CONSULTATION RESPONSE

Draft Determinations for the RIIO-ET3 Load Re-opener

May 2026 submission window

Respondent capacity: Individual / private capacity

Reference date: 23 September 2026

This response examines the published assessment of all 28 Eligibility Assessment applications, both Project Assessment applications and the 29-project Major Projects ODI-F screen. It provides responses to the sixteen consultation questions, cross-cutting technical analysis, 144 hypothetical practical cases and 20 worked numerical illustrations.

The analysis is based on the public record. No first-hand experience as an electricity transmission owner, transmission engineer, procurement specialist, developer, system operator or regulated business is claimed.

The formal responses focus on the technical conditions and consequences of the proposals rather than an overall endorsement or rejection. Documentary facts, analytical implications and hypothetical examples are distinguished throughout.

Ofgem's page states that the consultation closes at 17:00 UK time on 24 September 2026. The draft package remains a proposal, not a final determination or an operative project-specific licence amendment. [S01; S02]

All monetary amounts are in £ million and 2023/24 prices unless expressly stated otherwise. Official source codes and links appear in section 12. This document is intended to be read independently of any other response or preparation material.

Contents

1. Executive summary
2. Status, authority and evidence
3. Portfolio and project interfaces
4. Eligibility Assessment: all 28 applications
5. Project Assessment: Woolavington and VSRE
6. Major Projects ODI-F
7. Cross-cutting implementation analysis
8. Responses to the sixteen consultation questions
9. Practical cases: 144 hypothetical scenarios
10. Worked numerical illustrations
11. Evidence limitations and documentary clarifications
12. Official sources and terminology

Reading routes

For the formal consultation response, read sections 1, 5, 6 and 8. Section 4 preserves project-level distinctions; section 7 addresses matters that cut across the formal questions. Sections 9 and 10 show the practical consequences of the analysis. Section 11 distinguishes genuine documentary questions from normal rounding, consultation markup and unavailable underlying evidence.

The contents links and document headings provide navigation. The practical-case families have their own range index at the beginning of section 9. Figures in hypothetical examples do not amend Ofgem's proposed allowances or describe actual ETO conduct.

1 Executive summary

The draft package separates entry to the Load Re-opener, assessment track, early needs and options decisions, PCF, full project funding and the later calibration of delivery incentives. Ofgem proposes 27 eligible EA projects and £487.294m of PCF. VSRE is the only PA application for which this window proposes an allowance; Woolavington remains dependent on its LOTI Final Needs Case. [S02–S05]

Several distinctions are material to a technically reliable response. The initial more-than-£40m entry threshold is not a continuing minimum final allowance: paragraph 4.24 of the Load Re-opener guidance expressly permits a final allowance at or below £40m. PASE and the £300m track default determine the scrutiny pathway, not an irreversible engineering design. [S06, paragraphs 1.14–1.19 and 4.24]

The published VSRE figures reconcile, but the total project-cost reduction, change in LR funding and change in additional funding are different amounts. The historical PCF narrative and the old row in the proposed schedule also require a specific reconciliation. The visibly struck-through and underlined totals are normal consultation amendments, not a corrupted combined number. [S04, Tables PA3–PA6 and Appendix 1]

The Major Projects ODI-F can operate without an ODD through Design B. Its three designs use different dates, reward profiles and caps. A Penalty Exemption Period delays penalties without automatically changing the TDD or reward eligibility. These distinctions affect both analysis of the eleven minded-to projects and practical delay scenarios. [S07, paragraph 3.11, Tables 1–3 and paragraph 3.36]

The stepped TIM is measured across the ETO's relevant totex over the price-control period, not independently on each project or merely on an annual variance. The CAI UIOLI has its own direct-cost perimeter, categories and crossover exclusions. Both features constrain what can be inferred from a project-level saving or cost reclassification. [S10, printed page 200 and paragraph 5.167; S09, chapter 2]

The further technical analysis therefore concentrates on auditable boundaries: defined development activity, residual customer and system need, common-cost allocation, quantified risk, jurisdiction-specific biodiversity evidence, delivery dependencies, full-specification completion and the precise legal route for a later change. It does not select an overall agreement, project ranking or incentive recipient.

1.1 Quantitative summary

Measure	Published / recalculated amount	Meaning
Eligible EA applications	27 of 28	23 NGET and 4 SHET; ETRE proposed ineligible at entry.
NGET / SHET PCF	£372.954m / £114.340m	Sums of the displayed project values in Table EA1.
Total EA PCF	£487.294m	Development funding, not approval of all forecast construction cost.
VSRE total project cost	£148.452m	RDF + full PCF + LR + indicative CAI components.
VSRE additional allowance	£130.080m	£123.852m LR + £6.228m incremental PCF.
New funding in the two decisions	£617.374m	£487.294m EA PCF + £130.080m VSRE additional allowance.
Overview re-opener amount	£625.694m	Also includes £8.320m existing PA PCF; not all newly awarded in this window.
Consumer-payment forecast	£1,278.206m; PV £732.035m	2025/26 prices; published model outputs, not a household bill estimate.

Sources: S03, Table EA1; S04, Table PA5; S02, Table 3 and footnote 10. Recalculations use printed PDF figures. Underlying finance cash flows and spreadsheet cells have not been independently replicated.

2 Status, authority and evidence

The consultation page, checked on the reference date, identifies the 27 August 2026 draft package and a closing date of 24 September 2026. Ofgem describes a later decision and separate implementation steps, including directions and statutory licence modifications where required. A statement of what Ofgem proposes is not a statement that the proposal is already legally operative. [S01; S02, next steps]

Instrument or record	Role	Boundary relevant to this response
Electricity Act 1989 / Utilities Act 2000	Statutory framework described by Ofgem	The consultation cites duties, the section 11A licence-modification process and section 5A impact-assessment considerations; guidance is not a substitute for statute.
SpC 3.15	PCF funding and outputs	PCF direction and assessment are distinct from full construction funding.
SpC 3.18	Load Re-opener and outputs	Eligibility, later funding, project changes and output implementation follow their applicable stages.
SpC 4.8	Major Projects ODI-F	Designation and incentive parameters have a separate legal implementation route.
SpC 6.2 / ITA guidance	Independent technical assurance	Assurance does not transfer the Authority's decision power to an adviser.
SpC 3.13 / CAI UIOLI governance	Closely Associated Indirects	Separate eligibility, cost categories, exclusions, reporting and reconciliation.
RIIO-ET3 Final Determinations	Price-control baseline	Current framework decisions, including the stepped TIM; not a project-specific approval of every May submission.
May 2026 draft suite	Consultation proposal	Ofgem's public appraisal, tables and proposed instruments; subject to the consultation and final decision.
ETO / NESO evidence	Project or system evidence	Applicant assertion, system-planning evidence and Ofgem's assessment have different provenance and purposes.

Sources: S02, legal framework and next steps; S06, paragraph 1.1; S07–S10; S12. The legal map is grounded in the accessible Ofgem instruments and guidance. It is not a certification of every consolidated licence provision or subsequent amendment.

2.1 Entry, track, stage and funding

The Load Re-opener guidance distinguishes qualifying project entry from the amount finally allowed. It identifies an expected capital-expenditure threshold above £40m and relevant load, connection and shared-driver categories. It also accommodates expenditure beginning in RIIO-ET2 with completion during RIIO-ET3 or a future price-control period. Completion after March 2031 is therefore not inherently outside the pathway. [S06, paragraphs 1.4–1.6]

Track 1 is available for specified projects with an established needs case, including relevant crossover projects. Tracks 2 and 3 begin with an Eligibility Assessment; Track 3 includes a separate NCA. PASE alignment and a sufficiently clear non-PASE explanation can support streamlined treatment. Projects above the £300m materiality level default to Track 3 even if PASE-aligned, with scope for proportionate expedition. [S06, paragraphs 1.11–1.19]

The EA annex describes the materiality test in terms of estimated project direct costs. A final record should state that measure and reconcile it to gross project cost, consumer contributions, indirect costs and allowance. The following analysis does not subtract a customer contribution merely to obtain a preferred track. [S03, paragraph 2.5]

Paragraph 4.24 expressly permits a PA allowance at or below £40m. A lower assessed cost after admission may reflect efficiency, refinement or a changed scope. It should not be treated as automatic expulsion. A project whose underlying need disappears or whose scope materially changes still requires the separate assessment contemplated by the guidance. [S06, paragraph 4.24 and material project changes]

2.2 Evidence and calculation conventions

Project descriptions below report Ofgem's published account of the applications. They are not independently verified engineering studies or claims of access to unredacted bids, customer contracts,

land rights or risk registers. Where SPT's public position differs from Ofgem's characterisation, each is attributed separately. [S03–S05; S13]

Documentary amounts are transcribed from the PDF tables and their displayed arithmetic is recalculated. A correct sum does not establish efficient expenditure, a legally effective allowance or the validity of the finance model. The accompanying XLSX is listed as a source reference but no fresh cell-by-cell audit is claimed. The high-precision underlying cash-flow model is not reconstructed from rounded totals.

Analytical observations identify implications, alternative explanations and evidence needed to resolve them. Every practical case is hypothetical; a changed figure or event in a case is not a new fact about the named projects. No redacted fact is inferred through subtraction, metadata or cross-document reconstruction.

3 Portfolio and project interfaces

The master tables preserve all thirty applications. EA forecasts are not approved construction allowances. A blank or deferred PA result is not zero funding, rejection or tacit approval. ODI-F descriptions report the proposed screening state only. [S02–S05]

3.1 NGET Eligibility Assessment portfolio

Project	Draft track / entry	Forecast £m	PCF £m	ODI-F screen
Aberthaw Site Strategy	Track 3 (from 2)	530.300	40.219	Not at this stage
Banwen Rhigos B	Track 2	196.500	14.692	Not at this stage
Berkswell	Track 2	76.600	5.831	Not at this stage
Blyth 400 kV Site Strategy	Track 3 (from 2)	400.900	29.733	Minded to apply
Bodelwyddan 400 kV Extension	Track 3 (from 2)	194.700	14.717	Minded to apply
Bolney 400 kV Site Strategy	Track 2	102.600	7.736	Not at this stage
Bridgend	Track 3	319.500	23.946	Minded to apply
East Claydon Enderby Patford Bridge 1 and 2 OHL	Track 2	167.800	12.439	Minded to apply
ETRE Eggborough to Thorpe Marsh	Entry: ineligible	40.670	None	Not applicable
Farmoor	Track 3 (from 2)	136.200	10.164	Not at this stage
Feckenham Hams Hall OHL	Track 2	54.300	3.985	Minded to apply
Feckenham Ironbridge OHL	Track 2	79.700	5.908	Minded to apply
Imperial Park 400 132 kV Upgrade	Track 2	60.450	4.632	Not at this stage
Ince SGT Extension	Track 2	61.520	4.597	Not at this stage
Keadby KEAD4	Track 2	53.690	4.088	Not at this stage
Kingsnorth 400 kV Extension	Track 2	96.700	7.291	Not at this stage
Laleham 132 kV Extension	Track 3 (from 2)	217.400	16.392	Not at this stage
Lower Frankton 400 kV AIS	Track 3	347.700	25.694	Not at this stage
North West London	Track 3 (from 2)	400.500	29.995	Minded to apply
SCRE and WRRE OHL	Track 2	157.800	12.039	Minded to apply
Tees Dock Substation	Track 3 (from 2)	657.500	49.081	Minded to apply
Tilbury 275 kV Rebuild	Track 3	231.770	17.472	Minded to apply
Warley 275 kV Replacement	Track 3 (from 2)	389.090	29.053	Minded to apply
Willington 132 kV Rebuild	Track 2	43.200	3.250	Not at this stage

Source: S03, Table EA1 and project assessments; S05, screening table. Values use the printed three-decimal presentation.

3.2 SHET Eligibility Assessment portfolio

Project	Draft track / entry	Forecast £m	PCF £m	ODI-F screen
Energy Isles Kergord Windfarm Connection	Track 2	52.369	3.967	Not at this stage
Knocknagael Farigaig HVP	Track 2	215.392	15.955	Not at this stage
Loch Na Cathrach Cluster	Track 2	162.618	12.956	Not at this stage
Shetland On Island Infrastructure	Track 3 (from 2)	1160.995	81.462	Not at this stage

Source: S03, Table EA1 and project assessments; S05, screening table. Values use the printed three-decimal presentation.

3.3 Project Assessment applications

Project	Assessment state	Request £m	Proposed new funding £m	ODI-F
Woolavington (NGET)	Crossover PA dependent on LOTI FNC	283.870	Not determined	Deferred with PA
VSRE (SPT)	Track 1 PA	142.077	130.080	Proposed non-application

Sources: S02, PA summary; S04, scope, paragraph 4.5 and Table PA5; S05, VSRE.

3.4 Cross-project dependency register

Interface	Issue to resolve	Useful evidence
Energy Isles / Shetland On-Island	Yell bay, voltage, civil scope and timing	Interface schedule; separately attributed common works and delay consequences.
Knocknagael / Loch Na Cathrach	Common civils, site, contractor and outage arrangements	One allocation method; quantities and shared preliminaries reconciled.
North West London / Letchmore Heath	Programme benefits and separate regulatory history	Joint system appraisal with separate output and funding records.
SCRE/WRRE / ASTI	Enabling works, benefits and delivery dependencies	Common baseline, critical path and prevention of duplicate benefit attribution.
Tilbury / Warley / TWNC	Regional strategy, feeder moves and outages	Dated strategy, phase plan, scope ownership and contingency assumptions.
Blyth / North Sea Link	Temporary works, diversion and existing GIS life	Relevant agreement and asset evidence; retirement and reuse assumptions.
VSRE / RIIO-ET2 funding	RDF, PCF and current LR/CAI presentation	Historical instrument bridge, price base and non-overlapping cost categories.
Woolavington / LOTI	Controlling needs decision remains pending in this package	Later FNC-to-PA reconciliation, not an assumed May funding outcome.
APM / PCF / project allowance	Advance procurement and development interfaces	Deposits, later invoice credits, cancellations and equipment allocation.
Customer funding / indirect mechanisms	Gross and net exposure, scope and reporting	Contributions, eligible indirect categories, exclusions and later adjustments.

Documentary project interfaces: S03–S05. Additional evidence suggestions are analytical implications; mechanism context: S06, S09 and S11.

4 Eligibility Assessment: all 28 applications

Each entry separates the public scope, Ofgem's proposed reasoning and additional technical observations. Amounts and descriptions are drawn from the named project entry and Table EA1 in the Eligibility Assessment Annex; ODI-F screening comes from the ODI-F Annex. The technical discussion is not a substitute for a final engineering or funding decision. [S03; S05]

4.1 Aberthaw Site Strategy

Record	Published draft position
Applicant / draft track	NGET / Track 2 to Track 3
Submitted / adjusted forecast	£530.300m / £503.744m
Proposed PCF / ODI-F screen	£40.219m / Do not apply at this stage

Public scope. New 275/132 kV GIS site for 480 MVA data-centre demand, 249 MW solar and distribution growth, with secondary asset-health works.

Ofgem's proposed reasoning. Ofgem proposes Track 3 because the project exceeds the £300m materiality level, the cited PASE framework does not cover the proposed 275 kV solution, and the longer-term 275/400 kV strategy remains unresolved.

Evidence and implementation issues. Require a connections-reform update, long-term voltage strategy, option-level CBA, detailed cost build-up and a solution that does not create avoidable write-off.

Additional analysis. The public figures use both MVA and MW. Capacity comparisons require the corresponding engineering assumptions; these units are not interchangeable. Development needed to compare voltage strategies should be distinguished from work that commits prematurely to one.

Changed-fact sensitivity. If the contracted customers or 275 kV strategy materially weaken, the project may remain eligible in form but its scope, timing and PCF pace would need reassessment.

Sources: S03, Aberthaw Site Strategy assessment and Table EA1; S05, project screening. Further analysis: S06, staged assessment and change process. Hypothetical changes are not reported events.

4.2 Banwen Rhigos B

Record	Published draft position
Applicant / draft track	NGET / Track 2
Submitted / adjusted forecast	£196.500m / £186.660m
Proposed PCF / ODI-F screen	£14.692m / Do not apply at this stage

Public scope. New 400 kV AIS double-busbar substation for a 393.1 MW distribution demand connection and a secondary 200 MW BESS connection.

Ofgem's proposed reasoning. Ofgem proposes Track 2 and Early Options Needs Case approval for a PASE Primary solution. Its assessment treats the distribution demand as the primary driver and the BESS connection as secondary.

Evidence and implementation issues. At PA, reconcile customer contributions, firm versus non-firm capacity, land and outage assumptions, and demonstrate that the chosen footprint remains efficient if the BESS does not proceed.

Additional analysis. A zero-BESS sensitivity need not imply cancelling the whole station: fixed civil works and the primary demand driver may remain. The comparison should identify the marginal bay, equipment and timing consequences rather than scale the total by customer capacity.

Changed-fact sensitivity. If distribution demand falls materially, a modular or smaller intervention could alter the comparison with the submitted design.

Sources: S03, Banwen Rhigos B assessment and Table EA1; S05, project screening. Further analysis: S06, staged assessment and change process. Hypothetical changes are not reported events.

4.3 Berkswell

Record	Published draft position
Applicant / draft track	NGET / Track 2
Submitted / adjusted forecast	£76.600m / £72.764m
Proposed PCF / ODI-F screen	£5.831m / Do not apply at this stage

Public scope. HS2 demand connection through an extension of the existing 275 kV mesh and a remote two-SGT compound within HS2 land.

Ofgem's proposed reasoning. Ofgem accepts a non-PASE explanation for Track 2, drawing on HS2 land and programme constraints. Its public discussion also raises the ageing mesh, future flexibility and increased forecast cost despite fewer SGTs.

Evidence and implementation issues. PA should show the revised two-SGT cost build-up, asset-health boundary, alternatives considered before third-party consents crystallised and the value of the remote compound.

Additional analysis. A revised two-SGT scope needs a like-for-like price and quantity comparison with earlier estimates. Constraints that arose after the original option decision should be dated rather than used retrospectively to imply that all alternatives were always impossible.

Changed-fact sensitivity. If a practicable double-busbar or rebuild option can meet the HS2 date without disproportionate cost, Track 2 approval should not foreclose it.

Sources: S03, Berkswell assessment and Table EA1; S05, project screening. Further analysis: S06, staged assessment and change process. Hypothetical changes are not reported events.

4.4 Blyth 400 kV Site Strategy

Record	Published draft position
Applicant / draft track	NGET / Track 2 to Track 3
Submitted / adjusted forecast	£400.900m / £380.824m
Proposed PCF / ODI-F screen	£29.733m / Minded to apply later

Public scope. Temporary AIS followed by a new SF6-free GIS substation for approximately 1.1 GW demand and 1.4 GW generation.

Ofgem's proposed reasoning. Ofgem proposes Track 3 for this above-£300m scheme. The assessment identifies temporary and permanent works, the North Sea Link interface and the possible early retirement of existing coastal GIS as matters requiring further examination.

Evidence and implementation issues. Resolve temporary-site design, interconnector diversion, corrosion evidence, permanent topology, customer readiness and the reuse or retirement of existing assets.

Additional analysis. Temporary works need their own duration, removal, reuse and consumer-benefit account. Retirement of an existing asset should separate unavoidable end-of-life work from acceleration attributable to the new scheme.

Changed-fact sensitivity. A customer or interconnector change could remove the need for temporary works or alter the permanent site, changing both value and ODI-F benefit.

Sources: S03, Blyth 400 kV Site Strategy assessment and Table EA1; S05, project screening. Further analysis: S06, staged assessment and change process. Hypothetical changes are not reported events.

4.5 Bodelwyddan 400 kV Extension

Record	Published draft position
Applicant / draft track	NGET / Track 2 to Track 3
Submitted / adjusted forecast	£194.700m / £184.950m
Proposed PCF / ODI-F screen	£14.717m / Minded to apply later

Public scope. Extension for offshore wind, interconnector, solar and BESS connections using an offline SF6-free GIS hall.

Ofgem's proposed reasoning. Ofgem does not accept the claimed PASE classification: extending an existing SF6 installation with SF6-free equipment differs from extending an existing SF6-free installation. It proposes Track 3 with further siting and future-rebuild evidence.

Evidence and implementation issues. NCA should compare AIS and GIS siting, demonstrate land constraints and preserve a credible future rebuild envelope.

Additional analysis. The distinction between a PASE interpretation and an engineering prohibition matters: failure to fit the cited category does not itself prohibit GIS. The issue is the evidence and assessment route supporting the particular solution.

Changed-fact sensitivity. If secure land allows a lower-cost PASE-aligned AIS option without delivery harm, the preferred GIS option would require renewed justification.

Sources: S03, Bodelwyddan 400 kV Extension assessment and Table EA1; S05, project screening. Further analysis: S06, staged assessment and change process. Hypothetical changes are not reported events.

4.6 Bolney 400 kV Site Strategy

Record	Published draft position
Applicant / draft track	NGET / Track 2
Submitted / adjusted forecast	£102.600m / £97.462m
Proposed PCF / ODI-F screen	£7.736m / Do not apply at this stage

Public scope. Extension of existing 400 kV AIS for offshore wind, solar, synchronous compensation, BESS and distribution needs.

Ofgem's proposed reasoning. Ofgem treats the atypical double-busbar AIS extension as a PASE Variant and proposes Track 2. The assessment records fewer new assets in the preferred option than in the shortlisted alternatives.

Evidence and implementation issues. PA should separate the durable system driver from connection-specific scope and verify customer contributions, outage feasibility and future bay capacity.

Additional analysis. The connection portfolio should be separated into committed and uncertain components, with a minimum enduring scope and explicit future bay provision. Lower initial asset count is informative but not a complete whole-life cost comparison.

Changed-fact sensitivity. If connection reform removes the principal generation or demand package, the extension size and timing may no longer be least cost.

Sources: S03, Bolney 400 kV Site Strategy assessment and Table EA1; S05, project screening. Further analysis: S06, staged assessment and change process. Hypothetical changes are not reported events.

4.7 Bridgend

Record	Published draft position
Applicant / draft track	NGET / Track 3
Submitted / adjusted forecast	£319.500m / £303.500m
Proposed PCF / ODI-F screen	£23.946m / Minded to apply later

Public scope. New 400 kV node for up to 860 MW contracted data-centre demand and potential offshore wind integration.

Ofgem's proposed reasoning. Ofgem proposes Track 3: no preferred option is fixed and forecast cost exceeds £300m. The assessment leaves generation drivers, access and environmental constraints for further needs and option work.

Evidence and implementation issues. NCA should compare AIS and GIS, evidence generation drivers, confirm access and environmental constraints, and distinguish committed from anticipatory capacity.

Additional analysis. The absence of a fixed preferred option makes comparison work a central PCF output. Optional future generation should not be presented as already contracted demand, and demand rephasing should be tested without automatically removing independent system benefits.

Changed-fact sensitivity. If generation evidence does not mature and demand is rephased, a smaller staged node may change the comparison with the current strategic envelope.

Sources: S03, Bridgend assessment and Table EA1; S05, project screening. Further analysis: S06, staged assessment and change process. Hypothetical changes are not reported events.

4.8 East Claydon Enderby Patford Bridge 1 and 2 OHL

Record	Published draft position
Applicant / draft track	NGET / Track 2
Submitted / adjusted forecast	£167.800m / £159.397m
Proposed PCF / ODI-F screen	£12.439m / Minded to apply later

Public scope. Reconductoring to add 500 MW across B8 and 250 MW across B9 while replacing ageing assets.

Ofgem's proposed reasoning. Ofgem proposes Track 2 despite a non-PASE conductor choice, recording the applicant's arguments about cost, operating familiarity, delivery risk and avoidance of repeat intervention.

Evidence and implementation issues. PA should quantify losses, capacity headroom, supplier resilience, asset-health allocation and the avoided-work claim against the higher-rated option.

Additional analysis. Reported B8 and B9 uplifts arise from network studies, not arithmetic that can safely be added to other projects' uplifts. A common system baseline is needed for programme benefits and incentive calibration.

Changed-fact sensitivity. If lifecycle losses or later boundary requirements outweigh the capex saving, the higher-rated conductor would require a revised whole-life comparison.

Sources: S03, East Claydon Enderby Patford Bridge 1 and 2 OHL assessment and Table EA1; S05, project screening. Further analysis: S06, staged assessment and change process. Hypothetical changes are not reported events.

4.9 ETRE Eggborough to Thorpe Marsh

Record	Published draft position
Applicant / draft track	NGET / proposed ineligible at entry
Submitted / adjusted forecast	£40.670m / Not applicable
Proposed PCF / ODI-F screen	None / Not applicable

Public scope. Reconductoring of a 400 kV single circuit to increase capacity and relieve upstream constraints.

Ofgem's proposed reasoning. Ofgem proposes ineligibility at entry. It states that the £40.670m forecast crosses the threshold only with a 32% risk and contingency assumption, without evidence that the project is materially riskier than comparable work. It considers that a 10% provision would leave cost below £40m.

Evidence and implementation issues. A public cost bridge can identify the relevant threshold measure and the treatment of risk without disclosing protected inputs. The statistical meaning of any provision should be stated rather than assuming a percentage is an expected value.

Additional analysis. The response does not infer the confidential direct-cost or risk distribution by dividing the headline forecast by 1.32. The initial entry question is separate from guidance paragraph 4.24, which allows an admitted project's final allowance to be at or below £40m.

Changed-fact sensitivity. A quantified project-specific risk distribution supporting expected capex above £40m would materially weaken the proposed ineligibility.

Sources: S03, ETRE Eggborough to Thorpe Marsh assessment and Table EA1; S05, project screening. Further analysis: S06, staged assessment and change process. Hypothetical changes are not reported events.

4.10 Farmoor

Record	Published draft position
Applicant / draft track	NGET / Track 2 to Track 3
Submitted / adjusted forecast	£136.200m / £129.380m
Proposed PCF / ODI-F screen	£10.164m / Do not apply at this stage

Public scope. New 11-bay SF6-free GIS south of Farmoor Reservoir for 2,120 MW of solar and combined solar-BESS connections.

Ofgem's proposed reasoning. Ofgem proposes Track 3 with further evidence on Green Belt siting, the choice of GIS and the connections-reform implications for solar and BESS demand. The annex's planning footnote cites Scottish NPF4 in this English-project discussion; the reference warrants clarification.

Evidence and implementation issues. NCA should compare non-Green-Belt AIS options, evidence the planning case, confirm Gate 2 status and model partial BESS exit while preserving solar connections.

Additional analysis. The footnote issue is a source and jurisdiction clarification, not evidence that a planning decision is unlawful. Any current planning or biodiversity conclusion needs the applicable English policy, consent route and site facts.

Changed-fact sensitivity. If a non-Green-Belt AIS site is deliverable at lower whole-life cost, the footprint rationale for GIS may fail.

Sources: S03, Farmoor assessment and Table EA1; S05, project screening. Further analysis: S06, staged assessment and change process. Hypothetical changes are not reported events.

4.11 Feckenham Hams Hall OHL

Record	Published draft position
Applicant / draft track	NGET / Track 2
Submitted / adjusted forecast	£54.300m / £51.581m
Proposed PCF / ODI-F screen	£3.985m / Minded to apply later

Public scope. Reconductoring to increase B8 by 1,050 MW and B9 by 950 MW, with asset-life benefits.

Ofgem's proposed reasoning. Ofgem proposes Track 2 for the non-PASE reconductoring option. The assessment notes that the separate Drakelow–Hams Hall reinforcement has been removed from the submission, so its scope cannot be assumed included in the remaining output.

Evidence and implementation issues. PA should define the single project boundary, compare lifecycle losses and capacity, and exclude all Drakelow scope unless separately authorised.

Additional analysis. A clean scope schedule would map the remaining works, output and cost to the single Feckenham–Hams Hall project. If the removed scheme is needed for the claimed benefit, that dependency should be explicit rather than implicitly funded.

Changed-fact sensitivity. If the removed reinforcement is needed for the claimed output, the needs case and cost boundary must be rebuilt rather than folded in informally.

Sources: S03, Feckenham Hams Hall OHL assessment and Table EA1; S05, project screening. Further analysis: S06, staged assessment and change process. Hypothetical changes are not reported events.

4.12 Feckenham Ironbridge OHL

Record	Published draft position
Applicant / draft track	NGET / Track 2
Submitted / adjusted forecast	£79.700m / £75.709m
Proposed PCF / ODI-F screen	£5.908m / Minded to apply later

Public scope. Reconductoring to add about 700 MW across SC1Rev and address thermal limitations.

Ofgem's proposed reasoning. Ofgem proposes Track 2 and records cost, familiarity and delivery arguments for the non-PASE conductor, alongside NESO's identification of strategic system need.

Evidence and implementation issues. PA should quantify rating, losses, outage plan, asset-health share and the long-term value foregone by not choosing the highest-rated conductor.

Additional analysis. The alternative conductor comparison should use the same rating, loss assumptions, asset life, outage constraints and future reinforcement scenarios. An earlier system need can change timing value without automatically proving a different conductor is required.

Changed-fact sensitivity. A materially earlier or larger boundary requirement could make the selected conductor a false economy.

Sources: S03, Feckenham Ironbridge OHL assessment and Table EA1; S05, project screening. Further analysis: S06, staged assessment and change process. Hypothetical changes are not reported events.

4.13 Imperial Park 400/132 kV Upgrade

Record	Published draft position
Applicant / draft track	NGET / Track 2
Submitted / adjusted forecast	£60.450m / £57.423m
Proposed PCF / ODI-F screen	£4.632m / Do not apply at this stage

Public scope. Upgrade of existing transformers and 400 kV works for data-centre-related downstream demand.

Ofgem's proposed reasoning. Ofgem proposes Track 2 for a non-PASE extension, citing land, flood, access, environmental and programme constraints. The published assessment also describes non-firm capacity, limited expansion headroom and different demand figures in its narrative.

Evidence and implementation issues. The demand figures require reconciliation, alongside non-firm capacity, expansion limits and the whole-life comparison with a new-build alternative.

Additional analysis. The 242 MW and 282 MW figures should be reconciled by date, scope and demand definition. Neither is selected here as the correct number. Firmness and expansion headroom should remain explicit in any comparison with a new-build option.

Changed-fact sensitivity. If demand is firm or grows beyond the immediate connection, a new-build option may avoid early second intervention.

Sources: S03, Imperial Park 400 132 kV Upgrade assessment and Table EA1; S05, project screening. Further analysis: S06, staged assessment and change process. Hypothetical changes are not reported events.

4.14 Ince SGT Extension

Record	Published draft position
Applicant / draft track	NGET / Track 2
Submitted / adjusted forecast	£61.520m / £58.439m
Proposed PCF / ODI-F screen	£4.597m / Do not apply at this stage

Public scope. New 400/132 kV 240 MVA SGT and connection to serve strategic demand and restore SQSS compliance.

Ofgem's proposed reasoning. Ofgem treats the site-specific mixture of OHL, cable, AIS and GIS as a PASE Variant and proposes Track 2, with both connection and compliance drivers in the assessment.

Evidence and implementation issues. PA should separate connection from compliance expenditure, quantify customer contribution and confirm that the mixed technology is the least-cost deliverable arrangement.

Additional analysis. SQSS compliance evidence and the additional customer connection should be traced separately through the scope. A shared-driver project can remain within the mechanism, but costs already funded under another allowance should not be counted twice.

Changed-fact sensitivity. If the compliance breach can be resolved independently at lower cost, only incremental connection scope should be charged to this project.

Sources: S03, Ince SGT Extension assessment and Table EA1; S05, project screening. Further analysis: S06, staged assessment and change process. Hypothetical changes are not reported events.

4.15 Keadby KEAD4

Record	Published draft position
Applicant / draft track	NGET / Track 2
Submitted / adjusted forecast	£53.690m / £51.001m
Proposed PCF / ODI-F screen	£4.088m / Do not apply at this stage

Public scope. New higher-capacity 132 kV cable route to the rebuilt distribution GIS, enabling approximately 540 MW embedded generation.

Ofgem's proposed reasoning. Ofgem treats the stand-alone cable route as a PASE Variant and describes the relevant customer funding. It proposes Track 2; the final consumer exposure still requires a contribution and scope reconciliation.

Evidence and implementation issues. PA should verify the one-off works contribution, residual consumer exposure, route consent and exact interface with the distribution project.

Additional analysis. Customer-funded scope is not the same as zero consumer risk: timing, default, common assets and any unrecovered balance matter. Contributions do not automatically change the engineering cost measure used for the assessment track.

Changed-fact sensitivity. If customer funding does not cover all sole-use scope or the distribution rebuild changes, the cost and output boundary must be reset.

Sources: S03, Keadby KEAD4 assessment and Table EA1; S05, project screening. Further analysis: S06, staged assessment and change process. Hypothetical changes are not reported events.

4.16 Kingsnorth 400 kV Extension

Record	Published draft position
Applicant / draft track	NGET / Track 2
Submitted / adjusted forecast	£96.700m / £91.858m
Proposed PCF / ODI-F screen	£7.291m / Do not apply at this stage

Public scope. AIS and SF6-free GIS extensions for a 300 MW data-centre connection with customer-funded resilience.

Ofgem's proposed reasoning. Ofgem proposes Track 2 on the site-specific explanation for bays on both sides of the bus section. The complete mixed AIS/GIS solution does not fit a single straightforward PASE category.

Evidence and implementation issues. PA should separate basic connection from enhanced customer-funded resilience and confirm interoperability between existing and new switchgear.

Additional analysis. Enhanced resilience requested by a customer should be distinguished from minimum connection and wider-system requirements. The interface between old and new switchgear needs technical verification without assuming that a mixed design is inherently defective.

Changed-fact sensitivity. If the requested resilience or customer contribution changes, the dual AIS/GIS extension may cease to be efficient.

Sources: S03, Kingsnorth 400 kV Extension assessment and Table EA1; S05, project screening. Further analysis: S06, staged assessment and change process. Hypothetical changes are not reported events.

4.17 Laleham 132 kV Extension

Record	Published draft position
Applicant / draft track	NGET / Track 2 to Track 3
Submitted / adjusted forecast	£217.400m / £206.513m
Proposed PCF / ODI-F screen	£16.392m / Do not apply at this stage

Public scope. New SF6-free GIS hall for five data-centre customers totalling 393 MVA, 290 MW BESS and SQSS compliance.

Ofgem's proposed reasoning. Ofgem proposes Track 3. It rejects the cited PASE classification for an SF6-free extension to existing SF6 GIS and identifies potential interaction with a later West London 400 kV strategy.

Evidence and implementation issues. NCA should provide a detailed CBA, programme, customer status and an explicit interface with the possible 275-to-400 kV transition.

Additional analysis. The useful life of the interim investment depends on the regional strategy and actual equipment reuse. An unresolved future uprating is a scenario, not an adopted project; the option comparison should avoid both ignoring it and treating it as certain.

Changed-fact sensitivity. If a 400 kV uprating is sufficiently near or probable, a short-life 132 kV hall may not represent whole-life value.

Sources: S03, Laleham 132 kV Extension assessment and Table EA1; S05, project screening. Further analysis: S06, staged assessment and change process. Hypothetical changes are not reported events.

4.18 Lower Frankton 400 kV AIS

Record	Published draft position
Applicant / draft track	NGET / Track 3
Submitted / adjusted forecast	£347.700m / £330.288m
Proposed PCF / ODI-F screen	£25.694m / Do not apply at this stage

Public scope. New 24-bay AIS node for an IDNO and about 943 MW of onshore wind generation.

Ofgem's proposed reasoning. Ofgem proposes Track 3 even though the provisional AIS option is PASE Primary: cost exceeds £300m and neither the preferred site nor final option is settled.

Evidence and implementation issues. NCA should confirm the option and site, test demand and generation scenarios, explain 24-bay scale and Quad Booster scope, and refresh readiness dates.

Additional analysis. A 24-bay envelope requires a distinction between initial installed equipment, passive future provision and later phases. A modular alternative can preserve expansion without assuming every forecast connection materialises at the same time.

Changed-fact sensitivity. If only the initial connection remains credible, a smaller modular station could alter the comparison with the build-once strategy.

Sources: S03, Lower Frankton 400 kV AIS assessment and Table EA1; S05, project screening. Further analysis: S06, staged assessment and change process. Hypothetical changes are not reported events.

4.19 North West London

Record	Published draft position
Applicant / draft track	NGET / Track 2 to Track 3
Submitted / adjusted forecast	£400.500m / £380.444m
Proposed PCF / ODI-F screen	£29.995m / Minded to apply later

Public scope. ESC1 second Elstree-St John's Wood cable and SER4 Sundon-Elstree reconductoring to improve London import and boundary capability.

Ofgem's proposed reasoning. Ofgem proposes Track 3 for the above-£300m package and discusses its close relationship with Letchmore Heath, ASTI, distribution interfaces and other London works. A programme view is relevant without implying that the legal outputs are already merged.

Evidence and implementation issues. NCA should show programme-level CBA, constraint sensitivity, critical path, third-party interfaces and cost allocation across schemes.

Additional analysis. The programme analysis should identify the benefits that each component can deliver independently and the benefits available only after the combined works. Separate funding decisions and delivery obligations remain traceable within that common model.

Changed-fact sensitivity. If one component or Letchmore Heath is delayed, a single completion output could penalise or reward the wrong dependency.

Sources: S03, North West London assessment and Table EA1; S05, project screening. Further analysis: S06, staged assessment and change process. Hypothetical changes are not reported events.

4.20 SCRE and WRRE OHL

Record	Published draft position
Applicant / draft track	NGET / Track 2
Submitted / adjusted forecast	£157.800m / £149.898m
Proposed PCF / ODI-F screen	£12.039m / Minded to apply later

Public scope. Nottinghamshire uprating that removes non-type-registered conductors, increases B8 and B7a capacity and enables ASTI works.

Ofgem's proposed reasoning. Ofgem proposes Track 2 for the non-PASE conductor option and records the stated supply-chain, loss, cost and familiarity arguments. Its assessment also identifies the relationship with ASTI works.

Evidence and implementation issues. PA should quantify loss differentials, single-supplier exposure, avoided repeat work and allocation of benefits and costs shared with ASTI.

Additional analysis. ASTI-related benefits and this project's benefits should be reconciled to avoid double attribution. Supplier familiarity may reduce implementation risk but can coexist with concentration risk, which requires a separate resilience assessment.

Changed-fact sensitivity. If the preferred conductor constrains later ASTI capability, near-term savings would be outweighed by rework or constraints.

Sources: S03, SCRE and WRRE OHL assessment and Table EA1; S05, project screening. Further analysis: S06, staged assessment and change process. Hypothetical changes are not reported events.

4.21 Tees Dock Substation

Record	Published draft position
Applicant / draft track	NGET / Track 2 to Track 3
Submitted / adjusted forecast	£657.500m / £624.574m
Proposed PCF / ODI-F screen	£49.081m / Minded to apply later

Public scope. New 400 kV node for 1,400 MW data-centre demand and 1,000 MW BESS.

Ofgem's proposed reasoning. Ofgem proposes Track 3 for this above-£300m project. Coastal location alone does not establish the claimed PASE variant; phase-two design, land, remediation, routing and customer scope require further work.

Evidence and implementation issues. NCA should provide post-reform customer status, phase-by-phase minimum scope, land and remediation evidence, consenting routes and long-lead procurement strategy.

Additional analysis. Data-centre demand and BESS have different operating characteristics and readiness evidence. The first-phase scope should be tested against each driver separately, including land and remediation work that would be required in every feasible option.

Changed-fact sensitivity. If the BESS exits or demand is staged, a smaller first phase may better preserve option value and limit stranded expenditure.

Sources: S03, Tees Dock Substation assessment and Table EA1; S05, project screening. Further analysis: S06, staged assessment and change process. Hypothetical changes are not reported events.

4.22 Tilbury 275 kV Rebuild

Record	Published draft position
Applicant / draft track	NGET / Track 3
Submitted / adjusted forecast	£231.770m / £220.164m
Proposed PCF / ODI-F screen	£17.472m / Minded to apply later

Public scope. Holistic site strategy combining connections, operability, LE1 uplift and asset-health works, with options including offsite build or 400 kV conversion.

Ofgem's proposed reasoning. Ofgem proposes Track 3 because optioneering is early and there is no preferred solution. The published drivers include connections, operability, boundary capability and asset health; the assessment therefore concerns a shared-driver scheme rather than one single-purpose intervention.

Evidence and implementation issues. NCA should select and quantify a preferred option, separate load and asset-health costs, map Warley and ASTI interfaces, and evidence stakeholder and site constraints.

Additional analysis. Asset-health and load benefits are not mutually exclusive. The question is whether the defined project and costs meet the applicable perimeter and funding arrangements, not whether a single label can describe every benefit.

Changed-fact sensitivity. If asset replacement becomes the dominant driver, the load re-opener perimeter and ODI-F rationale would need reconsideration.

Sources: S03, Tilbury 275 kV Rebuild assessment and Table EA1; S05, project screening. Further analysis: S06, staged assessment and change process. Hypothetical changes are not reported events.

4.23 Warley 275 kV Replacement

Record	Published draft position
Applicant / draft track	NGET / Track 2 to Track 3
Submitted / adjusted forecast	£389.090m / £369.606m
Proposed PCF / ODI-F screen	£29.053m / Minded to apply later

Public scope. Replacement with a 400 kV SF6-free GIS to connect customers, address asset health and support regional 400 kV uprating.

Ofgem's proposed reasoning. Ofgem proposes Track 3 for the above-£300m, non-PASE project. The assessment identifies dependencies on customer readiness, regional strategy, land, planning, outages and the Tilbury/TWNC programme.

Evidence and implementation issues. NCA should refresh customer and system assumptions, quantify consenting risk, define project interactions and show consumer value of the preferred GIS strategy.

Additional analysis. The regional 400 kV assumption should be dated and linked to the relevant programme evidence. Consenting and outage risks should be reflected in both option cost and schedule without being counted again as an undifferentiated contingency.

Changed-fact sensitivity. If the 400 kV regional strategy or key customers move, a like-for-like or staged intervention would require fresh comparison.

Sources: S03, Warley 275 kV Replacement assessment and Table EA1; S05, project screening. Further analysis: S06, staged assessment and change process. Hypothetical changes are not reported events.

4.24 Willington 132 kV Rebuild

Record	Published draft position
Applicant / draft track	NGET / Track 2
Submitted / adjusted forecast	£43.200m / £41.037m
Proposed PCF / ODI-F screen	£3.250m / Do not apply at this stage

Public scope. Transfer and reconnection of SGT circuits into the distribution rebuild to address fault level and capacity constraints.

Ofgem's proposed reasoning. Ofgem proposes Track 2 for PASE Variant cable and connection works linked to a distribution rebuild. The submitted and adjusted forecasts are above £40m; the precise customer contribution and interface remain relevant to the funding calculation.

Evidence and implementation issues. PA should reconcile the customer contribution, transmission/distribution interface milestones and consequences if the distribution programme changes. A lower final allowance should be treated in accordance with paragraph 4.24, not as automatic loss of eligibility.

Additional analysis. A later lower assessed allowance would not automatically remove an admitted project: guidance paragraph 4.24 expressly allows a final allowance at or below £40m. A material change in scope or underlying need is a different question and follows the relevant change process.

Changed-fact sensitivity. A change in the distribution rebuild can alter scope, timing and residual consumer exposure even where the original transmission entry decision was correct. The response should follow the relevant project-change process rather than infer an outcome solely from the updated allowance.

Sources: S03, Willington 132 kV Rebuild assessment and Table EA1; S05, project screening. Further analysis: S06, staged assessment and change process. Hypothetical changes are not reported events.

4.25 Energy Isles Kergord Windfarm Connection

Record	Published draft position
Applicant / draft track	SHET / Track 2
Submitted / adjusted forecast	£52.369m / £52.038m
Proposed PCF / ODI-F screen	£3.967m / Do not apply at this stage

Public scope. 120.3 MW windfarm connection using 132 kV overhead line and underground cable to the new Yell substation.

Ofgem's proposed reasoning. Ofgem proposes Track 2 for the hybrid connection option, recording peatland, turbine proximity, non-firm service and the cost and consenting implications of a full-cable alternative. The project depends on the Yell infrastructure within the wider Shetland programme.

Evidence and implementation issues. PA should define the Yell bay and civil-cost boundary, confirm customer contribution and show how delay to the on-island programme affects delivery.

Additional analysis. The prior RIIO-ET2 PCF treatment identified by Ofgem needs a dated bridge into the new allowance. The Yell bay, common civils and connection assets should each have an identified funding owner.

Changed-fact sensitivity. If the Yell substation changes voltage, site or programme, the connection design and allocated costs must be reopened.

Sources: S03, Energy Isles Kergord Windfarm Connection assessment and Table EA1; S05, project screening. Further analysis: S06, staged assessment and change process. Hypothetical changes are not reported events.

4.26 Knocknagael Farigaig HVP

Record	Published draft position
Applicant / draft track	SHET / Track 2
Submitted / adjusted forecast	£215.392m / £204.822m
Proposed PCF / ODI-F screen	£15.955m / Do not apply at this stage

Public scope. Voltage reinforcement using a substation extension and satellite STATCOM site.

Ofgem's proposed reasoning. Ofgem proposes Track 2, distinguishing a PASE-aligned substation extension from the non-PASE satellite STATCOM arrangement. Further siting, routing, layout and shared-work evidence remains relevant at PA.

Evidence and implementation issues. PA should complete satellite-site, cable-route and layout options, cost extensions separately and allocate shared civil and contractor costs transparently.

Additional analysis. A common-site comparison should separate genuinely shared work from activities caused by only one project. Contractor preliminaries should be allocated once using a documented method, with later quantity changes reconciled.

Changed-fact sensitivity. A practicable integrated STATCOM layout or shared works plan could materially reduce scope or change the preferred solution.

Sources: S03, Knocknagael Farigaig HVP assessment and Table EA1; S05, project screening. Further analysis: S06, staged assessment and change process. Hypothetical changes are not reported events.

4.27 Loch Na Cathrach Cluster

Record	Published draft position
Applicant / draft track	SHET / Track 2
Submitted / adjusted forecast	£162.618m / £162.618m
Proposed PCF / ODI-F screen	£12.956m / Do not apply at this stage

Public scope. 500 MW pumped-storage connection through a new 275 kV bay and 7.5 km customer-funded cable.

Ofgem's proposed reasoning. Ofgem proposes Track 2 for the AIS extension and customer-funded cable treated as PASE Variants. The common Knocknagael civil works and contractor arrangements require an allocation reconciliation.

Evidence and implementation issues. PA should reconcile customer funding, common preliminaries, shared extension works and delivery interfaces with the STATCOM project.

Additional analysis. Pumped storage should not be casually treated as interchangeable with BESS in readiness or operating assumptions. The connection, customer contribution and wider-system use require their own evidence and scope definitions.

Changed-fact sensitivity. If shared costs are each claimed in full, both project allowances would be overstated despite individually plausible estimates.

Sources: S03, Loch Na Cathrach Cluster assessment and Table EA1; S05, project screening. Further analysis: S06, staged assessment and change process. Hypothetical changes are not reported events.

4.28 Shetland On-Island Infrastructure

Record	Published draft position
Applicant / draft track	SHET / Track 2 to Track 3
Submitted / adjusted forecast	£1160.995m / £1033.330m
Proposed PCF / ODI-F screen	£81.462m / Do not apply at this stage

Public scope. New Yell, Northern and Central Shetland substations and 220/132 kV lines and subsea cable for generation, hydrogen demand and storage.

Ofgem's proposed reasoning. Ofgem proposes Track 3 for the large multi-element scheme. Its public assessment leaves the 220/400 kV strategy, GIS justification, circuit configuration, existing HVDC interaction and option-level cost maturity to the subsequent needs case.

Evidence and implementation issues. NCA should compare 220 and 400 kV strategies, define all routes, reassess HVDC interaction, justify tower choice and provide a mature option-level CBA.

Additional analysis. The needs case should distinguish the enduring island-network requirements from customer-specific hydrogen, generation and storage scenarios. PCF can support a comparison of voltages and phasing without making today's topology an irreversible construction decision.

Changed-fact sensitivity. If hydrogen demand or the existing link strategy changes, the optimal voltage and phasing may change fundamentally.

Sources: S03, Shetland On Island Infrastructure assessment and Table EA1; S05, project screening. Further analysis: S06, staged assessment and change process. Hypothetical changes are not reported events.

4.29 PCF reconciliation and interpretation

Summing the printed project PCF values gives £372.954m for the 23 eligible NGET projects and £114.340m for the four SHET projects, totalling £487.294m. ETRE contributes no proposed PCF. These are display-level checks of Table EA1, not an assertion about spreadsheet precision beyond the published values. [S03, Table EA1]

The final PCF-to-adjusted-forecast ratios vary. The stated 8.2% calibration and ongoing efficiency treatment should therefore be accompanied by a calculation bridge, not reconstructed backwards from a rounded final ratio. In particular, risk or biodiversity adjustments already incorporated in an adjusted forecast should not be deducted a second time merely to make a ratio resemble the headline method. [S03, PCF methodology; S06, paragraph 1.19]

The bridge should distinguish forecast construction cost, eligible development activity, percentage calibration, regulatory-year phasing, efficiency base year and historical allowance. Energy Isles' prior funding is a project-specific matter; its treatment should not be copied mechanically to projects with a different history. [S03, paragraph 4.163]

5 Project Assessment: Woolavington and VSRE

5.1 Woolavington: a deferred funding determination

NGET requested £283.870m, but the May package does not determine Woolavington's allowance. The Load Re-opener assessment is dependent on the LOTI Final Needs Case. The blank determination should not be converted into £0, a rejection or permission to recover the request. [S02, PA summary; S04, scope]

The subsequent PA should identify the controlling needs decision and reconcile retained and changed scope, option, quantities, price base, delivery programme and previous development funding. Where an FNC changes the engineering basis, the current cost estimate must be checked against that new basis. Where an issue was already settled and remains unchanged, repeated evidence should be limited to what is proportionate. [S06, Track 1 and crossover assessment]

5.2 VSRE: three different funding comparisons

Component	SPT presentation £m	Draft assessment £m	Interpretation
Total project cost	158.792	148.452	Total reduction £10.340m.
Existing RDF	0.914	0.914	Historical component retained in this presentation.
Full project PCF	8.320	14.548	Incremental PCF £6.228m.
LR component	142.077	123.852	Component reduction £18.225m.
Indicative CAI	7.481	9.138	Increase £1.657m; separate funding classification.
Additional allowance compared with request	142.077	130.080	Decrease £11.997m after incremental PCF is included.

Source: S04, Tables PA3–PA5. "Additional allowance" is not the same as total project cost or the LR component alone.

The submitted total is £0.914m + £8.320m + £142.077m + £7.481m = £158.792m. The assessed total is £0.914m + £14.548m + £123.852m + £9.138m = £148.452m. The new allowance is £123.852m + (£14.548m − £8.320m) = £130.080m. These identities reconcile the presentation but do not independently verify the efficient value of the underlying contracts. [S04, Table PA5]

5.3 Cost evidence, procurement and classification

Ofgem's assessment includes cost reclassifications, exclusion of £0.666m operational training from the project-specific CAI presentation, a £4.687m reduction in risk and contingency, and the ongoing efficiency challenge. It does not add a separate inflation uplift to the 2023/24-price application, explaining the CPIH and real-price-effects treatment through the regulatory model. [S04, cost assessment, including paragraph 4.18]

The public procurement account describes an effective single-bidder outcome after a staged NEC4 EPC process and limited comparator evidence. Ofgem makes no further procurement adjustment on the basis described in its appraisal. That is a regulatory judgement; it does not convert the public record into a replicated competitive-market benchmark. A single bid is not automatically inefficient, but its evidential weight differs from several independently comparable bids. [S04, procurement assessment]

A non-sensitive cost explanation can show tender scope, quantities, exclusions, contract risk allocation, benchmark date and normalisation, negotiations and treatment of later savings. An apparent saving caused by omitting testing or outages should not be compared with an all-inclusive benchmark. Equally, a higher unit rate may reflect a documented scope difference rather than inefficient procurement.

The operational-training classification should identify the relevant baseline or other funding treatment without implying that the activity is unnecessary for safe delivery. The biodiversity classification needs a similarly explicit route. Cost classification, efficiency and legal recovery are different questions and should remain separate in the final reconciliation. [S04, training and biodiversity treatment]

5.4 PCF true-up and the historical schedule

The narrative PCF increment of £6.228m is arithmetically clear. The public draft schedule, however, marks the old VSRE row from £5.77m to £14.55m, while the narrative uses £8.320m as prior PCF. The company total is visibly marked from £154.95m to £163.73m. The proposal should identify the operative previous values and any intervening amendment that reconciles these presentations. [S04, Table PA5 and Appendix 1, printed pages 25–27]

At displayed precision, £14.55m − £5.77m = £8.78m, matching the displayed company-total change. This is different from the narrative £6.228m increment. The difference is a clarification request, not a conclusion that funding has been duplicated. An omitted historical amendment, a different baseline or a source error cannot be selected as the explanation without evidence.

Struck-through old values and underlined replacements are conventional consultation markup. They should be read visually as amendments, not concatenated into a supposed new total. Placeholders for the number of representations are also expected at draft stage and should be completed only after the process; their presence does not itself undermine the proposed amount. [S04, draft direction]

5.5 Annual precision, COAE and full output

The displayed LR annual figures £66.53m, £52.51m and £4.82m sum to £123.86m, while the more precise total is £123.852m. Displayed PCF annual figures sum to £14.55m against a more precise £14.548m. Such differences can arise from rounding. The final instrument should identify the authoritative precision and reconcile the schedule, rather than treating each display difference as an economic disallowance. [S04, Tables PA5–PA6]

For VSRE, Ofgem discusses a COAE threshold of 10% of the LR allowance: 10% × £123.852m = £12.3852m. SPT's proposed 5% reference used a different submitted base, approximately £7.104m. The comparison is therefore not just "half the threshold". Amount, event category, foreseeability, risk provision, efficiency and procedural requirements all matter. A cost increase above the threshold is not automatically a qualifying COAE. [S04, paragraphs 4.34–4.37; S06, chapter 5]

The project identifier is SPT200473, and the proposed delivery date is 28 June 2028. The final wording should consistently describe the XH and XJ conductor works and the required specification. The public draft also uses differing corporate suffixes in its addressee and annex heading; these should be reconciled to the licensed legal entity rather than resolved by assumption. [S04, draft direction and output schedule]

Commissioning, energisation and full delivery should be evidenced against the actual output. A funding classification change does not relax the technical completion requirement. Conversely, the absence of a Major Projects ODI-F does not remove the project's output, reporting or applicable change obligations. [S04; S06, monitoring of delivery]

6 Major Projects ODI-F

The screening covers 29 submissions: all 28 EA applications and VSRE. Eleven EA projects have a minded-to position; sixteen eligible EA projects are not selected at this stage; ETRE is not applicable; and VSRE is proposed not to receive the incentive. Woolavington is deferred with its PA. These states should not be conflated. [S05; S02]

Project	ETO	Draft screen	Subsequent analytical issue
Aberthaw Site Strategy	NGET	Do not apply at this stage	Reconsider on material new evidence
Banwen Rhigos B	NGET	Do not apply at this stage	Reconsider on material new evidence
Berkswell	NGET	Do not apply at this stage	Reconsider on material new evidence
Blyth 400 kV Site Strategy	NGET	Minded to apply later	Later evidence / designation
Bodelwyddan 400 kV Extension	NGET	Minded to apply later	Later evidence / designation
Bolney 400 kV Site Strategy	NGET	Do not apply at this stage	Reconsider on material new evidence
Bridgend	NGET	Minded to apply later	Later evidence / designation
East Claydon Enderby Patford Bridge 1 and 2 OHL	NGET	Minded to apply later	Later evidence / designation
ETRE Eggborough to Thorpe Marsh	NGET	Not applicable	Entry issue first
Farmoor	NGET	Do not apply at this stage	Reconsider on material new evidence
Feckenham Hams Hall OHL	NGET	Minded to apply later	Later evidence / designation
Feckenham Ironbridge OHL	NGET	Minded to apply later	Later evidence / designation
Imperial Park 400 132 kV Upgrade	NGET	Do not apply at this stage	Reconsider on material new evidence
Ince SGT Extension	NGET	Do not apply at this stage	Reconsider on material new evidence
Keadby KEAD4	NGET	Do not apply at this stage	Reconsider on material new evidence
Kingsnorth 400 kV Extension	NGET	Do not apply at this stage	Reconsider on material new evidence
Laleham 132 kV Extension	NGET	Do not apply at this stage	Reconsider on material new evidence
Lower Frankton 400 kV AIS	NGET	Do not apply at this stage	Reconsider on material new evidence
North West London	NGET	Minded to apply later	Later evidence / designation
SCRE and WRRE OHL	NGET	Minded to apply later	Later evidence / designation
Tees Dock Substation	NGET	Minded to apply later	Later evidence / designation
Tilbury 275 kV Rebuild	NGET	Minded to apply later	Later evidence / designation
Warley 275 kV Replacement	NGET	Minded to apply later	Later evidence / designation
Willington 132 kV Rebuild	NGET	Do not apply at this stage	Reconsider on material new evidence
Energy Isles Kergord Windfarm Connection	SHET	Do not apply at this stage	Reconsider on material new evidence
Knocknagael Farigaig HVP	SHET	Do not apply at this stage	Reconsider on material new evidence
Loch Na Cathrach Cluster	SHET	Do not apply at this stage	Reconsider on material new evidence
Shetland On Island Infrastructure	SHET	Do not apply at this stage	Reconsider on material new evidence
VSRE XH and XJ routes	SPT	Proposed non-application	Timing benefit and practical incentive evidence

Documentary screen: S05, Table 1 and project entries. Last column states the analytical issue, not a new mandatory review rule.

6.1 Criteria are assessed in the round

For non-CSNP projects, the governance describes consumer benefit, strategic importance and practicalities, with assessment in the round rather than a new numerical pass/fail threshold. The analysis should therefore distinguish the Authority's criteria from additional questions that help explain an individual decision. This response does not replace the criteria with an invented scoring model or a requirement that every benefit be monetised. [S07, paragraphs 2.6–2.8]

Relevant analytical questions include what timing change the ETO can influence, which benefits arise only after another project completes, how existing obligations affect the counterfactual, and whether the available schedule evidence supports calibration. These questions can test a proposed decision without

presuming that strategic importance alone proves entitlement or that an existing contract makes every incentive redundant.

6.2 P50, ODD and the three designs

P50 is a delivery probability measure, not a guarantee or necessarily the mean date. The governance uses the P50 at designation. An independently developed or verified NESO ODD is used when available, but paragraph 3.11 explicitly states that an ODD is not required in every case. Design B is the route where no independent ODD exists at the time the incentive is set. [S07, paragraphs 3.6–3.13]

Parameter	Design A	Design B	Design C
Date relationship	ODD on or before P50	No ODD determined	ODD after P50
TDD	P50	P50	ODD
Annual reward input	30% of one-year delay constraint costs, bounded by 2%–5% of forecast totex; 2% if constraint costs unknown	2% of forecast totex	No daily early reward; lump sum only
On-time lump sum	1% of forecast totex	1% of forecast totex	1% of forecast totex
Maximum reward	Lower of 20% totex and reward at ODD; includes lump sum	10% of forecast totex	1% of forecast totex
Annual penalty input	Half annual reward input	Half annual reward input	0.5% of forecast totex
Maximum penalty	Half maximum reward	Half maximum reward	1% of forecast totex

Source: S07, Tables 1–3 and paragraphs 3.25–3.36. Daily rates use the specified annual input divided by 365. Design C's lump-sum-only rule is explicit in paragraph 3.34; generic wording in a table must not create a daily reward where no annual reward exists.

The forecast totex input is the value used at designation, subject to the governance process; it is not automatically today's EA headline forecast or today's PCF amount. The resulting licence parameters should be distinguishable from intermediate inputs. A later change to project scope or date is governed separately and should not be silently incorporated in an analyst's spreadsheet. [S07, paragraphs 3.15–3.23]

6.3 Project-specific conditions for the eleven minded-to cases

Project	Evidence relevant before designation	Changed fact requiring reconsideration
Blyth	Separate temporary and permanent benefits; resolve interconnector and old-GIS dependencies	Temporary works or customer scope no longer produce net acceleration benefit
Bodelwyddan	Verify Gate 2 customers, ODD and constraint benefit	Connections or option changes remove the timed strategic benefit
Bridgend	Set preferred option, scope, P50 and benefit date	Early-stage option uncertainty prevents credible calibration
East Claydon Enderby Patford Bridge	Quantify boundary and constraint benefit of earlier delivery	Existing obligations materially change the incremental-incentive case
Feckenham Hams Hall	Use NESO ODD with dependency and outage evidence	Removed Drakelow scope is required for benefit
Feckenham Ironbridge	Reconcile 2030 ODD with P50 and controllable acceleration	The feasible timing response differs from the assumed counterfactual
North West London	Treat ESC1 SER4 and Letchmore interactions as a programme with separate outputs	Benefits depend on another scheme and require programme attribution
SCRE and WRRE	Map ASTI dependency and prevent double reward	ASTI incentive already captures the same benefit
Tees Dock	Use post-reform customer status and phase-specific benefits	BESS or demand rephasing removes early-delivery value
Tilbury	Select a preferred option and isolate strategic from asset-health outputs	Final project is primarily replacement with no material delay harm
Warley	Confirm regional 400 kV strategy, customers and programme interfaces	Strategy or connections change before the incentive is fixed

Project descriptions: S03 and S05. Evidence questions and sensitivities are analytical; they do not select incentive recipients. Absence of an ODD alone is not an exclusion because Design B exists. [S07, paragraph 3.11]

6.4 Penalty exemptions, completion and chronology

A project is assessed against delivery to full specification. The date of first energisation should not automatically be substituted for that completion date. A Penalty Exemption Period delays the start of penalties but does not alter TDD or the reward-eligibility date. Reward, penalty and delivery-output dates therefore need separate treatment. [S07, paragraphs 3.32–3.36]

The delay process contains substantive and procedural conditions, including the relevant qualifying event, circumstances outside reasonable control, mitigation, material delay, notification and application timing. Event commencement, awareness, cessation and the incremental effect on the critical path should be recorded separately. Concurrent events should not be mechanically added; one event may overlap the period in which another already prevented progress. [S07, chapter 4]

The guidance's specified 45-day notification and application steps should be applied to their actual triggers, including the relevant awareness and cessation points, subject to any Authority direction. A summary such as "notify promptly" is not sufficient for a real application. Nor does timely notice establish substantive qualification. [S07, chapter 4, procedure]

Supplier delay payments should be reconciled with actual prolongation costs and other recovery. The governance describes treatment of compensation above actual prolongation costs; it does not support ignoring compensation while recovering gross costs elsewhere. The precise legal and financial route remains separate from the question whether a delay qualifies for penalty exemption. [S07, paragraph 4.40]

6.5 VSRE and the non-selected population

Ofgem's VSRE position and SPT's wider system-benefit description should be read together without allowing either the refurbishment label or the strategic label to decide the incentive question. The assessment should identify the incremental effect of delay, existing obligations and practical ability to influence the completion distribution. The present response does not choose application or non-application. [S05, VSRE; S13; S07, criteria]

For the sixteen eligible EA projects not selected now, later evidence can change the analysis. Re-screening should identify the changed fact and the relevant criterion, rather than infer a permanent exclusion or require unchanged projects to repeat every submission. Woolavington's eventual assessment must follow its own controlling needs and PA record. [S05; S02; S06]

7 Cross-cutting implementation analysis

7.1 Proportionate scrutiny without automatic reopening

A staged mechanism deliberately leaves some evidence to a later stage. That is different from missing evidence necessary to justify the current decision. The final record can distinguish what is established now, what remains material to PA or NCA, and which changed fact would require a targeted reassessment. The guidance's proportionate approach does not require every later update to repeat the full needs case. [S06, assessment stages and proportionality]

Useful controls should have a defined purpose, owner and consequence. A survey request that resolves an actual siting uncertainty differs from another generic assurance statement. Additional controls can delay decisions or duplicate existing reports; their marginal evidential value should be made clear. Conversely, an early options decision should not prevent a material lower-cost or newly feasible alternative from being examined.

7.2 Cost definitions and threshold boundaries

Entry capex, project direct cost, total project cost, consumer-funded cost, regulatory allowance and incentive totex are distinct measures. They should be reconciled, not used interchangeably. The same £40m, £150m or £300m label can refer to a different mechanism and therefore a different calculation or consequence. [S03, paragraph 2.5; S06, paragraphs 1.4, 1.18 and 4.24; S09, paragraph 2.2; S07, forecast totex]

Near a threshold, the underlying precision should be stated before classification. A rounded presentation at £40.00m may conceal a value above or below a strict entry threshold. A contribution can change consumer exposure without changing the physical project's direct cost. A final allowance below £40m can still be consistent with an admitted project under paragraph 4.24; it is not equivalent to a new below-threshold application.

7.3 Needs, readiness and the residual system case

Ofgem discusses connections reform and BESS oversubscription as uncertainties relevant to several needs cases. That dated portfolio observation does not prove that a particular customer will withdraw, nor that a current connection status guarantees delivery. Project-level customer status should identify its date, scope and source and be refreshed where material at the next assessment. [S03, connections and BESS discussion]

Full, partial and zero-customer sensitivities can identify a minimum enduring scope, but costs need not scale linearly with MW. Land, common civils and network compliance can remain fixed while bays or equipment vary. A customer exit can remove one driver while a boundary or compliance case survives. A commercial announcement should not be treated as equivalent to the relevant official or contractual evidence.

MVA and MW should remain distinct. Any conversion depends on the actual engineering assumptions and cannot be inferred simply because two project tables use different units. Similarly, pumped storage, BESS, demand and generation have different characteristics; the same headline capacity does not prove the same reinforcement need.

7.4 PASE, options and whole-life evidence

PASE informs the assessment route and does not dictate every final engineering choice. The Final Determinations explicitly distinguish its role in Track 2 criteria from the optioneering an ETO should undertake. A failure to fit one PASE category is therefore not an engineering prohibition. [S10, paragraph 5.163; S06, paragraphs 1.14–1.18]

Options should use a common scope, price base, appraisal horizon, residual-value treatment and assumed network baseline. Credible staged, modular and do-minimum alternatives can be compared with a build-once solution. Qualitative land, consenting, environmental, community and outage factors remain relevant, but an unexplained assertion that an alternative is "not feasible" is not a substitute for dated evidence.

An apparently cheaper option can require earlier repeat work; a higher-cost option can provide capacity that never becomes useful. The analysis should show the facts under which each trade-off changes, without choosing a technology merely from a generic label. Temporary works deserve a separate duration, benefit and reuse account rather than being presumed wasteful or automatically justified by a target date.

7.5 PCF, APM and irreversible commitments

The current PCF calibration supports early development before final construction funding. It should be interpreted with its stated efficiency and later assessment arrangements rather than as either an unrestricted construction entitlement or a rule that every early cost must be fully re-estimated before development can begin. [S03, PCF method; S06, paragraph 1.19 and PCF assessment]

A development schedule can distinguish option-neutral studies, option-specific design, land options, surveys, consents and early enabling works. Each has different reversibility and reuse. Where a commitment effectively closes an option before NCA, the trade-off should be explicit. A proportionate early land option can preserve flexibility, while an unnecessarily specific construction commitment can remove it.

APM and later project funding require a traceable account of orders, deposits, credited invoices, cancellation costs and equipment allocation. A procurement mechanism can coexist with PCF without making the same deposit recoverable twice. The governing APM and project arrangements should determine the treatment rather than a blanket subtraction of every cost carrying a similar label. [S11; S06]

7.6 Common costs, customer funding and indirect categories

Shared surveys, civils, outages, habitat mitigation and contractor preliminaries should have one documented causal allocation, with any change reconciled across all affected projects. Allocating cost according to whichever allowance has available headroom would obscure the actual driver. A programme-level total and separate project records can coexist, provided their sum and scope reconcile.

Customer security, promised contribution, received payment and recoverable cancellation amount should not be conflated. The funding bridge can identify conditions, timing and the contractual basis without disclosing protected details. Gross cost and net consumer exposure remain distinct, and a customer-funded interface may still create timing or residual default exposure.

CAI UIOLI is not a universal 10% addition to every project. Its governance specifies eligible cost categories, direct scheme costs below £150m and relevant mechanisms, alongside exclusions including specified MSIP crossovers. It also allows final-period assessment of unused, out-of-scope or inefficient expenditure and, where appropriate, additional efficient cost. [S09, paragraphs 1.8–1.10 and chapter 2]

The 10% used to calibrate CAI UIOLI is expressly not an efficient project-level rate. Reporting should identify cost category, allocation method and funding route, keeping PCF, direct project expenditure, contractor indirects and existing crossover provision distinct. VSRE's biodiversity treatment is a project-specific discussion, not permission to bypass every exclusion. [S09, paragraphs 2.3–2.8 and chapter 3; S04, biodiversity]

7.7 Risk statistics, correlated exposure and evidence maturity

The assessment should state what a contingency represents: an expected value, median, confidence-level budget, management reserve or another specified measure. A mean can exceed the median in a skewed distribution; neither a "P50" label nor a percentage alone identifies the expected efficient cost. These distinctions matter when a risk provision changes entry eligibility. [S03, risk discussion; S06, cost evidence]

Known mitigation belongs in a defined scope where appropriate. Contractor-transferred risks, owner-retained risks and counterparty default should not be assumed identical. General inflation, real price effects and residual market risk need treatment consistent with the regulatory framework rather than duplicated across base cost and contingency. Correlation between consenting, route change and schedule risk can make independent percentage additions misleading. [S04, paragraph 4.18 and risk assessment]

Evidence can justify scrutiny in either direction. A generic cap does not prove a project is low risk, and an unusually high requested percentage does not prove a project is uniquely risky. The public decision can describe the nature and materiality of the evidence without exposing a confidential register or turning a proxy into a permanent benchmark.

7.8 Biodiversity, jurisdiction and shared delivery

The PCF cap and a project's eventual biodiversity cost answer different questions. The cap responds to early uncertainty; later cost depends on the actual obligation or commitment, jurisdiction, consent route, baseline, mitigation and delivery arrangements. It is not a universal percentage of environmental harm. [S03, paragraphs 4.167–4.168; S04, biodiversity funding]

A technical response should avoid applying one nation's planning framework to another or treating every infrastructure consent as subject to the same statutory biodiversity provision. Project-specific legal applicability should be established before numerical assumptions are adopted. The Farmoor footnote illustrates why correct territorial attribution matters without deciding the merits of the project's planning case.

Shared mitigation land requires allocation of both establishment and long-term management costs. If one project stops, the remaining obligation and cost should be reassessed rather than automatically transferred in full. A change from on-site to off-site delivery can alter land, maintenance, timing and evidence, so the funding route should preserve an auditable reconciliation.

7.9 Procurement evidence and comparator construction

A benchmark needs a stated population, unit, scope, date, geography, price base, sample size and adjustment method. Recency does not cure poor comparability; structural similarity does not remove the need to consider market change. One comparator can be informative without supporting a precise statistical distribution.

Tender prices should be read with exclusions, quantity assumptions, testing, outages, insurance, supplier risk and contract terms. A 20% lower headline bid is not necessarily a 20% saving if it excludes material work. Conversely, a late binding tender can be material evidence before a final decision. The published VSRE procurement discussion is a basis for asking how Ofgem reconciled these factors, not evidence that unredacted prices have been independently validated. [S04, procurement and cost assessment]

7.10 ITA and other assurance roles

The ITA framework supports independent scrutiny of matters such as design, procurement, cost and delivery. It does not give the adviser Ofgem's funding decision authority or make the adviser an engineering approver. Project selection and scope reflect assurance needs rather than an automatic consequence of crossing the Track 3 threshold. [S08, role, selection and scope]

An independent statement supporting a COAE application under the Load Re-opener guidance is not automatically an appointed ITA report. The submission should identify the adviser's remit, independence, evidence, limitations and relevant competence. The Authority remains responsible for the decision, while the ETO retains its delivery and reporting responsibilities. [S06, paragraph 5.10; S08]

A proportionate assurance plan can define the questions, decision use and conflicts of interest before work begins. Requiring an additional report that repeats an existing competent review should have an identifiable evidential purpose. Equally, reliance on a report should not exceed the scope of what its author actually reviewed.

7.11 Consumer finance: stock, flows and new decisions

The Overview models a 15% fast-money and 85% slow-money split, with slow-money recovery over 45 years and financing returns. Table 3 presents £1,278.206m of modelled payments and a £732.035m present value in 2025/26 prices. These are not a household bill estimate and do not by themselves measure net social benefit. [S02, section 6 and Table 3]

Table 3 component	2023/24 prices £m	2025/26 prices £m
Re-opener allowances including existing PA PCF	625.694	670.299
CAI UIOLI	9.138	9.790
Debt-related financing component	241.861	259.103
Shareholder return	316.454	339.014
Total modelled payments	1,193.147	1,278.206

Table 3 component	2023/24 prices £m	2025/26 prices £m
Published present value	683.322	732.035

Source: S02, Table 3. The table's debt-repayment heading is read with the narrative explanation of financing costs; the allowance principal should not be counted again as an additional debt principal. Components and company rows can differ by £0.001m through display rounding.

The £625.694m re-opener figure includes existing PA PCF. The new decisions shown here total £617.374m: £487.294m EA PCF plus £130.080m additional VSRE funding. The £8.320m difference is the historical PA PCF included in the Overview's financing presentation. Comparing the rebased £670.299m with the new decisions without that bridge would overstate newly proposed funding. [S02, Table 3, footnote 10; S04, Table PA5]

The published model excludes or separately treats matters described by Ofgem, including tax, incentive outcomes and actual overspend or underspend. The full annual cash flows, return calculation and conversion series are not independently reproduced here. Ratios of rounded totals should not be presented as an authenticated index or a substitute finance model. [S02, section 6]

7.12 Stepped TIM, COAE and the correct aggregation level

RIIO-ET3 Final Determinations measure over- or underspend against totex across the price-control period. The marginal ETO shares are 25% for the first 5% variance, 10% for the next 15%, and 5% beyond 20%. The final period basis differs from the earlier annual proposal. Individual project variances remain important evidence, but the mechanism should not be recreated as independent project-level accounts. [S10, printed pages 200–201, paragraph 5.167]

For illustration, a £20m variance on a normalised £100m eligible period allowance yields an ETO share of £2.75m, not £2m or £5m. A £30m variance yields £3.25m. These are arithmetic illustrations of the marginal bands, not forecasts for any company. The actual calculation requires the eligible base, exclusions and legally effective adjustments.

COAE, cost disallowance, output adjustment and TIM sharing are different processes. A qualifying event may alter an allowance; TIM then operates on the appropriate resulting base. A narrative claim of uncontrollability does not automatically create extra funding, and a saving with unchanged output should not be subjected to an invented clawback outside the governing arrangements. [S06, chapter 5; S10, TIM]

7.13 Cumulative monitoring and legal correction

Ofgem explains its section 5A position for this largely development-funding window and states that it will continue to monitor cumulative impacts as the framework operates. The relevant implementation question is how that stated monitoring will be evidenced, not whether the Overview contains no cumulative-monitoring commitment. [S02, paragraphs 6.6–6.10]

A public programme account could distinguish PCF awarded and spent, progression to NCA and PA, changed scope, cancellations, reusable and stranded development, final outputs, connections and incentives. It should not combine proposals, legally effective allowances and actual spending in one total. Published methodology changes should identify breaks in comparability.

For any correction, the record should identify the source error, affected decision, operative instrument, effective date and downstream financial consequences. A corrected workbook is not necessarily a licence amendment. Conversely, a clerical correction should not be used to reopen unrelated substantive decisions. Proposed redlines, final directions and later amended instruments each have their own status. [S02, legal implementation; S04, proposed schedules; S06, reporting and changes]

8 Responses to the sixteen consultation questions

Question identifiers follow the consultation: EAQ1–EAQ10, PAQ1–PAQ3 and MPQ1–MPQ3. The headings below are concise descriptions of the official questions, not quotations. The responses distinguish published proposals, analysis, evidence and implementation consequences. They do not record a single binary position for groups of projects whose evidence differs. [S02, consultation questions]

EAQ1 — NGET Track 2 eligibility for PCF

Published proposal. Ofgem proposes PCF eligibility for twelve NGET Track 2 projects under the linked Load Re-opener and PCF arrangements. These are Banwen, Berkswell, Bolney, East Claydon–Enderby–Patford Bridge, Feckenham–Hams Hall, Feckenham–Ironbridge, Imperial Park, Ince, Keadby, Kingsnorth, SCRE/WRRE and Willington. [S03, section 4 and Table EA1; S06, stages and PCF]

Analysis. The entry assessment, choice of track, Early Options Needs Case and amount of PCF are four different propositions. The public assessment identifies load-related drivers and above-threshold forecasts, but customer-funded interfaces, shared scope and non-PASE explanations still affect the evidence needed for funding and later assessment. Berkswell's mesh, Imperial Park's demand discrepancy and Kingsnorth's mixed equipment deserve specific treatment rather than a single undifferentiated group conclusion.

Evidence and implementation. A project-level record would identify the entry cost measure, load or shared driver, defined PCF activity, prior funding, customer contributions and matters retained for PA. A contribution reconciliation should not automatically be treated as changing the engineering threshold or track.

Response. This response addresses eligibility and development-funding conditions without selecting a blanket agree/disagree answer for all twelve projects. A later lower final allowance does not by itself invalidate admission: guidance paragraph 4.24 permits an allowance at or below £40m. Material changes in need or scope remain subject to the relevant process. [S06, paragraph 4.24 and material project changes]

EAQ2 — NGET Track 2 Early Options Needs Cases

Published proposal. Ofgem proposes Early Options Needs Case approval for the twelve NGET Track 2 projects, using PASE alignment or a sufficiently clear non-PASE justification. [S03, NGET Track 2 assessments; S06, paragraphs 1.14–1.18]

Analysis. The evidence supporting streamlined assessment varies. A PASE-compatible connection can be defined while customer contributions remain unresolved; a non-PASE option can be justified by genuine land or delivery constraints while still requiring whole-life comparison. The reconductoring projects require consistent treatment of capacity, losses, familiarity, future reinforcement and supplier exposure. Repeating a full NCA for every settled issue could add burden, but treating an early option as irreversible could suppress material later evidence.

Evidence and implementation. PA evidence should isolate remaining issues: Berkswell's revised quantities and future mesh strategy; Imperial Park's demand and firmness; conductor life, losses and headroom; and SCRE/WRRE programme interaction. A materially different option or constraint should be identified as a change, not hidden in a unit-rate adjustment.

Response. The useful distinction is between accepting an early evidenced option for progression and certifying that no alternative could ever become relevant. The response supplies those project-specific conditions rather than a common binary selection. PASE informs scrutiny; it does not determine the final engineering choice. [S06, paragraphs 1.15–1.17; S10, paragraph 5.163]

EAQ3 — SHET Track 2 eligibility for PCF

Published proposal. Ofgem proposes PCF eligibility for Energy Isles, Knocknagael Farigaig and Loch Na Cathrach, with proposed PCF of £3.967m, £15.955m and £12.956m respectively. [S03, Table EA1 and SHET Track 2 assessments]

Analysis. Each public assessment identifies a connection or system driver and a forecast above the entry threshold. The funding questions are nevertheless not identical: Energy Isles has a wider Shetland dependency and historical PCF treatment; Knocknagael and Loch Na Cathrach have shared civil and

contractor interfaces. A gross project forecast and a net funding requirement should remain separately visible.

Evidence and implementation. The final development-funding record can reconcile the Yell interface, prior funding, customer contributions and common-site allocation. It should distinguish work needed now from work contingent on a later option or programme decision.

Response. The response does not select a blanket binary answer for the three projects. It identifies the evidence that supports a properly scoped PCF decision and the changes that would require reassessment. A lower final allowance, including one below £40m, is not on its own a reason to expel an already admitted project. [S06, paragraph 4.24]

EAQ4 — SHET Track 2 Early Options Needs Cases

Published proposal. Ofgem proposes Early Options Needs Case approval for the three SHET Track 2 schemes, distinguishing PASE Variant elements from the non-PASE satellite STATCOM arrangement. [S03, SHET Track 2 assessments]

Analysis. The option evidence should be read in its site and programme context. Energy Isles combines overhead and underground connection elements and depends on Yell. Knocknagael's layout and satellite equipment affect cables, land and shared works. Loch Na Cathrach combines a bay extension with customer-funded cable and common-site costs. Those interfaces can change design, not merely final price.

Evidence and implementation. PA can retain settled engineering reasoning while completing route, layout, common-civil, contribution and delivery-interface analysis. The evidence should show which alternative was excluded by a real constraint and which remains feasible, with a common cost and timing basis.

Response. This is a conditional technical response rather than a binary selection. Progression and subsequent scrutiny can be proportionate if the unresolved issues are explicit and changes capable of altering scope are handled as such. An entirely new approval layer is not necessary simply because a project shares a site. [S06, proportional assessment and material changes]

EAQ5 — NGET Track 3 eligibility for PCF

Published proposal. Ofgem proposes PCF eligibility for eleven NGET Track 3 projects: Aberthaw, Blyth, Bodelwyddan, Bridgend, Farmoor, Laleham, Lower Frankton, North West London, Tees Dock, Tilbury and Warley. [S03, NGET Track 3 assessments and Table EA1]

Analysis. Track 3 preserves a separate needs case for materiality, option maturity, PASE or other evidential reasons. Those reasons should not be collapsed into one generic deficiency. A high-value project with a settled PASE-compatible option is not in the same evidential state as a below-£300m project whose preferred solution remains contested. Development funding can resolve uncertainty, but irreversible commitments can also narrow later choices.

Evidence and implementation. The PCF programme should identify comparison studies, surveys, consents and enabling work, together with dependencies on customers, land and regional programmes. The record should state which work is reusable, which is option-specific and when the remaining choice becomes costly to reverse.

Response. This response analyses the conditions for development funding without a group agree/disagree selection. The core distinction is between entry, funded development and construction approval. A material disappearance of need requires reassessment; an efficient reduction in the eventual allowance is not automatically disqualifying. [S06, PCF, changes and paragraph 4.24]

EAQ6 — Shetland On-Island Infrastructure eligibility for PCF

Published proposal. Ofgem proposes Track 3 and £81.462m of PCF for Shetland On-Island Infrastructure, against a submitted forecast of £1,160.995m and an adjusted forecast of £1,033.330m. [S03, Table EA1 and Shetland assessment]

Analysis. The public record identifies generation, hydrogen-demand and storage drivers, but also unresolved voltage, configuration, GIS, subsea and existing-HVDC questions. The size of a PCF

allowance does not establish that the submitted topology is the future construction solution. At the same time, meaningful comparison of island-network options can itself require substantial development work.

Evidence and implementation. The funded outputs should distinguish enduring system studies from customer-specific design and compare the relevant voltage and phasing options. The Energy Isles/Yell relationship, HVDC assumptions, route definition and option-level costs need a common programme basis.

Response. No binary selection is made here. The response focuses on whether the development programme resolves the uncertainties identified by Ofgem while preserving a genuine option choice. Changes in a particular customer scenario should be assessed against residual system need, not used to assume that the whole scheme necessarily proceeds or necessarily stops. [S06, staged assessment]

EAQ7 — ETRE entry eligibility

Published proposal. Ofgem proposes that ETRE does not satisfy the more-than-£40m entry threshold after scrutiny of its 32% risk and contingency assumption. The submitted forecast is £40.670m. [S03, ETRE assessment]

Analysis. The threshold should be applied to the relevant evidenced cost measure, not an unsupported requested envelope. However, a generic 10% risk cap is not itself a statistical demonstration of a project's expected cost. Project-specific evidence might justify a different provision; a rounded headline value cannot establish the result without the scope and risk bridge. The response does not reconstruct redacted risk inputs.

Evidence and implementation. A non-sensitive reconciliation can identify the relevant base, categories, risk statistic, potential duplication and effect of the alternative provision. If that information materially changes the entry estimate, the entry conclusion can be reconsidered through the applicable assessment process.

Response. The response does not select agreement or disagreement with ineligibility. It distinguishes the entry question from later cost assessment: guidance paragraph 4.24 permits a final allowance at or below £40m for an admitted project and should not be read as abolishing the initial threshold. [S06, paragraphs 1.4 and 4.24]

EAQ8 — PCF methodology and allowance reconciliation

Published proposal. Ofgem uses an 8.2% PCF calibration, an ongoing 1% annual efficiency challenge and the adjustments described in its assessment, including historical funding where relevant. Published project PCF values sum to £372.954m for NGET and £114.340m for SHET. [S03, Table EA1 and PCF methodology]

Analysis. A common calibration reduces the need to establish a bespoke development model for every early project, but it can conceal different survey, consent and enabling-work requirements if treated as a complete description of efficient activity. Conversely, replacing every calibrated amount with full bottom-up reassessment could erode the intended staged process. The pertinent issue is evidence proportionate to material differences and later true-up, not a presumption that the calibration has no standing.

Evidence and implementation. The final record should show adjusted forecast, PCF calibration, annual phasing, efficiency base year, prior funding and any project-specific departure. A ratio below 8.2% cannot by itself prove the sequence of these operations. Historical PCF, APM, contributions and indirect funding need separate reconciliation.

Response. The response offers this calculation and evidence framework without selecting a binary position on the methodology. It preserves the published calibration as the current starting arrangement while identifying what is needed to interpret and check each resulting allowance. [S06, paragraph 1.19; S04, PCF true-up]

EAQ9 — Risk and contingency

Published proposal. Ofgem proposes a 10% direct-cost cap for risk and contingency in these early assessments where higher amounts have not been sufficiently justified. [S03, risk and contingency discussion; S04, VSRE risk assessment]

Analysis. The evidential question precedes the percentage: known mitigation, regulatory indexation, real price effects, contractor risk transfer and residual owner risk need to be distinguished. A mean, median and higher confidence-level budget are not interchangeable. The same named risk can appear in a contractor price and the ETO's residual exposure, but only genuinely overlapping provision should be removed.

Evidence and implementation. Where a departure is sought, the submission can show a dated risk register, cost base, distribution or reference-class evidence, mitigation, correlations and the statistic represented. The explanation should work for evidence supporting a lower provision as well as a higher one.

Response. This response does not select a single risk percentage for the respondent or for any ETO. It identifies the evidence needed to judge whether the proposed treatment is being applied to the correct base and whether a project-specific departure would be material. No P50 or expected-value result is inferred from the percentage alone.

EAQ10 — Biodiversity estimates in PCF

Published proposal. Ofgem proposes a 3.5% cap for biodiversity estimates used in PCF calculation, describing an early aggregate evidential basis and the intention to revisit it as project information improves. [S03, paragraphs 4.167–4.168]

Analysis. The cap is not a minimum cost allowance and is not a statement that every project causes the same habitat impact. Jurisdiction, consent route, land take, baseline, mitigation and long-term management can alter cost independently of total capex. England, Wales and Scotland should not be treated as one uniform legal regime. Nor should every statutory or planning commitment be assumed to arise from the same consent route.

Evidence and implementation. The next-stage evidence can identify the relevant obligation or commitment, field-survey basis, metric, mitigation sequence, delivery land and shared allocation. The Farmoor footnote should be corrected or explained so the cited policy matches the English-project context; this does not decide its planning merits.

Response. The response supplies the conditions for interpreting the proxy without choosing a mandatory percentage or binary answer. Lower evidenced cost should not be uplifted merely to reach the cap, and a higher estimate requires its own evidence and lawful funding treatment. [S03, Farmoor assessment; S04, biodiversity funding]

PAQ1 — VSRE efficient-cost assessment

Published proposal. Ofgem proposes £148.452m total project cost and £130.080m additional allowance. The latter consists of £123.852m LR funding and £6.228m incremental PCF. [S04, Tables PA3–PA5]

Analysis. The figures describe different concepts. The LR component decreases by £18.225m from the £142.077m request, while the additional funding comparison decreases by £11.997m because of the PCF true-up. Total project cost decreases by £10.340m. None of those reductions alone verifies efficiency. The effective single-bidder procurement outcome and limited comparator evidence require a transparent explanation of the weight placed on cost benchmarking and tender evidence.

Evidence and implementation. The final account can reconcile quantities, market scope, risk, efficiency, training classification, biodiversity, PCF, CAI and prior RDF. It should identify which apparent cost change is a reclassification and which is a change in the assessed total. A current tender is not automatically comparable to the benchmark unless scope and exclusions match.

Response. This response does not select a binary judgement on the allowance. It confirms the displayed arithmetic and sets out the remaining public-evidence conditions for evaluating efficient cost. It does not claim access to unredacted bids, internal cost books or the Project Assessment Model's underlying data.

PAQ2 — VSRE PCF true-up

Published proposal. Ofgem's narrative increases project PCF from £8.320m to £14.548m, an increment of £6.228m, and combines that increment with £123.852m LR funding to reach £130.080m of additional allowance. [S04, Table PA5 and PCF assessment]

Analysis. The true-up should preserve a non-overlapping record of development and construction cost. There is a specific documentary clarification: the old VSRE row in the marked Appendix 1 displays £5.77m before replacement with £14.55m, whereas the narrative uses £8.320m. The company PCF total is also marked from £154.95m to £163.73m. These are visible proposed amendments, not one corrupted number.

Evidence and implementation. The final instrument should identify the operative historical baseline and intervening changes, then reconcile exact project and company totals with the narrative increment. Rounded annual profiles need declared precision, but small rounding differences should not be described as substantive funding errors without evidence.

Response. The response does not select a binary answer. It separates reproducible narrative arithmetic from the unresolved historical schedule bridge, and asks for a clean, authoritative reconciliation before the final legal values are established. The public text alone does not prove either overpayment or an omitted funding decision.

PAQ3 — Biodiversity funding route

Published proposal. Ofgem proposes to place the relevant VSRE biodiversity cost within Load Re-opener funding despite its indirect classification, explaining that the CAI UIOLI calibration did not include that cost. [S04, biodiversity discussion]

Analysis. Classification, eligibility and funding route are distinct. A project-specific LR treatment can identify the expenditure explicitly but needs to avoid a duplicate indirect recovery. A prospective change to CAI arrangements may offer a common route but requires its own scope, calibration and governance. A dedicated reconciliation mechanism can reduce uncertainty but adds administration and cannot be assumed legally available merely because it is conceptually attractive.

Evidence and implementation. The decision can identify the specific biodiversity activity, current route, relationship to RIGs reporting, existing CAI provision and any future transition. The CAI governance's below-£150m perimeter and crossover exclusions should be checked rather than assuming that every indirect item can use UIOLI. [S09, chapter 2]

Response. No preferred policy route is selected. The response compares the implementation implications and the conditions for avoiding an unfunded efficient activity, double recovery or retrospective changes in the allocation of risk.

MPQ1 — The eleven minded-to Major Projects ODI-F cases

Published proposal. Ofgem is minded to apply the incentive at a later stage to eleven EA projects. Its screening uses consumer benefit, strategic importance and practicalities, assessed in the round. [S05, screening and project assessments; S07, paragraphs 2.6–2.8]

Analysis. The project narratives identify different timing channels: boundary constraint relief, customer connections, temporary and permanent works, and programme dependencies. A common strategic label cannot quantify them. A P50 date needs credible programme evidence; the appropriate treatment also depends on whether an independently developed or verified ODD exists and how it compares with P50. An ODD is not universally required because Design B expressly covers its absence.

Evidence and implementation. For each project, the designation record should identify design A, B or C, relevant forecast totex, P50, ODD where available, TDD, rates, lump sum, caps and completion specification. The evidence should separate additional consumer timing value from value already secured by other mechanisms or unavoidable dependencies.

Response. The response does not select a blanket agree/disagree position on the eleven. It analyses the project-specific evidence and calibration necessary for a final decision, without adding a new hard eligibility threshold beyond the governance document. [S07, paragraph 3.11 and Tables 1–3]

MPQ2 — VSRE proposed non-application of the ODI-F

Published proposal. Ofgem proposes not to apply the Major Projects ODI-F to VSRE, describing the project as principally refurbishment and identifying limited evidence of additional consumer harm from delay. SPT's public material also describes HND and CP2030-related system benefits. [S05, VSRE assessment; S13, VSRE public submission page]

Analysis. Refurbishment and reinforcement benefits can coexist. The relevant analysis distinguishes ordinary asset-health consequences, the incremental timing effect of this project and whether an additional incentive changes feasible delivery. A fixed output date or contractual obligation does not automatically prove that no incentive could matter, but it does affect the counterfactual.

Evidence and implementation. The final explanation can identify the relevant capacity and delay consequences, existing delivery incentives and remaining controllable acceleration. It should distinguish completion to the specified output from initial energisation and avoid treating the existence of a COAE route as a substitute for a timing-benefit assessment.

Response. No binary selection is made. The response identifies the factual distinction between a project label and the incentive's criteria, and the additional evidence that would alter the timing analysis without presuming that either application or non-application follows automatically.

MPQ3 — Projects not selected for ODI-F at this stage

Published proposal. The current screening leaves sixteen eligible EA projects without application at this stage, treats ETRE as not applicable and defers Woolavington with its PA. [S05, Table 1; S02, Woolavington status]

Analysis. Not selected at this stage is different from permanently excluded. Later customer readiness, a programme dependency, an independently developed ODD or other timing evidence may change the assessment. Conversely, a new designation or connection announcement alone does not establish the amount of consumer benefit or the practical ability to accelerate delivery. Absence of an ODD alone should not be used as a universal exclusion.

Evidence and implementation. A subsequent review can record which factual change matters to the existing three-factor framework and whether the project's option and schedule are sufficiently defined for the appropriate design. This avoids both automatic inclusion of every large scheme and repeated complete review of unchanged projects.

Response. This response does not nominate an additional project or provide a ranking. It supplies a consistent evidential basis for later consideration, including Design B where appropriate, and distinguishes a changed record from hindsight about the information available in this window. [S07, chapters 2–3]

9 Practical cases: 144 hypothetical scenarios

All cases in this section are hypothetical analytical examples, not reports of actual ETO conduct, procurement prices or system events. The first 120 develop the core project, funding, delivery and recovery situations; cases 121–144 examine further governance boundaries and positive controls. Each case states facts, the material distinction, and a specific response or evidence path. A source citation identifies the relevant framework, not evidence that the hypothetical event occurred.

These are reasoned scenarios, not a claim that operational systems were tested, electrical network studies were performed or a larger simulation programme was executed. Numerical examples assume only their expressly stated inputs. A suggested evidence step is not a new legal requirement unless the cited instrument establishes it.

Cases	Family
1–10	Eligibility, materiality and assessment tracks
11–20	Needs cases, customer readiness and queue changes
21–30	Options, PASE and whole-life trade-offs
31–40	PCF and early development commitments
41–50	Risk, contingency and biodiversity
51–60	Efficient costs and Project Assessment
61–70	VSRE, PCF true-up and funding categories
71–80	Major Projects ODI-F and delivery timing
81–90	Shared sites, common costs and programmes
91–100	Legal instruments and correction
101–110	Consumer finance and the stepped TIM
111–120	Delivery, compound changes and recovery
121–128	Incentive design, exemptions and completion
129–136	COAE, assurance and funding boundaries
137–144	Aggregation, evidence and proportionality

Cases 1–10: Eligibility, materiality and assessment tracks

Case 1: An unevidenced allowance above the entry threshold

Hypothetical facts. A new application presents a £39.6m capital-cost estimate and adds £0.8m of contingency, producing £40.4m. The engineering scope is unchanged and the applicant supplies no event-level explanation for the additional amount.

Analysis. The arithmetic crosses £40m, but arithmetic alone does not establish the forecast on which entry depends. Equally, removing every uncertain cost would understate expected expenditure. The relevant comparison is between a supported forecast, its risk treatment and the entry definition, not between an optimistic base and the largest available envelope. The £0.8m should be separated from inflation, known mitigation and contractor-priced risks.

Response and evidence. Ofgem would need the cost boundary, estimate date, risk register and explanation of the contingency before deciding initial eligibility. Where the evidence remains incomplete, the response can identify precisely what prevents determination without asserting that zero contingency is the correct amount. A later supported forecast would be a new evidential basis, not proof that the original unsupported addition was valid.

Relevant questions: EAQ7, EAQ9. Framework: S03, ETRE entry; S06, paras 1.4 and 4.24.

Case 2: An admitted project receives an efficient allowance below £40m

Hypothetical facts. A project enters the mechanism on a properly evidenced £41m forecast. Competitive procurement and design refinement subsequently reduce the efficient final allowance to £38m without changing its load-related purpose.

Analysis. This is not the same situation as an application that never met the entry test. Paragraph 4.24 of the Load Re-opener Guidance expressly permits a final allowance equal to or below £40m for an accepted project. Automatic expulsion would confuse initial eligibility with the later cost assessment and could penalise an efficiency improvement.

Response and evidence. The decision record can retain the eligibility finding, explain the £3m reduction and reconcile PCF, final construction funding and outputs. There is no automatic requirement to recover all prior PCF or move the project to another mechanism solely because of the lower allowance. A different response may be needed if the load driver or essential scope disappears; that is a material-change question, not an arithmetic consequence of crossing £40m downwards.

Relevant questions: EAQ1, EAQ3, EAQ5, EAQ7, PAQ1. Framework: S06, para 4.24 and material-project-change provisions.

Case 3: Direct cost and total cost straddle the track boundary

Hypothetical facts. A scheme has £295m of forecast direct project costs and £22m of separately classified indirect costs. A summary presentation describes it only as a £317m project.

Analysis. The May Eligibility Annex describes the £300m track threshold by reference to estimated total project direct costs. A headline including indirect costs cannot silently replace that measure. Conversely, an immature or insufficiently justified solution can require Track 3 even below the numerical boundary. The classification of each £22m component therefore matters, but it does not settle the separate maturity assessment.

Response and evidence. The applicant can present a cost bridge showing direct cost, indirect cost, PCF, contributions and requested funding. Ofgem's track decision can then identify both its numerical basis and any independent optioneering reason. If a disputed item is actually direct expenditure, the revised direct-cost total should be calculated before the track is determined; changing a label without changing the activity is not sufficient.

Relevant questions: EAQ2, EAQ4, EAQ5. Framework: S03, para 2.5; S06, paras 1.18 and 1.48–1.55.

Case 4: A contribution reduces exposure but not engineering scope

Hypothetical facts. A project has £305m of direct costs. A customer agrees to contribute £30m, leaving £275m to be recovered from other funding sources. The physical design and procurement scope remain identical.

Analysis. The contribution changes who funds the work, not the £305m engineering cost measure. Netting it from direct costs solely to obtain Track 2 would mix a funding calculation with the scrutiny threshold. The contribution still needs verification because a conditional promise, a secured contractual payment and cash already received create different residual exposure.

Response and evidence. The track record can retain the gross direct-cost calculation while the allowance bridge separately deducts the contribution under the applicable arrangements. If the customer later defaults, the exposure and contractual remedy must be reassessed; the project does not become a new £305m design on that date. Conversely, a genuine reduction in scope is recorded as a scope change rather than disguised as a contribution.

Relevant questions: EAQ2, EAQ5, EAQ8. Framework: S03, para 2.5; S06, assessment-track and cost-submission provisions.

Case 5: Ground investigations displace a PASE Primary design

Hypothetical facts. A Track 2 substation was based on a standard AIS layout. Intrusive surveys identify ground conditions that make the proposed foundation arrangement impracticable within the available footprint.

Analysis. The original PASE classification described an earlier design and site understanding. It does not approve a materially different layout by inheritance. The new information may call for a revised foundation design, a different site or a GIS option; each has different cost, consenting and future-extension consequences. The discovery itself does not prove that the most expensive alternative is necessary.

Response and evidence. The ETO can submit the material-change record with survey evidence, option comparisons and a schedule identifying reusable design work. Ofgem determines whether targeted evidence at PA is sufficient or whether a renewed needs/options assessment is required. The earlier decision and expenditure remain visible; only the prospective scope and funding are adjusted through the applicable process. Unaffected surveys are not commissioned again merely to produce a new dossier.

Relevant questions: EAQ2, EAQ4, EAQ8. Framework: S06, paras 1.48–1.55 and material-project-change provisions.

Case 6: A non-PASE alternative with a specific land constraint

Hypothetical facts. A £90m connection cannot accommodate a standard substation layout inside the land available under an existing statutory project. A remote compound uses additional cable but avoids reopening the principal consent.

Analysis. Non-PASE status does not itself demonstrate poor value. The useful comparison is whether the land constraint is real, whether reasonable alternatives were examined before it became binding, and how cable losses, maintenance and later expansion compare over a common horizon. Avoiding a consent delay may have value, but a programme assertion without a dated critical path is not evidence of that value.

Response and evidence. The decision can identify the precise departure and the evidence needed for a proportionate Track 2 review. A site plan, consent boundary, whole-life comparison and delivery dependencies would address the issue without reconstructing every unrelated design detail. If land availability changes, the options comparison is refreshed; otherwise the same constraint need not be repeatedly re-proved at each reporting stage.

Relevant questions: EAQ2, EAQ4. Framework: S03, Berkswell entry; S06, paras 1.49–1.50.

Case 7: Linked works and the project boundary

Hypothetical facts. Two £24m interventions share a site and outage, but one serves a new connection and the other replaces ageing equipment. The applicant proposes a single £48m application.

Analysis. Physical proximity is not sufficient to establish one regulatory output, just as separate accounting codes do not establish two independent projects. The assessment needs the engineering dependency, primary drivers, counterfactual works and costs already funded elsewhere. Combining the schemes can be operationally efficient while leaving distinct funding responsibilities.

Response and evidence. The submission can show the stand-alone and combined scopes, the shared costs and the reason for the proposed output boundary. Ofgem can then apply the mechanism's definition to that boundary. Any allocation of savings is transparent and totals reconcile. Neither automatic aggregation to cross £40m nor automatic separation to avoid scrutiny follows merely from the two cost estimates.

Relevant questions: EAQ1, EAQ5, EAQ7. Framework: S06, eligibility and cost-submission provisions; S03, mixed-driver project entries.

Case 8: Reinforcement and replacement share the same asset

Hypothetical facts. An ageing circuit needs replacement within five years. A new load requirement brings the work forward and changes the conductor rating. Some design costs would have arisen under either project.

Analysis. The comparison requires the replacement counterfactual, not an assumption that all work is either load-related or asset-health expenditure. Acceleration, extra rating and common replacement work can have different cost and benefit attributions. A mixed driver can fall within the stated mechanism; that does not authorise duplicate recovery from baseline asset-health funding.

Response and evidence. The cost record can separate common work, incremental reinforcement and avoided replacement expenditure, with explicit treatment of timing and residual asset value. Where indivisible works cannot be allocated mechanically, the allocation judgement and sensitivity are stated. Delivery evidence can identify both condition and capability outcomes without counting the same physical conductor twice.

Relevant questions: EAQ2, EAQ5, PAQ1. Framework: S03, reconductoring and holistic-site entries; S06, para 1.4.

Case 9: A revised application uses a new identifier

Hypothetical facts. A previously rejected project returns under a new name with a shorter route, one fewer transformer and updated demand evidence. Some studies were funded in the earlier development phase.

Analysis. A new identifier neither erases the previous decision nor proves that the project is merely a duplicate. The material comparison is between old and new scope, drivers, cost and evidence. The shorter route may resolve an earlier concern while another concern survives. Prior studies may be reusable even if the old construction option is not.

Response and evidence. The application can include a predecessor/successor map and a reasoned change schedule. PCF estimates identify reused studies, additional work and prior funding. Ofgem can assess the revised case on its actual evidence while preserving the earlier rejection and avoiding a second payment for unchanged work. The public explanation need not reproduce protected details to make the change intelligible.

Relevant questions: EAQ7, EAQ8. Framework: S06, material-project-change and cancellation provisions.

Case 10: Fresh evidence confirms an unchanged project

Hypothetical facts. A later reporting cycle supplies updated customer confirmations and tender information. Scope, direct costs, timetable and the evidence supporting the existing track remain materially unchanged.

Analysis. Additional evidence is not itself a material project change. A review that automatically resets the track, issues a new output or orders repeat surveys can create delay and administrative cost without improving assurance. The appropriate analytical result may be confirmation that the earlier assumptions still hold.

Response and evidence. The record can identify the new documents and explicitly record no material change to scope, track or funding. Original decision dates remain intact, and the next scheduled assessment proceeds normally. Only a newly identified inconsistency or genuinely altered dependency warrants further action. This case provides a control against treating every review as a reason to modify an otherwise coherent project.

Relevant questions: EAQ2, EAQ4, EAQ8. Framework: S06, proportionality and material-project-change provisions.

Cases 11–20: Needs cases, customer readiness and queue changes

Case 11: A major battery customer exits after development funding

Hypothetical facts. A 1 GW BESS customer withdraws after PCF has funded surveys and outline design. A separate distribution-demand connection still requires part of the proposed substation.

Analysis. The withdrawal removes a driver but does not establish that all development has become worthless. The remaining demand may justify fewer bays, a later phase or a smaller connection. An existing readiness status cannot substitute for the new withdrawal evidence. The cost of cancelling supply commitments must be compared with the cost of retaining capacity that is no longer required.

Response and evidence. The revised case can identify the minimum scope justified by remaining users, the surveys reusable under that scope and the customer-specific work that is stranded. Ofgem's material-change process determines the next assessment and funding consequences. Contract termination, PCF recovery and public needs-case correction are separate actions; none should be inferred automatically from the withdrawal alone.

Relevant questions: EAQ5, EAQ8, MPQ3. Framework: S03, paras 4.169 onwards; S06, material-project-change provisions.

Case 12: Partial battery uptake does not halve every cost

Hypothetical facts. Four equally sized battery customers drove a six-bay station design. Two remain ready to connect, while the other two defer indefinitely. The shared access road and principal busbar remain necessary for the ready customers.

Analysis. A 50% reduction in customer capacity is not necessarily a 50% reduction in efficient cost. Shared fixed infrastructure, spare-bay civil provision and deferrable switchgear have different cost

behaviour. The useful comparison distinguishes retaining passive extension capability from purchasing and installing all equipment immediately.

Response and evidence. The ETO can present a bill of quantities by common, customer-specific and optional work, with dates for deferred commitments. A revised allowance would follow assessed scope rather than an arbitrary percentage reduction. Evidence of continuing demand and the incremental cost of later expansion can support comparison of the alternatives without treating uncertain customers as already committed.

Relevant questions: EAQ2, EAQ5, EAQ8. Framework: S03, BESS thematic assessment; S06, optioneering and cost requirements.

Case 13: Demand moves three years later

Hypothetical facts. A data-centre customer retains a connection agreement but moves its intended energisation three years beyond the date used for the project plan. Site access and the planning consent remain available.

Analysis. Contract continuity does not make the old benefit date current. Some preparatory work may preserve land or supply-chain options, while other commitments could be delayed without losing that option. Deferral can reduce early financing exposure but may create renewed mobilisation costs or conflict with an available outage.

Response and evidence. The updated programme can compare the original date, a rephased minimum build and an option-preserving development route. It should identify cancellation charges and the expiry of land or consent rights. Ofgem can consider timing and PCF profile changes using the applicable process; a later consumer benefit date is also relevant to any eventual ODI-F calibration.

Relevant questions: EAQ5, EAQ8, MPQ1. Framework: S03, customer-driven site entries; S06; S07, paras 3.6–3.13.

Case 14: Demand grows before the final cost assessment

Hypothetical facts. A modular design was based on two demand customers. Before PA, a third customer presents verified connection evidence and requests capacity earlier than the assumed expansion phase.

Analysis. The original modest scope was not necessarily mistaken; it reflected the earlier information. The new comparison concerns the incremental cost and disruption of enlarging now against returning later. Capacity, firmness and coincidence of demand must be specified: nameplate requests cannot simply be added to determine a transformer rating.

Response and evidence. The applicant can update the load-flow evidence and compare immediate expansion with staged delivery on a common price base. The decision identifies which parts of the design change, which existing PCF outputs remain usable and whether the delivery date is affected. A larger request is not granted solely because a new customer appears, but the previous scope is not frozen solely because it was initially accepted.

Relevant questions: EAQ2, EAQ4, PAQ1. Framework: S06, updated scope and cost-submission requirements.

Case 15: A generation programme is rephased

Hypothetical facts. An offshore wind connection moves later in a strategic planning update. The same reinforcement also alleviates an existing transmission boundary constraint.

Analysis. The connection and boundary benefits need separate dates and counterfactuals. The connection delay may remove the case for early customer-specific equipment while leaving a current system need. Equally, the claimed constraint saving may depend on generation that now arrives later and therefore may not survive unchanged.

Response and evidence. The revised needs case can show benefits with and without the delayed generation and identify the network conditions used in each model run. The project programme and any incentive inputs are revised only where those dependencies change. Reusing a previous system-benefit total without its scenario assumptions would conceal the effect of the update.

Relevant questions: EAQ2, EAQ5, MPQ1. Framework: S03, strategic reinforcement entries; S07, consumer benefit and ODD provisions.

Case 16: A customer leaves but the system case remains

Hypothetical facts. A large demand customer cancels. Independent system studies still identify a boundary reinforcement need of a similar date, although the connection bay itself is no longer required.

Analysis. Cancellation of one customer is not equivalent to loss of the whole load-related purpose. The station's common reinforcement scope and the abandoned bay should be evaluated separately. Any customer contribution already received also has its own contractual and accounting treatment; it cannot simply be retained against a different scope without justification.

Response and evidence. The revised output can distinguish retained boundary capability from removed connection work. Cost and benefit calculations identify avoided bay expenditure, cancellation liabilities and any changed funding attribution. The decision record explains whether the project remains within its accepted needs case or requires a material-change assessment, rather than assuming either automatic continuation of the full allowance or automatic cancellation.

Relevant questions: EAQ5, EAQ8, MPQ1. Framework: S06, material-project-change provisions; S03, mixed-driver entries.

Case 17: A commercial announcement is not a connection determination

Hypothetical facts. A developer announces a major industrial facility and gives an ambitious opening date. The public announcement does not establish the relevant connection offer, readiness status or accepted electrical specification.

Analysis. The announcement is evidence of an intention, not evidence of every condition needed for a network investment. Planning, financing, land and connection processes have different responsible parties and dates. Treating an announcement as equivalent to a confirmed connection can overstate both capacity and urgency.

Response and evidence. The project record can classify the announcement as prospective demand and state which official or contractual evidence is needed before stronger reliance. Option-preserving studies may still have a rationale, but construction commitment and timing incentives need their own basis. The response should not infer private customer status or claim that the project has failed a gate merely because the supporting evidence is not public.

Relevant questions: EAQ5, MPQ1, MPQ3. Framework: S03, customer-readiness considerations; S06, needs-case evidence requirements.

Case 18: Two customers need different delivery dates

Hypothetical facts. One customer is ready in 2029 and another in 2032. Both share civil works, but their transformers and connection bays can be commissioned separately.

Analysis. A single completion date can obscure useful partial capability. Completing all equipment in 2029 creates an early funding burden for the later customer; waiting until 2032 delays an earlier benefit. The comparison needs remobilisation cost, shared outages, equipment preservation and the risk that the second connection never materialises.

Response and evidence. The engineering programme can separate shared enabling works, the first operational phase and the later extension. Any proposed milestone structure must be reflected in the authorised output or incentive design rather than invented in a progress report. Evidence of usable first-phase capability is distinct from evidence of full project delivery.

Relevant questions: EAQ2, EAQ5, MPQ1. Framework: S06, outputs and delivery requirements; S07, full-delivery and incentive-design provisions.

Case 19: A capacity reduction changes only part of the station

Hypothetical facts. A connection offer is revised from 600 MW to 350 MW following a readiness review. The station also serves existing demand and has a fault-level requirement unaffected by that reduction.

Analysis. The revised contracted figure does not directly identify the efficient station rating. It changes a model input, while security, diversity and fault-level requirements may retain other equipment. The assessment must avoid both ignoring the reduction and applying a mechanical 350/600 cost multiplier.

Response and evidence. The ETO can rerun the relevant network studies, state which assets change and reconcile the updated quantities to the prior estimate. Customer-funded scope and common network expenditure remain separate. The revised decision cites the dated offer and model version, so downstream cost, programme and benefit estimates do not continue using the superseded 600 MW figure.

Relevant questions: EAQ2, EAQ5, PAQ1. Framework: S03, readiness and design considerations; S06, updated submission requirements.

Case 20: An established need is met by a different solution

Hypothetical facts. A prior needs decision identified a voltage requirement. A later technology and site review replaces the original substation option with a satellite compensation site and additional cable.

Analysis. The existence of a voltage need can remain established while the least-cost solution changes. The earlier decision does not validate the new site, cable route, losses, consenting risk or cost. Conversely, repeating the entire system-need study without a changed system assumption may add little.

Response and evidence. The assessment can carry forward the still-valid needs evidence and focus new work on solution-specific differences, interfaces and delivery. A clear change schedule identifies assumptions that are retained and those that have been replaced. The resulting funding decision then relates to the new, evidenced scope rather than to the historic option label.

Relevant questions: EAQ4, PAQ1. Framework: S03, Knocknagael entry; S06, material-change and PA requirements.

Cases 21–30: Options, PASE and whole-life trade-offs

Case 21: Footprint and consent change the AIS–GIS comparison

Hypothetical facts. An AIS option has lower equipment cost but requires land beyond the available site. A GIS alternative fits inside the site but has different maintenance and replacement requirements.

Analysis. The comparison is not settled by capex or footprint alone. Land acquisition, consenting probability, outage duration, future extension and whole-life maintenance need a common scope and appraisal date. A statement that additional land is unavailable should identify the constraint rather than presume that no alternative exists.

Response and evidence. An options record can compare deliverable layouts and specify the evidence supporting each constraint. The consequence of a different land outcome should be shown as a sensitivity. Ofgem's assessment can then distinguish a justified site-specific departure from a general claim that one technology is always preferable.

Relevant questions: EAQ2, EAQ5, PAQ1. Framework: S03, Bodelwyddan and Farmoor entries; S06, PASE provisions.

Case 22: A lower-emissions design arrives later

Hypothetical facts. A proposed SF6-free GIS design carries a higher initial price and a longer quoted delivery lead time than the alternative offered for the site. Both offers remain subject to technical qualification.

Analysis. Technology labels alone do not establish lifecycle performance or deliverability. The comparison needs the actual insulation technology, reliability evidence, maintenance arrangements, qualification stage, expected emissions and end-of-life costs. A supplier quotation for unqualified equipment should not be treated as equivalent to a binding deliverable offer.

Response and evidence. The programme can distinguish technical qualification from manufacturing lead time and show how either option meets applicable requirements. Whole-life results state the valuation assumptions and the consequence of delay separately. No allowance reduction or technology selection follows merely from a headline premium; the evidence must relate to the complete, feasible system.

Relevant questions: EAQ2, PAQ1. Framework: S06, PASE and WLCA requirements; S03, relevant GIS project entries.

Case 23: The customer chooses underground cable

Hypothetical facts. A customer elects a cable connection that costs £12m more than an otherwise feasible overhead option and agrees to fund that increment. Common reinforcement remains consumer-funded.

Analysis. Customer preference and consumer exposure are different issues. The agreement must cover the actual incremental scope, not only the initial capital price if ongoing operation creates additional costs. The alternative must also be technically and legally feasible before it is used as the baseline.

Response and evidence. The funding bridge can show the common reinforcement, the baseline connection and the customer-elected increment. Any contribution is linked to a defined scope and payment terms. If the customer's requested route changes, both the contribution and residual exposure are updated; the change does not create an entitlement to charge an unagreed premium to other consumers.

Relevant questions: EAQ2, EAQ4, PAQ1. Framework: S03, customer-funded connection entries; S06, cost and option evidence.

Case 24: Existing tunnel space is not free capacity

Hypothetical facts. A second cable can be installed in an existing tunnel without acquiring a new route. Thermal and access studies indicate that the additional cable may reduce maintenance flexibility.

Analysis. The avoided tunnel construction is a benefit, but usable capacity depends on thermal limits, common-mode failure and maintenance access. The cost comparison must include any ventilation, protection, monitoring and outage changes. Counting the tunnel as costless because it already exists can overlook incremental operating burdens.

Response and evidence. The applicant can provide a scope-specific thermal and access assessment with the reuse and new-route alternatives. The output specifies the achievable rating under the stated operating conditions. If a later test reduces the usable rating, the benefit and incentive records are corrected rather than continuing to claim the originally assumed capability.

Relevant questions: EAQ5, PAQ1, MPQ1. Framework: S03, North West London entry; S06, option and delivery requirements.

Case 25: A remote transformer compound preserves a programme

Hypothetical facts. A remote SGT compound avoids rebuilding a constrained existing site but requires longer cables and an additional maintenance access route. Its benefit is asserted to be meeting a third-party programme.

Analysis. The asserted programme benefit needs the date, critical path and credible alternative programme. Cable losses and maintenance costs continue after commissioning and should not disappear from the comparison. A short-term consent constraint may be decisive, but it does not resolve future replacement of ageing equipment at the original site.

Response and evidence. The appraisal can identify the incremental remote-compound cost and the avoided delay, using consistent demand and asset-life assumptions. The final scope records the interface responsibilities and access rights. If the third-party programme moves, the comparison can be refreshed without pretending that the earlier decision used that later information.

Relevant questions: EAQ2, PAQ1. Framework: S03, Berkswell entry; S06, WLCA and delivery evidence.

Case 26: Reconductoring trades speed against headroom

Hypothetical facts. Reconductoring an existing route can provide 700 MW of additional transfer capability sooner than a new line. A more expensive option offers greater future headroom but takes longer to consent.

Analysis. The same transfer figure should not be used in both alternatives if their operating limits differ. The analysis needs dated demand and generation scenarios, losses, outage constraints and the cost of another intervention should the lower-headroom option be exhausted. The faster option's benefit is limited to the period during which its capability is usable and the other option would not yet exist.

Response and evidence. Ofgem can receive an option comparison that separates early benefit, enduring capability and future rework. The result remains conditional on the system scenario rather than declaring a universal preference for the cheapest or fastest intervention. Later strategic changes trigger a scoped update to the assumptions that actually changed.

Relevant questions: EAQ2, MPQ1. Framework: S03, reconductoring entries; S06, CBA and WLCA requirements.

Case 27: Existing SF6 GIS and existing SF6-free GIS are different predicates

Hypothetical facts. An applicant selects a PASE category for extending existing SF6-free GIS, but the installed equipment at the site uses SF6. Only the new extension would be SF6-free.

Analysis. The category's installed-base condition is not satisfied merely because the proposed new equipment has the desired characteristic. This is a classification issue, not proof that the extension is technically unacceptable. It affects the route and evidence needed for regulatory scrutiny.

Response and evidence. The PASE mapping can state the actual installed and proposed technologies and identify the applicable alternative category or non-PASE justification. Interface testing, site constraints and a comparison with other layouts then address the engineering issue. A corrected classification does not by itself require replacing all existing equipment or rejecting the project.

Relevant questions: EAQ2, EAQ5. Framework: S03, Bodelwyddan and Laleham entries; S06, Appendix 3.

Case 28: The lower estimate depends on unsecured land

Hypothetical facts. A route estimated at £100m depends on an uncompleted land agreement. A £110m alternative has secure rights but different environmental impacts and outage requirements.

Analysis. The £10m difference is not a complete expected-cost comparison. The first option may incur delay, redesign or compensation costs; the second may contain avoidable expenditure or other impacts. Inventing a probability of land acquisition would create false precision. Evidence on the negotiation and alternative routes should instead define a defensible range.

Response and evidence. The appraisal can show the break-even delay or additional cost at which the options change relative position, without assigning unsupported probabilities. A decision checkpoint before irreversible procurement can be tied to the land evidence. The final choice remains with the authorised decision-maker; the analytical contribution identifies the assumptions that matter.

Relevant questions: EAQ5, PAQ1. Framework: S06, option, land and delivery evidence requirements.

Case 29: A short-lived extension obstructs the later rebuild

Hypothetical facts. A connection extension occupies the only space available for a possible future 400 kV site strategy. Its equipment would need to be moved or retired if that strategy proceeds.

Analysis. The future scheme is not certain, but neither is it irrelevant. The comparison needs the probability range or explicit scenarios used by the competent planner, the timing of the potential rebuild, reusable assets and the cost of preserving space. A fully speculative future scheme should not be treated as a committed obligation.

Response and evidence. The ETO can present a layout preserving future access, the current extension and staged alternatives, with residual-value assumptions disclosed. The assessment records what future-strategy evidence would change the design. This avoids both automatic overbuilding for every possible future and ignoring a documented near-term write-off risk.

Relevant questions: EAQ5, EAQ8. Framework: S03, Laleham, Aberthaw and Bodelwyddan entries; S06, future-proofing provisions.

Case 30: A refreshed comparison leaves the selected option unchanged

Hypothetical facts. Updated quotations, loss assumptions and land evidence are applied to the same options. The previous option remains feasible and its comparison with the alternatives is materially unchanged.

Analysis. A sensitivity exercise can confirm stability rather than produce a new design. The evidential outcome should not be disguised as a scope change to demonstrate that a review occurred. Reopening procurement or consenting without a material reason could destroy value established by the refreshed comparison.

Response and evidence. The record can identify the revised inputs, resulting ranges and confirmation that the previous scope and programme remain applicable. No fresh allowance or output is inferred. Monitoring focuses on the few assumptions capable of reversing the comparison, while completed and still-valid engineering work is retained.

Relevant questions: EAQ2, EAQ4, PAQ1. Framework: S06, proportionality and updated-evidence requirements.

Cases 31–40: PCF and early development commitments

Case 31: A percentage request exceeds the documented work

Hypothetical facts. A £100m project uses the 8.2% calibration to request £8.2m PCF. Its current work-package estimate identifies £5m of surveys, design, consenting and other eligible development work, with no quantified explanation for the balance.

Analysis. The regulatory calibration and a bottom-up estimate answer different questions. A discrepancy can arise from missing scope, estimation maturity or genuinely lower development needs. It does not justify inventing extra activities to consume the percentage. Nor does the £5m estimate prove completeness without checking exclusions and the stage it covers.

Response and evidence. The application can reconcile the two estimates and identify the scope, timing and uncertainty behind each component. The Authority's applicable PCF methodology determines the award; any proposed adjustment to that methodology should be explicit. At PA, the review links assessed

PCF to the final capital-cost assessment rather than treating the initial percentage as proof of efficient expenditure.

Relevant questions: EAQ8, PAQ2. Framework: S03, PCF thematic assessment; S04, paras 4.31–4.33.

Case 32: Marine surveys cost more than the calibration suggests

Hypothetical facts. An island project needs seasonal marine surveys, specialist vessels and two separate environmental campaigns. The applicant's development estimate exceeds 8.2% of the forecast project cost.

Analysis. The difference requires an explanation tied to eligible activities and quantities. Vessel mobilisation, weather windows and reuse of existing surveys may drive the cost, but a general island premium is not a substitute for that evidence. The estimate must also separate procurement commitments and indirect activities funded elsewhere.

Response and evidence. The decision can state how the submitted work packages relate to the PCF methodology and identify evidence needed for any departure or later review. Alternative sequencing and shared campaigns can be assessed without assuming that all excess is inefficient. The residual risk is then visible rather than hidden in a percentage adjustment.

Relevant questions: EAQ8, PAQ2. Framework: S03, SHET and PCF entries; S06, PCF requirements.

Case 33: Early enabling work makes an option less reversible

Hypothetical facts. Before the final needs and options assessment, an ETO proposes a permanent access road and platform designed specifically for its preferred site. Temporary access would permit surveys but would not support construction.

Analysis. Both can be described as enabling work, but their commitment and reuse properties differ. The comparison needs the reason for acting early, the cost of temporary provision, the chance of a different site and any consent needed for permanent works. Funding an early activity must not be presented as implicit approval of the entire construction option.

Response and evidence. The development plan can separate reversible investigations from site-specific permanent commitments and identify the decision needed before each. Where the preferred site changes, reusable work, unavoidable termination costs and inefficient expenditure are considered separately. The funding consequence follows the PCF and material-change provisions, not a blanket rule that every early commitment is either recoverable or disallowed.

Relevant questions: EAQ5, EAQ8, PAQ2. Framework: S06, PCF, EEW and material-change provisions.

Case 34: A survey is useful to two projects

Hypothetical facts. A £1.2m ground survey covers land required by two neighbouring projects. Each project's PCF estimate currently includes the full £1.2m.

Analysis. The survey may legitimately support both decisions, but usefulness does not create a second £1.2m cost. Allocation can reflect area surveyed, incremental samples or another documented causal driver. If one project alone would have required the entire survey, a simple equal split may misrepresent the counterfactual even though it avoids double payment.

Response and evidence. The cost record can identify one supplier invoice or estimate, a single survey version and the allocation rule. The two funding schedules together cannot recover more than the eligible cost. If later scope changes require extra samples, only the incremental campaign is added; historical data are not recharged as newly produced evidence.

Relevant questions: EAQ8, PAQ2. Framework: S06, cost-evidence requirements; S09, allocation and reporting provisions.

Case 35: An expiring land option preserves a route

Hypothetical facts. A £0.6m option payment would preserve access to a possible route for eighteen months. Exercising the option would require a separate, much larger purchase after the needs decision.

Analysis. The payment is not equivalent to buying the land or approving the route. Its analytical value depends on exclusivity, expiry, transferability, refund terms and credible alternative routes. A cheap option can still be wasteful if the route is not feasible, while deferring every payment can remove a valuable choice.

Response and evidence. The decision record can identify the bounded commitment, the evidence required before exercise and the consequences of expiry or cancellation. Any regulatory treatment depends on the permitted PCF scope and the actual contract. No confidential land price or owner identity need be inferred to assess the governance of the staged commitment.

Relevant questions: EAQ5, EAQ8. Framework: S06, PCF and land-evidence provisions.

Case 36: Advanced procurement and development funding touch the same order

Hypothetical facts. APM supports a long-lead transformer reservation. A project's PCF budget includes supplier design work associated with the same order and the PA estimate includes the full delivered transformer price.

Analysis. The three records may concern distinct costs, or the supplier design and reservation may already be included in the final price. The relevant reconciliation follows the purchase order, credits and contractual milestones rather than just the names of the funding mechanisms. A deposit is not an additional transformer cost when it is credited against delivery.

Response and evidence. The funding schedule can show reservation payment, engineering work, delivery balance and all credits, identifying each amount's single recovery route. If the order is reassigned, the allocation follows the asset and contractual rights. No project should receive both an uncredited advance allowance and the gross final invoice for the same equipment.

Relevant questions: EAQ8, PAQ1, PAQ2. Framework: S11, APM governance; S06, PCF and cost requirements.

Case 37: Voltage changes after PCF has been spent

Hypothetical facts. A site originally designed at 220 kV is reconsidered at 400 kV. Ground surveys and environmental baseline data remain usable, but equipment-specific design and part of the layout must be redone.

Analysis. It would be incorrect to classify all prior development as reusable or all as stranded. The reason for the change also matters: a justified new system requirement differs from avoidable design work undertaken without resolving an identified uncertainty. Accounting classification alone cannot settle efficiency.

Response and evidence. The ETO can divide expenditure into reusable, necessary replacement and avoidable duplicate work, with evidence of when the decisive information became available. The revised PCF estimate includes only the further eligible work after offsets. Ofgem's material-change response determines whether a new needs assessment is required and how the funding and programme records are adjusted.

Relevant questions: EAQ6, EAQ8, PAQ2. Framework: S03, Shetland entry; S06, material-project-change provisions.

Case 38: Earlier price-control funding supports the same development

Hypothetical facts. A new PCF request includes studies covered by a RIIO-ET2 development allowance. Some studies were completed; others were not undertaken before the transition to RIIO-ET3.

Analysis. The earlier allowance, actual expenditure and completed output are three separate quantities. Deducting all historic allowance without checking its treatment can underfund new eligible work; ignoring it can fund the same development twice. Price bases and any close-out recovery must also be reconciled.

Response and evidence. The transition schedule can show the old award, expenditure, retained outputs, recovered balance and proposed new work. The new request then identifies its incremental content in a consistent price base. The history is retained rather than relabelled as a fresh project simply because a new period or mechanism is used.

Relevant questions: EAQ8, PAQ2. Framework: S03, prior-PCF discussion; S06, crossover and PCF provisions.

Case 39: Development expenditure slips to another regulatory year

Hypothetical facts. A survey planned for March takes place in May because an access window changes. Its scope and expected efficient cost remain the same, but the expenditure crosses the year-end.

Analysis. The year change affects the cash-flow and reporting profile; it does not automatically change the technical output or justify a second inflation uplift. Any effect on the ongoing-efficiency calculation needs the published methodology, not an invented adjustment. The delivery milestone may or may not move.

Response and evidence. The record can distinguish the actual survey date, revised expenditure profile and unchanged or revised output date. Reprofiling follows the applicable direction or reporting process. The old estimate remains part of the audit history, and aggregate annual tables are updated consistently so the amount does not appear in both years.

Relevant questions: EAQ8, PAQ2. Framework: S06, reporting and reprofiling provisions; S04, efficiency and indexation discussion.

Case 40: PCF work is completed for less

Hypothetical facts. A survey and design package is delivered to the required scope for £6.5m against an initial £8m development allowance. No work has been transferred into the construction invoice.

Analysis. The saving is not evidence of non-delivery. Its regulatory treatment depends on the final PCF assessment and the distinction between eligible cost, unused allowance and incentive-bearing expenditure. A generic assumption that the company retains the whole saving, or that every pound is automatically subject to project-level TIM, would skip that mechanism-specific assessment.

Response and evidence. The PA reconciliation can match completed outputs, assessed expenditure and the initial award, then apply the authorised PCF review. The construction estimate excludes the completed design work. Where an allowance change is made, its value and timing are shown separately from any subsequent price-control-wide TIM calculation.

Relevant questions: EAQ8, PAQ2. Framework: S04, paras 4.31–4.33; S06, PCF review provisions; S10, TIM measurement.

Cases 41–50: Risk, contingency and biodiversity

Case 41: A P50 cost is not the expected cost

Hypothetical facts. An island scheme presents a quantified estimate labelled P50 with a 14% contingency, alongside the consultation's 10% early-stage risk cap. The cost distribution is skewed by a small probability of a severe marine delay.

Analysis. The P50 is a quantile, not necessarily the arithmetic mean of costs, and neither is automatically the appropriate funding amount. The comparison first needs a consistent base, distribution, treatment of mitigation and risk transfers. A higher quantile cannot be presented as expected cost without explaining the statistic.

Response and evidence. The submission can disclose the definition of the reported estimate, the mean and relevant quantiles where available, and sensitivity to the tail event. Ofgem's decision can distinguish its funding policy from the engineering estimate. Any departure from the draft cap requires an explicit determination rather than arising automatically from the P50 label.

Relevant questions: EAQ7, EAQ9. Framework: S03, risk thematic assessment; S06, cost and risk requirements.

Case 42: A large contingency has no event-level support

Hypothetical facts. A conventional reconductoring scheme includes 30% contingency. The supporting schedule lists general uncertainty but no risk owners, probabilities, impacts or comparison with similar completed work.

Analysis. The percentage is not validated by appearing in a signed estimate. Removing unsupported costs and replacing them with a standard cap are different analytical operations: the first concerns evidence, the second a regulatory method. The base may already include priced contingencies and should be examined before another percentage is applied.

Response and evidence. The assessment can identify the missing register, contractor risk terms and reference-class evidence without assuming that the project has no risk. The effect on PCF and, for a new application, entry materiality is recalculated transparently. Evidence arriving later should be dated and assessed on its substance rather than backdated into the original submission.

Relevant questions: EAQ7, EAQ9. Framework: S03, ETRE and risk thematic assessment.

Case 43: Contract risk transfer is incomplete

Hypothetical facts. An EPC price includes weather risk up to a contractual limit. The owner's estimate also contains contingency for the full weather exposure, including amounts already priced by the contractor.

Analysis. It would overstate exposure to retain both provisions in full. It would also understate exposure to remove all owner contingency if the contract has exclusions, limits or insolvency risk. The correct comparison follows the actual allocation of events, deductibles and compensation terms.

Response and evidence. The risk register can separate contractor-priced exposure from residual owner exposure and identify correlated effects on programme and cost. The cost model is reconciled to the contract price and no duplicate category is retained under another label. If the contract is renegotiated, both the base price and residual contingency need simultaneous review.

Relevant questions: EAQ9, PAQ1. Framework: S04, risk and procurement assessment; S06, risk evidence requirements.

Case 44: Escalation appears in two places

Hypothetical facts. A cost estimate uses a future nominal supplier quotation and then adds contingency for the same anticipated general inflation. The application is presented as if all figures were in the 2023/24 price base.

Analysis. The estimate mixes price dates and uncertainty. The PA Annex describes CPIH and RPE adjustments through the regulatory model, so an embedded nominal uplift must be identified before comparison. Genuine real input-price uncertainty is not automatically eliminated, but it must not duplicate an adjustment already included elsewhere.

Response and evidence. The applicant can supply quotation dates, index assumptions and a bridge to the required base. The assessor can then distinguish base cost, RPE treatment and residual risk. Correcting the classification should not trigger a second indexation of the same amount in the final consumer-finance schedule.

Relevant questions: EAQ9, PAQ1. Framework: S04, paras 4.17–4.18; S10, cost framework.

Case 45: Known mitigation is presented as contingency

Hypothetical facts. A planning condition requires a defined acoustic enclosure. Its design and estimated quantity are known, but its £2m cost remains inside a general contingency percentage.

Analysis. The enclosure is identified scope, not an uncertain event merely because its final procurement price is not yet fixed. Leaving it in contingency obscures both the quantity assessment and the residual risk base. Moving it into scope does not automatically make the £2m estimate efficient.

Response and evidence. The cost model can identify the enclosure as an output-related work package, support its quantities and rates, and remove the matching contingency provision. Residual design and price risks are then assessed separately. This produces an intelligible total without counting the same planning obligation twice.

Relevant questions: EAQ9, PAQ1. Framework: S04, cost-assessment framework; S06, scope and risk requirements.

Case 46: Ecological surveys change the cost estimate

Hypothetical facts. An early project estimate includes biodiversity costs equal to 1% of forecast cost. Later surveys identify a larger affected habitat area and an evidenced mitigation package costing 5% of the updated forecast.

Analysis. The early 3.5% ceiling used for PCF estimation is not a finding that every final project can meet its obligations at that proportion. Conversely, the later survey does not automatically validate every associated price or enhancement. The applicable planning route, baseline and distinction between obligation and discretionary commitment matter.

Response and evidence. The updated evidence can identify habitat quantities, mitigation alternatives, management duration and the funding route for each component. Ofgem can assess the project-specific costs at the relevant stage and explain any difference from the earlier PCF proxy. The prior estimate remains visible as an early assumption, not an assurance that no additional cost could arise.

Relevant questions: EAQ10, PAQ3. Framework: S03, paras 4.167–4.168; S04, biodiversity assessment.

Case 47: Two jurisdictions require different evidence

Hypothetical facts. An English station extension and a Scottish route reinforcement have similar capex but proceed under different planning and environmental arrangements.

Analysis. A common percentage estimate cannot establish identical legal obligations. The assessment needs the relevant consent, policy and statutory scope for each development, including exclusions or transitional provisions. An English quantitative BNG requirement should not be copied into a Scottish case by analogy; Scottish requirements also should not be described as absent simply because they use a different formulation.

Response and evidence. Each project can provide its own obligation-to-cost schedule, separating mitigation, enhancement and voluntary commitments. Comparison across projects can use consistent cost categories while preserving jurisdiction-specific duties. A public summary can explain the difference without substituting the consultation's percentage proxy for the competent planning decision.

Relevant questions: EAQ10, PAQ3. Framework: S03 and S04, biodiversity treatment; S06, environmental evidence requirements.

Case 48: The intended mitigation site becomes unavailable

Hypothetical facts. An onsite mitigation area is lost after design changes. An offsite alternative is available but has different establishment costs, management obligations and delivery dates.

Analysis. The substitute is not equivalent merely because its headline habitat quantity matches. Location, timing, legal security, ecological risk and long-term management may change the outcome. The cost assessment must also identify any recoverable payment or reusable work associated with the abandoned site.

Response and evidence. The revised plan can link the new mitigation to the relevant consent and record the old and new costs without overlap. Ofgem's funding response depends on the project stage and applicable change provisions; it is not an automatic uplift to a percentage cap. Evidence of secured delivery and management responsibility is needed before treating the revised plan as complete.

Relevant questions: EAQ10, PAQ3. Framework: S04, biodiversity and COAE discussion; S06, material-change provisions.

Case 49: A single habitat package supports two projects

Hypothetical facts. Two adjacent reinforcements rely on one mitigation parcel and one long-term management contract. Each cost submission initially includes the entire establishment and management cost.

Analysis. The same ecological work may support several engineering activities but cannot be costed twice. There is also a separate question whether the planning arrangements permit the same habitat outcome to satisfy both requirements. Financial allocation does not prove ecological additionality or compliance.

Response and evidence. The submissions can identify the parcel, obligations, management contract and permitted attribution without disclosing protected landowner information. A common cost schedule shows establishment and recurring commitments once, allocated on an explained basis. Changes in either project are checked against both the contractual funding allocation and the remaining environmental obligations.

Relevant questions: EAQ10, PAQ3. Framework: S06, environmental and cost requirements; S09, allocation provisions.

Case 50: A ceiling is not a minimum allowance

Hypothetical facts. A surveyed project's biodiversity requirement is estimated at £1m against a £100m forecast project cost. The evidence supports that amount, and no further obligation or quantified risk has been identified.

Analysis. Raising the estimate to £3.5m solely because the consultation uses a 3.5% ceiling would convert a cap into an entitlement. The low estimate still needs its scope, quantity and delivery basis; the fact that it is below a cap does not independently validate it.

Response and evidence. The record can retain the evidenced £1m, state the assumptions and identify events that would require revision. No extra enhancement should be invented to fill the gap to the ceiling. If nothing material changes, the positive-control result is an unchanged estimate and no unnecessary downstream adjustment.

Relevant questions: EAQ10, PAQ3. Framework: S03, para 4.168; S04, biodiversity cost assessment.

Cases 51–60: Efficient costs and Project Assessment

Case 51: A lower tender price covers a narrower scope

Hypothetical facts. A supplier's £80m tender appears 20% below a £100m benchmark. The tender excludes several outage, temporary-works and commissioning activities included in the benchmark.

Analysis. The apparent saving cannot be accepted until the scope is aligned. Adding verified exclusions may explain some or all of the difference. Conversely, a broad benchmark should not override a genuinely lower firm market price once comparable scope and risk allocation have been established.

Response and evidence. The assessment can present a tender-to-benchmark bridge, identifying quantities, exclusions, price date and contractual risk. Only the reconciled difference informs the efficient-cost comparison. Any remaining uncertainty is stated by component rather than hidden inside an overall confidence adjustment.

Relevant questions: PAQ1. Framework: S04, paras 3.1–3.8 and procurement assessment.

Case 52: The newest comparator is not the most comparable

Hypothetical facts. A five-year-old project closely matches the proposed overhead-line scope. A recent contract concerns a different terrain, voltage configuration and access arrangement.

Analysis. Recency and comparability are separate dimensions. Updating the older project for price base does not correct every design difference, while using the recent contract without normalisation can introduce unrelated costs. A weighted comparison should explain what each source can and cannot establish.

Response and evidence. The benchmark schedule can state unit definitions, quantities, geography, included activities and adjustment assumptions. Sensitivity can show the result under each reasonable comparator rather than treating one as automatically decisive. Where uncertainty remains large, targeted quantity or procurement evidence may be more informative than another aggregate average.

Relevant questions: PAQ1. Framework: S04, paras 3.4–3.8.

Case 53: An outage constraint explains a cost uplift

Hypothetical facts. A project's unit cost exceeds the benchmark because works must be completed in several short outages rather than one continuous possession. The submission includes repeated mobilisation and temporary arrangements.

Analysis. The uplift needs an evidenced outage constraint and a causal cost calculation. A preference for a convenient programme is not equivalent to a system-imposed limit. The assessor also needs to know whether mobilisation is already included in the underlying benchmark or another preliminaries category.

Response and evidence. The ETO can provide the dated outage plan, alternative sequencing and incremental mobilisation quantities. The cost bridge separates unavoidable additional work from duplicated overheads. If the outage plan later changes, the affected costs and delivery assumptions are refreshed together rather than retaining both the old uplift and the new programme saving.

Relevant questions: PAQ1, MPQ1. Framework: S04, cost and procurement assessment; S06, delivery requirements.

Case 54: Necessary training belongs to a different funding category

Hypothetical facts. An ETO includes operational training in a project-specific capex request. The training is necessary for safe operation but falls within a category already addressed through other regulatory funding.

Analysis. An activity can be necessary without being recoverable through the requested term. Excluding it from the project-specific presentation should not be described as evidence that the activity is unnecessary. The remaining question is whether the relevant baseline or alternative mechanism actually covers the same work.

Response and evidence. The funding schedule can identify the training content, responsible function and existing allowance treatment. The same costs are not recovered twice, and no gap is concealed by assuming that a category label guarantees funding. Any proposed change to treatment is explained prospectively rather than silently reclassifying costs after the decision.

Relevant questions: PAQ1. Framework: S04, operational-training assessment; S09, CAI categories and reporting.

Case 55: The same engineering time appears in direct cost and CAI

Hypothetical facts. A contractor's detailed price includes design-management hours. The ETO also reports those hours through its CAI allocation and includes them in a PCF work package.

Analysis. The entries may reflect the same people and work or distinct activities with similar labels. The reconciliation therefore needs cost codes, work packages and invoice content rather than a blanket percentage deduction. A missing delineation can lead to triple recovery even where every individual invoice is genuine.

Response and evidence. The assessor can trace the activity once from contract to project cost and regulatory return, assigning a single recovery route. Any adjustment removes the duplicate funding entry, not the underlying evidence that work occurred. The remaining direct, PCF and CAI totals are recalculated together so the correction does not create a new omission.

Relevant questions: EAQ8, PAQ1, PAQ2. Framework: S04, funding bridge; S09, paras 3.1–3.3.

Case 56: A firm price arrives after the draft decision

Hypothetical facts. After consultation publication but before the final decision, an ETO obtains a firm tender materially below the estimate previously assessed. The offer is valid for a limited period and has specified exclusions.

Analysis. The later date does not make the evidence irrelevant, but it must not be silently inserted into the original submission. Its scope, validity and risk allocation need comparison with the draft baseline. Material new information can affect costs, programme and the fairness of the decision process.

Response and evidence. The final record can identify when the offer arrived, the changes it supports and how affected assumptions were checked. Ofgem determines whether further engagement or consultation is required. Savings arising after an operative allowance is set instead follow the applicable incentive or change-control arrangements; the two timing situations should not be conflated.

Relevant questions: PAQ1. Framework: S04, assessment process; S06, PA and legal-implementation sequence.

Case 57: One comparator cannot establish a market distribution

Hypothetical facts. Only one public comparable project exists for a specialist item. Its unit cost is available, but there is little evidence about variation in quantities, site difficulty or contract allocation.

Analysis. A single observation can inform an estimate but does not establish a robust median, dispersion or reference class. Treating it as a precise industry benchmark would create false statistical confidence. A bottom-up scope review and actual procurement evidence may provide different, complementary checks.

Response and evidence. The assessment can use an evidential range, list the adjustments and identify which assumptions drive the result. It should not invent confidential comparator values or treat the absence of more observations as proof of inefficiency. Further assurance can be targeted to the highest-uncertainty quantities or rates rather than demanding an unattainable dataset.

Relevant questions: PAQ1. Framework: S04, paras 3.4–3.8.

Case 58: More quantities do not prove higher unit prices

Hypothetical facts. Detailed surveys increase the number of foundations needing intervention from 100 to 130. The contractor's rate per foundation is unchanged, but the total request rises substantially.

Analysis. The £ total reflects both quantity and rate. Challenging the increase as a unit-cost escalation would miss the actual issue: whether the additional foundations are in scope, evidenced and not previously included in a provisional allowance. Mobilisation and fixed costs should not automatically increase in the same proportion.

Response and evidence. The applicant can reconcile the old and new asset lists, survey results and cost formula. The assessment separates additional variable work from unchanged fixed costs and removes any overlapping provisional sum. This enables a transparent quantity decision without assuming that a larger total represents either inefficiency or unavoidable expenditure.

Relevant questions: PAQ1. Framework: S04, scope and volume assessment; S06, updated cost requirements.

Case 59: Expenditure crosses the price-control boundary

Hypothetical facts. A project starts in RIIO-ET3 but commissioning and a substantial portion of construction occur after March 2031. Its development and procurement records span both periods.

Analysis. The guidance expressly contemplates eligible projects completing in a future price-control period. Completion after 2031 is therefore not automatically outside the mechanism. The relevant questions are which allowances and outputs are authorised, how costs are profiled and how future submissions avoid duplicating the same work.

Response and evidence. The project schedule can distinguish ET3 expenditure, later expenditure and the full-delivery date. The legal instrument and future-period records identify what has already been funded and what remains to be determined. No assumption about an unmade future price-control decision is needed to preserve continuity and prevent double recovery.

Relevant questions: PAQ1, PAQ2. Framework: S06, para 1.4 and delivery requirements.

Case 60: An efficient saving is not cancellation

Hypothetical facts. A project delivers the full specified output for less than its final allowance. The difference results from productivity and procurement, not omitted scope or a transfer of costs to another mechanism.

Analysis. The evidence distinguishes efficiency from non-delivery. A saving on an unchanged output should not be treated as a cancelled project or subjected to an invented project-level clawback. The stepped TIM in the Final Determinations measures the relevant variance across the price-control period, not as a fresh isolated calculation for every project.

Response and evidence. The reporting record can confirm output delivery, total cost and absence of shifted expenditure. The applicable cost and incentive processes determine the financial treatment. A public explanation should distinguish the project's contribution to the wider variance from the eventual company-wide TIM settlement.

Relevant questions: PAQ1. Framework: S06, delivery reporting; S10, TIM measurement and para 5.167.

Cases 61–70: VSRE, PCF true-up and funding categories

Case 61: A hypothetical downward PCF review

Hypothetical facts. For illustration, a project has £8m of earlier PCF allowance, but the final assessment identifies £7m of efficient development expenditure and £100m of separate construction expenditure. These are hypothetical figures, not a revised VSRE estimate.

Analysis. The £1m difference is a PCF reconciliation, while the £100m concerns a different cost component. Adding £7m and £100m as entirely new funding would ignore the earlier £8m award. The treatment must also establish whether the unused balance has already been recovered elsewhere.

Response and evidence. The final bridge can show prior funding, assessed total PCF, the downward change and new construction funding as separate entries. The legal process determines the direction and timing of any recovery. The cost ledger retains the evidence of efficient development rather than erasing it because the initial allowance was higher.

Relevant questions: PAQ2. Framework: S04, paras 4.31–4.33 and Table PA5.

Case 62: Design is included in the construction contract price

Hypothetical facts. A construction contract includes design work already funded and completed through PCF. The contractor's headline price does not show the credit for the earlier work.

Analysis. The fact that design is needed for construction does not make it a second cost. The assessor must determine whether the contract includes additional design, a transferred completed design or an uncredited duplicate. A total-price comparison without that bridge can overstate the new allowance.

Response and evidence. The applicant can provide the design deliverables, prior payment and contractual credit or revised price. Only genuinely additional design remains in the new scope. The PCF true-up and construction allowance are recalculated simultaneously, preserving both the original evidence and the single-funded final design.

Relevant questions: PAQ1, PAQ2. Framework: S04, Table PA5 and PCF true-up provisions.

Case 63: An indirect cost moves between regulatory routes

Hypothetical facts. A project's engineering-management costs were initially included in its direct-cost presentation. The assessment reclassifies them as CAI, with a corresponding change to the expected funding route.

Analysis. Reclassification does not itself create a cost saving. It may reduce the project-specific allowance while increasing the amount expected through another mechanism. The comparison must distinguish total efficient cost, new funding and the category-specific route. CAI UIOLI also has scope and threshold conditions; it is not a universal residual account.

Response and evidence. The decision can present old and new classifications in a balanced bridge and identify the applicable governance. The relevant RRP records follow the same delineation. Where an existing scheme is excluded because indirect funding is already embedded, moving the label must not open a second recovery path.

Relevant questions: PAQ1, PAQ2. Framework: S04, cost classifications; S09, paras 2.2, 2.8 and 3.2.

Case 64: A funding exclusion must not obscure a delivery obligation

Hypothetical facts. Operational training is excluded from a project-specific request because Ofgem treats it as a baseline activity. The ETO's commissioning plan nevertheless depends on trained staff being available.

Analysis. The funding decision and the safe-delivery requirement remain distinct. An excluded cost is not permission to omit necessary training, and the existence of a delivery duty is not authority to charge the same training to any convenient allowance. The evidence needs the activity scope and its existing regulatory treatment.

Response and evidence. The project plan can retain the training milestone and identify the responsible business function. The funding reconciliation shows the non-project route without claiming that a new allowance has been awarded. Any genuine gap can be raised through the appropriate process, with no duplication in PCF, CAI or construction expenditure.

Relevant questions: PAQ1. Framework: S04, operational-training assessment; S09, permitted CAI categories.

Case 65: Uncertain biodiversity costs at PA

Hypothetical facts. At PA, the mitigation concept is established but land and long-term management prices remain uncertain. The submitted estimate includes both a defined minimum package and an unpriced possible extension.

Analysis. A single full allowance, a later adjustment and a separately governed funding route allocate different risks and administrative burdens. None is automatically available merely because uncertainty exists. The relevant comparison distinguishes quantified scope from contingent scope and identifies which mechanism could lawfully accommodate a later change.

Response and evidence. The decision can state what is funded now, which assumptions are included and how any later claim would be assessed. The package must not be recovered through both LR and CAI UIOLI. Prospective clarification of classification can improve comparability without retrospectively changing the status of costs already assessed.

Relevant questions: PAQ3. Framework: S04, biodiversity funding discussion; S09, scope and reporting.

Case 66: Additional conductor defects are discovered

Hypothetical facts. After a final allowance, inspections reveal deterioration beyond the survey assumptions and the proposed intervention expands. Some defects may have been discoverable before the decision; others were not.

Analysis. An increase above a percentage threshold does not establish a qualifying COAE by itself. Causation, foreseeability, efficient contingency and the applicable event definition also matter. Ordinary estimate error, a material scope change and a qualifying external event require different analysis.

Response and evidence. The ETO can supply the inspection chronology, original survey method, changed quantities and independent technical evidence. Ofgem determines the available adjustment route

and any effect on output and delivery date. The same costs are not simultaneously recovered through a revised allowance and an unchanged overspend calculation.

Relevant questions: PAQ1, PAQ2. Framework: S04, paras 4.34–4.47; S06, chapter 5.

Case 67: System access delays a project without an ODI-F

Hypothetical facts. A refurbishment cannot take its planned outage because the system operator changes the available window. The project is not subject to the Major Projects ODI-F.

Analysis. Absence of that incentive does not erase the project's output, reporting or delivery requirements. Equally, a delay cannot attract a penalty under an incentive that has not been applied. The correct questions concern the operative delivery commitment, causation and any available change or reprofiling process.

Response and evidence. The updated programme can document the original outage agreement, changed system condition, mitigation alternatives and revised milestone. Cost and output consequences are considered under the actual licence arrangements. A later policy debate about applying ODI-F should not be presented as a retrospective incentive already governing the delay.

Relevant questions: PAQ1, MPQ2. Framework: S04, VSRE delivery proposal; S06, chapter 5; S05, VSRE assessment.

Case 68: Ordinary replacement forms part of a reinforcement

Hypothetical facts. A conductor project increases transfer capability while replacing equipment that would otherwise need renewal. Some expenditure would be required even without the additional load.

Analysis. The mixed purpose does not by itself exclude the project. It does require a transparent counterfactual and a check against asset-health funding already available. Benefits from avoided replacement and benefits from increased transfer are not interchangeable, and their timing may differ.

Response and evidence. The cost bridge can identify common replacement, incremental uprating and any avoided baseline allowance. The output describes the actual conductor system and usable capability. A conclusion about total efficient cost is kept separate from a conclusion about the amount of new Load Re-opener funding.

Relevant questions: PAQ1, MPQ2. Framework: S04, VSRE scope and funding bridge; S06, eligibility provisions.

Case 69: A new system benefit does not automatically increase cost

Hypothetical facts. Updated system analysis identifies an additional boundary benefit from a project whose scope and agreed price have not changed.

Analysis. The new benefit can change the understanding of need or timing, but it does not create an extra engineering cost. Increasing an allowance simply because the project is now described as more valuable would mix value assessment with expenditure evidence. It may instead affect an independently assessed case for delivery incentives.

Response and evidence. The public record can add the dated system evidence and explain whether it changes the preferred completion date or any dependency. The cost remains unchanged unless new scope or efficient expenditure is established. Any incentive proposal follows its own eligibility, calibration and licence process rather than being inserted into the cost allowance.

Relevant questions: PAQ1, MPQ1, MPQ2. Framework: S04, cost assessment; S07, eligibility and calibration provisions.

Case 70: A checked funding bridge remains unchanged

Hypothetical facts. The published VSRE component values are added again at their displayed precision and the £130.080m additional-funding bridge reconciles. No new cost evidence or scope change is introduced.

Analysis. The arithmetic confirms an identity, not the engineering efficiency of each input. It also does not create a need to alter the proposal. £148.452m total project cost, £123.852m LR and £130.080m additional funding remain different measures.

Response and evidence. The review can preserve the published figures and state exactly what was checked. Outstanding procurement, classification and delivery questions remain separate from the addition. No artificial adjustment is made merely to demonstrate independent review, and no claim is made that successful arithmetic reproduces an unprovided cost model.

Relevant questions: PAQ1, PAQ2. Framework: S04, Tables PA3–PA6.

Cases 71–80: Major Projects ODI-F and delivery timing

Case 71: Existing obligations and an additional delivery incentive

Hypothetical facts. A project has substantial potential delay costs but also an existing contractual delivery commitment. The applicant argues that an ODI-F would accelerate delivery further.

Analysis. The relevant comparison is between behaviour and consumer outcomes with and without the additional incentive. The contract may already secure the same date, or it may leave an economically meaningful acceleration opportunity. Its existence alone neither proves duplication nor establishes sufficient delivery pressure.

Response and evidence. The evidence can identify enforceable dates, remedies, feasible acceleration actions and their costs. Ofgem's published consumer-benefit, strategic-importance and practicality criteria remain the formal screen. Any additionality analysis is an explanatory test, not an invented new statutory condition or a reason to award an incentive automatically.

Relevant questions: MPQ1, MPQ2. Framework: S07, paras 2.6–2.8 and chapter 3.

Case 72: The P50 estimate moves before incentive designation

Hypothetical facts. Before the incentive is set, a project's forecast P50 moves twelve months later after revised procurement and consent assumptions. No Target Delivery Date has yet been entered into the licence.

Analysis. The governance uses the P50 estimate at the time the project enters the incentive. That does not make every revised schedule credible: the change needs a transparent bridge and a verified methodology. A later estimate could reflect new evidence or strategic padding, and the response should not infer motive without evidence.

Response and evidence. The assessment can compare the old and new critical paths, assumptions and risk distributions and identify the reason for each shift. The incentive is calibrated from the verified inputs at designation. This is distinct from changing an already operative TDD, which requires the separate governance route and cannot be accomplished by uploading a new project plan.

Relevant questions: MPQ1. Framework: S07, paras 3.6–3.9 and 4.29–4.36.

Case 73: The ODD is earlier than the P50

Hypothetical facts. NESO supplies an independent ODD twelve months before a project's verified P50. The engineering programme contains some acceleration opportunities but not all activities can move.

Analysis. Under the governance, this relationship corresponds to Design A and the TDD is the P50, not automatically the earlier ODD. The ODD helps calibrate the reward cap and timing benefit. Treating it as the mandatory TDD would change both the incentive and the risk allocation.

Response and evidence. The proposed parameters can show the P50, ODD, forecast totex, constraint-cost input and resulting caps separately. Technical analysis then tests which acceleration actions are feasible and whether the benefit estimate includes the same dependencies. No conclusion about a project-specific award follows solely from the two dates.

Relevant questions: MPQ1. Framework: S07, paras 3.13–3.30 and Tables 1–2.

Case 74: Acceleration costs and rewards are different quantities

Hypothetical facts. An acceleration package costs £8m and is expected, under a stated hypothetical system scenario, to avoid £12m of delay costs. A possible incentive reward would be a separate payment to the ETO.

Analysis. The £4m difference between avoided system cost and resource cost is not the same as the consumer-finance result after an incentive payment. The comparison must avoid counting the reward as both a real construction cost and a separate transfer. The published incentive formula also has floors, ceilings and caps rather than directly paying the whole estimated benefit.

Response and evidence. The appraisal can show resource costs, bill transfers and timing effects in separate columns, with uncertainty in the £12m estimate explicit. The actual reward remains governed by

the parameters entered into the licence. This permits scrutiny of additional consumer value without replacing the official formula with an ad hoc net-benefit payment.

Relevant questions: MPQ1. Framework: S07, chapter 3; S02, consumer-finance exclusions.

Case 75: A planning delay must satisfy more than lack of control

Hypothetical facts. A planning appeal is expected to delay the project's critical path by forty days. The ETO submits evidence that it could not control the appeal but has not yet explained its preventative and mitigating actions.

Analysis. The governance includes planning delays among possible Delay Events, but also requires the relevant control, best-endeavours, causation and materiality conditions. The forty-day duration exceeds the stated thirty-day minimum; that alone does not establish the amount of a penalty exemption.

Response and evidence. The application can distinguish the event's calendar duration from its effect on delivery, identify existing schedule float and document reasonable mitigation. Notice and application timing are checked separately. A granted penalty exemption delays penalty accrual; it does not automatically move the TDD or extend eligibility for an early/on-time reward.

Relevant questions: MPQ1. Framework: S07, paras 3.36 and 4.3–4.28.

Case 76: Late procurement is not automatically an external Delay Event

Hypothetical facts. A transformer order is placed six months later than the approved programme, and the supplier's subsequent lead time moves commissioning. The applicant cites general market pressure.

Analysis. The analysis must separate the supplier's market conditions from the ETO's ordering decision and the mitigation opportunities available earlier. A procurement delay does not qualify solely because a supplier is involved. The listed Delay Event categories and the best-endeavours and causation requirements need to be addressed.

Response and evidence. The record can compare planned and actual tender, qualification and order dates, explain changed assumptions and identify the critical-path effect. Ofgem determines whether the event definition is met. Any cost-sharing outcome is assessed separately; an incentive penalty, an efficient-cost adjustment and TIM are not interchangeable sanctions.

Relevant questions: MPQ1. Framework: S07, chapter 4; S04, procurement assessment.

Case 77: Early completion has no immediate system use

Hypothetical facts. A substation can be completed in 2030, but the connecting circuit will not be available until 2032. The claimed early-delivery benefit assumes both assets are operational in 2030.

Analysis. An asset completion date is not necessarily a system-benefit date. The appraisal must identify any stand-alone benefit before 2032 and the dependency that prevents the rest. Adding benefits from each project independently may count a capability that cannot yet be used.

Response and evidence. The programme can show asset commissioning, interface availability and the date of usable system capability. Any proposed milestone incentive requires an explicit authorised design; the response should not rewrite the current full-delivery rule informally. The evidence then supports a transparent comparison of acceleration actions on the actual critical path.

Relevant questions: MPQ1. Framework: S07, consumer-benefit and full-delivery provisions; S03, project interactions.

Case 78: A phased project delivers partial capability

Hypothetical facts. A project provides an initial operational phase in 2029 and the full specified capability in 2031. The first phase has a measurable benefit but does not meet the entire licence output.

Analysis. The current incentive refers to delivery to the full specification. Reporting useful partial service must not be represented as full completion merely to start reward calculation. A different milestone structure may be considered prospectively, but it changes the authorised output or incentive design.

Response and evidence. The evidence can quantify the first-phase capability and its limitations, identify the outstanding work and distinguish both dates. Any proposed phase-specific treatment is taken through the appropriate decision process. Until then, the operative full-delivery definition controls the incentive, while partial benefits remain relevant to programme analysis.

Relevant questions: MPQ1. Framework: S07, paras 3.32–3.37; S06, output requirements.

Case 79: New delay-harm evidence for a refurbishment project

Hypothetical facts. For a project previously screened as primarily refurbishment, a later system study quantifies a material constraint impact if delivery is delayed. The physical scope remains unchanged.

Analysis. Refurbishment and reinforcement are not mutually exclusive descriptions. The new evidence may change the consumer-benefit assessment, but does not by itself establish strategic importance, practical calibration inputs or incremental incentive value. It also does not retrospectively impose an incentive.

Response and evidence. The project can be reconsidered through the published screening and consultation process, with the new study's date, assumptions and scope made clear. Cost funding and prior delivery commitments remain separately recorded. No hidden system values are inferred from the fact that public evidence was previously insufficient.

Relevant questions: MPQ2. Framework: S05, VSRE assessment; S07, paras 2.6–2.8.

Case 80: A later strategic connection changes the screening evidence

Hypothetical facts. A project marked as not selected at the current stage later acquires a verified strategically relevant connection. Its preferred option and P50 also become more mature.

Analysis. The new evidence changes the information available for a later screen, not the content of the earlier decision. Readiness alone is not an incentive criterion, and strategic designation alone does not quantify timing benefit. The three published factors are considered together without inventing a rigid score.

Response and evidence. The later assessment can identify what changed in consumer benefit, strategic importance and practicality, and consult if Ofgem proposes application. The earlier not-at-this-stage status is preserved as a dated record. There is no automatic reward entitlement from a customer's new status.

Relevant questions: MPQ3. Framework: S05, paras 1.11–1.13; S07, paras 2.6–2.8.

Cases 81–90: Shared sites, common costs and programmes

Case 81: Common site preliminaries are charged twice

Hypothetical facts. Two neighbouring projects use the same contractor compound and access road. Each estimate includes £3m for the full establishment and demobilisation of those facilities.

Analysis. The combined delivery plan may need one compound rather than two. However, differing construction dates or site constraints may justify some additional cost. The assessment needs the joint programme and actual common resource, not an automatic equal split or a blanket deduction.

Response and evidence. The ETO can show the single shared cost, any incremental second-project requirement and the allocation rule. Project-specific output and allowance records remain distinct. When actual dates or scope change, the allocation is updated consistently across both projects rather than leaving the same shared item in two final returns.

Relevant questions: EAQ4, PAQ1. Framework: S03, Knocknagael and Loch Na Cathrach entries; S09, allocation provisions.

Case 82: A programme is not a single undifferentiated allowance

Hypothetical facts. Two London reinforcements are managed as one programme to share outages and engineering. They have different historic approvals, project identifiers and delivery outputs.

Analysis. Integrated delivery can reveal savings and dependencies without merging legal decisions. A programme-level CBA should explain the incremental contribution of each component and avoid counting a combined benefit twice. An aggregate programme cost also must reconcile to individual funding mechanisms.

Response and evidence. The schedule can identify common milestones, project-specific outputs and a balanced cost allocation. If one component changes, the affected programme assumptions are reviewed while unchanged legal outputs remain intact. Reporting one overall percentage complete is not sufficient evidence that every separately funded output has been delivered.

Relevant questions: EAQ5, PAQ1, MPQ1. Framework: S03, North West London entry; S06, outputs and reporting.

Case 83: A Load Re-opener project enables an ASTI project

Hypothetical facts. A reconductoring project removes a constraint that would otherwise limit the benefit of an ASTI scheme. Both business cases cite the same system saving.

Analysis. The shared benefit may be real but non-additive. The system comparison needs cases with neither project, each alone and both together. Incentive payments under different mechanisms may also reward related timing outcomes and should be traced rather than assumed independent.

Response and evidence. The programme record can show the dependency and allocate expenditure without counting the same work twice. Any appraisal of incremental incentive value identifies existing ASTI commitments and payments. The Load Re-opener assessment does not silently amend the ASTI instrument or treat an ASTI benefit as proof that all associated load costs are efficient.

Relevant questions: EAQ2, MPQ1. Framework: S03, SCRE/WRRE and programme entries; S07, consumer-benefit provisions.

Case 84: Two projects compete for one outage window

Hypothetical facts. Two projects plan to use the same limited outage. A delay to one may prevent the other from completing a critical connection even though its own construction is ready.

Analysis. Their schedules cannot be treated as independent. The relevant evidence includes access priority, joint sequencing and feasible alternative windows. Adding each project's delay estimate can overstate a concurrent programme delay, while ignoring the shared outage can understate it.

Response and evidence. The joint programme can identify the binding dependency and distinguish events controlled by each party. Any delay claim or incentive adjustment is supported project by project under the applicable rules. A common incident report may supply evidence for several claims, but it does not establish equal delay duration or equal financial treatment for all projects.

Relevant questions: MPQ1, PAQ1. Framework: S07, paras 4.8–4.10; S06, delivery requirements.

Case 85: Land acquired earlier is reused

Hypothetical facts. A new scheme uses a land parcel purchased under an earlier funded project. Only a small extension requires a new transaction.

Analysis. Reuse avoids a fresh acquisition cost but may create an allocation or opportunity-cost question. Recharging the full historic purchase price as a new cash cost would overstate incremental expenditure. Conversely, the land's continued use and any constraints should remain visible in the project's engineering and planning record.

Response and evidence. The funding bridge can identify the historic acquisition and its regulatory treatment, the new incremental expenditure and any proposed transfer or allocation. The source cost is not duplicated across mechanisms. Any valuation used for appraisal is labelled separately from the cash allowance sought.

Relevant questions: EAQ8, PAQ1. Framework: S06, cost and prior-funding requirements.

Case 86: A common trench serves different funding parties

Hypothetical facts. A customer-funded sole-use cable and a shared network circuit are installed in the same trench. Stand-alone trench costs would be £8m for each; joint construction costs £11m.

Analysis. The £5m avoided total cost is an economy of joint delivery, not an additional allowance. Allocating the £11m requires a stated causal or agreed basis; charging each party its full £8m stand-alone cost would recover £16m for £11m of work. The customer contract may also define how savings are shared.

Response and evidence. The project record can show the stand-alone counterfactuals, joint quantities and contractual allocation. Consumer and customer contributions together reconcile to the eligible joint cost. Any later trench extension is added as incremental scope, not as a reason to restore both original stand-alone charges.

Relevant questions: EAQ8, PAQ1. Framework: S03, sole-use/shared-use interfaces; S06, cost requirements.

Case 87: A holistic strategy replaces piecemeal works

Hypothetical facts. Three separately developed interventions are replaced by a single site strategy. Some studies can be reused, but two temporary layouts are no longer needed.

Analysis. The whole-site approach may avoid repeat work, but its larger cost envelope and dependency risks need assessment. Prior development does not disappear, and a forecast saving against three unapproved schemes is not the same as cancelling three operative allowances.

Response and evidence. The revised case can distinguish approved funding, unfunded forecasts, reusable studies and genuine avoided expenditure. Separate prior records are linked to the new scope, and any recovery or modification is made through the competent route. The new total is not presented as entirely additional spending if it replaces already funded work.

Relevant questions: EAQ5, EAQ8, PAQ1. Framework: S03, holistic-site entries; S06, material-change and cancellation provisions.

Case 88: A crossover project uses two price bases

Hypothetical facts. A project has historical development expenditure stated in RIIO-ET2 prices and a new construction request in 2023/24 prices. A summary adds the nominal displayed values without conversion.

Analysis. The resulting total is not a like-for-like financial measure. The conversion must identify the original price date, index and scope of the historical amount. Actual cash, regulatory real-price allowance and accounting book value are different quantities and should not share one unlabeled column.

Response and evidence. The reconciliation can retain original values, show the explicit conversion and distinguish prior funding from new request. The same historical amount is converted once, not again when included in the consumer-payment model. Unverified index assumptions remain illustrative rather than being presented as official.

Relevant questions: PAQ1, PAQ2. Framework: S06, crossover requirements; S04, price-base discussion.

Case 89: Shared mitigation changes when one project stops

Hypothetical facts. Two projects jointly fund a habitat-management agreement. One is cancelled after the agreement is signed, while the other still requires part of the ecological outcome.

Analysis. Cancellation does not necessarily cancel the management obligation or make half the cost recoverable. The agreement's term, indivisibility and planning attribution determine what can be reduced or reassigned. A mechanical division may underfund the surviving obligation or leave consumers paying twice for replacement mitigation.

Response and evidence. The updated plan can identify retained obligations, termination rights and any reusable ecological work. Cost allocation and funding recovery follow that evidence and the applicable project-change route. The environmental obligation is not treated as extinguished merely because the associated engineering project is no longer proceeding.

Relevant questions: EAQ10, PAQ3. Framework: S06, environmental and cancellation requirements; S09, allocation provisions.

Case 90: Joint delivery remains separately auditable

Hypothetical facts. A joint programme already records separate outputs, invoices, shared allocations and delivery evidence for each project. A review finds no missing cost or duplicated funding.

Analysis. Central coordination is not itself a defect. Requiring separate contractors or duplicate reporting purely to recreate organisational separation could destroy the benefit of joint delivery. The relevant control is intelligible responsibility and non-overlapping recovery, not administrative duplication.

Response and evidence. The review can confirm the shared ledger and retain the existing structure. Monitoring continues for changes to common scope and milestones, but no project identifiers, allowances or funding routes are altered without a substantive reason. This provides a positive control against over-correcting a functioning programme arrangement.

Relevant questions: EAQ4, PAQ1. Framework: S06, proportionate evidence and reporting; S09, cost allocation.

Cases 91–100: Legal instruments and correction

Case 91: The correct amount is attached to the wrong identifier

Hypothetical facts. A draft schedule contains the intended allowance and date but uses the identifier of another project. The narrative names the correct scheme.

Analysis. The correct total does not remove the ambiguity over the legal output. The mismatch could affect funding attribution, reporting and future change requests. Before issue it is a drafting reconciliation; after issue the appropriate correction process must be determined rather than assuming that a web-page edit changes the instrument.

Response and evidence. The finalisation check can reconcile identifier, licensee, output, date and value against the decision record. Any correction is documented without altering the unaffected scheme. The public explanation need not speculate about legal invalidity; it can state the precise mismatch and the need for one unambiguous operative record.

Relevant questions: PAQ1, PAQ2. Framework: S04, appendices and implementation provisions; S06, legal implementation.

Case 92: An annual profile uses the wrong regulatory year

Hypothetical facts. A £10m allowance is correctly totalled but £3m is entered in 2026/27 rather than 2027/28. The engineering programme has not been accelerated.

Analysis. The error changes the funding profile even though the total is unchanged. It can affect financing timing and subsequent comparisons between allowance and expenditure. Treating it as a harmless presentation issue would overlook those consequences.

Response and evidence. The corrected schedule can identify the intended year, retain the £10m total and propagate the change to the decision, reporting tables and finance inputs. The appropriate direction or modification process depends on whether the instrument has been issued. No extra allowance is created by moving the same £3m to its correct year.

Relevant questions: EAQ8, PAQ2. Framework: S04, annual profiles; S06, implementation and reprofiling.

Case 93: A material output condition appears only in narrative

Hypothetical facts. The decision narrative describes a required capability and date, while the proposed licence appendix identifies the project only by a broad name.

Analysis. The narrative may assist interpretation, but it should not be assumed to supply an omitted operative condition. An overly broad output can make completion and later scope-change assessments ambiguous. Conversely, adding detailed construction means where an outcome specification is intended could unnecessarily constrain efficient delivery.

Response and evidence. The final record can reconcile the required capability, completion evidence and delivery date across the decision and legal schedule. The drafting choice should preserve the intended outcome without silently expanding policy substance. A proposed clarification is identified as such, not presented as an already binding obligation.

Relevant questions: PAQ1, MPQ1. Framework: S04, proposed LR output; S06, output requirements.

Case 94: A brand changes but the licensed entity does not

Hypothetical facts. A business adopts a new trading name during consultation. Its company number and licensed legal entity are unchanged, while draft headings use both names.

Analysis. A brand change is not a licence transfer. The addressee should be resolved through the competent legal record, while aliases can assist public navigation. Conversely, an actual entity transfer cannot be treated as a cosmetic rename because the commercial brand remains familiar.

Response and evidence. The finalisation process can reconcile company identity, licence holder and project references, retaining a searchable alias where useful. It should not substitute a guessed corporate suffix. The correction is limited to verified identity and does not imply that ownership, authority or obligations moved on the date of a branding announcement.

Relevant questions: PAQ1, PAQ2. Framework: S04, draft direction addressee and annex headings; S12, licence publication record.

Case 95: An arithmetic mistake is found after an instrument is issued

Hypothetical facts. After a direction is made, a formula transcription error is found to have overstated one project's annual allowance. Other project values are unaffected.

Analysis. The source data, arithmetic error and operative legal value must be distinguished. Publishing a corrected spreadsheet does not necessarily amend the direction. The review must also establish whether the incorrect amount has entered financial or regulatory reporting and whether a corresponding offset exists.

Response and evidence. The responsible authority can determine the applicable correction route, publish the reason and identify the effective record. Revised calculations are linked to the superseded version, and affected downstream totals are reconciled. Unaffected allowances remain unchanged; the correction is not an opportunity to reopen every unrelated policy judgement.

Relevant questions: EAQ8, PAQ2. Framework: S06, legal implementation and reporting; S04, directions.

Case 96: A PCF-only project is cancelled

Hypothetical facts. A project is cancelled before PA after some surveys and design have been completed. The PCF allowance has not all been spent, and a portion of the studies can be reused elsewhere.

Analysis. Cancellation requires separation of unused allowance, efficiently incurred development, inefficient expenditure and reusable outputs. It does not establish that every prior cost should be recovered or retained. The guidance provides a cancellation process and identifies recovery of unused and inefficient PCF through SpC 3.15.

Response and evidence. The cancellation submission can show award, spend, obligations, reusable studies and proposed recovery. Any reuse is credited or allocated transparently so another project does not pay again for the same work. The cancellation and recovery records remain linked to the original project rather than deleting it from the portfolio history.

Relevant questions: EAQ8, PAQ2. Framework: S06, project-cancellation sequence.

Case 97: A customer exits after construction funding is set

Hypothetical facts. A connection customer withdraws after a SpC 3.18 allowance has been established. Some transmission reinforcement remains useful for other users, while dedicated connection works are no longer required.

Analysis. The withdrawal does not itself amend the licence or establish that all remaining construction is unnecessary. The assessment separates the surviving network output from customer-specific scope, irreversible commitments and recoverable deposits. It also distinguishes a project change from ordinary cost performance under the existing output.

Response and evidence. The ETO can submit a revised needs and scope assessment with the contractual consequences and remaining expenditure. Ofgem determines the relevant project-change, cancellation or modification route. Reconciliation includes customer contributions and salvage; a spreadsheet reduction alone is not an operative amendment, and residual system need is not assumed away.

Relevant questions: EAQ8, PAQ1, PAQ2. Framework: S06, material project changes and cancellation; S04, legal implementation.

Case 98: A public instrument points to protected evidence

Hypothetical facts. A draft direction refers to an appendix containing confidential customer and procurement information. The public output description cannot be understood without following that reference.

Analysis. Public intelligibility and confidentiality are separate requirements. The remedy is not to reconstruct protected contents, nor to make the public obligation depend on undisclosed particulars that are unnecessary to describe the regulated output. A non-sensitive specification can identify capability, timing and verification without exposing customer identities or commercial terms.

Response and evidence. Ofgem can separate the public operative description from the protected evidential schedule, explaining their relationship and access arrangements. If information has already

been released, incident and publication corrections need their own record. The corrected public reference must still identify the obligation sufficiently clearly; confidentiality should not become an excuse for an indeterminate output.

Relevant questions: PAQ1, PAQ2. Framework: S04, draft instruments; S06, submission and output requirements.

Case 99: The statutory modification changes the earlier proposal

Hypothetical facts. Following Draft Determinations, a statutory consultation proposes a different output date and allowance profile, while the descriptive decision summary still quotes the earlier values.

Analysis. The later proposal is not automatically operative, and the earlier summary does not control a later final instrument. A reader needs the status, publication date and intended effect of each document. Changed wording may be a clarification, a cost-profile revision or a substantive scope change; these cannot be treated interchangeably.

Response and evidence. A decision-to-instrument comparison can identify the changed terms, reasons and consequential calculations. Once the modification takes effect, public tables should link to the effective version while preserving the consultation history. Any further consultation requirement is determined through the applicable legal process rather than assumed satisfied by a previous discussion of a different proposal.

Relevant questions: PAQ1, PAQ2. Framework: S02, next steps and statutory modification route; S04, proposed modifications.

Case 100: A correct legal schedule needs no amendment

Hypothetical facts. An independent check finds that the licensee, project identifier, output, effective date and annual values all match the final decision, and that the total reconciles at the stated precision.

Analysis. This is a positive control: the absence of an error is a legitimate review result. Altering a correct identifier or amount simply to demonstrate intervention could create a new defect and force unnecessary downstream reconciliation. A new document date alone is not evidence that a funding decision should change.

Response and evidence. The verification record can confirm the checked version and scope without changing the operative schedule. Any later change is assessed on its own factual and legal basis. This preserves stable public citations and avoids introducing apparent amendments where the correct outcome is continuity.

Relevant questions: EAQ8, PAQ2. Framework: S04, draft schedules; S06, legal implementation.

Cases 101–110: Consumer finance and the stepped TIM

Case 101: Delivery delay and expenditure delay are not the same

Hypothetical facts. A hypothetical £100m allowance has a 15% fast-money and 85% slow-money split. Commissioning moves one year later, but most expenditure still occurs in the original year.

Analysis. The initial principal split is £15m and £85m. A later commissioning date does not prove that every cash flow shifts by a year: advance procurement, construction expenditure and regulatory recognition may have different dates. Moving the whole profile would misstate the financing effect if the spending has already occurred.

Response and evidence. The analysis should compare the actual revised expenditure and completion profiles, applying the relevant financial model rather than a blanket date shift. Delayed consumer capability and constraint costs are assessed separately. Only a legally effective change to the relevant inputs alters the regulatory calculation; the example does not reproduce Ofgem's full 45-year model.

Relevant questions: PAQ1, MPQ1. Framework: S02, section 6 and Table 3.

Case 102: A 20% underspend across the price-control portfolio

Hypothetical facts. For illustration, normalise an ETO's eligible price-control-period totex allowance to £100m. The corresponding outturn is £80m, with the required outputs delivered and no other adjustment to the TIM base.

Analysis. Using the published marginal sharing bands, the ETO share of the £20m saving is 25% of the first £5m plus 10% of the next £15m: £2.75m. The remaining £17.25m is the consumer share before the

financial model translates the adjustment into revenues. Applying 10% or 25% to the whole saving would be incorrect.

Response and evidence. The calculation must use the actual eligible ETO-wide period base, including relevant exclusions and adjustments, not automatically a single project's allowance. Output failure, disallowance or a valid change event may alter that base and must be dealt with before interpreting the result as an efficiency saving.

Relevant questions: PAQ1, EAQ8. Framework: S10, stepped TIM decision and price-control-period measurement.

Case 103: A 20% overspend across the price-control portfolio

Hypothetical facts. On the same hypothetical £100m eligible period allowance, actual cost is £120m. A supply-chain shock is cited, but no additional allowance has yet been granted.

Analysis. The marginal bands allocate £2.75m of the £20m overspend to the ETO and £17.25m to consumers, subject to the applicable TIM calculation and financial treatment. A claim that the shock was uncontrollable does not itself change either the allowance or the sharing rates. A COAE requires its own qualifying conditions and determination.

Response and evidence. The account should show the original allowance, any lawfully approved adjustment, eligible outturn and the remaining variance. If the allowance changes, TIM is recalculated on the proper revised base. The ETO cannot both obtain full compensation for the same cost and retain a consumer sharing adjustment calculated as if no compensation had occurred.

Relevant questions: PAQ1, PAQ2. Framework: S10, stepped TIM; S06, chapter 5.

Case 104: Cancellation after £10m of development spend

Hypothetical facts. A hypothetical project has spent £10m of PCF when its only connection driver disappears. £6m of studies remain useful elsewhere, £3m are project-specific efficient work and £1m are disputed expenditure.

Analysis. Reusability does not make the original expenditure disappear; equally, reuse does not justify charging a successor again for the same studies. The disputed £1m requires an efficiency assessment rather than automatic recovery. Outstanding allowance and committed liabilities are different from the £10m already spent.

Response and evidence. The cancellation account can separately identify spend, reusable assets, outstanding commitments, potential recoveries and unused funding. Any allowed retention or recovery follows the PCF mechanism. The successor project's cost baseline records the value already funded, and the finance projection is revised only after the operative funding treatment is established.

Relevant questions: EAQ8, PAQ2. Framework: S06, cancellation process; S02, consumer-finance assumptions.

Case 105: A financing assumption changes before construction

Hypothetical facts. A forecast of consumer payments is prepared using an assumed debt return. Before most construction expenditure occurs, the applicable forecast return changes.

Analysis. The new forecast can change modelled financing payments without changing the engineering scope or efficient real construction cost. It is also necessary to distinguish an analyst's assumed rate from the licence's actual indexation and allowed-return arrangements. A higher market rate is not automatically a project-specific cost uplift.

Response and evidence. The sensitivity should hold the expenditure profile and price base constant, vary only the clearly identified return input, and label the result a forecast rather than an additional allowance. The same funding is not increased once through a finance assumption and again through construction contingency for the identical exposure.

Relevant questions: PAQ1, EAQ8. Framework: S02, section 6; S10, finance interactions.

Case 106: Rebasing is applied twice

Hypothetical facts. A cost table in 2023/24 prices is rebased to 2025/26 prices for a consumer-payment presentation. A later analyst treats the rebased figure as still being in 2023/24 prices and applies the conversion again.

Analysis. The second multiplication creates an artificial increase. A price-base label is part of the number's meaning, not merely presentation. The published ratio between two rounded totals can be a reconciliation observation but does not prove the underlying index series or its date convention.

Response and evidence. Each calculation can retain the source amount, original price base, conversion factor and resulting price base. The correction reverses only the duplicated conversion and identifies affected totals. Regulatory indexation and real price effects are considered separately under the actual financial framework; neither is recreated from a ratio of rounded headline figures.

Relevant questions: EAQ8, PAQ1. Framework: S02, Table 3; S04, paragraph 4.18.

Case 107: Early delivery creates a benefit and a reward payment

Hypothetical facts. A hypothetical acceleration produces £12m of avoided system cost, requires £8m of additional real resources and results in a £2m incentive reward paid through consumer revenues.

Analysis. On a resource basis, the incremental surplus is £4m before other effects. On a consumer cash-flow basis, the reward can reduce the saving further, depending on who bears the acceleration cost and its regulatory treatment. The reward is a transfer; it is not automatically an additional £2m of physical resource cost.

Response and evidence. The appraisal should show resource and distributional accounts separately and reconcile any allowance uplift, TIM sharing and reward. It should also test the counterfactual: benefits already secured without the incentive are not incremental benefits of introducing it. These hypothetical figures do not determine an award for any named project.

Relevant questions: MPQ1, MPQ3. Framework: S07, consumer-benefit criteria and reward design; S02, finance exclusions.

Case 108: A delay penalty does not erase system costs

Hypothetical facts. A delayed reinforcement creates £15m of additional constraint costs and an ODI-F penalty of £3m. The penalty is returned through the regulatory mechanism.

Analysis. The penalty partly changes the distribution of financial exposure; it does not physically eliminate the £15m cost already incurred in operating the system. Adding the penalty to constraint costs as though both were independent real losses would also be misleading. The two measures answer different questions.

Response and evidence. The reporting can state the operational cost, the ETO-to-consumer transfer, the net consumer exposure where comparable, and the date of each flow. It should identify whether the same delay also affects another incentive or contractual compensation and prevent duplicate attribution of either harm or reimbursement.

Relevant questions: MPQ1, MPQ2. Framework: S07, penalty design; S02, section 6.

Case 109: Asset life exceeds the financing recovery period

Hypothetical facts. A hypothetical asset remains useful for 60 years, while the illustrative slow-money recovery period is 45 years.

Analysis. The two horizons describe different concepts. Accounting or regulatory recovery over 45 years does not certify a 45-year physical life, and a 60-year engineering forecast does not automatically extend the licence's recovery period. Later users may benefit after principal recovery, but maintenance and replacement costs can remain.

Response and evidence. Whole-life appraisal can include the evidenced useful life, residual value and future maintenance on one consistent basis, while revenue modelling follows the applicable price-control rules. The distribution across generations is described rather than treated as inherently fair or unfair solely from the difference between the two horizons.

Relevant questions: PAQ1, EAQ8. Framework: S02, slow-money assumptions; S06, whole-life cost requirements.

Case 110: A finance reconciliation passes without proving every input

Hypothetical facts. Published component totals and company totals reconcile at the stated rounding precision. The underlying annual cash-flow model and index series are not part of the available tables.

Analysis. The arithmetic check establishes internal consistency of the published display, not independent verification of discounting, return assumptions or every future cash flow. The appropriate positive result is

narrower than “the model is validated”. Conversely, a missing model does not make the displayed sum arithmetically wrong.

Response and evidence. The analysis can preserve the correctly reconciled official amounts, identify the unverified modelling inputs and keep sensitivities separate from the official forecast. No invented discount rate or inferred inflation series is used to create an appearance of complete replication.

Relevant questions: PAQ1, EAQ8. Framework: S02, Table 3 and section 6.

Cases 111–120: Delivery, compound changes and recovery

Case 111: A transformer delivery slips after advance procurement

Hypothetical facts. An advance order secures a transformer slot, but factory testing reveals a defect and delivery slips beyond the project’s planned outage window.

Analysis. Advance procurement reduces some lead-time risks but does not guarantee delivery or conformity. Replacing the supplier could recover time while creating cancellation cost, qualification work and a second deposit. The response must distinguish the equipment contract, project delivery programme, APM funding and any ODI-F consequences.

Response and evidence. The revised plan can compare repair, substitution and outage rescheduling using the contract’s remedies and verified manufacturing evidence. Deposit credits, damages and salvage are reconciled once. A later project allowance should not include a gross replacement cost while an unreconciled first order remains fully funded elsewhere.

Relevant questions: EAQ8, PAQ1, MPQ1. Framework: S11, APM governance; S06, project-change reporting; S07, delay treatment.

Case 112: Consent requires a different route after design spending

Hypothetical facts. A project’s consent permits construction only on an alternative alignment. Some earlier surveys remain usable, but the original detailed design and land options cannot be used in full.

Analysis. The consent may change technical scope, cost, timing and the preferred option without removing the underlying network need. Treating all previous design as recoverable would ignore the value of proportionate development under uncertainty; retaining every commitment would ignore the new legal and physical constraints.

Response and evidence. The update can map reusable work, cancellation liabilities, new design requirements and the revised consent conditions. Material changes follow the relevant assessment route. The former alignment remains in the evidence history but is not presented as the authorised construction option.

Relevant questions: EAQ2, EAQ4, PAQ1. Framework: S06, material project changes and optioneering.

Case 113: A 500 MW data error inflates the needs case

Hypothetical facts. A capacity schedule duplicates one customer entry, overstating contracted generation by 500 MW. The error is discovered after PCF but before PA.

Analysis. The error is not a customer exit: the duplicated capacity never existed. Its consequences nevertheless depend on whether it changed the station size, connection date or optioneering. A fixed network requirement might survive unchanged, while a marginal bay or phase might no longer be justified.

Response and evidence. The correction can identify the original and corrected evidence, recalculate only affected options and funding components, and flag documents that inherited the value. Ofgem determines any consequent change to PCF or project scope. The account should not automatically recover all historical development without establishing causation and efficiency.

Relevant questions: EAQ2, EAQ4, EAQ8. Framework: S03, needs-case and readiness assessments; S06, changed project evidence.

Case 114: A shared dependency emerges late

Hypothetical facts. After Draft Determinations, evidence shows that two applications require the same access road and outage. The original submissions described them as independent.

Analysis. The late information may alter preliminaries, contingency, programme feasibility and the attribution of benefits. It is not enough to add a footnote while retaining two fully independent cost and

timing assumptions. Equally, a common interface does not require combining every output into a single project.

Response and evidence. The applicants can supply a shared interface and allocation schedule, with dates and reasons for the late evidence. Ofgem can distinguish clarification from a materially changed case and consider the procedural consequences. The revised assessment records which original conclusions survive and which depend on the common plan.

Relevant questions: EAQ8, PAQ1, MPQ1. Framework: S06, evidence and project interactions; S03, shared-site assessments.

Case 115: A redacted public application cannot establish a hidden price

Hypothetical facts. A published project summary discloses scope and headline cost but redacts bid prices, supplier identities and contractual terms.

Analysis. The public record can support analysis of the assessment method and visible arithmetic without supporting an independent conclusion about each tender rate. Reverse-engineering the redactions would cross the evidential boundary. Absence of public detail is not proof that Ofgem lacks the underlying evidence or that the price is inefficient.

Response and evidence. The response can identify the exact assertion that cannot be verified and request a non-sensitive account of scope comparability, benchmark method and assurance. Any conclusion remains bounded by public evidence rather than presenting an inferred confidential fact as a finding.

Relevant questions: PAQ1, MPQ2. Framework: S04, procurement assessment; S06, public evidence and submission requirements.

Case 116: Temporary infrastructure has an intentionally short life

Hypothetical facts. Temporary works enable an earlier connection and are removed after permanent infrastructure becomes available two years later.

Analysis. Short useful life does not alone establish waste. The relevant comparison includes the benefits during those two years, construction and removal costs, equipment reuse, environmental impacts and a practicable option without temporary works. Conversely, a strategic target does not by itself prove that every temporary intervention creates net value.

Response and evidence. The option appraisal can show the temporary and permanent scopes separately and identify what happens if the permanent project or customer is delayed. The final allowance and outputs should not reward the same capacity twice or assume salvage proceeds that cannot realistically be realised.

Relevant questions: EAQ5, PAQ1, MPQ1. Framework: S03, Blyth assessment; S06, whole-life appraisal.

Case 117: Extreme weather, insurance and replacement work

Hypothetical facts. A severe weather event damages early enabling works. Insurance covers part of the reinstatement, while the ETO seeks additional regulatory funding.

Analysis. The analysis separates physical damage, foreseeable risk already funded, insurance receipts, deductibles, contractor obligations and eligible incremental expenditure. An event described as extreme does not automatically satisfy every COAE condition or justify reimbursement of the gross repair cost.

Response and evidence. The claim can reconcile damage evidence, risk assumptions, contracts and net expenditure. Ofgem determines the available route and threshold at the relevant project stage. Any subsequent insurance settlement is reflected without charging consumers twice, and the restored output is verified rather than equating payment with completed recovery.

Relevant questions: EAQ8, PAQ1, PAQ2. Framework: S06, cancellation and chapter 5; S04, COAE discussion.

Case 118: Customer delay, consent change and price escalation interact

Hypothetical facts. Two customers postpone connection, a consent requires rerouting, and the equipment quotation expires during redesign.

Analysis. The effects cannot safely be summed as three independent uplifts. Customer delay may allow a smaller first phase; rerouting may remove equipment scope; a new procurement date may change the price of only the surviving package. Adding all original sensitivities could overstate cost or miss a new critical-path constraint.

Response and evidence. A chronological reassessment can first establish residual need, then feasible scope and programme, then the cost and funding consequences. It records common causes and interactions, compares a revised baseline with alternatives, and uses the applicable legal route for each changed allowance or output rather than one undifferentiated contingency claim.

Relevant questions: EAQ2, EAQ5, PAQ1, MPQ1. Framework: S06, staged assessment and material changes; S07, dependency and delay evidence.

Case 119: Woolavington's later needs decision changes an assumption

Hypothetical facts. A later LOTI Final Needs Case determines a different scope or delivery assumption from that used in the Woolavington PA submission counted in this window.

Analysis. The May application count does not confer a funding decision. The later needs determination must be reconciled with the PA cost base and output; a cost estimate for the former design cannot simply be relabelled as the new allowance. Earlier efficient development and changed scope need separate treatment.

Response and evidence. The subsequent assessment can identify the controlling LOTI decision, retained evidence, revised quantities, price base, delivery programme and interactions. Any ODI-F consideration uses the resulting project and timing evidence. The current consultation's deferred state is preserved rather than retrospectively describing it as an approval or rejection.

Relevant questions: PAQ1, MPQ3. Framework: S02, Woolavington status; S04, PA scope; S06, crossover pathways.

Case 120: Recovery restores consistency without erasing history

Hypothetical facts. A corrected customer schedule is reprocessed and the project's scope, annual funding, output and incentive references are reconciled. Unrelated projects were never affected.

Analysis. A successful recovery is more than replacing the first incorrect number. Every material downstream use must be considered, while unaffected values remain stable. The corrected evidence does not make the earlier published state disappear, and a pending legal change must not be displayed as already effective.

Response and evidence. Closure can record the corrected version, affected decision chain, effective instruments and remaining limitations. Where no amendment was needed, that result is stated expressly. This positive control tests that a correction mechanism avoids both incomplete propagation and unnecessary reopening of unrelated project decisions.

Relevant questions: EAQ8, PAQ2, MPQ1. Framework: S06, reporting and legal implementation; S07, incentive records.

Cases 121–128: Incentive design, exemptions and completion

Case 121: An incentive can be designed without an ODD

Hypothetical facts. A project has a substantiated P50 Delivery Date and satisfies the relevant assessment criteria, but NESO has not provided an Optimal Delivery Date.

Analysis. The absence of an ODD is not, by itself, a bar under the governance document. Design B expressly addresses this situation, with the Target Delivery Date based on P50 and a totex-based reward calibration. This does not remove the need to assess consumer benefit, strategic importance and practicalities.

Response and evidence. The decision record can identify Design B, the P50 evidence, the appropriate totex base and applicable caps. It should not invent an ODD merely to complete a template or reject the incentive solely because no ODD exists. Later information is handled through the governance rather than silently changing the designated design.

Relevant questions: MPQ1, MPQ3. Framework: S07, paragraphs 3.6–3.13 and Tables 1–3.

Case 122: A later ODD creates a different reward profile

Hypothetical facts. NESO's ODD is later than a project's P50 Delivery Date. Completion is feasible before the ODD, but earlier availability has not been shown to produce the same timing benefit as in an earlier-ODD project.

Analysis. Design C uses the ODD as the TDD and provides the specified on-time lump sum rather than a daily early-delivery reward. Importing Design A's daily reward would alter the published design and could pay for acceleration that the date relationship does not value in the same way.

Response and evidence. The calculation can show the selected design, TDD and lump-sum condition explicitly. Late-delivery penalties are assessed under Design C's own rate and cap. A narrative statement that "earlier is better" is not a substitute for the design-specific rules or evidence of incremental benefit.

Relevant questions: MPQ1. Framework: S07, incentive-design classification and Tables 1–3.

Case 123: The earliest rewarded date limits the Design A cap

Hypothetical facts. An illustrative Design A project has £100m of relevant totex, an ODD one year before P50 and an annual reward rate of £5m.

Analysis. The reward includes the £1m on-time lump sum. At the ODD, one year of daily reward plus the lump sum equals £6m. The Design A maximum is therefore the lower of the relevant 20% totex limit and the reward at the ODD: £6m in this example, not automatically £20m.

Response and evidence. The award schedule should calculate both cap limbs and apply the lower value. Earlier completion does not keep accumulating reward beyond the applicable cap. The annual rate and all dates are hypothetical here; a real designation requires the actual totex base, constraint evidence and governance calculation.

Relevant questions: MPQ1. Framework: S07, Table 2, Design A maximum reward.

Case 124: A penalty exemption period does not move the reward date

Hypothetical facts. A project's TDD remains fixed. Ofgem grants a 60-day Penalty Exemption Period, and completion occurs 90 days after the TDD.

Analysis. The exemption postpones the point from which penalties are calculated; it does not automatically move the TDD or create eligibility for an on-time reward. Subject to the exact counting convention, the illustrative penalty exposure is 30 days, while completion is still after the original reward date.

Response and evidence. The schedule should keep TDD, exemption duration, adjusted penalty start and actual completion in separate fields. Any change to the TDD itself requires its own governing basis. Presenting one revised date for every purpose would risk both cancelling valid penalties and granting an unearned reward.

Relevant questions: MPQ1, MPQ2. Framework: S07, paragraph 3.36 and chapter 4.

Case 125: Two delay events overlap

Hypothetical facts. A qualifying access restriction delays a critical activity for 50 days. During 30 of those days, a separate qualifying event also prevents the same activity.

Analysis. The combined programme delay is not automatically 80 days. A critical-path assessment must establish the additional impact of each event and whether one would have prevented progress in the other's absence. Overlap can differ across parallel work packages, so a simple calendar union is not always sufficient either.

Response and evidence. The application can show baseline and updated programmes, event periods, float and mitigation. Any exemption is based on evidenced incremental delay, not a sum of event labels. Supplier or ETO-controlled delay concurrent with an external event also needs attribution rather than being absorbed without analysis.

Relevant questions: MPQ1. Framework: S07, chapter 4, delay causation and supporting evidence.

Case 126: Notice is measured from the relevant awareness point

Hypothetical facts. An event begins before the ETO could reasonably identify its effect on project delivery. The ETO later becomes aware of the relevant delay and considers a penalty-exemption application.

Analysis. The governance contains specific notification and application deadlines; these should not be replaced by a generic "notify promptly" instruction. The awareness record matters to the specified 45-day

notification period, and the cessation date matters to the application timetable, subject to any Ofgem direction.

Response and evidence. The evidence should distinguish event commencement, awareness, mitigation actions, notice, cessation and application. Meeting a notice deadline does not establish that the event qualifies, while a substantive causal case does not remove procedural requirements. The example does not assume that an extension has been granted.

Relevant questions: MPQ1, MPQ2. Framework: S07, chapter 4, notification and application process.

Case 127: Supplier compensation and actual prolongation cost

Hypothetical facts. A late supplier pays contractual delay compensation. The ETO also incurs evidenced prolongation costs and seeks the appropriate regulatory treatment.

Analysis. The governance's treatment of supplier payments requires attention to actual prolongation costs and any excess. Passing through the entire receipt while separately disallowing all associated costs could double-count the consumer benefit; ignoring compensation while funding gross costs could do the opposite.

Response and evidence. The reconciliation should show contractual receipts, actual qualifying prolongation expenditure, other recovery and the resulting excess or residual. The relevant allowance modification and any penalty treatment follow their distinct rules. Compensation is not used to infer that every delay was within the ETO's control.

Relevant questions: MPQ1, PAQ1. Framework: S07, paragraph 4.40.

Case 128: Energisation is not necessarily full-specification completion

Hypothetical facts. A reinforcement is energised, but one required circuit or protection function remains unavailable. The ETO describes the project as operational before the missing element is completed.

Analysis. For the incentive, the governance refers to completion to full specification. Initial energisation, partial capability and full delivery may be different milestones. Whether the missing function prevents completion depends on the designated specification, not the choice of a favourable headline date.

Response and evidence. The completion evidence can identify the required capability, outstanding defects, test results and the verified date each requirement was achieved. Temporary operation can be described accurately without being treated as full completion for a reward. A safety or commissioning judgement remains with the competent parties, not a financial-reporting label.

Relevant questions: MPQ1, MPQ2, PAQ1. Framework: S07, paragraph 3.32; S04, VSRE output.

Cases 129–136: COAE, assurance and funding boundaries

Case 129: A COAE amount exceeds the threshold but fails another condition

Hypothetical facts. A hypothetical £13m change exceeds 10% of the published £123.852m VSRE LR allowance. However, the cost relates to a risk already anticipated and included in the efficient contingency.

Analysis. The numerical threshold is only one part of the COAE assessment. Exceeding approximately £12.385m does not establish eligibility where another qualifying condition is absent. The denominator is also important: the test discussed for VSRE is not 10% of the £148.452m total project presentation.

Response and evidence. The application should identify the event category, foreseeability, prior risk provision, efficient incremental cost, timing and independent supporting statement. Ofgem determines whether the conditions are met. The same exposure is not compensated through both funded contingency and a change allowance.

Relevant questions: PAQ1, PAQ2. Framework: S04, paragraphs 4.34–4.37; S06, chapter 5.

Case 130: A COAE adviser is not automatically the appointed ITA

Hypothetical facts. An ETO obtains an independent technical statement to support a COAE application. It then refers to that statement as though it were approval by Ofgem's appointed Independent Technical Adviser.

Analysis. The functions are related but not interchangeable. The load guidance asks for independent technical support for a change application; the ITA framework separately governs appointment, scope and assurance. Neither type of adviser acquires Ofgem's funding decision authority by providing a report.

Response and evidence. The submission should identify the adviser, independence, terms of reference, evidence reviewed and limitations. Any appointed ITA's role is described separately. A favourable technical opinion can inform the Authority but is not a licence modification, engineering approval or automatic entitlement to extra funding.

Relevant questions: PAQ1, PAQ2. Framework: S06, paragraph 5.10; S08, role and appointment.

Case 131: A project value does not automatically appoint an ITA

Hypothetical facts. A project crosses £300m and is placed on Track 3. The applicant assumes that the same threshold automatically appoints an ITA and determines the scope of assurance.

Analysis. The Track 3 default and ITA selection are different decisions. The ITA guidance takes account of project characteristics and assurance needs rather than making the track threshold a universal appointment rule. A larger value can be relevant without being the sole trigger.

Response and evidence. The record can explain whether an ITA is appointed, the matters to be reviewed, timing, independence and reporting. Where no ITA is used, existing evidence and assurance are still assessed. Where one is used, the appointment does not remove the ETO's responsibilities or Ofgem's decision role.

Relevant questions: EAQ5, EAQ6, PAQ1. Framework: S06, track allocation; S08, project selection and scope.

Case 132: The CAI UIOLI perimeter is not the Load Re-opener perimeter

Hypothetical facts. Two otherwise similar projects have direct scheme costs of £149.9m and £150.0m. Each seeks to use the CAI UIOLI arrangements.

Analysis. The CAI governance uses a below-£150m direct-cost perimeter alongside specified project categories and exclusions. It cannot be treated as an automatic 10% uplift on every Load Re-opener project. The exact cost definition and any prior funding or crossover exclusion must be checked before applying a route.

Response and evidence. The calculation should show direct scheme cost, eligible category, exclusion screening, CAI components and alternative treatment where required. Rounding £149.96m to £150.0m is not a substitute for the underlying threshold calculation. A classification issue does not establish that the cost itself is unreal or inefficient.

Relevant questions: PAQ1, PAQ3, EAQ8. Framework: S09, chapter 2, scope and exclusions.

Case 133: An MSIP crossover already includes indirect funding

Hypothetical facts. A crossover project appears in the CAI governance's excluded list because its RIIO-ET2 arrangement already included an indirect-cost uplift. It now seeks a further CAI UIOLI recovery.

Analysis. The new reporting period does not extinguish prior funding. The exclusion prevents the same indirect scope being funded through two arrangements. Any proposed alternative treatment needs to reconcile the actual funded work and operative decision rather than treating every crossover as eligible for a new percentage.

Response and evidence. The project can provide the prior allowance, remaining scope, crossover classification and current funding bridge. Ofgem can then identify the appropriate route and adjustments. The review should not generalise one project-specific biodiversity treatment into permission for all excluded indirect costs to be recovered again.

Relevant questions: PAQ1, PAQ2, PAQ3. Framework: S09, paragraph 2.8 and Appendix 1; S04, VSRE funding treatment.

Case 134: Two published historical PCF baselines differ

Hypothetical facts. In a hypothetical reconciliation review, an analyst encounters the published VSRE figures. The VSRE narrative uses £8.320m of prior PCF, while the displayed old row in the marked draft schedule shows £5.77m before replacement with £14.55m.

Analysis. The difference calls for a historical and precision reconciliation, not an allegation of duplicated payment. At displayed precision, the schedule changes by £8.78m, while the narrative incremental PCF is

£6.228m. Prior amendments, base dates or an error could explain the difference, but the public excerpt alone does not establish which.

Response and evidence. The final decision can identify the operative pre-change instrument, any intervening amendment and exact unrounded values. It should then reconcile the project row, company PCF total and additional allowance. The struck-through and underlined values are legitimate consultation markup; flattening them into one number would create a false error.

Relevant questions: PAQ2. Framework: S04, Table PA5 and Appendix 1, printed pages 25–27.

Case 135: Rounding obscures a strict entry boundary

Hypothetical facts. A new application has evidenced expected capex of £40.004m, while a second has £39.996m. Both display as £40.00m to two decimal places.

Analysis. The presentation makes the projects appear identical although they lie on opposite sides of a strict more-than-£40m entry test. The decision must use a defined underlying precision and cost concept; it should not round first and then apply the threshold. Uncertainty in the estimate must still be considered honestly.

Response and evidence. The assessment can state the unrounded value used and explain how evidential uncertainty was handled. This entry issue is distinct from guidance paragraph 4.24, which permits a final allowance at or below £40m for an admitted project. Mixing those two questions would create a second classification error.

Relevant questions: EAQ7, EAQ8. Framework: S06, paragraphs 1.4 and 4.24.

Case 136: A risk mean and P50 tell different stories

Hypothetical facts. A simplified hypothetical cost risk has a 60% chance of no additional cost, a 30% chance of £5m and a 10% chance of £25m.

Analysis. The expected additional cost is £4m, but the median additional cost is zero. Neither result proves the appropriate regulatory allowance without the governing cost basis and other risk evidence. Treating a P50 uplift as synonymous with an expected value can change a threshold conclusion materially.

Response and evidence. The risk submission should identify the statistic used, distribution, dependencies and whether the base cost already includes any outcome. Correlation between risks requires explicit treatment. The example illustrates the distinction; it does not provide ETRE's confidential risk model or establish a project-specific risk percentage.

Relevant questions: EAQ7, EAQ9. Framework: S03, ETRE and risk treatment; S06, cost and evidence requirements.

Cases 137–144: Aggregation, evidence and proportionality

Case 137: Two boundary uplifts cannot simply be added

Hypothetical facts. Two reinforcement studies each report a 500 MW transfer benefit against the same constrained network baseline. A programme summary reports a combined 1,000 MW benefit without a joint study.

Analysis. The individual changes may address the same limiting element or shift the constraint to another part of the network. Their combined effect can be less than the sum, or depend on a third intervention. Similarly, constraint-cost benefits assessed against different baselines are not automatically additive.

Response and evidence. The programme appraisal should state a common network baseline and evaluate the relevant combinations through competent system studies. Public analysis can request the method and non-sensitive result without inventing electrical calculations. Funding and incentive benefits remain separately attributable even when delivery is coordinated.

Relevant questions: EAQ2, MPQ1. Framework: S03, boundary reinforcement assessments; S06, programme and CBA evidence.

Case 138: Customer security is not the same as a received contribution

Hypothetical facts. A customer provides security against future connection liabilities, but a project funding table deducts the full security amount as though it were cash already received for construction.

Analysis. Security, an invoiced contribution, a received payment and a potential cancellation recovery have different conditions and timing. A gross-to-net funding reconciliation must not use them

interchangeably. Whether the security can be drawn depends on the contract and events; the public analysis cannot assume its enforceability.

Response and evidence. The account can distinguish each instrument, amount, due date, conditions and treatment on customer exit. Ofgem's allowance assessment then uses the applicable funding rules, with later reconciliation where necessary. Neither consumer exposure nor project entry cost is inferred solely from a headline security amount.

Relevant questions: EAQ8, PAQ1. Framework: S06, cost and funding evidence; S03, customer-funded interfaces.

Case 139: The same document gives two demand figures

Hypothetical facts. A project description gives one demand figure, while its optioneering discussion gives another. Neither passage explains a change of date, scope or firmness.

Analysis. The larger number should not be selected merely because it supports more capacity, nor the smaller because it supports a lower allowance. The discrepancy may concern gross versus incremental demand, different customers or a transcription error. The technical consequence depends on which quantity the design actually uses.

Response and evidence. The clarification can identify the controlling demand schedule, units, customer scope, evidence date and firm or non-firm treatment. It then explains whether the corrected value changes the option or only the narrative. Pending clarification, the response can describe the discrepancy without inventing a reconciled figure.

Relevant questions: EAQ2, PAQ1. Framework: S03, Imperial Park assessment.

Case 140: An official annex is replaced during consultation

Hypothetical facts. Ofgem republishes an annex with a corrected cost cell, while an applicant response still refers to the earlier table and a separate data download has not yet changed.

Analysis. A publication timestamp alone is not enough to know whether every linked file has been superseded. The corrected item, version and scope of change must be identified. A live response should not mix a new project value with an old total and then describe the resulting difference as an economic adjustment.

Response and evidence. The calculation can retain source version, affected cells and reconciliation status. Unaffected passages remain usable; affected totals are recalculated from one consistent version. The response should distinguish a source update from an independent analytical change and cite the version actually used.

Relevant questions: EAQ8, PAQ1, PAQ2. Framework: S01, publication record; S02–S04, published tables and schedules.

Case 141: Appraisal discounting is confused with allowed returns

Hypothetical facts. An analyst discounts a project's social benefits using the allowed equity return and describes the result as the official consumer-payment present value.

Analysis. These are different calculations. Social appraisal, consumer cash-flow discounting and a regulated allowed return have different purposes and potentially different rates, timing and price conventions. Substituting one for another can change the conclusion without changing any physical outcome.

Response and evidence. The analysis should state the question answered by each model, the source of the discount or return input, the cash flows included and their price base. A hypothetical sensitivity remains labelled as such and is not presented as a replication of Ofgem's published £732.035m present value.

Relevant questions: PAQ1, MPQ1. Framework: S02, Table 3; S06, CBA and whole-life appraisal.

Case 142: Project variances offset at portfolio level

Hypothetical facts. Within an illustrative eligible ETO period portfolio, one project overspends by £20m and another underspends by £20m. All other eligible spending equals allowance.

Analysis. The net variance is zero before other adjustments. Applying the stepped TIM independently to both projects and adding the results would not reproduce a company-level period calculation. That does not mean each project's efficiency or output delivery is irrelevant: those remain separate assessment questions.

Response and evidence. The reporting should retain project-level explanations while reconciling them to the actual eligible period base. Any disallowed cost or output adjustment is identified before the final TIM result. Portfolio netting is not used to conceal a project failure, and project commentary is not mistaken for a separate statutory TIM account.

Relevant questions: PAQ1, EAQ8. Framework: S10, stepped TIM measurement across the price-control period.

Case 143: Annual efficiency is applied to the wrong base

Hypothetical facts. A spreadsheet applies a 1% ongoing-efficiency factor to total project cost, then applies it again to the resulting PCF profile, without showing whether the first adjustment already covered those activities.

Analysis. The same efficiency challenge can be duplicated by using two apparently reasonable formulas. Conversely, omitting annual phasing can understate a cumulative challenge. A final PCF-to-forecast ratio below 8.2% does not by itself reveal which calculation was performed.

Response and evidence. The published reconciliation should identify the starting forecast, cost adjustments, PCF calibration, regulatory-year profile, base year and efficiency factor at each step. A worked formula can then be checked without inferring it from rounded output ratios. Only the intended challenge is applied to each eligible cost.

Relevant questions: EAQ8, PAQ2. Framework: S03, PCF methodology; S04, efficiency and true-up.

Case 144: A mature project passes the checks without additional controls

Hypothetical facts. A project has a clear needs case, a compatible engineering solution, reconciled funding, credible delivery evidence and no unresolved material interface. A further review proposes another generic approval stage.

Analysis. More process is not automatically more assurance. The relevant question is which residual risk the additional stage would address and whether existing evidence or a targeted condition already resolves it. Requiring repeated full submissions can delay useful work and consume regulatory and ETO resources without changing the decision.

Response and evidence. The response can identify the evidence already satisfying each stage and confine any remaining request to a material gap. The positive outcome is proportionate progression under the existing framework, with normal change reporting retained. This does not waive a required legal step or presume that every other project is equally mature.

Relevant questions: EAQ1–EAQ6, PAQ1. Framework: S06, proportional assessment and track design; S08, proportionate assurance.

10 Worked numerical illustrations

The first four illustrations reconcile published figures. Later examples are explicitly hypothetical and are not estimates of actual project costs, incentive awards or household bills. Values shown in millions are rounded only after calculation. A formula does not replace the governing eligibility conditions or legal determination.

Illustration 1: EA PCF by applicant

Published-table reconciliation

Inputs and scope. Table EA1 provides 23 eligible NGET PCF values and four SHET values; ETRE has no proposed PCF.

Calculation. NGET = £372.954m; SHET = £114.340m. Total = £372.954m + £114.340m = £487.294m.

Interpretation and limitation. The sum checks the printed figures. It does not verify forecast construction cost, project efficiency or spreadsheet precision beyond the displayed table.

Source or framework: S03, Table EA1.

Illustration 2: VSRE: total cost, LR and additional funding

Published-table reconciliation

Inputs and scope. Submitted components are RDF £0.914m, PCF £8.320m, LR £142.077m and CAI £7.481m. Assessed components are £0.914m, £14.548m, £123.852m and £9.138m.

Calculation. Total cost: £158.792m − £148.452m = £10.340m reduction. LR: £142.077m − £123.852m = £18.225m reduction. Incremental PCF: £14.548m − £8.320m = £6.228m. Additional allowance: £123.852m + £6.228m = £130.080m; reduction from the request = £11.997m.

Interpretation and limitation. The three reductions measure different things. Reclassification can change a component without changing total cost by the same amount. None of the identities independently validates the efficient contract price.

Source or framework: S04, Table PA5.

Illustration 3: New decisions versus the finance presentation

Published-table reconciliation

Inputs and scope. The EA proposal adds £487.294m PCF and VSRE adds £130.080m. The Overview finance table also includes existing PA PCF.

Calculation. New funding = £487.294m + £130.080m = £617.374m. Including existing PA PCF: £617.374m + £8.320m = £625.694m.

Interpretation and limitation. The £625.694m figure is not all newly proposed funding. Rebase only after identifying the same scope of amounts; the £670.299m 2025/26-price presentation includes that broader base.

Source or framework: S02, Table 3 and footnote 10; S04, Table PA5.

Illustration 4: Annual display rounding and a historical baseline question

Published-table reconciliation

Inputs and scope. VSRE annual LR figures display £66.53m, £52.51m and £4.82m. The old PCF schedule row displays £5.77m, replaced by £14.55m; the narrative prior PCF is £8.320m.

Calculation. Rounded LR sum = £123.86m, which differs from £123.852m by £0.008m. Rounded PCF schedule change = £14.55m − £5.77m = £8.78m. Narrative PCF increment = £14.548m − £8.320m = £6.228m.

Interpretation and limitation. The first difference is consistent with rounding at the displayed precision. The second requires a historical-baseline reconciliation. It is not resolved by treating marked old and new values as a corrupted number, and does not by itself prove duplicated funding.

Source or framework: S04, Tables PA5–PA6 and Appendix 1.

Illustration 5: Strict entry threshold before rounding

Hypothetical

Inputs and scope. Two new applications have relevant evidenced capex of £40.004m and £39.996m, before display rounding. Assume the other entry conditions are considered separately.

Calculation. At two decimal places both display £40.00m. Underlying values: £40.004m > £40m; £39.996m < £40m.

Interpretation and limitation. The entry calculation should not round away the difference. Uncertainty in the estimate and the appropriate cost definition remain material. This example does not decide either application's other eligibility conditions.

Source or framework: S06, paragraph 1.4.

Illustration 6: An admitted project's lower final allowance

Hypothetical

Inputs and scope. A project enters on a supported £41m forecast. Detailed PA establishes a £38m allowance without removing the relevant project need.

Calculation. Assessed reduction = £41m − £38m = £3m, or about 7.32% of the initial forecast.

Interpretation and limitation. Paragraph 4.24 permits a final allowance at or below £40m. The £3m reduction does not automatically expel the project. A changed need, scope or earlier inaccurate entry evidence would require its own assessment.

Source or framework: S06, paragraph 4.24.

Illustration 7: Direct project cost versus net consumer exposure

Hypothetical

Inputs and scope. Project direct cost is £305m and a customer contribution is £30m. Ignore indirects and other adjustments solely for this illustration.

Calculation. Net exposure before other adjustments = £305m − £30m = £275m. Direct project cost remains £305m.

Interpretation and limitation. If the relevant track measure is project direct cost, the contribution does not automatically put that measure below £300m. The net funding calculation and the scrutiny pathway answer different questions.

Source or framework: S03, paragraph 2.5; S06, track guidance.

Illustration 8: Expected risk cost and median

Hypothetical

Inputs and scope. Additional cost is £0m with probability 60%, £5m with probability 30%, and £25m with probability 10%.

Calculation. Expected additional cost = 0.60 × £0m + 0.30 × £5m + 0.10 × £25m = £4m. Median additional cost = £0m.

Interpretation and limitation. The same distribution gives different mean and P50 values. The governing cost basis must be identified before using a risk statistic in an entry or allowance calculation. This is not ETRE's risk model.

Source or framework: Analytical probability example; framework context S03, risk assessment.

Illustration 9: PCF calibration and an explicit annual-efficiency assumption

Hypothetical

Inputs and scope. An adjusted forecast is £100m. Illustrate 8.2% PCF, split equally between a defined base year and the next year. For this example only, apply a single 0.99 factor to the second-year portion.

Calculation. Initial PCF = 0.082 × £100m = £8.2m. Base-year portion = £4.1m. Next-year portion = £4.1m × 0.99 = £4.059m. Total = £8.159m.

Interpretation and limitation. The result depends on the stipulated base year and phasing. It is not a reconstruction of an actual Ofgem project formula. Applying the same challenge again to an already adjusted input would duplicate it.

Source or framework: S03, PCF methodology; explicit illustrative assumptions.

Illustration 10: Stepped TIM at 20% underspend

Hypothetical period-level illustration

Inputs and scope. Eligible ETO price-control-period allowance is normalised to £100m and eligible outturn is £80m, with no other adjustment.

Calculation. ETO share = £5m × 25% + £15m × 10% = £2.75m. Consumer share of the £20m variance = £17.25m.

Interpretation and limitation. The rates are marginal. This is not a project-by-project calculation or a household bill forecast. The actual period base, exclusions and financial translation must be applied.

Source or framework: S10, printed pages 200–201, paragraph 5.167.

Illustration 11: Stepped TIM at 30% overspend

Hypothetical period-level illustration

Inputs and scope. On a £100m eligible period allowance, eligible outturn is £130m. Assume no approved adjustment to the allowance.

Calculation. ETO share = £5m × 25% + £15m × 10% + £10m × 5% = £3.25m. Consumer share of the £30m variance = £26.75m.

Interpretation and limitation. An event claim does not itself amend the base. Any lawful allowance adjustment or disallowance is considered before the final TIM calculation, avoiding double recovery.

Source or framework: S10, stepped TIM; S06, chapter 5.

Illustration 12: Offsetting project variances

Hypothetical aggregation illustration

Inputs and scope. Within one eligible ETO period base, project A is £20m over allowance and project B is £20m under, with all other spending on allowance.

Calculation. Net period variance = +£20m − £20m = £0m before other adjustments.

Interpretation and limitation. Independent project-level TIM calculations would not reproduce this aggregation. The zero net variance does not certify that each project was efficiently delivered or met its outputs.

Source or framework: S10, period-level measurement.

Illustration 13: Design A reward and the ODD cap

Hypothetical governance illustration

Inputs and scope. Relevant forecast totex is £100m. One-year delay constraint cost is £30m. ODD is 365 days before P50; full completion occurs 180 days before P50.

Calculation. Annual reward input = min(max(30% × £30m, £2m), £5m) = £5m. Lump sum = £1m. Reward at completion = £1m + 180 × (£5m / 365) = £3.465753m. Maximum reward = min(£20m, £1m + £5m) = £6m.

Interpretation and limitation. The £6m cap includes the lump sum and is lower than the 20% limb. The calculated reward is below that cap. The example does not designate any real project or validate its constraint-cost estimate.

Source or framework: S07, Tables 1–2 and paragraphs 3.25–3.33.

Illustration 14: Design B where no ODD is available

Hypothetical governance illustration

Inputs and scope. Relevant forecast totex is £100m, no independent ODD exists, and completion is 30 days before the P50-based TDD.

Calculation. Annual reward input = £2m. Lump sum = £1m. Reward = £1m + 30 × (£2m / 365) = £1.164384m, below the £10m cap.

Interpretation and limitation. No ODD is invented. Design B provides the applicable structure, subject to designation and the other criteria. The forecast totex input is the value used for the incentive, not the PCF amount.

Source or framework: S07, paragraph 3.11 and Tables 1–2.

Illustration 15: Design C has no daily early-delivery reward

Hypothetical governance illustration

Inputs and scope. Relevant forecast totex is £100m and ODD falls after P50. The TDD is therefore ODD. Consider full delivery before TDD and, separately, 60 days late without an exemption.

Calculation. On-time or early lump sum = 1% × £100m = £1m. Annual penalty input = 0.5% × £100m = £0.5m. For 60 penalised days: £0.5m × 60 / 365 = £0.082192m, below the £1m cap.

Interpretation and limitation. There is no additional daily early reward under Design C. The early and late outcomes are separate alternatives, not amounts payable together.

Source or framework: S07, Tables 1–3 and paragraph 3.34.

Illustration 16: Penalty exemption and a retained TDD

Hypothetical governance illustration

Inputs and scope. A Design B project with £100m incentive totex receives a 60-day PEP. Full delivery occurs 90 days after its unchanged TDD. Assume 30 days attract penalties under the relevant date convention.

Calculation. Annual penalty input = half of £2m = £1m. Penalty = 30 × (£1m / 365) = £0.082192m, before the cap.

Interpretation and limitation. The PEP does not make completion on time for the £1m lump-sum reward. TDD and penalty start are separate, and the applicable counting convention must be confirmed in the actual calculation.

Source or framework: S07, Table 3 and paragraph 3.36.

Illustration 17: COAE denominator and additional qualifying conditions

Published-base arithmetic with hypothetical application

Inputs and scope. The VSRE LR allowance is £123.852m. A hypothetical additional event cost is £13m.

Calculation. 10% × £123.852m = £12.3852m. £13m is £0.6148m above that amount.

Interpretation and limitation. This establishes only that the illustrative amount exceeds the discussed threshold. It does not establish event eligibility, unforeseeability, efficient cost, compliance with timing or independence requirements. Using 10% of total project cost would use a different denominator.

Source or framework: S04, paragraphs 4.34–4.37; S06, chapter 5.

Illustration 18: Shared-cost allocation without duplication

Hypothetical

Inputs and scope. A £3m common civil package serves two projects. A substantiated allocation method assigns 60% to one and 40% to the other.

Calculation. Allocated amounts = £1.8m and £1.2m; total = £3m. Claiming £3m in each project would present £6m for one £3m package.

Interpretation and limitation. The 60/40 key is illustrative, not a prescribed allocation method. Actual allocation should reflect the causal scope and relevant funding rules, and should be revisited if one project or the shared package changes.

Source or framework: S03, shared-site assessments; analytical example.

Illustration 19: Present value versus cash total

Hypothetical, not the Ofgem finance model

Inputs and scope. Assume a single £10m payment exactly one year from a chosen valuation date and an illustrative annual discount rate of 3.5%.

Calculation. PV = £10m / 1.035 = £9.661836m. Undiscounted payment remains £10m.

Interpretation and limitation. This shows the mathematical distinction only. The assumed 3.5% is not asserted to be Ofgem's discount rate or an allowed return, and the result is not a replication of the published £732.035m PV.

Source or framework: Analytical illustration; S02, Table 3 for the separate official result.

Illustration 20: Resource benefit and consumer cash effect

Hypothetical

Inputs and scope. Acceleration avoids £12m of system cost, consumes £8m of extra real resources and attracts a £2m regulatory reward. Assume for illustration that consumers bear both the extra cost and reward.

Calculation. Resource surplus = £12m − £8m = £4m. Simplified consumer cash saving = £12m − £8m − £2m = £2m.

Interpretation and limitation. The reward is a transfer and is not added again as a real resource cost. Actual consumer effects depend on allowance treatment, TIM, timing and who bears each flow. Existing unavoidable benefits are not attributed to the incentive a second time.

Source or framework: Analytical example; S07, consumer benefit and rewards.

11 Evidence limitations and documentary clarifications

11.1 What the public record does and does not establish

The response's application coverage and calculations are based principally on the four consultation PDFs, the Load Re-opener guidance, relevant governance documents and the RIIO-ET3 Final Determinations. Ofgem's project assessments describe applicant evidence; they do not expose every engineering study, unredacted tender, customer contract, land right or risk calculation. The present response does not claim to have independently reproduced those underlying studies. [S02–S10]

The accompanying XLSX is publicly listed, but the response does not claim an independent cell-level audit of that file. Printed project PCF and VSRE figures support the displayed arithmetic; they do not support extra decimal precision or a recreated 45-year finance model. The official index series, annual cash flows and return calculations would be necessary for a complete financial replication. [S01, document list; S02, Table 3; S03–S04]

The authority map uses the statutory and licence routes identified in Ofgem's accessible publication, guidance and draft instruments. It is not a complete consolidation audit of every current licence paragraph, amendment or statutory provision. For that reason, this response does not assert that an apparent cross-reference in an unverified consolidated file is an established operative legal defect. [S06–S09; S12]

Woolavington remains unresolved in this consultation package, and the eleven minded-to ODI-F positions are not yet final project-specific parameters. Biodiversity and customer-readiness assumptions also require the next-stage evidence identified in the public assessments. These are limits on the particular conclusions available now, not reasons to discard the independent analysis of other projects. [S02–S05]

11.2 Clarifications relevant to final publication

Published matter	Specific clarification	What should not be inferred
VSRE historical PCF	Reconcile narrative £8.320m, old schedule £5.77m, new £14.55m and company-total change using the operative historical instruments.	No allegation of duplicate recovery or missing authority is made without the historical bridge.
Marked PCF totals	Read old £154.95m and proposed £163.73m as visually marked amendments; issue one clean effective schedule at the appropriate stage.	The markup is not one corrupted combined number.
Annual precision	State the authoritative precision and reconcile exact totals with rounded annual presentations.	Small display differences are not automatically disallowances.
VSRE identity	Reconcile the corporate suffixes in the addressee and annex heading to the licensed legal entity and retain project identifier SPT200473.	Do not guess the correct entity from a trading name.
Farmoor planning footnote	Correct or explain the NPF4 reference in the English-project discussion.	A citation mismatch does not determine the project's planning legality or merits.
EA paragraph 3.5 reference	Clarify the self-reference to the assessment criteria.	Do not invent the intended replacement paragraph without checking the complete document.
Feckenham–Hams Hall scope	Use a consistent project name and identify the effect of removing Drakelow–Hams Hall.	Do not silently restore the removed scope or assume it is funded.
Final decision / schedule / finance	Reconcile each final project value, direction or modification, data table and financing update.	A corrected spreadsheet alone is not necessarily a legal amendment.

Sources: S03, Farmoor, Feckenham–Hams Hall and paragraph 3.5; S04, Tables PA5–PA6 and Appendix 1; S02, implementation. These are technical clarification requests, not conclusions on whether the substantive proposals should be adopted.

11.3 Final scope of the response

This individual response addresses the interpretation of the published framework, the evidence supporting its application and the practical consequences of implementation choices. Where the public record does not determine a fact, the analysis states the uncertainty and identifies the further evidence relevant to it. It does not certify engineering deliverability or replace a statutory determination.

12 Official sources and terminology

Source codes in the text identify the documents below. Paragraph and table references are to the editions stated. Applicant material is distinguished from Ofgem's assessment. Source S14 is listed for transparency about the accompanying data file, not as evidence of an independent workbook audit.

Ofgem's source documents identify their text as Crown copyright and permit reproduction under the Open Government Licence, excluding logos. The source-derived descriptions and tabulated figures in this response are attributed to the individual titles below: © Crown copyright 2025 and 2026. No official logo is reproduced.

[S01] Ofgem, Draft determinations for the RIIO-ET3 Load Re-opener May 2026 submission window

27 August 2026; consultation page checked 23 September 2026

Live consultation identity, document list, deadline and response route.

https://www.ofgem.gov.uk/consultation/draft-determinations-riio-et3-load-re-opener-may-2026-submission-window

[S02] Ofgem, Overview Document

27 August 2026; 39 pages

Application counts, draft package, next steps, finance and Table 3.

https://www.ofgem.gov.uk/sites/default/files/2026-08/RIIO-ET3-load-re-opener-may-2026-submission-window_draft-determinations-overview-document.pdf

[S03] Ofgem, Eligibility Assessment Annex

27 August 2026; 79 pages

Table EA1, all 28 EA projects, PCF, risk, biodiversity and draft directions.

https://www.ofgem.gov.uk/sites/default/files/2026-08/RIIO-ET3-load-re-opener-May-2026-submission-window-draft-determinations-eligibility-assessment-annex.pdf

[S04] Ofgem, Project Assessment Annex

27 August 2026; 32 pages

VSRE funding and cost assessment, COAE, PCF true-up and proposed legal schedules.

https://www.ofgem.gov.uk/sites/default/files/2026-08/RIIO-ET3-load-re-opener-May-2026-submission-window-draft-determinations-project-assessment%20annex.pdf

[S05] Ofgem, Major Projects ODI-F Annex

27 August 2026; 28 pages

29-project screen and provisional project-specific incentive positions.

https://www.ofgem.gov.uk/sites/default/files/2026-08/RIIO-ET3-load-re-opener-May-2026-submission-window-draft-determinations-major-projects-ODI-F-annex.pdf

[S06] Ofgem, Load Re-opener Guidance and Submission Requirements Document

1 April 2026; 104 pages

Tracks and stages; PASE; paragraph 4.24; project changes, cancellation, COAE and legal implementation.

https://www.ofgem.gov.uk/sites/default/files/2026-03/load-re-opener-guidance-and-submission-requirements-document.pdf

[S07] Ofgem, Major Projects ODI-F Governance Document

1 April 2026; 23 pages

Criteria, designs A/B/C, dates, rewards, penalties, completion, exemptions and delay procedure.

https://www.ofgem.gov.uk/sites/default/files/2026-03/major-projects-odi-f-governance-document.pdf

[S08] Ofgem, Independent Technical Adviser Guidance Document

1 April 2026; 19 pages

ITA scope, selection, appointment, independence and limits of decision authority.

https://www.ofgem.gov.uk/sites/default/files/2026-03/independent-technical-adviser-guidance-document.pdf

[S09] Ofgem, Closely Associated Indirects Use-it-or-lose-it Governance Document

1 April 2026; 14 pages

Direct-cost perimeter, eligible categories, crossover exclusions, reporting and final reconciliation.

https://www.ofgem.gov.uk/sites/default/files/2026-03/closely-associated-indirects-use-it-or-lose-it-governance-document.pdf

[S10] Ofgem, RIIO-3 Final Determinations — Electricity Transmission

4 December 2025; 212 pages

Price-control baseline; PASE; stepped TIM and measurement across the price-control period.

https://www.ofgem.gov.uk/sites/default/files/2025-12/RIIO-3-Final-Determinations-ET.pdf

[S11] Ofgem, Advanced Procurement Mechanism Governance Document

1 April 2026; 30 pages

Advance procurement and interaction with later project funding.

https://www.ofgem.gov.uk/sites/default/files/2026-03/advanced-procurement-mechanism-governance-document.pdf

[S12] Ofgem, Modifications to the RIIO-3 licences and associated documents

Publication record for decisions taking effect from 1 April 2026

Licence publication context. This response does not certify the complete consolidated licence text.

https://www.ofgem.gov.uk/consultation/modifications-riio-3-licences-and-associated-documents

[S13] SP Energy Networks, RIIO-T3 Load Re-openers — VSRE

Public applicant material; May 2026 submission

Applicant description and requested allowance; not an independent verification of cost or benefit.

https://www.spenergynetworks.co.uk/pages/riio_t3_load_re_openers.aspx

[S14] Ofgem, Draft Determinations data file

XLSX listed with the 27 August 2026 consultation; not independently re-audited for this response

Reference to the accompanying data file. Recalculations in this response use the published PDF tables, not a claimed cell-by-cell audit.

https://www.ofgem.gov.uk/sites/default/files/2026-08/RIIO-ET3-Load-Re-opener-May-2026-submission-window-draft-determinations-data-file.xlsx

12.1 Terminology

Term	Meaning in this response
APM	Advanced Procurement Mechanism
ASTI	Accelerated Strategic Transmission Investment
BESS	Battery energy storage system
CAI / CAIt	Closely Associated Indirects / the relevant funding term
CBA / WLCA	Cost–benefit analysis / whole-life cost analysis
COAE	Cost and Output Adjusting Event
CSNP	Centralised Strategic Network Plan
EA / EL	Eligibility Assessment / Eligibility Letter
EPC	Engineering, procurement and construction
ETO / TO	Electricity transmission owner / transmission owner
FNC	Final Needs Case
GIS / AIS	Gas-insulated / air-insulated switchgear
HND	Holistic Network Design
HTLS	High-temperature low-sag conductor
HVDC	High-voltage direct current

Term	Meaning in this response
ITA	Independent Technical Adviser
LOTI	Large Onshore Transmission Investments
LR / LRt	Load Re-opener / relevant allowance term
MP ODI-F	Major Projects output delivery incentive, financial
NCA / PA	Needs Case Assessment / Project Assessment
NGET / SHET / SPT	Applicant abbreviations used by Ofgem; legal entities must be resolved from the licence record
NESO	National Energy System Operator
ODD / TDD	Optimal Delivery Date / Target Delivery Date
OHL / UGC	Overhead line / underground cable
P50	Median probability point; in the incentive context, a 50% probability of delivery by the date
PASE	Pre-approval of Solutions by Engineering
PCF / PCFt	Pre-Construction Funding / relevant funding term
PCFM	Price Control Financial Model
PEP	Penalty Exemption Period
RDF	Historical funding term in the published VSRE reconciliation
RIGs / RRP	Regulatory Instructions and Guidance / Regulatory Reporting Pack
RPE	Real price effects
SGT / STATCOM	Super grid transformer / static synchronous compensator
SpC	Special Condition of the electricity transmission licence
SQSS	Security and Quality of Supply Standard
TIM	Totex Incentive Mechanism
UIOLI	Use-it-or-lose-it
VSRE	Project shorthand used for the XH and XJ routes works

Terminology follows the cited Ofgem documents. Abbreviations are aids to reading, not substitutes for the legal definitions in the applicable instrument.