

Sai Wing Lo
Ofgem
10 South Colonnade
Canary Wharf
London
E14 4PU

By email: ReopenerConsultations@ofgem.gov.uk.

2nd March 2026

Contact: Julie Struthers

Dear Sai Wing,

RIIO-2 Re-opener Applications 2025: licence modifications

This response is from SP Energy Networks (SPEN). SPEN owns and operates the electricity distribution networks in the Central Belt and South of Scotland (SP Distribution plc) which serves approximately two million customers, and North Wales, Merseyside, Cheshire and North Shropshire (SP Manweb plc) which serves approximately one and half million customers. We also own and maintain the electricity transmission network in Central and South of Scotland (SP Transmission plc).

We welcome the opportunity to respond to this consultation on proposed licence modifications to award additional allowances to network companies in relation to Ofgem's Final Determinations on the RIIO-2 Re-opener Applications 2025.

Our feedback below has been split into comments on the proposed modifications to: (1) the Distribution Special Licence Conditions; and (2) the Transmission Special Licence Conditions.

(1) Statutory consultation on proposals to modify the special conditions of the electricity distribution licences

The proposed changes in this statutory consultation go beyond simply implementing the load re-opener and Hebrides and Orkney Re-opener Final Determinations. The consultation introduces more widespread changes to SpC 3.2, including modifying all the DNO licences to allow for the introduction of PCDs with re-openers which has not been consulted on during previous consultations. We believe Ofgem should have consulted on this proposal and would remind Ofgem of the Gunning principles which require consultation when the proposal is still at a formative stage. We seek clarification on when Ofgem will appropriately consult on this proposal.

We request clarification on the specific drafting in 'Part W: What process will the Authority follow in making a direction?'. We believe that 3.2.124 should refer to a direction under SpC 3.2.122 rather than 3.2.123.

(2) Statutory consultation on proposals to modify the special conditions of the electricity transmission licences

We have reviewed the proposed changes to SpC 3.14 of SPT's licence to reflect Ofgem's decision on the 2025 MSIP re-opener and these values appear to be correct for the T2 and T3 allocations. We note that Ofgem intends to fund some trailing expenditure on the Branxton substation project within the T4 period – we expect this to be reflected during the RIIO-ET4 determination process,

although a more holistic approach may have been to include this funding within the final year of RIIO-ET3.

We have also cross-checked the figures entered into SPT's RIIO-ET3 licence as part of Ofgem's decision on the RIIO-3 licence drafting modifications dated 03 February 2026. Whilst these values appear to be correct, these should not form part of the Load Re-Opener licence condition 3.18. However we have followed up on this point separately via the RIIO-ET3 licence snagging process – in our view these should form part of SpC 3.23 (ET2/ET3 Crossover Adjustments).

Yours sincerely,

A handwritten signature in black ink, appearing to read "Lauren Logan".

Lauren Logan
Head of Transmission Regulation & Policy

A handwritten signature in black ink, appearing to read "D Berg".

Dennis Berg
Distribution Regulation Manager