

To: National Grid Electricity Transmission plc
(Company Number: 02366977)

SP Transmission Limited
(Company Number: SC189126)

Scottish Hydro Electric Transmission plc
(Company number SC213461)

(the "Licensees")

Direction under paragraph 8 of Standard Condition B15 (Regulatory Instructions and Guidance) ("SC B15") of the Electricity Transmission Licence granted to the Licensees under section 6(1)(b) of the Electricity Act 1989

Whereas –

1. The Licensees have each been granted an Electricity Transmission Licence (the "Licence") under section 6(1)(b) of the Electricity Act 1986 (the "Act") and are subject to the conditions contained in the Licence.
2. SC B15 came into effect on 1 April 2013, the start of RIIO-T1 price control period.
3. In accordance with paragraph 10 of SC B15 of the Licence the Gas and Electricity Markets Authority (the "Authority") gave notice¹ on 26 March 2015 that it proposed to modify the Regulatory Instructions and Guidance (the "RIGs").
4. The RIGs are the primary means by which the Authority directs the Licensees to collect and provide the information to the Authority to enable it to administer the Special Conditions of the Licence and, where not referenced in the Licence, the RIIO-T1 Final Proposals².
5. The modified RIGs will take effect for the submission of information due in July 2015, which relates to the relevant reporting year from 1 April 2014 to 31 March 2015. The RIIO-T1 Electricity Transmission Price Control – Regulatory Instructions and Guidance: Version 2.2 document and the associated Excel and Word templates is included in the Schedule to this Direction.
6. The Authority requested that any representations on the proposed RIGS be made on or before 28 April 2015. The Authority received some representations. We have considered the representations from consultees and made changes as set out in Appendix 1 and Appendix 2 included with this Direction.

Now therefore –

In accordance with the powers contained in paragraph 8 of SC B15 of the Licence, the Authority hereby issues the RIGs in the manner specified in the attached Schedule. Licensees are required to report in accordance with these modified RIGs and reporting template for the purpose of regulatory reporting.

¹ <https://www.ofgem.gov.uk/publications-and-updates/notice-modification-relation-riio-t1-electricity-transmission-price-control-regulatory-instructions-and-guidance-version-2-1>

² <http://www.ofgem.gov.uk/Networks/Trans/PriceControls/RIIO-T1/Pages/RIIO-T1.aspx>

This document constitutes notice of the reasons for the Direction as required by section 49A of the Act.

A handwritten signature in black ink, appearing to read "Paul Branston". The signature is stylized with a large, looping initial 'P' and a long, sweeping underline.

Paul Branston
Associate Partner, Costs and Outputs
Duly authorised on behalf of the Authority
14 May 2015

Schedule to the Authority's Direction dated 14 May 2015

Regulatory Instructions and Guidance

RIIO-T1 Electricity Transmission Price Control - Regulatory Instructions and Guidance:
Version 2.2

<https://www.ofgem.gov.uk/publications-and-updates/riio-t1-electricity-transmission-price-control-regulatory-instructions-and-guidance-version-2-2>

Appendix 1 to the Authority's Decision dated 14 May 2015

Modifications to RIIO-T1 Electricity Transmission Price Control Regulatory Instructions and Guidance

Guidance version No.	Full details of the changes made since the last version	Paragraph, page or section reference
2.1	Version published for consultation on 25 March 2015	
2.2	Paragraph relating to forecast data deleted.	Paragraph 5.5
2.2	Paragraph relating to forecast data deleted.	Paragraph 6.4
2.2	Table references corrected from 4.2.1 to 4.2a and from 4.2.2 to 4.2b	4.2 Expenditure on load related schemes
2.2	Under "Expenditure", third bullet point – incomplete sentence, added "remaining RIIO-T1 and post RIIO-T1."	4.3 Expenditure on non-load related schemes
2.2	Under "De Minimus Schemes", first bullet point – changed total cost de minimus from £0.25m to £0.5m to agree with guidance on table. Changed price base from 2009/10 to current reporting year prices.	4.3 Expenditure on non-load related schemes

Appendix 2 to the Authority's Decision dated 14 May 2015

Modifications to RIIO-T1 Electricity Transmission Costs and Outputs Reporting Template

Reporting Pack Version No.	Full Details of the changes made since the last version	Specific Tables Changed
2.1	Version published for consultation on 25 March 2015	
2.2	Additional rows added to "exceptional items" (34 and 35)	1.1
2.2	Corrected formula in row 17	1.3
2.2	Cell colour changed in F20:I20	1.4
2.2	F20 formula removed	1.4
2.2	Sign change in formula for F15:I15	1.4
2.2	Formula added to F37, F68	1.4
2.2	Links added in G37, H37, G68, H68	1.4
2.2	Row 20 link to the new table added in columns F, G, H, I	1.6
2.2	Extra row added for "other adjustment" in deductions	1.7
2.2	Amended formulae to automatically pick up correct year's data from 2.2.	2.1
2.2	Moved 'Pension Deficit Payments relating to Established Deficit' from Memo Information to Item Outside of Totex (consistent with GT)	3.1
2.2	All cost input cells formatted to display to 1 decimal place.	3.1 - 3.16
2.2	Rows 102 & 104: Have amended the titles in column E to indicate -ve values for non-insurance liabilities, gross loss reserves, and annual retained risk. Have also entered validation in cells for these rows to only allow negative numbers to be entered.	3.6
2.2	Corrected formula to import correct data from Non-opex capex sheet (4.5), and customer contribution data from LR Scheme (4.1), and NLR Scheme (4.3) sheets.	4.1
2.2	Cells G35:N35 - changed formulae to sum rows 32 to 34	4.1
2.2	Some rows in columns AL to AZ were missing formulae. These have now been corrected.	4.2
2.2	Cells AP65:AR193 - amended formula to correctly sum RIIO-T1 costs	4.2
2.2	Cell C83 - reporting year linked from Universal data tab. Cell E102 to E120 - number formats updated.	5.1
2.2	Cell C21 was showing incorrect year. This has now been corrected.	5.2
2.2	Row 16. Amended formula for KPI performance to agree with licence condition.	6.1_Scot_customer_satisfaction
2.2	Added subtable heading 6.11a and 6.11b. Added row importing IWW totals from table 4.2 to aid clarity.	6.11
2.2	RPI figures for 2014/15 added	Universal Data
2.2	Correct RPI figure for March 2014 of 254.8 added.	Universal Data