forecast Expenditure (Direct/Gross). For each regulatory year a forecast expenditure figure is required of direct costs. This should be reported in £m 2023/24 price base. If the TOs are unable to distinguish between direct and indirect costs due to the forecast nature of the costs, please enter the gross amount in the Direct/Gross column, leave the Indirect column blank, and select the appropriate nature of the cost in the Type of Expenditure column to match the description.
      Forecast Expenditure (Indirect). For each regulatory year a forecast expenditure figure is required of indirect costs. This should be reported in £m 2023/24 price base. PCF, CAI, contractor indirects, and other enabling or support activity should be reflected within the Indirect cost column where relevant. The pipeline log does not require (and does not provide fields for) numerical disaggregation between these categories at this stage.
      Forecast cost information is intended to provide early indicative insight into how delivery of the activity is expected to be structured. In particular, the relative balance may help to signal whether delivery is likely to rely heavily on programme-level management or enabling activity, whether overheads are expected to be material, or whether the activity is inherently portfolio-wide in nature. This information is indicative only and does not imply approval of a delivery model or assessment of

efficiency, which will be considered through subsequent governance processes.

9.167 In each of the free text boxes which follow licensees have the option of making reference to additional commentary if the licensee prefers to add greater detail in a separate document alongside the Re-opener application pipeline log. It is recognised that certain information with respect to Re-opener applications in future years may not be available.

9.168 Where submission of a Re-opener application is anticipated within the next 12 months, proportionately greater detail should be provided, and the relevant columns are no longer optional.

- **Trigger for Submission / Needs Case:** A free text box for a brief description of the trigger / needs case for seeking additional allowances for example a change in specific policy / regulations / legislation or necessary capital expenditure not funded in baseline allowances. The text may refer to additional commentary if the licensee prefers to add greater detail in a separate document alongside the Re-opener application pipeline log.
- **Option Selection Methodology:** A free text box for a brief description of the methodology used to justify the selection of the preferred option. Whether by use of Cost Benefit Analysis, Engineering Justification Process or some other appropriate methodology.
- **Preferred Option:** A free text box for a brief description of the preferred option. Forecast Expenditure Justification Methodology: A free text box for a brief description of the methodology that will be used to justify the level of additional funding requested, for example benchmarking, tendered rates.
- **Broader Regulatory Issues to be Considered:** A free text box for a brief description of any broader regulatory issues that Ofgem may wish to consider, for example alignment with wider policy objectives or regulatory precedent.

9.19 ET Pipeline Log Memo Table

Purpose and use by Ofgem

9.169 To develop Ofgem's understanding of future reopener submissions currently planned by network companies, in a consistent manner across ET, to enable Ofgem to plan its consideration of reopeners in 2026/27.

9.170 This table is provided for memo-level purposes only. It is intended to act as a supporting table to the 9.18 Re-opener Application Pipeline Log, to improve

visibility across Transmission Owners for the RIIO-ET3 period by capturing a limited set of consistent, high-level fields. The table does not feed into the PCFM and does not form part of the core cost, allowance, or re-opener datasets. Its role within the RRP is therefore informational rather than operational.

9.171 The information in this table should not be reflected elsewhere in the pack. This means pipeline projects should not be duplicated under the scheme C&V and any related forecast costs for pipeline schemes should only be captured within the pipeline log itself i.e. indirects relating to pipeline projects should not be accounted for in tabs 6.4 or 6.5.

Instructions for completion

9.172 The fields to be completed as follows:

- Re-opener mechanism: details of the re-opener mechanism (Lic' term) which the re-opener will be submitted under.
- Project name: breakdown of individual projects even if under the same re-opener
- Description of project including brief description of driver for project and any interdependencies
- Likely start date: the likely date of physical work commencing using current best intelligence.
- Project start date: the actual date of physical work commencing
- Project end date (defined as financial closure of project)
- Planned submission date
- Scope of submission: needs case, options and costs
- Probability of submission: low, medium, high
- Recent engagement with Ofgem on the project: some details on the nature of engagement and Ofgem point of contact.
- Lifetime cost (£m): Sum of all costs related to a project over its lifetime including beyond RIIO 3 period.

10. Licence

Section summary

The purpose of this chapter is to inform the completion worksheets associated with licence conditions by each Licensee. This is to enable Ofgem to effectively review the annual reporting submission of the companies.

Overview

10.1 The worksheets included within this chapter are:

- 10.1 PCD
- 10.2 Operational Transport PCD
- 10.3 BCF
- 10.4 Biodiversity Net Gain
- 10.5 ENS
- 10.6 IIG Incentive (NGET & SPT)
- 10.7 IIG Incentive (SHET)
- 10.8 SO:TO optimisation
- 10.9 Connections
- 10.10 ASTI ODI
- 10.11 Major Projects ODI
- 10.12 TPD & TPG (NGET Only)
- 10.13 SF6 Intervention PCD
- 10.14 PCF
- 10.15 Carbon Comp UIOLI
- 10.16 CAI_UIOLI
- 10.17 Load_UIOLI
- 10.18 Crossover
- 10.19 SHET Only PCDs
- 10.20 Named_PCD (NGET Only)
- 10.21 Volume_PCD (NGET Only)
- 10.22 Combi_PCD (NGET Only)

10.1 PCD

Purpose and use by Ofgem

10.2 These worksheets contain formulae to produce “long” lists that are driven from the company inputs for costs, volumes, outputs and allowances.

10.3 Data entry is only required in the worksheet entitled “PCD”.

10.4 This worksheet seeks to collate the relevant information associated with specific types of Price Control Deliverable (PCD) established as part of the Final Determinations.

Instructions for completion

10.5 This worksheet contains scope to summarise information against a possible 50 PCD projects.

10.6 The worksheet requires each licensee to choose the applicable project (cell C5) to initiate the collation from the company input files. The name of PCD project/scheme will reflect the title provided as part of the RIIO-ET3 Final Determination document suite or T3 Licence text.

10.7 Columns D and E enable licensee to capture the specific boundaries that are applicable to the delivery of a PCD, including where boundary reinforcement is delivered across more than one boundary.

10.8 Rows 26–27, 31–32, and 34–35 are auto-populated using cost and output information provided elsewhere in the pack. This is also the case for other rows with the same line descriptions as Rows 26–27, 31–32, and 34–35.

10.9 In recognition that there may be elements associated with the delivery of a PCD prescribed in the ET3 Licence that may not be fully captured through the asset classification list applied within the template, applicable cells in Col F allow a TO to enter further information on any PCD project not adequately captured through the reporting structure.

10.10 Applicable cells in Col G allow TO's to denote the Delivery Status of each of the schemes

10.11 The current view of delivery status may be:

- on track.
- not on track.
- complete; or,
- removed.

10.12 "on track" describes a PCD that is on track for delivery in T3 in accordance with the agreed scope and delivery timeline agreed as part of the RIIO-ET3 settlement.

10.13 "not on track" refers to projects that are not currently expected to deliver in T3 or are subject to a change of scope or timing of delivery that is divergent to expected parameters agreed as part of the RIIO-ET3 settlement A short narrative will be provided to further explain the movements and provide associated justification, including confirmation of any financial impact adjustment arising from movements/adjustments and/or potential non-delivery.

10.14 "complete" denotes PCDs that have delivered in the regulatory year. A short narrative will be provided to provide confirmation on where the PCD is “Fully Delivered” (no change to specification agreed as part of T3 settlement, no further delivery components remain outstanding and the project is financially complete) or where the PCD delivery falls into one of the following categories:

- “Fully Delivered with Alternative Specification” (change to specification agreed as part of T3 settlement but no further delivery components remain outstanding and the project is financially complete)
- “Partially Delivered with Alternative Specification” (change to specification agreed as part of T3 settlement and the project is financially complete)
- “Partially Delivered” (no change to specification agreed as part of T2 settlement but the remaining components of the original specification are not anticipated to be delivered at all and the project is financially complete)
- "removed" identifies those PCDs that no longer contribute to the PCD suite to be delivered. A short narrative will be provided to further explain the reason for removal and provide confirmation of any financial impact adjustment arising from non-delivery.

10.15 The applicable cells in Col H allow each Licensee to denote the Scheme Output Status. The current view of output status may be:

- Increase
- Decrease
- No change, or
- Project no longer required.

10.16 "Increase" describes a PCD output that has increased more than the output specified in the Electricity transmission licence Special Conditions and/or in accordance with T3 agreed scope as part of the RIIO-ET3 settlement.

10.17 "Decrease" refers to PCD output that is lower than the output specified in the Electricity transmission licence Special Conditions and/or in accordance with T3 agreed scope as part of the RIIO-ET3 settlement.

10.18 Supporting commentary will be provided to further explain the movements and provide associated justification, including confirmation of any financial impact adjustment arising from movements/adjustments and/or potential change in scope.

10.19 "No change" denotes PCD outputs that remain aligned with the Electricity transmission licence Special Conditions and/or T3 agreed scope as part of the RIIO-ET3 settlement.

10.20 “Project no longer required” identifies those PCD outputs that no longer contribute to the PCD suite to be delivered.

10.21 Column I must be populated to denote the scheme name which corresponds to the scheme reference captured in Column B.

10.2 Operational Transport PCD

Please note that the Operational Transport PCD tab is currently included as a placeholder and will require further development.

10.3 Business Carbon Footprint (BCF)

Purpose and use by Ofgem

10.22 The purpose of this table is to collect data on the licensee's Scope 1, 2 and 3 business carbon footprint (BCF) including Transmission Losses. The collection of this information mirrors the information that licensees report as part of their Annual Environmental Report Key Performance Indicators.

Instructions for completion

10.23 Licensees must report on BCF Scopes 1 and 2 year-on-year in both location-based and market-based methodology, and where relevant both including and excluding Transmission Losses. Where licensees report on the latter in Scope 3, they should do so using the rows provided specifically for these categories.

10.24 The licensee must report on all Scope 1 and Scope 2 emissions on an 'operational control' basis i.e., report all emissions from operations on which the licensee has fully authority to introduce and implement its operating policy. A licensee that forms part of a larger corporate group must provide a brief introduction outlining the structure of the group. The commentary must detail which organisations are considered to be within the reporting boundary for the purpose of this exercise.

10.25 When reporting, licensees must adhere to the principles set out in the RIIO-3 Environmental Reporting Guidance.

Scope 1 Transport:

10.26 Enter the tCO2e for direct commercial vehicles.

10.27 Direct commercial vehicles are the transportation (often a fleet of vehicles) used in the day-to-day operation of the business.

10.28 Direct commercial vehicle emissions calculations can be based on fuel consumption, mileage, or electricity consumption. The appropriate conversion factors from the "Government conversion factors for company reporting of greenhouse gas emissions factors" should be applied.

10.29 In cases where emission factors for specific transport means are not available (we are aware of this issue for helicopters, but there may be some other instances) the equivalent tonnes of carbon dioxide (tCO2e) must be estimated and summed to the closest means of transport (e.g. "air" for helicopters). The methodology and assumptions used for estimating/measuring these emissions must be included in the commentary.

10.30 UK Government guidelines provide for a range of emission conversion factors for transport means, with the aim to provide the best possible estimate of emissions from the vehicle portfolio owned and/or operated by the company. The reporting must, as far as reasonably practicable, use the full range of emission conversion factors available (as applicable to the range of means of transport actually used by the company) unless there is a compelling case for using another conversion factor.

Fugitive emissions:

10.31 Enter any emissions related to the activity of transporting electricity such as sulphur hexafluoride (SF6) or equivalent. Emissions should be converted to tCO2e

Scope 2 Electricity consumption:

10.32 Enter the emissions for electricity use which are converted using the "Grid Rolling Average" emission factor or a published local grid emission factor, as permitted under the Greenhouse Gas Protocol.

10.33 Row 39: requires each licensee to indicate their year-by-year progress, expressed as a percentage, against the baseline targets (not against yearly targets). The accompanying narrative will explain whether the licensee is on-track to meet its end of RIIO-ET2 BCF target and any relevant information pertaining to the calculation applied. The row contains yellow manual entry cells.

10.34 Row 40: requires each licensee to indicate their actual year-by-year BCF reductions as a percentage. The accompanying narrative will explain the movements (reductions or increases) and any relevant information pertaining to the calculation applied. The row contains yellow manual entry cells.

Scope 3:

10.35 Please follow the Greenhouse Gas Protocol: Technical Guidance for Calculating Scope 3 Emissions (V 1.0). This will ensure that reporting captures all significant emissions arising from the development and operation of the licensee's Transmission System, regardless of the legal entity carrying out each activity.

10.36 The licensee can amend rows titled 'spare' in the RRP table to define the sub-type of scope 3 emissions that are most relevant to them under each category **Carbon offsets**.

10.37 The reporting of any offsetting measures (domestic or international) must be transparent, including an explanation as to why the emissions could only be offset as opposed to reduced or removed.

10.4 Biodiversity Net Gain

Purpose and use by Ofgem

10.38 The purpose of this table is to collect data on the licensee's biodiversity interventions and the estimated biodiversity net gain from them.

Instructions for completion

10.39 Guidance on completing the tables.

1. **Column A:** Enter Ofgem Scheme Reference (OSR). If unknown, leave blank and complete Col B.
2. **Column B:** Enter project reference number.
3. **Column C:** Enter project location e.g., region or town/city
4. **Column D:** Select from options that best describe the project.
5. **Column E:** Enter detail on the baseline habitat.
6. **Column F:** Use the statutory biodiversity metric calculation tool to enter the number of biodiversity units measured in the baseline survey of the site. Link to the tool here: https://www.gov.uk/government/publications/statutory-biodiversity-metric-tools-and-guides
7. **Column G:** Outline the planned intervention. If the project has more than one intervention, enter one intervention per row.
   You can merge rows in Cols A to D where they cover multiple individual intervention rows in Col G.
8. **Column H:** Select whether the biodiversity intervention is offsite or onsite.
9. **Column I:** Enter the relevant statutory (including planning consent) requirements for your biodiversity intervention.
10. **Column J:** Enter a measure of the type of intervention to be delivered e.g., if planting a wildflower meadow, the volume might be hectares; if planting native trees, the volume might be number of trees; if laying hedgegrow, the volume might be kilometres planted.
11. **Column K:** Enter how many units of the measure in Col J the intervention is expected to produce.
12. **Column L:** Enter the total cost (in 2024/25 prices) of delivering the intervention listed in Col G.

13. **Column M:** Automatically calculates the cost per unit of intervention by dividing Col J by Col K.
14. **Column N:** Use the statutory biodiversity metric calculation tool to enter the expected number of post-intervention biodiversity units of the site. Link to the tool here: https://www.gov.uk/government/publications/statutory-biodiversity-metric-tools-and-gu
15. **Column O:** Automatically calculates the estimated biodiversity net gain using Cols N and F.
16. **Column P:** Enter any explanation of any assumptions and/or further narrative behind the information in this row e.g., why offsite vs. onsite, why statutory credits, assumptions underlying baselined and post-intervention calculations etc.

10.5 Energy Not Supplied

Purpose and use by Ofgem

10.40 The purpose of this table is to collect information in relation to incidents on the licensee's transmission system and the volume of unsupplied energy that is a consequence of these interruptions for the calculation of the licensee's Energy Not Supplied (ENS) incentive.

Instructions for completion

10.41 The licensee should fill in yellow input cells.

10.42 To complete the worksheet each licensee is required to give details of:

- the total number of transmission system incidents that occurred during the year, the number of events excluded from the definition of incentivised loss of supply events, the number of incentivised loss of supply events, and the number of incidents categorised as exceptional events
- the volume of energy that was not supplied to customers as a result of the total number of incidents, the volume of energy not supplied for incidents excluded from the definition of incentivised loss of supply events, the volume of energy not supplied for incidents due to Incentivised Loss of Supply Events, and the volume of ENS for incidents categorised as exceptional events.

10.43 Exceptional events: The licensee should detail separately:

- the number of incidents and volume of unsupplied energy for incidents that the Authority has determined to be exceptional events under Part D of Special Condition 4.2.

- the number of incidents and volume of unsupplied energy for incidents that it views as exceptional events, but the Authority has yet to make a determination under Part D of Special Condition 4.2.

10.6 IIG Incentive (NGET & SPT) / 10.7 IIG Incentive (SHET)

Purpose and use by Ofgem

10.44 The purpose of this table is to collect information in relation to Special Condition 4.3: Insulation And Interruption Gas (IIG) emissions output delivery incentive.

10.45 Data collected will include emissions data relating to IIGs, (including sulphur hexafluoride), from assets comprising part of the licensee's transmission system.

Instructions for completion

10.46 The respective IIGs used in the licensee's transmission system should be added to the table, along with their respective Global Warming Potential values, as set out in the latest DESNZ publication of UK GHGs: https://www.gov.uk/government/collections/government-conversion-factors-for-company-reporting.

10.47 To complete the remaining worksheet each Licensee is required to complete a table for each type of IIG used on their transmission system for the relevant year. For each table the following details should be entered (where relevant) :

- No. of Additions (new assets): The total number of any new assets added to the transmission system, in the quarter of the year commissioning was completed.
- Gas inventory of additions: The total IIG inventory in Kg of the aggregated sum of additions, per quarter.
- Manufacturer's leakage rate: The leakage rate of the sum of additions per quarter in percentage value as stated by the manufacturer of the asset (i.e., 0.5%).
- No. of Disposals (assets removed): The total number of any decommissioned assets removed from the transmission system, in the quarter of the year decommissioning commenced.
- Gas inventory of disposals: The total IIG inventory in Kg of the sum of disposals, per quarter.
- Disposals 3-year average annual leakage: The leakage in Kg calculated by the average leakage from the last 3 years of operation for each asset disposed in the relevant quarter. Where there is more than one asset disposed in the quarter, the totals should be aggregated.

- No. of IIG Asset Interventions: The total number of any asset interventions funded through the price control for the relevant quarter the intervention is completed.
- Expected IIG annual leakage abatement: The aggregated estimated annual leakage of abatement in kg of any asset interventions for the relevant quarter. This should be calculated in accordance with the final submission for funding for those interventions.
- Actual leakage (inc exceptional events): The volume of leakage in Kg from all assets containing the IIG, as calculated in accordance with the licensees latest IIG Methodology Document. This should not be adjusted for any approved IIG Exceptional Events.
- Adjustment for exceptional events: This should include the aggregated total of any Ofgem approved IIG Exceptional Event leakage in Kg during the year.

Commentary

10.48 Commentary should include: A high-level summary of the performance in year, including emissions levels compared to previous annual levels.

10.49 A summary of the main drivers for any notable differences between actual emissions and projected emissions/targets.

10.50 Where relevant a high-level summary of any IIG Exceptional Events approved.

10.51 Where relevant, a high-level summary of any IIG Asset Intervention project adjustments made.

10.8 SO:TO Optimisation

Purpose and use by Ofgem

10.52 The purpose of this table is to collect information in relation to service provided by the licensee to the ESO within the scope of STCP11-4 and in accordance with the SO:TO governance document (the Governance Document) for the annual calculation of the licensee's SO:TO output delivery incentive specified in special condition 4.6 (SO:TO optimisation output delivery incentive).

Instructions for completion

10.53 Each TO is required to provide the following details:

- The name of the project and identification which the service/solution provided was related to.

- Both the name and the identification code should be in line with unique works identifications (Ofgem Scheme Reference).The service/solution/ type chosen from a drop-down list.
- **The eligibility reason, selected from "physically enhances the asset", "pushes an assets standard operational boundaries", or "the NESO needs the ETO to provide the service or intervene at short notice".**
- If the solution type selected is "other", a manual description of the solution.
- Estimated cost of the solution which as approved by the ESO in line with STCP11-4 and the Governance Document.
- Total estimated ex ante constraint savings of the solution regardless of cost of solution.
- Estimated ex ante constraint savings net of the cost of solution as assessed by the ESO in line with the Governance Document.
- Actual cost of solution.
- Actual constraint savings: ex post calculation of the actual constraint costs saving of the solution as assessed by the ESO in line with the SO:TO optimisation governance document.
- Actual Net constraint savings: ex post calculations of the actual constraint costs savings of the solutions net of the cost of the solution as assessed by the ESO in line with the governance document.
- Delivery date: this should be the date from which the solution/service was available to provide the benefit its intendent to create.

10.54 For projects that will deliver benefit which will span over two regulatory years:

- The service/solution should have entrance for both regulatory years.

10.55 Year 1 entrance should include

- Project name, identification code and solution type
- the cost of the solution (estimated and actual) the estimated and estimated net constraint savings attributed to the first regulatory year in which the solution was delivered
- the actual and actual net constraint savings delivered by the solution in the year the delivery date

10.56 Year 2 entrance should include:

- Project name, identification code and solution type
- Estimated constraint savings attributed to the 2nd regulatory year in which the solution was delivered actual constraint costs savings delivered by the solution in the year (if known by the time of reporting) the delivery date

10.57 Year 3 entrance should include:

- Project name, identification code and solution type
- Estimated constraint savings attributed to the 3rd regulatory year in which the solution was delivered actual constraint costs savings delivered by the solution in the year (if known by the time of reporting) the delivery date

10.58 Year 4 entrance should include:

- Project name, identification code and solution type
- Estimated constraint savings attributed to the 4th regulatory year in which the solution was delivered actual constraint costs savings delivered by the solution in the year (if known by the time of reporting) the delivery date

10.59 Year 5 entrance should include:

- Project name, identification code and solution type
- Estimated constraint savings attributed to the 5th regulatory year in which the solution was delivered actual constraint costs savings delivered by the solution in the year (if known by the time of reporting) the delivery date.

10.60 Additional rows can be added to the annual data tables as required (currently 30).

10.9 Connections

Purpose and use by Ofgem

10.61 The purpose of this table is to collect information in relation to the connections output delivery incentive term and licensee performance in delivering timely connections to the licensee's Transmission System.

Instructions for completion

10.62 Licensees will provide the Connection Project Completion Date and Connections Incentive Target Date, consistent with the Project Register and the Connections Obligations. Such dates should be inputted in a DD/MM/YYYY format.

10.63 Once the project has been completed, the licensee will provide the date by which that project has completed its Stage One Commissioning activities. Such dates should be inputted in a DD/MM/YYYY format. The 'Result' column will auto-populate with, consistent with Part A of Special Condition 4.4. The deadband lasts for 30 calendar days after the Connections Incentive Target Date.

10.64 If the project was delivered late and an exemption stated in Part D of Special Condition 4.4 is applicable, the licensee should mark 'yes' in the final column. If the project is delivered late and a stated exemption does not apply, the licensee should mark 'no'. If not applicable, leave this column blank.

10.10 ASTI ODI

Purpose and use by Ofgem

10.65 The purpose of this table is to collect the status and period of exemption applications for ASTI projects relating to Special Condition 4.7 ASTI ODI, including any awarded penalty exemption period.

Instructions for completion

10.1 For this worksheet please input:

- **Project NOA Code (Column B):** Fill in with the NOA code associated with the project.
- **Project Name (Column C):** Fill in the name of the project.
- **Target Date (Column D):** Fill in with the target date for the project in the format dd/mm/yyyy
- **Application Status (Column E):** The drop-down should be used to denote the status of any exemption applications.
- **Penalty Exemption Period (Column F):** Fill in with the awarded penalty exemption period in number of days.

10.11 Major Projects ODI

Purpose and use by Ofgem

10.2 The purpose of this table is to collect the status and period for exemption applications for Major Projects relating to Special Condition 4.8 Major Projects ODI, including any awarded penalty exemption period.

Instructions for completion

10.3 For this worksheet please input:

- **Project Name (Column B):** Fill in the name of the project.

- **Target Delivery Date (Column C):** Fill in with the target delivery date for the project in the format dd/mm/yyyy.
- **Application Status (Column D):** The drop-down should be used to denote the status of any exemption applications.
- **Penalty Exemption Period (Column E):** Fill in with the awarded penalty exemption period in number of days.

10.12 TPD & TPG (NGET only)

Purpose and use by Ofgem

10.4 The purpose of this table is to collect information in relation to the User terminated works - total expenditure and termination receipts - associated with works to connect to the licensee's Transmission System (generation and demand). This applies to NGET only.

Instructions for completion

10.5 Lead Scheme: Licensee should use the same unique scheme name within the output tables and the cost information tables.

10.6 NGET should report in the total expenditure table the expenditure it has incurred on relevant connections works for a specific scheme where the user has terminated the relevant bilateral agreements prior to commencing use of the connection. NGET should report the amount of termination receipts received in the form of revenues or capital contributions, for connection works.

10.7 See definition in the licensee's Electricity Transmission Licence for TPGt, TPRGt, TPDt and TPRDt.

10.13 SF6 Intervention PCD

Purpose and use by Ofgem

10.8 This worksheet seeks to collate the relevant information associated with the SF6 Intervention Price Control Deliverable under Special Condition 3.25.

10.9 This sheet is applicable to NGET and SHET only.

Instructions for completion

10.10 Most of this worksheet is auto populated using licence values.

10.11 Licensees must populate the relevant yellow input cells in E34 to I59 with the following information:

- Scheme Reference for the project under which the individual output sits.
- Delivery Status of the individual outputs. Select from the drop-down menu as In Progress, Partially Delivered, Fully Delivered, or Delayed.
- Estimated or actual delivery date of the individual outputs depending on when you are submitting the RRP (before or after the output Delivery Date) and the Delivery Status.
- General comments on the delivery status.

10.14 PCF

Purpose and use by Ofgem

10.12 The purpose of this worksheet is to collect cost information associated with Special Condition 3.15 Pre-Construction Funding Re-opener and Price Control Deliverable.

Instructions for completion

10.13 Licensees must populate the relevant yellow input cells with PCF allowances and expenditure.

10.14 PCF expenditure which is considered a direct cost falls under Early Enabling Works will be automatically populated from the Scheme C&V Load actuals where this is flagged under the 'Advanced Funding Flag' column (for instructions see section 4.3).

10.15 PCF expenditure which is considered indirect and carried out by third parties will be automatically populated from 9.8 Contractor Indirects Memo.

10.16 All activities must be classified based on their nature under the RIGs hierarchy (Direct, CAI, Business Support), irrespective of funding route. PCF-funded activities may be:

- Direct (where physical enabling or construction-defining work occurs, e.g. final design or installation specifications) must be classified as Direct.
- Indirect CAI
- Business Support

10.17 PCF expenditure captured in 10.14 is expected to relate to scheme-specific activity and therefore be reported as CAI or Direct (EEW). Activities classified as

Business Support should be reported in the relevant Business Support tables (e.g. 6.5) and are not included in this PCF view.

Definitions used in this worksheet

10.18 PCF funded activity frequently maps to CAI categories, depending on activity type. PCF activities per the licence are outlined below and mapping to CAI cost categories to provide consistency of reporting across Licensees. We acknowledge that there are other activities which may fall under PCF and licensees must apply the activity-based reporting principles to assign expenditure to the appropriate category.

- surveys, assessments and studies that inform environment, consenting, and design feasibility decision making; (*to be reported under **Network Design and Engineering**);*
- project design and engineering development that move a project from being 'lines on a map' to a detailed project proposal that can be taken to the market procurement; (*to be reported under **Network Design and Engineering** when the purpose of the design activity is to develop or refine the procurement-ready functional or system specification.);*
- stakeholder engagement and consultation which will be key to informing project design and progressing through the consenting process; (*to be reported under **Project Management**);*
- tasks associated with wayleaves and easements; (*to be reported under **Engineering Management and Clerical Support**);*
- planning applications; (*to be reported under **Project Management**);*
- Early Enabling Works; (*to be reported under **relevant CAI category** if indirect, or under **4.3 Scheme C&V Load Actuals** and flagged according to the guidance in that section);*
- tender activities (*to be reported under **Project Management**)*; and/or
- other activities as may be approved by the Authority

10.15 Carbon Compensation UIOLI

Purpose and use by Ofgem

10.19 The purpose of this table is to collect information relating to the Carbon Compensation UIOLI for NGET and SPT only in order to measure the offsetting

achieved (in tCO2e). In addition to RRP reporting, the licensee must also submit to the Authority a Carbon Compensation evaluation report by 31 October 2031.

Instructions for completion

10.20 The licensee should fill in the boxes shaded in yellow:

- Project name
- Project location: Enter the closest city/town and region where the project is based.
- Unique ID: Create a unique ID for the project e.g., CCO_[TO NAME]_000001
- Project Status: Enter underway or complete
- CAPEX (£m): To be stated in 23/24 prices. Please attach evidence that the costs were efficiently incurred. If the project is not yet complete, enter anticipated CAPEX. Extra lines included to enter costs split across baseline/re-opener/uncertainty mechanism.
- OPEX (£m): To be stated in 23/24 prices. Please attach evidence that the costs were efficiently incurred. If the project is not yet complete, enter anticipated OPEX. Extra lines included to enter costs split across baseline/re-opener/uncertainty mechanism.
- Total cost (£m): This is an automatic calculation based on a licensee's inputs.
- Anticipated emissions offset (tCO2e): Enter the emissions you anticipate the project will offset once complete.
- Actual emissions offset (tCO2e): Enter the actual emissions offset after the project is complete.

10.16 CAI UIOLI

Purpose and use by Ofgem

10.21 The purpose of this worksheet is to collect cost information associated with Special Conditions 3.13 Closely Associate Indirects use it or lose it allowance.

Instructions for completion

10.22 The licensee must populate the CAI UIOLI allowances, including any further allowance or adjustment made by the Authority per the licence condition.

10.23 The expenditure table is auto-populated based on the licence values and volumes data from elsewhere in the RRP.

10.17 Load UIOLI

Purpose and use by Ofgem

10.24 These worksheets seek to collate the relevant expenditure information associated with Special Conditions 3.17 Load use it or lose it allowance.

Instructions for completion

10.25 The licensee must provide scheme name and reason for eligibility to the special condition.

10.26 The licensee must populate the yellow input cells for any indirect expenditure related to schemes.

10.27 This rest of this table is auto-populated using the appropriate values and volume data from elsewhere in the RRP.

10.18 Crossover

Purpose and use by Ofgem

10.28 This table enables TOs to capture allowances associated with Special Condition 3.32 ET2/ET3 Crossover Adjustments. Schemes captured within this table must align with the definition as set out within Part E of Special Condition 3.32 and should be updated once the final allowance has been agreed with the Authority. Please note, in accordance with the principles of the licence condition, crossover allowances could be negative and have the effect of clawing back allowances associated with crossover items.

10.29 This will allow Ofgem to have visibility of the schemes that span the ET2 and ET3 price control periods, and that TOs believe need consideration when adjusting allowances under Appendix 1 of Special Condition 3.32. It should also include any adjustment for schemes initiated by the Authority.

Instructions for completion

10.30 TO's will provide data on the crossover schemes where this aligns with definitions as set out within part E of Special Condition 3.32

1. **Scheme Reference (column A):** The drop-down menu should be used to denote the scheme reference code (as entered on the Look Up Tables) that the cost & volume details relate to. See "Look up" table guidance.
2. **Project reference (column B):** The drop-down menu should be used to denote the project reference (as entered on the Look Up Tables) that the cost & volume details relate to. See "Look up" table guidance. This will capture the mapping of schemes to projects. A project may consist of a single scheme or many schemes. A scheme can only be part of one project.
3. **Scheme name (column C):** The drop-down menu should be used to denote the scheme name (as entered on the Look Up Tables) that the cost & volume details relate to. See "Look up" table guidance.
4. **Licence term (column D):** the drop-down menu enables a licensee to assign an applicable licence term against the scheme/activity.
5. **Cost Type (column E):** the drop-down menu enables identification of the cost types which are included in the annual expenditure reported (gross or direct) and should be in-line with the allowances provided for that specific licence condition.
6. **Start Year (Column F):** the commencement of expenditure on the project (including the cost of Indirect Activities).
7. **Close year (Column G):** The date of financial closure (or expected financial closure).
8. **Descriptor (column H):** can be used to reference relevant supporting documents or sections in the supporting narrative that will provide more detail on a particular project or element of a project that requires further explanation to aid understanding.
9. **Annual allowances (columns L to V):** Each licensee will provide annual allowance information on any activity undertaken (or forecast to be undertaken) between 1 April 2026 and 31 March 2028 inclusive (T2+2 period) associated with the progression and delivery of outputs in the RIIO-ET2+2 period and beyond. Future period reporting will reflect the rolling forecast requirement.
10. **Delivery year (column W):** This will mark the scheme completion or expected completion date. This is a manual entry cell.
11. **Delivery Period (column X):** This will mark the price control period for the expected completion date. This is a manual entry cell.
12. **Submission Status (column Y):** This drop-down will indicate whether the allowance has been accepted (therefore the allowance populated is final), submitted and awaiting confirmation (therefore the allowance populated is not yet confirmed and may change) or pending submission (therefore the allowance populated is a forecasted estimate).
13. **Ofgem contact (column Z)** can be used to reference the Ofgem contact who is managing the application, where applicable.

10.19 SHET PCD's (SHET only)

Purpose and use by Ofgem

10.31 This worksheet seeks to collate the relevant information associated with specific types of Price Control Deliverable (PCD) in Special Conditions 3.28-3.39 of SHET's T3 Licence established as part of the Final Determinations.

10.32 This sheet is applicable to SHET only.

Instructions for completion

10.33 The licensee must provide the actual and forecast delivery of schemes under each group description.

10.20-10.22 NLRE PCD's (NGET only)

Purpose and use by Ofgem

10.34 These tables capture information relating to NLRE Price Control Deliverables (PCDs), which underpin the calculation of annual allowances within the RIIO-ET3 framework. Licensees should complete these tables in a manner consistent with the definitions and mechanisms set out in the Special Conditions governing Named, Volume and Combi PCDs.

10.35 This sheet is applicable to NGET only.

Instructions for completion

10.36 Across all three tables, licensees should:

- populate rows using the prescribed deliverable names, identifiers or groupings provided in the template;
- record outputs against the correct Regulatory Year columns (e.g. 2026/27 to 2030/31) based on when delivery is achieved;
- ensure that any volume, allowance or funding columns reflect only eligible deliverables; and
- avoid overwriting any pre-populated or formula-driven cells (e.g. totals or calculated allowances).

10.37 The licensee must provide the actual and forecast delivery of assets under each group description (Named, Volume and Combi).

10.38 Named PCD tab, captures individual named deliverables, with columns such as Asset Type / Deliverable Name / Delivery Date / Regulatory Year allowances.

10.39 In completing this table, licensees should:

- report each named deliverable against its defined delivery date and corresponding Regulatory Year column;
- ensure that any annual allowance values (£m) align with those specified for that deliverable; and
- include only outputs that have been completed in accordance with licence requirements in the reporting year.

10.40 Volume_PCD tab captures volume-based deliverables by group, including columns such as Deliverable Group / Unit Cost (£m) / Volumes delivered / Baseline vs Pipeline classification / Annual totals. Licensees should:

- report the number of units delivered in each group for each Regulatory Year;
- distinguish clearly between baseline volumes (funded within ex ante allowances) and pipeline volumes (eligible subject to delivery and caps); and
- apply the pre-defined unit costs and maximum volumes, ensuring that reported volumes align with any funding limits.

10.41 Where the table includes calculated fields (e.g. volume × unit cost), these should be left to derive automatically.

10.42 The reported data should provide a clear and accurate reflection of delivery against NLRE PCD requirements and enable the correct calculation of associated allowances

10.43 Combi_PCD tab includes both named and volume-based elements.

10.44 Across all three tables, licensees should ensure that:

- delivery year attribution, volumes and allowances are internally consistent;
- reported volumes reconcile to any cumulative totals or maximum limits included in the template; and
- the classification between baseline and pipeline deliverables is applied consistently.

Network Access Policy (all TOs)

10.45 No reporting requirement. The TOs may mention their NAP work and add link to their published NAP.

Appendices

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Appendix 1 Definitions

1.1. The purpose of this appendix is to provide definition of the terms included in these instructions and in the associated worksheets (with the exception of Totex which is defined in Appendix 2).

1.2. This appendix provides definitions that cover more than one table and more general definitions. Any word or expressions used in the Utilities Act 2000, Electricity Act 1989, the Energy Act 2004, or standard or special licence conditions of the electricity transmission licence shall have the same meaning when used in these rules, similarly for standard accounting terms, IFRS/IAS and/or UK GAAP and Companies Act 2006 definitions should be applied.

1.3. In the circumstance where no definition is given the licensee should include in explanatory notes details of the treatment it has applied and inform The Authority of the omission. Where a definition set out in this appendix is not the same as that applied by a licensee for other purposes, the definition set out herein must be used in the preparation of the RRP templates.

1.4. Except where the context otherwise requires, any reference in this appendix or in the RRP to a numbered standard or special condition (with or without a letter) or Schedule is a reference to the standard or special condition (with or without a letter) or Schedule bearing that number in the electricity transmission licence, and any reference to a numbered paragraph (with or without a letter) within such a standard or special condition is a reference to the paragraph bearing that number in the standard or special condition or Schedule of the electricity transmission licence in which the reference occurs, and reference to a Section is a reference to that Section in the standard or special conditions of the electricity transmission licence .

1.5. Where terms are defined within the licence conditions (standard or special) or other documents approved by the Authority, they are not replicated here, and the user should refer to the licence condition or such other document for these definitions.

A

Accounting Costs

Costs as per statutory or regulatory accounts before any adjustments for non-controllable costs and atypical, provisions etc.

Accruals and Prepayments

For the purpose of determining what amounts should be excluded as non-cash items. These are only those items that are not incurred as part of the ordinary level of business activities and would be atypical. Normal business activities include normal trade accruals and prepayments and holiday pay provisions.

Affiliate IDNO

An independent distribution network operator owned by the group and operating within the group's own electricity distribution network area

Annual iteration Process

The annual iteration process is the process of annually updating the variable (blue box) values in the price control financial model and running the model in order to publish ARt and ADJRt values for the forthcoming regulatory year.

C

Cash Controllable Costs

The normal ongoing cash operating costs, excluding non-recurring costs that are controllable by the transmission company.

Change in market value of investments

The change in the market value of a scheme's investments over a period of time where the approach used to assess the market value of an asset is the same as the approach used for the purposes of a triennial valuation

Closely Associated Indirect Costs

Costs that support the operational activities. Closely associated indirect costs includes network policy (including research and development), network design and engineering, engineering management and clerical, wayleaves administration, control centre, system mapping and health and safety functions.

Customer / Capital contributions

Financial contribution received from / repaid to a customer in respect of the provision of a new connection to the transmission network.

Cyber Resilience IT costs

Cyber Resilience IT costs consist of costs that the ESO incurs to manage risks posed to the security of its IT network and information systems and to respond to any identified risks by taking appropriate and proportionate measures to enhance the cyber resilience of those network and information systems.

D

Direct Activities

Those activities which involve physical contact with network infrastructure assets.

INCLUDES:

- Labour cost of staff whose activity involves work being physically carried out on transmission network assets. This can include the element of labour costs associated with trench excavation staff, craftsmen, technicians, technical engineers, administration and support staff, safety inspection, critical infrastructure inspection and environmental control, network planners and designers where a portion of their time involves physical contact with system assets, however only that portion spent on direct activities may be included. It will include downtime of staff (including but not limited to: idle, sick, non-operational training); applicable labour cost should follow their normal time allocations.
    - Operational engineers working on commissioning of assets, physically changing protection settings, issuing safety documentation or liaising with the control centre are considered direct activities.
    - The cost of contractors being the total charges invoiced by external contractors for the primary purpose of performing direct activities.
    - The cost of materials drawn from stores or purchased and delivered to site for use in performing direct activities. In addition, this includes the cost of the materials for refurbishing system assets.
    - Wayleaves, servitude and easement payments to enable the direct activity to be performed. This does not include the cost of management or administration of these.
    - Related Party Margins charged by a Related Party for work performed on direct activities.
    - In addition, includes, for the purposes of flood defence works, site surveys and non-site based costs.

Note, the direct cost of an asset will reflect the purchase, transportation and installation of the asset. We consider that the manufacturing configuration design costs i.e. “the cost of the asset leaving the factory gate” to be a legitimate purchase cost and therefore included in the direct cost of the asset. See table below for a number of worked examples to illustrate this point.

Manufacturing Configuration Design/Functional Design Table

Classification	Direct/ Indirect	Examples	Comments

Manufacturing Configuration Design – Non-Route	Direct	• Circuit breaker:
		  ○ Manufacturer design of CB
		  ○ Such as: design to meet TRV requirements, Fault Rating requirements, bespoke design requirements.
		• Transformer:
		  ○ Manufacturer design of Transformer
		  ○ Such as: design to meet impedance requirements, fire risk requirements, bespoke design requirements.
		• GIS Building Design:
		  ○ Structural Design
		  ○ Materials engineering
		  ○ Lighting systems
		• Temperature control systems
			The example Asset Specific Designs are those which the licensee does not have direct control over.
			
			The decisions on how to meet the specification in function design are for the manufacturer/contractor to determine.

Manufacturing Configuration Design – Route	Direct	• OHL:
		  ○ Design of Main Body strengthening
		  ○ Design of Cross arm strengthening
		  ○ Design of Muffs, ACDs, Signage
		  ○ Design of Spacers
		  ○ Design of Dampeners
		• Cabling:
		  ○ Design of Joint Pits
		  ○ Design of Jointing
		  ○ Design of cross bonding
		•
			These are specific design works which may be bespoke to the individual Tower, Pole or Cable Route.
			
			We note that this design work is for the contractors/supplier to meet the requirements of the specification which the licensee used to procure works.

Direct Costs

Expenditure incurred undertaking Direct Activities.

Directly Attributable Costs (Network Innovation)

The costs of maintain and managing Foreground Intellectual Property Rights (IPR).

G

Grid Supply Points (GSPs)

Grid Supply Points has the meaning as defined in the Grid Code. For clarity, in the event of exporting GSPs due to embedded generation, these should be counted as Grid Supply Points only and not as Grid Entry Points as well.

Grid Entry Points

Grid Entry Points has the meaning as defined in the Grid Code.

I

Indirect Activities

Activities which, in most cases, support work being physically carried out on transmission network infrastructure assets that could not, on their own, be classed as a direct network activity. More information and guidance on indirect activities (and direct activities) is set out in appendix 3.

Inspections

The visual checking of the external condition of system assets including any associated civil constructions such as buildings, substation surrounds, support structures, cable tunnels and cable bridges.

INCLUDES:

- Helicopter and foot patrols
- Hammer testing of poles
- High resolution photography
- All asset surveys of whatsoever nature and purpose, including asset condition surveys
- Inspection of tools (including lifting tackle inspections and pat testing)
- Reading gauges.

EXCLUDES:

- Use of diagnostic testing equipment (hammers used to test poles are not regarded as diagnostic testing equipment)
- Supervisory input to plan workloads and manage staff (include under EMCS)
- Data review except the initial recording on site (include under EMCS)
- Inspection of non-system assets (include under Property Management)
- Site surveys for flooding
- Indirect Costs
- Any of the costs associated with Repair & Maintenance.

Inspections - Foot Patrol

The inspection of overhead lines via foot patrols, carried out either as a routine activity or as a non-routine activity.

Inspections - Helicopter

The inspection of overhead lines through the use of helicopters or drones, carried out either as a routine activity or as a non-routine activity.

Investment income

The income received on scheme assets, net of investment management fees where it is deducted from investment income

Investment management expenses

Any scheme investment management expenses which are charged separately or have not been implicitly allowed for in the “Change in market value of investments” item or as a deduction from the “Investment income” item.

IT & Telecoms (Business Support)

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

Note: excludes costs relating to Cyber Resilience IT

IT & Telecoms (Non-operational)

Expenditure on new and replacement IT assets which are not system assets. These include Hardware and Infrastructure and Application Software Development. This includes the purchase of IT equipment that is either located away from network assets or does not directly relate to the control of those assets.

Note: excludes costs relating to Cyber Resilience IT

L

Lead assets

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

Low risk assets

Assets where the focus is on protecting capital and gaining a modest return (e.g. gilts)

M

Maintenance

INCLUDES:

- The activity relating to the invasive (“hands on") examination of, and the undertaking of any subsequent works to repair defects on, system assets. This includes:
    - minor repairs carried out at the same time as the maintenance visit

In addition to the examination of system assets, other activities considered as Maintenance are identified in the Refurbishment and Repairs Task Allocation Tables in Chapter 4 of this document.

EXCLUDES:

- Remote Location Generation (i.e. diesel generation costs providing permanent emergency backup on islands)
- The physical dismantlement of existing assets (at all voltage levels) where the cost of dismantlement is not chargeable to a third party and no new assets are to be installed
- Cost of electricity consumed at substations
- Supervisory input to plan workloads and manage staff (include under Engineering Management & Clerical Support)
- Data review except the initial recording on site (include under Engineering Management & Clerical Support)
- Maintenance of non-system assets (include under Property Management)
- Tree cutting and tree clearance (include under Tree Cutting)
- Indirect Costs
- Any costs resulting from physically repairing an asset that was instigated by the receipt of a trouble call.
- Any of the costs associated with inspection.

Maintenance - Protection Schemes (All Voltages)

Maintenance work on substation located protection, control and SCADA equipment, which are undertaken as independent programmes of work. This includes testing, repair and preventative maintenance. This also includes protection of conventional circuit breakers.

EXCLUDES:

- the replacement of individual relays, selector switches, protection and/or control panels.

N

Network rates

Prescribed rates levied on the transmission network assets as determined and set by the Valuation Office Agency (VOA) in England and Wales Electricity Supply Industry

(Rateable Values) (England) Order 2005 and Scottish Assessors Association (SAA) in Scotland.

Non-lead assets

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

Non – Transmission

Costs attributable to activities other than transmission e.g. Non regulated, Gas Distribution

Non Controllable Costs

Costs not deemed to be controllable by the transmission business, transmission licence fees, and network rates

O

Other (Direct)

This applies to any direct costs which have not been captured under the direct definitions provided for Lead Assets; Non-Lead Assets; Civils & Preconstruction.

Activities may include:

- Early Enabling Works (EEW);
- Direct components of mixed activity packages; and
- other residual Direct activities which are not readily attributable to the defined Direct asset or cost categories.

Ofgem Scheme Reference

A unique reference number assigned to each Licensee capital scheme. Schemes that were in Licensee's business plan will have Ofgem Scheme Reference assigned by Ofgem. Licensees are required to assign an Ofgem Scheme Reference to any additional schemes reported in accordance with the following convention:

- Ofgem Scheme reference shall be in the format LicenseeID-SchemeID.
- SchemeID is a number assigned sequentially to uniquely identify each of the licensee's capital schemes.

Outputs

Relates to a piece of planned work or an activity intended to achieve a distinct and measurable purpose within a specific period of time.[10]

However, reference to outputs for the purpose of reporting does not always solely mean those as defined in the licence or Final Determinations. For cost categories where licensees have allowances, but no associated outputs explicitly defined within either their licence or Final Determinations, proxy outputs may be defined to enable Ofgem to assess efficiency and delivery of value to consumers.

P

Physical Security Capital Expenditure

This refers to capital expenditure incurred, or expected to be incurred, by the licensee for the purposes of implementing any formal recommendation or requirement of the Secretary of State to enhance the physical security of any of the sites within the licensee's Transmission System.

Physical Security Operating Expenditure

This refers to operating expenditure incurred, or expected to be incurred, by the licensee for the purposes of implementing any formal recommendation or requirement of the Secretary of State to enhance the physical security of any of the sites within the licensee's Transmission System.

Project

A project may consist of one or several schemes that when taken together are intended to achieve a distinct and measurable purpose.

Project Start Year

Is defined as the date that the project commences, this can be predicated on any works being initiated (e.g. design or physical construction) or date of authorisation from investment committee.

Project Close Year

Is defined as the financial closure of the project

Project Delivery Date

Is defined as the date that all physical works are completed but which may precede the financial closure of the project.

[10] NOTE: Post settlement we may update the text to reflect output categorisation e.g. safety, reliability, availability, environment, customer satisfaction, connections and wider works.

R

RAV

Regulatory Asset Value

RD Zone

Revenue Driver zone

Related party

Is an affiliate, a joint venture of the licensee or of an affiliate or an associate of the licensee or of an affiliate or a relevant associate of the licensee.

Related Party Margins

The profit or loss recorded on a transaction with an affiliate being the excess or deficit on actual direct costs and indirect costs (including financing costs) fairly attributable to the transaction or the charge and the cost of providing that transaction.

Reopener

This is a type of uncertainty mechanism within the RIIO-ET2 framework. Re-openers allow Ofgem to robustly assess proposals as early as possible and allow network companies to receive additional allowances whenever there is more certainty about requirements.

Repairs

INCLUDES:

- The activity relating to the invasive (“hands on") examination of, and the undertaking of any subsequent works to repair defects on, system assets. This includes:
    - subsequent repair works undertaken to remedy defects identified by either inspection or maintenance.

In addition to the examination of system assets, other activities considered as Repair are identified in the Refurbishment and Repairs Task Allocation Tables in Chapter 4 of this document.

EXCLUDES:

- Remote Location Generation (i.e. diesel generation costs providing permanent emergency backup on islands)
- The physical dismantlement of existing assets (at all voltage levels) where the cost of dismantlement is not chargeable to a third party and no new assets are to be installed
- Cost of electricity consumed at substations

- Supervisory input to plan workloads and manage staff (include under Engineering Management & Clerical Support)
- Data review except the initial recording on site (include under Engineering Management & Clerical Support)
- Maintenance of non-system assets (include under Property Management)
- Tree cutting and tree clearance (include under Tree Cutting)
- Indirect Costs
- Any costs resulting from physically repairing an asset that was instigated by the receipt of a trouble call.
- Any of the costs associated with inspection.

Repair - Protection Schemes (All Voltages)

Repair work on substation located protection, control and SCADA equipment, which are undertaken as independent programmes of work. This includes testing, repair and preventative maintenance. This also includes protection of conventional circuit breakers.

EXCLUDES:

- the replacement of individual relays, selector switches, protection and/or control panels.

Retained Gas Distribution Networks

The 4 Gas Distribution Networks retained by National Grid

Return seeking assets

Assets which may be exposed to greater risk, but where the potential return is higher than low risk assets (e.g. equities)

Royalties Revenues

Revenue earned from intellectual property generated through eligible NIC projects

Returned Royalties Income

Revenue earned from intellectual property generated through eligible NIC projects less any Directly Attributable Costs, and that is payable to customers under the NIC, as calculated in accordance with the NIC governance document.

Retained NIC Royalties

Total royalties earned through all NIC projects to be retained by the licensee

S

Salary / staff costs

Includes: salaries and wages, national insurance contributions, overtime standby and other allowances, all ongoing pension costs and incremental deficit repair payments, share based schemes, and sick pay and sickness benefits.

Security (pertaining to SO):

Shall mean costs (operating and capital expenditure) for enhanced security activities as specifically directed by Department of Energy and Climate Change ("DECC") or the Centre for the Protection of National Infrastructure ("CPNI").

Scheme

Schemes are individual constituent elements of a project. Each scheme will refer to a planned engineering activity that is intended to achieve a distinct and measurable purpose. The purpose will be electrical in nature (e.g. MW) and/or physical in nature (e.g. construction of new assets, overhead line or underground cable, the costs of these assets are charged to all users of the NETS via TNUoS charges).

T

TIRG

Transmission Investment for Renewable Generation

Totex

see Appendix 2

Transmission Licence Fee

Payments by the licensee to the Authority determined in accordance with the standard licence conditions, net of any credit notes issued by the Authority in respect of such payments.[11]

U

Uncertainty Mechanisms (UMs)

To address the uncertain demand for network investment driven by the Net Zero goal, the RIIO framework contains mechanisms that provide access to revenue as the need,

[11] Further detail on the licence fee cost recovery principles can be found in the following document available from Ofgem website: https://www.ofgem.gov.uk/publications/licence-fee-cost-recovery-principles-2021

cost, or timing of works becomes clearer. These ‘uncertainty’ mechanisms ensure flexibility and that consumers fund projects only when their benefits are evident.

Appendix 2 Definition of Totex

Introduction

2.1. The Regulatory Asset Value (RAV) is a key building block of the price control review. RAV represents the value upon which the companies earn a return in accordance with the regulatory cost of capital and receive a depreciation allowance. Additions to the RAV are calculated as a set percentage of totex. Totex is dealt with as follows:

- an agreed percentage of Totex(see below) will be funded as slow money (i.e. as an addition to RAV)
- the remainder will be funded as fast money (i.e. which is expensed and funded in the year of expenditure)

2.2. At the end of each year of a price control, as part of the Annual Iteration Process, we publish an updated ET Price Control Financial Model (PCFM) which gives an indicative updated RAV for each licensee. In ascertaining these values, it is important that the treatment of expenditure that licensees incur in this period is consistent with the principles and specific issues set out in the Final Determinations – that is, the same constituents of costs are included as Totex. We add all costs on a normal accrual's basis. This excludes provisions, except for the actual cash utilisation thereof.

Definition of totex

2.3. The annual net additions to RAV will be calculated as a percentage of totex. Totex consists of all the expenditure relating to a licensee's regulated activities with the exception of:

- all costs relating to de minimis activities.
- all costs relating to Directly Remunerated Services (with the exception of capex relating to sole use connections).
- pension deficit repair payments relating to the established deficit and for the avoidance of doubt, all unfunded early retirement deficiency costs (ERDC) post 1 April 2004.
- costs associated with specific incentive schemes.
- all statutory or regulatory depreciation and amortisation.

- profit margins from related parties (except where permitted as defined below).
- costs relating to rebranding a company's assets or vehicles following a name or logo change.
- fines and penalties incurred by the licensee (including all tax penalties, fines and interest) except if, exceptionally Traffic Management Act costs can be shown to be efficient.
- compensation payments made in relation to standards of performance.
- bad debt costs and receipts (subject to an ex post adjustment to allowed revenues).
- any cost reporting which is not on a normal accruals basis as referred to in paragraph 1.2 above (for the avoidance of doubt, accruals to recognise the present value obligation to the defined benefit pension scheme (in accordance with International Accounting Standard 19) are excluded from totex).
- costs in relation to pass-through items, including business rates (except for business rates on non-operational buildings)
- interest, other financing and tax costs[12] (except for business rates on non-operational buildings and stamp duty land tax); and
- legacy adjustments, and
- any costs or Legal fees incurred relating to an application for a Judicial Review or an appeal to the CMA in respect of a decision made by Ofgem and any subsequent judicial review against the CMA decision.[13]

2.4. It should also be noted that:

- any change in the Totex amount for the licensee under the Totex Incentive Mechanism (TIM) is included as an adjustment to fast/ slow money.

[12] Tax costs include corporation tax, capital gains tax, recoverable valued added tax and network rates.
[13] Notwithstanding the above, Ofgem shall pay all legal fees and cost awarded against it by the Judicial review body and the CMA.

- pension deficit repair payments relating to any incremental deficit (i.e. not part of the established deficit) are considered to be part of the licensee's labour costs and as such are part of Totex; and
- customer contributions (which mainly relate to connection works) and other proceeds received (including from legal and insurance claims) that relate to the transmission business are treated as an offset to Totex expenditure, unless specifically subject to different treatment under the Cost and Revenue reporting RIGs.

2.5. For avoidance of doubt, in each case normal ongoing pension service costs will follow employment costs in each activity to RAV.

2.6. Costs added to RAV are all intended to refer to costs incurred by the licensee or a related party of the licensee undertaking regulated business activities. Where those costs are recharged to the licensee, they should not include any internal profit margins of the licensee or related party, except where permitted. The treatment of related party margins is set out in paragraphs 2.16 to 2.21 below.

2.7. For the avoidance of doubt costs that are eligible for a reopener mechanism will follow the Totex treatment as set out above at the time they are incurred.

Other RAV requirements

Efficient costs

2.8. Ofgem reserves the option to disallow costs from the RAV for any of the Totex expenditure if they do not relate to the regulated business or are demonstrably inefficient or wasteful. We will specifically review all costs in relation to restructuring of a company's business or operations in relation to corporate transactions, including the associated redundancy costs to satisfy ourselves that these costs are efficient and will deliver future savings for the benefit of the consumer.

Restated costs

2.9. For all costs, in whatever category, activity or exclusion, where a company makes any restatement of costs, we will apply these into the year in which they were originally incurred rather than in the year of the restatement.

Related party costs

2.10. Related party costs are only included within Totex to the extent they represent the cost of services required by the licensee's business. Costs for services recharged to the licensee by a related party[14] wide will only be admissible if the licensee would otherwise have needed to carry out the service itself or procure it from a third party. We expect these services and associated costs to be itemised and justified. Such costs are only included to the extent that they satisfy the criteria regarding the prohibition on cross-subsidy in the relevant standard or standard special licence condition unless licensees already hold derogations.

2.11. All companies and related parties charging the licensee should be able to demonstrate they have a robust and transparent framework governing the attribution, allocation and inter-business recharging of revenues, expenses, assets and liabilities. There should be documented procedures to demonstrate compliance with EU Procurement directives and implementing national legislation where these apply.

2.12. We expect the network company to be able to justify the charge by reference to external benchmarking, or by reference to market-related testing, or tendering. We expect related parties to be able to support their charges by either service level agreements or contracts; and that such contracts would be finalised on a timely basis and not remain in draft for an unreasonable period.[15]

2.13. The attribution of costs relating to shared services must be on a demonstrably objective basis, not unduly benefiting the regulated company or any other company or organisation and be based on the levels of service or activity consumed by each entity. We expect licensees to document the basis on which they approve these at board level and provide evidence of this together with details of how the continuing assessment and challenge, annually takes place.

2.14. The basis should be consistent from year to year and where there are changes the licensee should both document and justify them.

[14] A related party is a term used to cover both Affiliate and Related Undertakings as defined in Standard Licence Condition 1 for electricity transmission and standard special licence condition for gas transportation.
[15] Whilst not defined, we expect licensees to demonstrate to our satisfaction why a period in excess of 6 months was reasonable.

2.15. The method used to attribute costs from the related party to the licensee and to activities should be transparent and the revenues, costs, profits, assets and liabilities separately distinguishable from each other.

Related party margins

2.16. We will exclude related party profit margins from costs added to RAV unless the related party concerned earns at least 75 per cent of its turnover from sources other than related parties and charges to the licensed entity are consistent with charges to external customers. For this purpose, we consider an entity to be a related party if it is an affiliate or related undertaking or if that entity and the network company have any other form of common ownership. A key indicator of entities being in common ownership is that they are affiliates of the ultimate controller (or controllers where there is more than one).

2.17. Where network operators utilise captive insurance companies, these shall be excluded from the related party exclusion. We will not allow any excess losses relating to these captive insurers (to the extent that they are covered by captive insurers) to be funded by customer.

2.18. When an entity ceases to be a related party, for example on a change in ultimate controller, then from the time it ceases to be a related party its margins will be allowable, if it meets the following requirement. There must be an unambiguous demonstration that its charges to the transmission business (in the original or amended contract) remain competitive and are in line with market rates, or the contract was re-tendered and that there was more than one bidder.

2.19. Whilst not precluding other demonstrations of competitiveness, we consider that an open competitive tender is likely to be the clearest indicator. In the absence of an open competitive tendering exercise, we will seek strong evidence that the terms of any contract are competitive.

2.20. Irrespective of whether the network company demonstrates competition and they no longer disallow margins; the licensee must arrange to comply with the requirements of the relevant standard or standard special licence condition (on the maintenance and provision of information). It must continue to report the former related party's costs and

margins as if it were still a related party for the remainder of the price control period. The data is required in order for us to be able to monitor performance against the price control and carry out cost analysis to inform future reviews.

2.21. Where a principal related party resource provider[16] ceases to be a related party during a price control period, for example on the restructuring of a group, we shall continue to treat them as a related party until the end of that price control period, and we will continue to disallow the margins charged. At the next price control period the margins will be allowed provided that there is unambiguous demonstration that the charges to the regulated business (in the original or amended contract) remain competitive and are in line with market rates, or that the contract is re-tendered and that there is more than one bidder.

[16] A principal related party resource provider is one that has a contract to operate or manage a substantial part of a licensee's day-to-day operations, and that the licensee entered into the contract before or as part of the arrangements for a change in ultimate controller, or controllers, where there is more than one.

Appendix 3 Indirect/Direct Definition Tables

Manufacturing Configuration Design/Functional Design Table

Classification	Direct/ Indirect	Examples	Comments

Manufacturing Configuration Design – Non-Route	Direct	• Circuit breaker:
		  ○ Manufacturer design of CB
		  ○ Such as: design to meet TRV requirements, Fault Rating requirements, bespoke design requirements.
		• Transformer:
		  ○ Manufacturer design of Transformer
		  ○ Such as: design to meet impedance requirements, fire risk requirements, bespoke design requirements.
		• GIS Building Design:
		  ○ Structural Design
		  ○ Materials engineering
		  ○ Lighting systems
		• Temperature control systems
			The example Asset Specific Designs are those which the licensee does not have direct control over.
			
			The decisions on how to meet the specification in function design are for the manufacturer/contractor to determine.

Functional Design – Non-Route	Indirect	• Substation Layout drawings ready for construction
		  ○ Specification for Circuit breakers
		  ○ Specification for Transformer
		• Transformer layout design including:
		  ○ Cooler bank position
		  ○ Auxiliary systems position
		  ○ Civil design for plinth and bund
		• GIS hall design:
		  ○ Height, width and length of GIS Hall
		  ○ Location of staff welfare
		  ○ Location of relay/control rooms
		  ○ Location of stores
		  ○ Positioning of switchgear within building.
			The example design activities are works which the licensee has direct control over and heavily influence the short and long term efficacy of the intervention which they are planning.
			
			These decisions may have overlap and interaction with Asset specific design works, but the licensee retains control in these types of design.

Manufacturing Configuration Design – Route	Direct	• OHL:
		  ○ Design of Main Body strengthening
		  ○ Design of Cross arm strengthening
		  ○ Design of Muffs, ACDs, Signage
		  ○ Design of Spacers
		  ○ Design of Dampeners
		• Cabling:
		  ○ Design of Joint Pits
		  ○ Design of Jointing
		  ○ Design of cross bonding
		•
			These are specific design works which may be bespoke to the individual Tower, Pole or Cable Route.
			
			We note that this design work is for the contractors/supplier to meet the requirements of the specification which the licensee used to procure works.

Functional Design –Route	Indirect	• OHL:
		  ○ Route Corridor Analysis
		  ○ Tower and Pole Positioning
		  ○ Tower Angles
		  ○ Vertical Clearances
		  ○ Tower and Construction Access
		• Cables:
		  ○ Route Corridor Analysis
		  ○ Entry/exit from Substations/CSEs
		  ○ Cable Burial Depth
		  ○ Ducting Requirements
		  ○ Joint Bay Positioning
			The example design activities are works which the licensee has direct control over and heavily influence the whole life costs of the route which is planned.
			
			These decisions may have overlap and interaction with Manufacturing Configuration design works, but the licensee retains control in these types of design.

Design Definitions Table

Design Definitions	**Direct/ Indirect**	**Description**
Stage 1	Indirect	System Design level drawings which is compliant with SQSS and where applicable Grid Code
Stage 2	Indirect	Provides a Layout drawing at 3 phase level which does not include the as found environment. E.g. does not include civils related works, access related. Includes Route maps, Tower Positions, Cable Routes
Stage 3	Indirect	Provides layout drawings on the as found (or built) environment. This will include such elements as: Maintenance access checks, clash management, civils design, access design, fittings design, CSE design, Downleads design and other elements. Includes Tower types, Tower Angles, Tower access
Stage 4	Direct	Provides detailed design down to the level of design where assets are physically connected such as: BusBar clamps, expansion joints, multicores, temporary works, etc. Jumper design, cable joint pit locations, cable spacing and backfill
Stage 5	Direct	Design works which are included in the construction of assets, or specific design elements which are designed on site to account for construction designs. This includes items such as: Layout areas, Hardstanding areas for access, temporary fencing, temporary welfare etc.

Project Management Definitions Table

Stage	Title	Direct/ Indirect	Example deliverables (not exhaustive)
Identify (Internal)	Identify need and opportunity for the project	Indirect	• Management of system / network or asset condition studies • Development of design management plan • Management of any Procurement, Insurance or Legal considerations • Development of sustainability plan
Develop (Internal)	Develop the project through to planning submission	Indirect	• Management of project plan / milestones • Management of design /engineering team (internal or external) • Management of tender process • Management of business case preparation • Management of risk register • Management of planning applications and community consultations process Management of design/development contracts or early contractor involvement contracts (i.e. functional design) • Management of contracts • Management of risk registers, health and safety plans
Refine (Internal)	Refine the design, engage with the supply chain and secure funds	Indirect	• Management of project plan / milestones • Management of tender process • Management of work instructions development • Management of manufacturing design process • Management of planning applications including discharge of consents

			• Management of contracts • Management of risk registers, health and safety plans
Execution (Internal)	Execution of the design, i.e. build and energise the asset	Indirect	• Management of contracts • Management of risk registers, health and safety plans • On-site supervision and technical guidance. • Quality checks on work undertaken. • Organising network access and outages • Arranging energisation of asset
Handover (Internal)	Handover the asset to operations and monitor conditions through the defect period.	Indirect	• Management of commissioning plan • Management of handover plan • Management of closure report • Management of engagement with operations • Management of defects process • Management of lessons learnt process
Identify, develop, design and refine (External)	Identify need, develop and refine the project	Indirect	• Management of bid / tender process where appropriate • Management of project plan / milestones • Management of risk registers, health and safety plans • Management of on-site works, including GI, marine surveys, preliminary works etc • Management of work instructions and clarifications with client • Management of client

			• Management of interfaces with other contractors • Management of sub-contractors • Management of materials and placing of orders • Management of plant and machinery • Management of manufacturing design process • Management of any preparatory or preliminary works • Management of planning applications including discharge of consents
Execution and handover (External)	Execution of the design and handover i.e. build and energise and handover the asset	Direct	• Management of contracts • Management of risk registers, health and safety plans • Management of client • Management of subcontractors • Management of materials and placing of orders • Management of plant and machinery • Management of interfaces with other contractors • Management of On-site construction works including civils, electrical engineering, site set up • Quality checks on work undertaken. • Management of commissioning plan • Management of handover plan • Management of closure report • Management of defects process