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Dear Grant,

RIIO-T1 and GD1: Draft licence conditions – First informal licence drafting consultation

On behalf of Scottish Hydro Electric Transmission Limited (SHETL), I am writing in response to the first informal licence drafting consultation for RIIO-T1. Our detailed comments in response to the supporting document, setting out the proposed licence drafting, are contained within Appendix 1. There are a number of broader issues that we would like to draw your attention to set out below.

Our key points can be summarised as follows:

1. Policy Implications and Licence Conditions;
2. Associated RIIO documents;
3. Licence Modifications that are outwith the scope of the RIIO-T1 Price Control Review; and
4. SHETL specific conditions.

1. Policy Implications and Licence Conditions

There are a number of conditions where the licence drafting as proposed (or lack of in certain instances) differs from our understanding of the stated policy position. These are:

ETC1: Timely Connections Output

We note from the Consultation paper that Ofgem intends to not include a licence condition in relation to the Timely Connections Output. We are surprised by this stance, given both the continual policy position, up to and including Final Proposals for SHETL, and the importance of this output to some of our stakeholders.

The Final Proposals for SHETL clearly sets out that “A penalty of up to 0.5% of revenue per year could apply for failure to meet the timing requirements outlined in its licence.” Ofgem’s Strategy Document, published in March 2011, stated that Ofgem would be “setting a connections output based on existing legal requirements with a downside penalty for taking longer than the required timescales”. It is our understanding that this penalty would take the form of an incentive, albeit one that only operates to make a negative adjustment if performance does not align with the stated output. We believe this approach is proportionate and have therefore worked with Ofgem and the other participants in the Licence Drafting Working Group to develop a licence condition to give effect to the stated policy intention.

Where Ofgem has set out a clear policy position that licensees will be subject to an incentive and/or output for a given area, we believe it is appropriate that the incentive and/or output is incorporated into the price control licence conditions. We do not agree that reliance on enforcement powers is a fitting approach or in line with the RIIO framework on Incentives and Outputs.

From the limited commentary provided in the Consultation document, it is difficult to understand the reasoning behind the change of approach and this does raise concerns with regard to the consistency of regulatory policy. We therefore believe further explanation of this position is required to allow all interested parties to understand Ofgem’s changed approach on this output.

ETC 62: Pre-construction Engineering

In developing our Business Plan, we identified a number of large capital projects that were either too uncertain and/or too immature for appropriate forecasting and we worked with Ofgem to develop the Strategic Wider Works mechanism to allow these projects to be submitted for funding determinations at a point when they were suitably developed. This approach was designed to ensure consumers were adequately protected in the event that projects didn’t proceed, whilst providing a stable framework in which to make the necessary investment decisions.

In order for these projects to be put forward for Ofgem’s consideration, we proposed inclusion of a pre-construction allowance. We submitted a list of indicative projects and expenditure profile, based on the information available at the time of submission, with an expectation that some of these projects would stall or be unrequired, whilst others (not yet foreseeable) would come forward during the RIIO-T1 period. This allowance would facilitate the use of the uncertainty mechanisms for those projects where we did not have sufficient certainty.

The proposed licence condition moves away from this approach to a more prescriptive list of expenditure and outputs against each of the named projects. This is not in line with the Final Proposals for SHETL and

therefore we are not clear why it has been included in the licence drafting. We will obviously report in the RRP on expenditure and outputs, including our forecasts. However, we believe that to fix this in the licence condition creates a perverse expenditure to spend on projects when it is not justified. For example, in those instances where generator profile changes and it may no longer be appropriate to progress the outputs if the works are no longer needed.

ETC39: Baseline and Strategic Wider Works Outputs

In a similar vein to our comments in relation to the lack of a condition for the Timely Connections Output and associated Incentive, we do not agree with the decision to not progress provision for the application of a penalty if the licensee fails to deliver its outputs under this condition.

However, we note that in the Supporting Document to SHETL's Final Proposals, Ofgem committed to "*consult on the amendment to the Statement of Policy with Respect to Financial Penalties at the same time as we consult on licence drafting,*" in lieu of a licence condition to make provision for a negative incentive for late delivery of wider works output. Sight of the proposed amended policy is essential in order to be able to comment fully on the application of this condition.

2. Associated RIIO documents

The Consultation document makes reference to the number of associated RIIO documents that Ofgem intends to use to support certain licence conditions. We remain concerned at the amount of information that is proposed be included in these associated documents that are supplementary to the licence.

We note that Ofgem have commented in a number of the Working Groups that it is expected that these associated documents will have the same force as a licence conditions. We do not agree with this approach and strongly believe, particularly in the case of reporting timescales and other obligations, that as much of this be included on the face of the licence itself as possible. We are also unclear on the viability of this approach as Ofgem's enforcement powers under sections 25 to 27 of the Electricity Act 1989 are in relation to licence conditions and do not make provision for such supporting documents. We therefore recommend that the obligations on the licensees are contained within the relevant licence condition/s, with these supplementary documents used to provide additional guidance if required.

The governance of these documents also needs further consideration. We are concerned that the current drafting in several of the conditions allows the Authority to make modifications very readily and with limited

consultation with the licensees. We suggest that further consideration of the process for modification of these documents is therefore also needed.

3. Licence Modifications that are outwith the scope of the RIIO-T1 Price Control Review

We note from Consultation paper that Ofgem is intending to use this opportunity to modify a number of additional conditions that form part of SHETL's existing licence. We believe that a distinction needs to be made in subsequent licence consultations between modifications being made to give effect to the price control review, as set out in the Final Proposals for SHETL published on 23 April 2012, and modifications that are being made to other conditions. We think this distinction is essential given the potential differences in the treatment if an appeal is made to the Competition Commission in respect of a licence modification.

For the avoidance of doubt, the conditions listed in the consultation paper that we consider do not form part of the price control review, and therefore should be separated from the licence modification to give effect to the RIIO-T1 are as listed below and can be divided as follows:

Conditions proposed to be removed as obsolete or make minor 'housekeeping' changes to

A4: Payments by the Licensee to the Authority	B1: Regulatory Accounts
B4: Provision of information to the Authority	B13: BETTA implementation
B14: BETTA run-off arrangements	D12: Scottish Settlement Agreement
D15: Obligations relating to the preparation of TO offers during the transition period	SpC G: requests for transit
J9: Duration of the Transmission Network Revenue Restriction	Schedule A: Supplementary Provisions of the Charge Restriction Conditions (Part A)

Conditions that introduce new policy

[ETC 76]: Data Assurance	B15: Price Control Review Information
B16: Price Control Revenue Reporting & Associated Information	B17: Network Output Measures

3a. Conditions that Ofgem has proposed to remove as obsolete

We note from the consultation document that there are a number of existing conditions that Ofgem has identified as being suitable for removal, namely B13: BETTA implementation; B14: BETTA run-off arrangements; D12: Scottish Settlement Agreement; D15: Obligations relating to the preparation of TO offers

during the transition period; J5: Incentive Payments; J7: Capital Expenditure Incentive and Safety Net; and G: Requests for Transit. These can be divided into conditions associated with the implementation of BETTA (BETTA conditions) and those associated with the previous price control (TPCR4 conditions).

BETTA conditions

We note that Ofgem intends to remove a number of conditions that were introduced into SHETL's licence to facilitate the transition to the BETTA scheme. Whilst we support the principle of removing conditions that are no longer required, we think further consideration is required as to whether all of the conditions identified can be removed at this time. In particular, we have one party connected to the local distribution network on the basis of a connection agreement that was entered into pre-BETTA and, despite repeated attempts to reach agreement that would see the party signed up to our standard terms and conditions, the party remains insistent that they are not able to do this. The matter has been escalated to DECC and Ofgem but remains unresolved. We suggest that further discussion is necessary to ensure it is appropriate to remove these conditions at this time.

TPCR4 licence conditions

We support the proposal to remove these conditions, subject to any outstanding obligations or adjustments being captured elsewhere. Once the relevant sections in the Financial Handbook are complete, we will be able to confirm our view as to whether these outstanding provisions are suitably captured.

3b. Conditions that introduce new policy

ETC76: Data Assurance Requirements

We recognise that RIIO introduces a different approach to reporting and monitoring by both the licensees and the Authority. The proposal to introduce a risk-based approach to compliance with our licence obligations is one that we fully support.

However, we do not believe that a clear policy position has been provided in this area to support the proposed licence modification and the work undertaken to date has focussed almost exclusively on electricity distribution, with no date yet proposed for the establishment of a Working Group to consider the requirements of Transmission or Gas Distribution.

Consequently, we do not believe it is appropriate to introduce a new licence condition when the underpinning policy is so immature, especially as to date there has been no consultation or impact assessment published considering the underlying policy. To proceed without such due process has a significant impact on regulatory certainty.

We trust that Ofgem will recognise the cause for concern and are committed to working with Ofgem to develop the policy and associated documentation to allow a future modification of our licence to give effect to the outcome of this workstream.

4. SHETL specific conditions

We note from the supporting document that there are a number of conditions that are specific to SHETL that have been identified as to be included in the second licence drafting consultation. As discussed, we look forward to working with Ofgem on these conditions ahead of this publication. Our understanding on the agreed next steps for these conditions is as follows:

Area	Next Steps	Target Date
ENS	SHETL to update condition based on drafting for NGET/SPT and prior drafting on SHETL's payment mechanism and forward to Ofgem.	28/09/12
	Ofgem and SHETL to discuss as part of next licence drafting working group.	01/10/12
SF ₆	Ofgem to look at drafting for SHETL's condition and forward to SHETL for consideration.	01/10/12
	Ofgem and SHETL to arrange a call to discuss drafting.	15/10/12
Revenue Drivers	Ofgem to update drafting in line with approach to time conventions used for NGET/SPT and forward to SHETL.	01/10/12
	Ofgem and SHETL to arrange a bilateral to work through condition.	15/10/12
All	Drafts of these conditions to be included in October Consultation.	30/10/12

If you wish to discuss any of the comments raised, either in this letter or our appendices, then we would be happy to do so in the licence drafting working group or via a separate bilateral discussion. In the meantime, we look forward to completing the licence drafting process through the licence drafting working group and the due consultation process.

Yours sincerely,

Aileen McLeod

Head of Regulation, Networks

Appendix I: response to supporting document 1: Draft RIIO-T1 Electricity Transmission licence changes

No.	Condition number / RIIO tracking number	Condition name	Page/Paragraph Ref	Comments	Suggested alternative drafting (please use tracked changes wherever possible)
	B1 / ETC 31	Regulatory Accounts	General	At present, both the Regulatory Accounts and Excluded Services condition have the same ETC reference.	
			General	Paragraph numbering is not in line with the new approach.	
			Pg. 5 / para 1	If this condition comes into force from 1 April 2013, there is a potential break in the obligation with the first year that this condition requires us to report being 2013/14. We suspect that this is unintentional but we may need something to cover FY 2012/13.	Additional text: <i>For the avoidance of doubt, the licensee should prepare Regulatory Accounts for the consolidated transmission business for the year commencing on or after 1 April 2012 in accordance with the licence condition in force as at 31 March 2013.</i>
			Pg. 8 / para. 15(a)	In light of the move to reference the relevant licence condition rather than EU Directive, it may be appropriate to reference B5: Prohibition of Cross-Subsidies here, especially as C7 and C8 don't apply to the Scottish TOs.	
			Pg. 8 / para 15(b)	We think this requirement is covered by paragraph 15(a) and therefore do not believe that a separate statement is required.	
			Pg. 8 / para. 17	We're not clear why this paragraph is required. Is this to comply with EU Directive?	
			Pg. 10 / para. 23	We suggest that the definition of Agreed Upon Procedures may need to be modified (see alternative drafting). Also, we suggest that consideration needs to be given as to whether this definition would be acceptable to the auditors.	<i>"means procedures from time to time agreed between the Authority, the Appropriate Auditor, and the licensee for the purpose of enabling the Appropriate Auditor to review and report to the Authority on matters relating to the requirements referred to at paragraph 16 of this condition."</i>

	B4 / ETC 75	Provision of information to the Authority	Pg. 13 / paras 2-4	Paragraph numbering has restarted from 2 so there are multiple paragraphs in this condition with the same paragraph number.	
	B15 / ETC 74	Regulatory Instructions and Guidance	General	Need sight of the supporting document to be able to comment fully.	
			General	Previous LDWGs have discussed establishing a Working Group to progress the development of the RIGs. Is there a timetable for this to happen?	
			General	Paragraphs are currently numbered 76.X, rather than 74.X. Presume this will be addressed as part of consolidation into existing licence format?	
			Pg. 14 / para 76.4(b)	How does this sit with Data Protection requirements?	
			Pg. 14 / para 76.5(a)	How does this requirement sit with the licensee's freedom to choose how it delivers its reporting obligations? Without sight of the proposed RIGs, this clause appears to unduly fetter the licensee's discretion.	
			Pg. 15 / para 76.5(c)	We are unclear what is anticipated by this paragraph.	
			Pg. 15 / para 76.5(h) & (i)	Without prejudice to our comments in the covering letter, we suggest that interaction with the data assurance condition needs to be considered here. These two clauses introduce the potential for conflict between the two supporting documents and we suggest that requirements in relation to audit / assurance perhaps sit more comfortably in the data assurance condition and associated guidance.	
			Pg. 15 / para 76.5(k)	Provisions around compliance with the RIGs should be detailed in the licence condition rather than in the RIGs document. Suggest that Part E already covers compliance (albeit may require some expansion) and therefore 76.5(k) should be deleted.	
			Pg. 15 / para 76.6	We suggest that the materiality of consumer impact should also be considered.	Additional text: ..."and consumer impact of the associated reporting obligation."
			Pg. 15 / Part C	We suggest that this section might be more accurately named <i>Modification of the RIGs</i> .	

			Pg. 15 / Part C & Pg. 16 / para 76.9(i)	Suggest there should be a minimum time between the modification being proposed and taking effect. Modifications could require significant changes to our systems and processes and it is important that we are given sufficient notice to develop these.	
			Pg. 15 / Part C	The procedure for significant modifications needs to be described.	
			Pg. 15 / para 76.8 & 9	We suggest that all of these modification sections should make provision for the licensees to recommend changes; the detail of how this operates could be captured in the supporting document.	Additional text: <i>“Where the licensee identifies a potential modification to the RIGs that would better facilitate the achievement of the obligations set out in Part A in this condition, they may propose a modification to the Authority in accordance with the procedure set out in [section X] of the RIGs.”</i>
			Pg. 16, para 76.9(b)	We note that the requirement for the Authority to ‘give reasons for its decision’ that current exists in B15: para 15(c) has been deleted. This should be included in 76.9(b).	
			Pg. 16 / para. 76.10	We do not understand the need for this clause or what circumstance it is envisaged that this would take effect. Any new RIGs or modifications should be fully consulted on. Reference to historic discussions or consultations would not be appropriate as views and circumstances may well have changed since that time.	
			Pg. 16 / para 76.11	We propose that the text be amended slightly (changed word in bold).	<i>“and such information has not previously been reported by the licensee, whether under the provisions of the RIGs or otherwise.”</i>
			Pg. 16 / para 76.14	This paragraph may be ambiguous if the RIGs are modified. We propose slightly amended wording to avoid this.	<i>“In reporting for relevant year t, the licensee must act in accordance with the provisions of the RIGs in force as at 31 March of the year t-1.”</i>
	B17 / ETC 73	Network Output Measures	Pg. 19 / para 7	This shifts the recording emphasis from that required under the NOMs methodology (in current condition) to that set out in RIGs. Without sight of the draft RIGs, we cannot comment as to whether or not this is appropriate.	

			Pg. 20 / para 9	We suggest that the wording of this paragraph be amended slightly in line with other conditions.	Suggested text: <i>“The licensee must from time to time and at least once every year review the NOMs Methodology to ensure that it facilitates the achievement of the NOMs Methodology Objectives.”</i>
	(New condition) / ETC 76	Data Assurance requirements	General	<p>We note that this condition is currently intended to be introduced in April 2013 but will only come into force in 2015, after significant work by Ofgem and the licensees. We strongly urge Ofgem to consider delaying this modification until closer to the date that it is expected to come into force and to establish an open and transparent workstream to develop this area of activity, across all network classes.</p> <p>We strongly oppose the introduction of new licence conditions, even if they are not immediately in force, where the underpinning policy position is immature or incomplete. This approach has a significant impact on regulatory certainty and should be properly considered.</p> <p>Comments provided in relation to this condition are without prejudice to this overarching principle.</p>	
			General	Previous LDWGs have discussed establishing a Working Group to progress the development of this condition and the associated Data Assurance Guidance (DAG). Is there a timetable for this to happen?	
			General	Need sight of the supporting document to be able to comment fully.	
			Pg. 22 / para 76.1	We strongly believe that the impacts of inaccurate or incomplete reporting vary dependent on the matter being reported and the consequential implications for consumers. We therefore recommend that this paragraph refers to the “subsequent consequences ”.	

			Pg. 22 / para 76.3(b)	This paragraph needs to be broadened to reflect provisions within RIGs condition (76.11 – 76.13) for the reporting of new classes of information.	Additional text proposed: “... provide accurate and complete Data, unless otherwise provided for in this licence, the Regulatory Instructions and Guidance or other direction or guidance issued by the Authority. ”
			Pg. 23 / para 76.4	Should this paragraph also cross reference the RIGs condition?	
			Pg. 23 / para 76.9	Sub-paragraphs duplicate 76.3. Alternative wording suggested.	Alternative wording: “The purposes of the DAG are to establish a process under which the licensee must comply with its obligations as set out in paragraph 76.3. ”
			Pg. 24 / para 76.14 & 15	We suggest that all of these modification sections should make provision for the licensees to recommend changes; the detail of how this operates could be captured in the supporting document.	Additional text: “Where the licensee identifies a potential modification to the DAG that would better facilitate the achievement of the obligations set out in Part A in this condition, they may propose a modification to the Authority in accordance with the procedure set out in [section X] of the DAG.”
			Pg. 26 / para 76.19	We suggest the definition of Risk Assessment be amended slightly.	Suggested wording: “means an assessment of the likelihood and potential impact on customers, network users and end consumers of any inaccurate or incomplete reporting, or any misreporting, of Data by the licensee to the Authority under this licence.”
J2 / ETC 20	Restriction of Transmission Network Revenue	General		We presume Ofgem will be providing the licensees with a working model for revenue calculations as in previous price controls. Please provide an update on the development of this.	

			Pg. 29 / para 20.1	To minimise any potential confusion with revenue derived from excluded services, we believe that the term 'Allowed Transmission Owner Revenue' should be used in this condition and, as applicable, through the licence as a whole.	
			Pgs 29-30 / para 20.4	It is our understanding that the terms DIS_t and TS_t will apply to NGET only but this is unclear from the current drafting which can be read that only the second part of each definition is restricted to NGET. Please clarify.	
			Pg. 32 / para 20.7	If the definitions of Retail Price Index and the Retail Prices Index Forecast Growth Rate are to be in the defined terms condition, then this condition needs to be referenced as part of this paragraph.	
			Pg. 32 / para 20.9	What is the process for the Authority to derive Vanilla Weighted Cost of Capital and to discuss this with the licensees? We suggest that the process needs to be set out in the licence condition to enable licensees to progress tariff setting with a reasonable level of certainty.	
			Pgs 33-4 / para 20.11	In the definition of each of these terms, reference should be made to performance in t-2. Example for RI_t is shown but the same approach is also required for SSO_t , SFI_t and EDR_t .	Amended text: <i>"means the amount of revenue adjustment made in Relevant Year t reflecting the licensee's performance in Relevant Year t-2 against a transmission network reliability incentive..."</i>
			Pg. 34 / para 20.13	NIC - we are unclear as to why this needs to go solely into NGET's licence and would appreciate clarity on the thinking that underpins this decision.	
			Pg. 35 / para 20.14	If the definition of Average Specified Rate is to be in the defined terms condition, then this needs to be referenced as part of this paragraph.	
			Pg. 35 / Part G-I	Unable to comment due to incomplete drafting. We are assuming that this relates to the Charging Volatility Consultation but would appreciate clarity and the outcome of Ofgem's work on this.	
	J4 / ETC 21	Passthrough items	General	We retain our view that the IAE_t term for changes to the STC and other changes as determined by the Authority with a material greater than £1 million should be retained.	

			General	As discussed with Adam Cooper, appropriate drafting needs to be included in this condition for SHETL's ENS Compensation Mechanism. We will consider this as part of our next steps on ENS and suggest drafting for Ofgem's consideration.	
	(New condition) / ETC 2	Energy Not Supplied	General	As per covering letter, we look forward to working with you to develop the SHETL specific condition.	
	(New condition) / ETC 24	Stakeholder Satisfaction Output	General / Part D	We look forward to working with you to develop the latter part of this condition and will be in touch to arrange a session to discuss the outcomes of our survey.	
			Pg. 46 / para 24.5	We think the equation should be adjusted as shown.	$SER_t \text{ max} = 0.005 \times (BR_{t-2} + TIRG_{t-2})$
			Pg. 47 / para 24.10 & 11	We suggest that all of these modification sections should make provision for the licensees to recommend changes; the detail of how this operates could be captured in the supporting document.	Additional text: <i>"Where the licensee identifies a potential modification to the Stakeholder Engagement Reward Guidance, they may propose a modification to the Authority in accordance with the procedure set out in [section X] of the Guidance."</i>
			Pg. 48 / para 24.14	This definition should refer to 'interested parties' as our stakeholders also include other parties who are directly impacted by our activities but wouldn't fall within the current proposed wording such as statutory consultees, innovation community, etc. We are unclear about the comment in square brackets. We therefore suggest that this definition be discussed at the next Customer/Stakeholder Working Group session.	
	(New condition) / ETC 25	SF ₆ Emissions	General	As per covering letter, we look forward to working with you to develop the SHETL specific condition.	
	(New condition) / ETC 10	Network Innovation Competition	General	There seems to be a number of issues with the numbering / lettering and cross-referencing within this condition that need addressing. Comments are based on the current numbering.	
			Pg. 61 / para 10.9	Disallowed Expenditure – definition should make reference to the instances that might result in expenditure being disallowed.	

			Pg. 62 / para 10.11	Not sure that the reference to 'Use of System Charges' is appropriate. Alternative wording suggested.	Alternative wording: "... that have not been otherwise remunerated by Base Revenue (as defined in [ETC 20]) , Excluded Services, or the NIC Funding Mechanism."
			Pg. 63 / para 10.19	The reference in this paragraph to applicable provisions is unclear.	
			Pg. 63 / para 10.20	We suggest that all of these modification sections should make provision for the licensees to recommend changes; the detail of how this operates could be captured in the supporting document.	Additional text: "Where the licensee identifies a potential modification to the NIC Governance Document that would better facilitate the achievement of the intentions of this condition, they may propose a modification to the Authority in accordance with the procedure set out in [section X] of the NIC Governance Document."
			Pg. 64 / para 10.22	We are unclear on the purpose of this paragraph.	
	(New condition) / ETC 11	Network Innovation Allowance	General	These comments should be read in conjunction with the email sent to Neil Copeland by Beverley Grubb on 05/09/2012.	
			General	The concept of the Network Innovation Allowance is not described within the current text. The definition in the interpretation refers back to the calculation but this doesn't explain what the NIA is/does.	
			Pg. 66 / para 11.5	ANIA _t refers to part B or C – given special conditions for TOs are licensee specific, will the unused part will be removed in subsequent drafting?	
			Pg. 68 / para 11.13	We are unclear on the definition of ENIA _t and the timings envisaged. We understand that the licensee will include its intended value for NIA in year t, when preparing its revenue forecast in November t-1, and then report on the projects conducted in t in its annual NIA report (currently published as the IFI report at the end of July t+1). Is this correct? If so, is there a clearer way of defining the term here?	

		Pg. 68 / para 11.13	The definition of BPC_t is unclear. Is the cap on bid costs that are recoverable in any year intended to be the lesser of £175k or 5% of annual NIC funding requested, total NIC project costs in that year, or the total project costs for an individual project? Ofgem's August decision letter states that it is 5% of total project costs; we agree with this and suggest that the drafting be changed accordingly.	
		Pg. 68 / para 11.13	$NIAV_t$ and AFR - given special conditions for TOs are licensee specific, can the percentage be included in the definition?	
		Pg. 68 / para 11.14	Does the definition of BR need to cross-reference ETC20?	
		Pg. 69 / para 11.15	In the definition of $NIAIE_t$, we think the word Internal is missing. Amended text provided.	<i>"NIAIE_t is the Eligible NIA Internal Expenditure that qualifies as Eligible NIA Expenditure for the Relevant Year t."</i>
		Pg. 69 / para 11.15	We think Z should have the value 0.25, in line with the August 2012 decision document.	
		Pg. 69 / para 11.16	This paragraph refers to "innovation incentive revenue" but the term is not capitalised. Is this intended to be a reference to the Network Innovation Allowance (NIA) as this is the component that NIAR feeds into? Or is it intended to refer to the Innovation Incentive Revenue (II) that NIA feeds into?	
		Pg. 69 / para 11.16	We suggest that the term "Unrecoverable Expenditure" should be defined within the licence condition.	
		Pg. 70 / para 11.20	We suggest that all of these modification sections should make provision for the licensees to recommend changes; the detail of how this operates could be captured in the supporting document.	Additional text: <i>"Where the licensee identifies a potential modification to the NIA Governance Document that would better facilitate the achievement of the intentions of this condition, they may propose a modification to the Authority in accordance with the procedure set out in [section X] of the NIA Governance Document."</i>

			Pg. 71 / para 11.24	Definition of Electricity Transmission Group is unclear. Suggested wording based on GDN condition.	Alternative text: <i>“means a group of Electricity Transmission Licensees in which the licensee and every other Electricity Transmission Licensee within the group are affiliates of each other.”</i>
			Pg. 71 / para 11.24	As per email from Beverley Grubb, we believe the requirements for NIC Bid Preparation Costs should be in the NIC Governance Document to ensure all arrangements are in once place.	
			Pg. 71 / para 11.24	Network Innovation Allowance is not currently defined in Part A – see comment above.	
			Pg. 71 / para 11.24	Network Innovation Annual Report – suggest reference to the NIA Guidance Document should be included in this definition.	Proposed drafting: <i>“means the report that is to be produced each year by the licensee, in a format and within a timeframe agreed with the Authority and set out in the NIA Governance Document, in respect of the licensee’s expenditure on network innovation.”</i>
			Pg. 72 / para 11.24	NIA Percentage – in light of our comment above, we suggest a cross-reference to paragraph 11.13.	
			Pg. 72 / para 11.25	As this condition refers to two supporting documents that may differ, there needs to be a hierarchy set out in the event of a conflict between these documents.	Additional text: <i>“For the avoidance of doubt, in any case of conflict of meaning, the following order of precedence applies: (i) the licence, (ii) the NIA Governance Document, and (iii) the Regulatory Instructions and Guidance.”</i>
			Pg. 72 / Appendix 1	Not sure that this is needed.	
	(New condition) / ETC 31	Excluded Services	General	At present, both the Regulatory Accounts and Excluded Services condition have the same ETC reference.	

			Pg. 79 / para 31.7	We suggest that the term Transmission Business be replaced with 'Transmission Business Activity' to bring in line with proposed drafting of B2 [ETC 31]. The definition in this condition could then either be used in both conditions or made a standard definition when ETC 19 is updated.	
			Pg. 80 / para 31.8(d)	The issue of Royalty Income from the NIC needs to be decided on separately and this clause may need to be changed accordingly.	
			Pg. 80 / para 31.10	ES2 – we think this category needs to be amended to make it clear that on those works that are funded as a consequence of the obligation are excluded. Alternative text proposed in bold.	Alternative text: “ <i>Diversionsary works under an obligations: This category consists of the relocating of any electric line or electrical plant (including the carrying out of any associated works) pursuant to any statutory obligation (other than the one imposed on the licensee under section 9(2) (General duties of licence holders) of the Act), where the statutory obligation makes provision for the reimbursement of the costs incurred.</i> ”
			Pg. 80 / para 31.10	It may be beneficial for this definition to cross-reference to the NAP and/or STCP 11.3 which makes provision for these payments.	
	L2 / ETC45	Electricity transmission losses reporting	General	Condition reference in our current licence is L2 , not D2.	
			Pg. 82 / para 1	We suggest that the Interpretation section be moved to the end of the condition and given a paragraph reference to maintain consistency with the other price control conditions.	
	(New condition) / ETC 53	Network Access Policy	Pgs. 84-85 / para 7	As discussed in the working group, the requirements need to be reviewed in light of the draft document developed by all parties to ensure that this section aligns with the document developed.	
			Pg. 85 / para 9	In light of the approach taken to developing the NAP and the interaction across all TOs (as well as the SO), a copy of the statement on the proposed revision should be provided to other TOs. Additional text proposed in bold.	“...provide a copy of that statement to the System Operator and other holders of a transmission licence. ”

			Pg. 85 / para 11	In light of the approach taken to developing the NAP and the interaction across all TOs (as well as the SO), other TOs should be invited to submit comments on a proposed revision or amendment. Additional text proposed in bold.	“... consideration of any submission made by the System Operator and other holders of a transmission licence. ”
			Pg. 86 / para 15	We suggest that an additional paragraph is required here to cover revisions or amendments to the NAP approved by the Authority.	Additional paragraph proposed: <i>“In the event that the Authority approves a revision or amendment to the NAP under the procedure set out in Part C, the licensee must ensure that the NAP made available under paragraph 15(a) is updated within 5 working days of the Authority granting approval under paragraph 13.”</i>
	(New condition) / ETC 9	Innovation Rollout Mechanism	General	As we understand it, the purposes of this condition are: (a) to allow licensees to apply for funding to roll out a Proven Innovation; (b) to allow the Authority to determine and direct the iRM value; and (c) to allow the Authority to adjust the IRM value once the actual expenditure is known. The current drafting is not at all clear. For example, paragraph 9.1 only describes the revision of IRM, not the application for or determination of the original IRM. It should also be clear that we may wish to apply to roll out a proven innovation over a number of years – we should be able to adjust our allowed expenditure for more than one year.	

		Pg. 88 / para 9.4 (a)	<p>9.4 (a) We note that this refers to three windows when actually only two are specified and they are specified in Part C, not in Part D. As we have said in many occasions in the Licence Drafting Working Group and Innovation Working Group, we do not consider two windows to be sufficient. We do not believe it is appropriate that proven innovations that are capable of delivering immediate benefits to current customers and / or DNOs should be delayed due to timing of windows or administrative arrangements.</p> <p>The current drafting suggests that we are only able to apply for costs that have not yet been incurred. However the first opportunity to apply in the current drafting is 1 May 2015, with determination from the Authority by October 2015, therefore we would be unable to roll out any innovations that we expect to incur material costs before April 2016.</p>	
		Pg. 89 / para 9.6(c)	It needs to be made clear that this provision only applies where the commercial benefits would cover the costs of the roll out.	
		Pg. 89 / para 9.7	As in many other areas, do not agree with the logic of applying the Efficiency Incentive Rate to set a materiality threshold. Also we need to check the definition of Average Annual Forecast Revenue – this needs to be a stable base, preferably the one that exists at the start of the PCR process – we don't want to be hampered from rolling out innovation because we don't hit the threshold where the allowed revenue in that year just happens to be influenced by other unrelated events.	
		Pg. 89 / para 9.9(b)	As explained above, if we are only able to recover costs that have not yet been incurred then it is important that there are sufficient windows to apply for funding such that we are not forced to delay any roll out.	
		Pg. 90 / para 9.10 (a) and (b)	As explained above this does not allow us to recover any costs incurred in 2013 and 2014.	

			Pg. 91 / Part F	We do not understand how these figures can be fixed in the licence as, under the current drafting, the IRM figure is zero until the licensee applies and the Authority determines on a figure. The figures will therefore only be known at a later date. For 2013/14, and 2014/15 and 2015/16 presumably these will be zero as the drafting does not allow for licensees to apply for IRM for these years or receive revenue until 1st April 2016.	
			Pg. 90 / 9.12(e)	This refers to Part B. We think it should be Part A.	
			Pg. 91 / 9.19	We are not sure what this is doing or how it would work in practice.	
			Pg. 92 / 9.20	This value needs to be determined on by the Authority in line with ETC47 – Determination of PCFM Variable Values.	
			Pg. 94 / Part H: Definition of Proven Innovation	<p>Don't believe the definition of Innovation works in relation to reference to new Network Equipment as Network Equipments is defined as equipment that already forms part of the existing network.</p> <p>We also need to cross reference definition of Innovation with the NIA condition and the NIC condition when developed and governance documents to ensure consistency.</p> <p>There is a circular argument here. The definition of Proven Innovation is an Innovation that has been successfully trialled or demonstrated on our network or elsewhere. However included in the definition of Innovation is that it is not, or is not within the scope of, an Ordinary Business Arrangement, i.e. it is not being used or capable of being used on ours or another's network. We understand the intent here but suggest there might need to be a slight rewording.</p>	

	(New condition) / ETC 62	Preconstruction Engineering	General	This condition is much too restrictive given the maturity of SWW projects at this stage. The whole purpose of the SWW arrangement is to be able to bring forward projects at an appropriate point, particularly once need, scope, cost and deliverability is known. It is not possible to develop a table of accurate and specific pre-construction outputs with associated expenditure and delivery dates so early in the process. If this was possible, both the pre-construction outputs and SWW expenditure would have been included in the price control settlement rather than sitting alongside in the SWW arrangement.	
			Pg. 97 / para 11	There is no reference to the timescales for the Authority to determine the PE substitution. This is required and should give consideration to the process for PCFM Variable Values required for the financial model.	
	(New condition) / ETC 39	Baseline & Strategic Wider Works Outputs	Pg. 99 / para 2	Wider works may not only refer to 'onshore' infrastructure, especially given the requirement to build island links in the near future.	Alternative text: <i>"...means reinforcements of or additions to the main interconnected transmission system that result in increases of transmission capacity,..."</i>
			Pg. 102 / para 11	We would expect a COAE to be able to apply to both base and SWW projects as the conditions we would expect to require a COAE could occur in both types of project.	
			Pg. 102 / para 12	This paragraph infers that the COAE is required after a single exceptional event. However, it is more likely that a COAE will be required after an accumulation of such events – this should be considered in the drafting.	
			Pg. 103 / para 13	As above, there is unlikely to be a single event and more likely to be a series of events which result in a requirement to adjust cost or output measures.	
			Pg. 103 / para 13.d	Important to include "reasonably" in this line.	Alternative text: <i>"Changes in the project scope that could not reasonably have been anticipated during the assessment process."</i>

			Pg. 103 / para 14	As above, remove reference to a single event to recognise the possibility of cumulative effect.	
			Pg. 105 / para 19; pg. 107 / para 29 & pg. 109 / para 36	There is no reference to the timescale in which the Authority will determine on the COAE – this is required and should give consideration to the process for PCFM Variable Values required for the financial model.	
			Pg. 106 / para 24	Include reference to changes which could not reasonably have been foreseen.	Alternative text: <i>“In paragraph 23, “changes in system background” means changes in the generation and/or demand background which affect the output and which could not reasonably have been foreseen during the assessment process.”</i>
	(New condition) / ETC 55	Generation Connections Volume Driver	General	As per covering letter, we look forward to working with you to develop the SHETL specific condition.	
	(New condition) / ETC 18	Enhancements to pre-existing infrastructure (visual amenity)	Pg. 122 / para 2	We suspect that this definition may not be applicable in Scotland and have asked our legal team to suggest an equivalent definition.	
			Pg. 124 / para 9	Reference to the licence condition that governs the RIGs should also be provided for completeness.	
			Pg. 124 / para 11	How will the Authority make this calculation? We suggest that the process that underpins this should be included here.	
			Pg. 124 / para 12	The term ‘policy’ is used to referred to the document produced by the licensee, rather than ‘the policy’ so suggest that ‘ <i>the</i> ’ is deleted.	
			Pg. 124 / para 13b	We suggest that this paragraph should refer to “an EIP output”, rather than “the EIP output”.	
			Pg. 124 / para 13c	Amended text for this paragraph suggested as there may be other criteria that are appropriate.	Amended text: <i>“the criteria the licensee will use to evaluate and prioritise EIP Outputs including, but not limited to, value for money, contribution to sustainable development;”</i>
			Pg. 125 / paras 14 & 15	These paragraphs refer to the policy as a ‘statement’. We suggest that this needs to be amended to policy to retain consistency across the condition.	

	(New condition) / ETC 28	Uncertain Costs	Pg. 134 / para 28.1	We are unclear why the Authority would wish to propose adjustments under this condition and would appreciate some clarity on this paragraph.	
			Pg. 135 / para 28.7	We are unclear how 'fortuitous' cost savings would be assessed. We therefore propose that this is amended as suggested.	<i>"...(net of any cost savings that are fortuitous or otherwise not attributable to prudent management action)"</i>
			Pg. 135 / para 28.8	We believe that a threshold amount is more appropriate. We suggest £1 million (£1,000,000) as currently used in J4: para 7(a). In completing our Business Plan, we have assumed that this approach would be used and have modelled our approach to risk on this basis. Impact of these uncertain costs at this level would be material to SHETL. Appendices 1 and 2 would then not be needed.	Proposed text: <i>"A material amount in respect of any cost category is where the amount of Relevant Costs incurred, or likely to be incurred, is greater than £1,000,000 (the threshold amount)."</i>
			Pg. 136 / para 28.16	To allow the outcomes of the Authority's determinations to be incorporated into the Determination of the PCFM Variable Values and the Annual Iteration Process, we believe that the Authority may need to determine within three years (rather than four).	
			Pg. 137 / para 28.24	The reference in this paragraph to 28.22 should be to 28.23 .	
	(New condition) / ETC 64	Legacy price control adjustments	General	We are unclear if this is intended to be used for a single one-off adjustment or for multiple adjustments during the period. The drafting is not consistent with either approach. We suggest that this should be a one off adjustment, determined in November 2013 for adjustment in 2014/15.	
			General	It would be helpful to have a table that set out which values will be used in each year of the RIIO-T1 and where they will come from (i.e. input table, hard coded from a determination, etc.).	
			General	We are concerned that much of the text has been moved out of the licence condition into the Handbook or to formulae in the PCFM. As expressed in previous comments, we consider that as much of the detail as possible should included in the licence condition, and that the Handbook should only be used to provide further guidance on how the calculations are carried out.	

			General	<p>This condition is very dependent on the Financial Handbook for the setting out of how the calculations that underpin these adjustments will be calculated but these sections are currently not in the Financial Handbook. It is therefore difficult to understand the process that will be followed for agreeing these adjustments.</p> <p>Sight of these chapters is required to allow licensees to consider the proposed approach.</p>	
			Pg. 151 / para 64.1	This paragraph is missing or the numbering's gone a bit wrong.	
			Pg. 151 / para 64.2	Should this refer to paragraphs A to F (rather than B to F)?	
			Pg. 151 / para 64.3	In the definition of PCFM Variable Value, it might be useful to reference the relevant conditions that can result in these.	
			Pg. 152 / para 64.5	Is chapter 8 the relevant chapter?	
			Pg. 152-3, paras 64.9 & 64.10	The notations are missing from the terms.	
			Pg. 157 / para 64.37 (b)	14 days is not long enough to allow us to fully consider and understand the proposed change. We suggest that this is changed to at least 28 days.	
			Pg. 157 / para 64.39	<p>The licence drafting working group discussed the TOs running the model and generating the MOD value in the absence of a determination from the Authority. This is our preferred approach.</p> <p>Alternatively, when the model is run in Yr 3 for Yr 4, we believe it will also generate MOD terms for the subsequent years and the value that is generated could perhaps be used. Critically, we do not think it would be appropriate for the value generated for Yr 3 to be used in Yr 4 as this could result in significant charging volatility.</p>	
	(New condition) / ETC 47	Determination of PCFM Variable Values	General	We are comfortable with the use of either MOD, MOD(TO) or TOMOD but there needs to be a consistency of terms across the licence.	

			General	<p>The interaction between this condition and ETC 26 (Annual Iteration Process) is unclear. Do these need to be separate conditions?</p> <p>Is the purpose of this condition to capture 'actuals' where the model is currently using 'allowances'? And then the AIP brings new/additional allowances into the model? If so, this perhaps needs to be clearer.</p>	
			General	<p>It would be helpful to have a table that set out which values will be used in each year of the RIIO-T1 and where they will come from (i.e. input table, hard coded from a determination, etc.).</p>	
			Pg. 165 / para 47.1	<p>This paragraph is missing or the numbering's gone a bit wrong.</p>	
			Pg. 165 / para 47.3	<p>Definitions are the same across the financial conditions – these could maybe incorporated into the Definitions condition?</p>	
			Pg. 166 / para 47.7	<p>"incentive strength" should be capitalised as a defined term.</p>	
			Pg. 167 / para 47.9(g)	<p>Does this need to be cross-referenced to the Excluded Services condition?</p>	
			Pg. 167 / para 47.10(a)	<p>First reference to ACCCDE – should this be ACC?</p>	
			Pg. 167 / para 47.9, 10 & 11	<p>There are other PCFM Variables that will need to be updated i.e. Uncertainty Mechanisms like Strategic Wider Works. This condition needs to provide for these updates.</p>	
			Pg. 167 / para 47.12	<p>The word 'that' should be deleted after 'paragraph 47.10'.</p>	
			Pg. 167 / Part D	<p>There's no Part C.</p>	
			Pg. 168 / para 47.16(b)	<p>14 days is not long enough to allow us to fully consider and understand the proposed change. We suggest that this is changed to at least 28 days.</p>	

			Pg.168 / para 47.18	<p>The licence drafting working group discussed the TOs running the model and generating the MOD value in the absence of a determination from the Authority. This is our preferred approach.</p> <p>Alternatively, when the model is run in Yr 3 for Yr 4, we believe it will also generate MOD terms for the subsequent years and the value that is generated could perhaps be used. Critically, we do not think it would be appropriate for the value generated for Yr 3 to be used in Yr 4 as this could result in significant charging volatility.</p>	
	(New condition) / ETC 27	Specified Financial Adjustments	General	It would be helpful to have a table that set out which values will be used in each year of the RIIO-T1 and where they will come from (i.e. input table, hard coded from a determination, etc.).	
			Pg. 176 / para 27.1	Again, there is no paragraph 1.	
			Pg. 176 / para 27.3	We suggest that a common interpretation / definitions section be included for the finance conditions.	
			Pg. 177 / para 27.4(a)	'Pension scheme administration' is not a defined term.	
			Pg. 177-8 / paras 27.9 & 10	These paragraphs appear to be a duplication of 27.7 and 27.8.	
			Pg. 179 / para 27.24	Don't think that this is referring to the correct chapter in the Handbook. Please check.	
			Pg. 180 / para 27.28(d)	14 days is not long enough to allow us to fully consider and understand the proposed change. We suggest that this is changed to at least 28 days.	

			Pg. 180 / para 27.30	<p>The licence drafting working group discussed the TOs running the model and generating the MOD value in the absence of a determination from the Authority. This is our preferred approach.</p> <p>Alternatively, when the model is run in Yr 3 for Yr 4, we believe it will also generate MOD terms for the subsequent years and the value that is generated could perhaps be used. Critically, we do not think it would be appropriate for the value generated for Yr 3 to be used in Yr 4 as this could result in significant charging volatility.</p>	
	(New condition) / ETC 26	Annual Iteration Process	General	The interaction between this condition and ETC 47 (Determination of the PCFM Variable Values) is unclear. Do these need to be separate conditions?	
			General	It would be helpful to have a table that set out which values will be used in each year of the RIIO-T1 and where they will come from (i.e. input table, hard coded from a determination, etc.).	
			Pg. 188 / para 26.2	Again, there is no paragraph 1.	
			Pg. 188 / para 26.3	We suggest that a common interpretation / definitions section be included for the finance conditions.	
			Pg. 189 / para 26.7	This paragraph needs to refer to provision of notice of these values to the licensees.	
			Pg. 190 / para 26.11	<p>The licence drafting working group discussed the TOs running the model and generating the MOD value in the absence of a determination from the Authority. This is our preferred approach.</p> <p>Alternatively, when the model is run in Yr 3 for Yr 4, we believe it will also generate MOD terms for the subsequent years and the value that is generated could perhaps be used. Critically, we do not think it would be appropriate for the value generated for Yr 3 to be used in Yr 4 as this could result in significant charging volatility.</p>	
	(New condition) / ETC 57	Governance of Financial Instruments	General	The condition reference is ETC 57 but the paragraphs are all currently 5.X. Assuming this will be addressed?	

			Pg. 192 / para 5.2	Again, there is no paragraph 1.	
			Pg. 193 / para 57.8	We are unclear what is meant by a 'manifest error' in this context and therefore do not see the purpose of this paragraph.	
			Part B	As has been discussed at the licence drafting working group, we suggest that it would be sensible for the Authority to log up any minor modifications for the year and to carry out one consultation on them all rather than to consult on each separately.	
			Part B	We suggest that all of these modification sections should make provision for the licensees to recommend changes; the detail of how this operates could be captured in the supporting document.	Additional text: <i>"Where the licensee identifies a potential modification to the Financial Instruments that would better facilitate the achievement of the objectives as set out in the Financial Handbook, they may propose a modification to the Authority in accordance with the procedure set out in [section X] of the Financial Handbook."</i>
			Part B	This section does not set out what would happen in the event that the Authority / licensee thought a modification was significant. The methodology for developing / assessing such modifications should also be described/ referenced.	

Appendix II: response to Draft RIIO ET1 Price Control Financial Handbook

Page/Paragraph Ref	Comments	Suggested alternative drafting (please use tracked changes wherever possible)
General	Large sections remain to be developed. Comments provided reflect only those completed sections of the handbook. Clarity on when a complete draft handbook will be available for review and comment would be appreciated.	
Pg. 2 / Context	As the handbook is intended to be accessible to those not involved in the Finance WG, we suggest that the hierarchy of the licence condition, financial handbook and model should be set out here to minimise any confusion.	
Pg. 8 / para 1.2	Final bullet point could be interpreted that this only covers adjustments to existing allowances and therefore not provide for Strategic Wider Works etc. Amended text suggested.	Amended text: <i>“adjustments relating to allowed Totex expenditure, uncertainty mechanisms and the Totex incentive mechanism.”</i>
Pg. 8 / para 1.3	This is a simplified version of the formula in ETC 20 so suggest that the reference to the licence condition should be included for completeness.	
Pg. 9 / para 1.8	Please confirm when the external audit of the PCFM is scheduled for?	
Pg. 9 / para 1.10	The direction should also provide the methodologies and/or calculations as to how these values have been calculated.	
Pg. 10 / para 1.11	Is the modelled RAV balance intended to include shadow RAV?	
Pg. 10 / para 1.15	It might be useful to set out the timeframe here, i.e. Ofgem provide licensees with Variable Values at start of November; then MOD and impact on Base Revenue by 15 th Nov and direction by 30 th Nov.	
Pg. 11 / para 1.17	As set out above, the licence drafting working group discussed the TOs running the model and generating the MOD value in the absence of a determination from the Authority. This is our preferred approach.	
Pg. 11 / para 1.19	It would be useful if the log of modifications was publically available (or at least available to the network companies).	
Pg. 12 / para 1.22	This condition doesn't provide for the process for significant modifications. As stated above, we think it should. This paragraph should also refer the reader to this process.	
Pg. 13 / para 1.28	Who can request additional meetings? And, why is it envisaged that the meeting will take place after MOD has been directed? We are unclear on the timing.	

Pg. 13 / para 1.29	Wherever possible, material should be circulated to the group two weeks ahead of these meetings to allow most effective use of time.	
Pg. 13 / para 1.31	Notes to be circulated to members?	
Pg. 25 / para 3.38	Can't see where this paragraph cross-references to in chapters 1 and 2. May need some clarification.	
Pg. 26 / para 4.1	The paragraph references here seems to have gone wrong.	
Pg. 31 / para 4.29	We do not understand the justification for the proposed treatment in this paragraph. Given that the list in para 4.14 is not exhaustive, it seems inappropriate that the licensee is penalised for not identifying these Type B trigger events.	
Pg. 35 / para 5.3	We appreciate that this is the intent behind the use of debt index but do not believe the results have been demonstrated and therefore suggest that the wording of this paragraph may need to be amended slightly.	
Pg. 39 / para 5.15	We suggest that this paragraph should be widened to include a fundamental change in the nature of the index that renders it unsuitable for the purpose but the index is still being published.	
Pg. 39 / para 5.18	We think the 'Closing RAV' denominator in the final set of brackets should be ' Closing RAV_{t-1} ' so that all of the components have the same denominator.	
Pg. 40 / para 5.18	In light of the difference definition for r for SHETL, it is probably more appropriate to use an alternative term, perhaps SHr .	
Pg. 41 / para 5.22	We suggest additional text to be appended to the end of this paragraph as shown in bold.	Additional text: "referred to above, and will be provided to the licensees with initial notification of the revised values. "
Pg. 42 / chap 6	Unable to comment on this chapter as incomplete.	
Pg. 43 / chap 7	Unable to comment on this chapter as incomplete.	
Pg. 45 / para 8.7	We suggest that ' <i>adjusted</i> ' may be a more appropriate term than ' <i>supplanted</i> ' in this paragraph.	
Pg. 45 / para 8.7	The latest version of the model does not split capex and opex as described here.	
Pg. 46 / para 8.8	Does provision need to be made for any SWW projects or High UCA Revenue Driver projects that will be underway in 2013/14?	
Pgs 48-55 / chaps 9-16	Unable to comment on this chapter as incomplete.	