

Geoff Randall
Ofgem
9 Millbank
LONDON
SW1P 3GE

Date:
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Contact / Extn:
Scott Mathieson
0141 614 1612

Dear Geoff,

Consultation on a potential RIIO-T1 and GD1 mid-period review

SP Transmission plc (SPT) is the electricity Transmission Network owner in central Scotland. The transmission network consists of the extra high voltage infrastructure that conveys electricity from power stations and interconnectors to distribution system entry points or, in certain cases, direct to end users' premises, and is generally regarded as critical national infrastructure.

SPT welcomes the opportunity to comment on Ofgem's consultation on proposals for a Mid-Period Review (MPR) in relation to electricity transmission matters.

1. Proposed MPR issues can be dealt with as effectively via Specialist Working Groups

SPT believes that the questions posed within this consultation could equally well be addressed via specialist working groups or Ofgem guidance documents. Should, however, Ofgem believe that there are matters which would benefit from a MPR; SPT would be supportive on the basis that the materiality is significant.

TOs regularly engage with stakeholders, including Ofgem, on a number of matters. TOs also provide a very detailed RRP to Ofgem each year, in addition to providing an Annual Performance Report to all stakeholders. SPT recommends that specialist working groups are established and timelines set out so that the relevant experts can be engaged to address the issues in appropriate timescales. Should particular issues, such as the impacts of new Government policies be reviewed through MPR, their consideration may be limited by the unavailability of full information within the MPR timescale.

2. Mid Period Review for all companies

As a matter of fairness, SPT suggests that all companies (Electricity Transmission, Gas Transmission, and Gas Distribution) are reviewed should Ofgem decide to proceed with a MPR.

In the current consultation document, Ofgem is clear that a MPR will not be used as an opportunity to re-open the price control. On the basis that Ofgem is not proposing to undertake a MPR for the Gas Distribution Companies, SPT concludes that price control underspends are not within the scope of a MPR process. SPT would appreciate confirmation from Ofgem that this conclusion is correct.

3. No Guidance in relation to investment in RIIO-T1 associated with the delivery of outputs in RIIO-T2

Currently, no guidance exists which sets out the treatment of projects which span a price control period. Ofgem also recognises that Transmission companies do not have a consistent mechanism in relation to necessary and efficient investment in RIIO-T1 associated with the delivery of outputs in RIIO-T2.

Therefore, SPT recommends that a guidance document is created to ensure that companies are adequately informed in order to provide certainty on this matter, in line with best regulatory practice. SPT would be happy to assist with this process.

SPT has responded to each of Ofgem's consultation questions in the attached Appendix 1. Should you require any further clarification on any of SPT's responses in Appendix 1, please do not hesitate to contact me.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Scott Mathieson', written in a cursive style.

Scott Mathieson
Network Planning and Regulation Director
SP Energy Networks

Appendix 1 : Answers to Consultation Questions

Question 1: Do you have any views on the additional clarity we have provided on the RIIO-T1 and GD1 MPR scope?

The additional information provided is clear. It would be useful to produce a detailed timetable to ensure that TOs can effectively plan for the allocation of resourcing should a MPR proceed.

Question 2: Do you consider the issues we have identified for RIIO-T1 and GD1 in this consultation fall within this scope?

Whilst SPT does not disagree that a number of the issues put forward could be addressed through a MPR, it believes that they could be dealt with as effectively outside a MPR. In the case of the NOMs methodology, SPT explains later in this document why it does not believe that it is appropriate for inclusion within the scope of a MPR.

In some cases the inclusion of an issue appears to be dependent on a materiality assessment yet this is not defined. The TOs have several materiality thresholds related to different licence conditions – for SPT this ranges from c£6m to £100m – which creates a very wide range for application. Furthermore, it is not clear whether such an assessment would be undertaken on a specific issue, individual projects or portfolio of projects or issues.

Question 3: Are there any other issues within the defined scope that we have not included when assessing the need for an MPR for RIIO-T1 and GD1?

SPT is not aware of any material issues that are not already included.

Question 4: Based on our current assessment there may be some issues in Electricity Transmission that could be addressed through an MPR. Do you agree with this assessment?

A MPR is not the only mechanism by which Ofgem may adjust outputs and/or defined elements of the RIIO price control. SPT agrees that there are issues which could be dealt with via a MPR, however, they can equally well and in some cases, would be better addressed through other routes such as specialist working groups. By addressing issues out with a MPR, resources can be adequately allocated and sufficient time allowed to deal with the issues in the most appropriate manner.

TOs regularly engage with stakeholders, including Ofgem, on a number of matters. TOs also provide a very detailed RRP to Ofgem each year, in addition to providing an Annual Performance Report to all stakeholders. Where there are specific issues raised by an RRP, these are reviewed in detail with Ofgem and may give rise to specialist working groups to resolve. The TOs are currently working with Ofgem to develop an enhanced RIGs for 2015/16 that will further improve the transparency between outputs and revenues, in accordance with key principles of the RIIO mechanism.

Question 5: We ask for detailed views, particularly from the TOs, on how the operability of the RIIO-T1 NOMs incentive mechanism could be improved. As part of this, we would like evidence on the manner in which any potential revisions may better facilitate the delivery strategy of outputs, in line with current needs of consumers and network users, and the materiality of such change.

SPT has been actively engaged in the development of the NOMS methodology and has worked closely with NGET and SHE Transmission in this regard. The development project has been established in cooperation with Ofgem and is due to complete in early 2016. SPT has been in

further dialogue with Ofgem regarding a next phase of development of the process to implement further enhancements, including those outlined in paragraph 2.4 of the consultation. The current update of the methodology has involved a wide ranging consultation exercise which was extended to the stakeholder community of each onshore TO, and incorporated comparison and review with the NOMs work being undertaken by the distribution and gas network operators (DNOs and GDNs). It is anticipated the next stage of development will contain a similar consultation exercise, building on any lessons learned from the recently concluded process.

This on-going development process will address the consultation question adequately, avoiding parallel engagement. As there is an existing work stream considering the NOMs question, SPT believes that the scope of NOMs should be excluded from any review given the extensive work which has been ongoing for some time.

Question 6: We are seeking views on whether the Environmental Discretionary Reward is driving the right business changes within the companies and providing the outputs that consumers and network users need.

SPT has engaged fully with this incentive from its initial development to its most recent submission this year. The incentive has complimented its existing processes and driven business changes that are focussing its organisation on the delivery of improvements in its sustainability agenda.

The balance of the incentive mechanism, however, does not appropriately reflect its first objective which is “to encourage licensees to achieve high standards in environmental management”, compared to its second objective “to facilitate the industry to move towards a low carbon system”. This is compounded by the response questionnaire which does not take account of the 8 year price control period upon which its RIIO-T1 submission is predicated upon, over which time SPT expects to meet or largely fulfil the incentive driver to connect low carbon generation.

SPT would therefore agree with Ofgem’s consultation comment in 2.12 that connecting low carbon generation for us, is very much business as usual. It is also evident that the scope of the incentive is too broad and overlaps with other incentives, particularly in the areas of stakeholder satisfaction and innovation. However, there is an opportunity to recognise work at the Transmission/Distribution interface to facilitate connection at lower voltages. Despite the recent announcements in Government Energy policy, the aggregated effect of distributed generation connection (Embedded Generation) on the transmission network is considerable and changes are needed to fully respond to this. The EDR scheme could provide an effective incentive to drive this change.

Although the scheme is defined as “Environmental”, SPT believes there is insufficient weighting on the TO’s environmental performance and the Carbon Footprint of its own activities. This is an area where the EDR scheme can help drive a change through the whole supply chain and across the wider electricity network.

For these reason, SPT would recommend the EDR incentive mechanism undergoes a thorough review to align it more clearly with both of its objectives and continue its most positive aspect which is to drive high standards in environmental management.

Question 7: We are seeking views on whether the stakeholder incentives are driving the right behaviours to get the outputs that consumers and network users need.

SPT recently responded to Ofgem’s consultation on proposals to change “Arrangements for Stakeholder Satisfaction Outputs” and explained why SPT believes these are driving significant benefits for consumers in terms of engagement and improvement in the internal processes that have a direct output for customers. SPT agrees with Ofgem’s view in the consultation para 2.20 that

the stakeholder satisfaction performance measures are all (not just the surveys) reasonable measures of performance in areas that impact customer and stakeholder satisfaction.

SPT also agrees with Ofgem's proposals (para 2.20) to seek views on the discretionary element of this incentive as SPT considers this incentive could be improved. Firstly, there is a clear overlap with this incentive and the stakeholder engagement element of the EDR incentive. SPT has commented earlier that this should be resolved by changes to the EDR scheme. Secondly, the reward panel are looking for engagement that may not be appropriate for TOs to establish. This is due to the industry framework in which they operate, with the System Operator required to hold the primary relationship with end users. Also, the incentive does not differentiate the stakeholder relationship end users have with a transmission company from that with a distribution or supply company.

Finally, with increased separation of System Operator and Transmission Owner, it would seem timely to align the incentive with the business separation that is underway within National Grid.

Question 8: We have set out some initial thinking on the following issues: submission quality for Strategic Wider Works projects, further guidance on monitoring needs cases for projects in construction, the potential need for an availability incentive for Scottish island links, and potential funding requirements for NGET's enhanced SO function, as well as on onshore competition roles. What are your views on these?

It is unclear why Ofgem consider (para 2.23) that TOs do not have a direct obligation to submit proposals that represent the most economic and efficient solutions to meet SWW needs.. All TOs have a statutory duty to develop and maintain an efficient, co-ordinated and economical system of electricity transmission. Standard condition B7 "Availability of Resources section 1.(b) clearly states that the licensee shall *"comply in all respects with its obligations under this licence and such obligations under the Act as apply to the transmission business including, without limitation, its duty to develop and maintain an efficient, co-ordinated and economical system of electricity transmission."*

SPT firmly believes that a TO already has to consider the fullest range of alternatives in order to comply with its statutory duties. Furthermore, recent developments under the Enhanced SO role requires that NGET in its SO role verifies that the TO has considered sufficient options, as well as including any others which the TO could not, such as market-based contracts with users and other non-build solutions.

It is even more unclear why Ofgem (Paragraph 2.24) allude to the fact that TOs may choose to breach these obligations in respect of submissions made under a future onshore competitive regime. Unless further evidence can be provided SPT does not consider any strengthening of licence conditions or the SWW guidance is required.

With respect to monitoring of SWW projects (para 2.28), this already takes place through the annual investment planning and ETYS processes. There will be further scrutiny applied through the introduction of the NOA process and report which will assess project requirements on an annual basis until the final needs case is approved by Ofgem. Typically all wider work investments are secured by users, minimising the cost of stranded assets being passed onto consumers. SPT does not consider additional reporting will mitigate the risk of building stranded assets.

Although the Scottish Island Links do not fall within SPT's licence area, (para 2.32), SPT offers the following views to address the issues raised in principle. The high level statement regarding the specification of a double circuit and redundancy as a means of ensuring SQSS compliance does not make the distinction between *generation circuits* and *transmission circuits* and may not reflect the choice of the user to request a variation to design as allowed by the standard. SPT would expect that where non-compliances against the SQSS exist, the relevant TO would request a derogation from Ofgem. SPT considers that this provision is adequate to manage such situations.

With respect to remuneration for Enhanced SO activities, SPT agrees that this may require additional resources and therefore funding not only for the SO but also for the TOs who are supporting the provisions of the NOA process. SPT is assessing whether this incurs additional costs and consequently requires additional funding.

Question 9: We wish to understand if there has been a material change in outputs due to the changes in government policy related to renewables subsidies. We ask that the TOs provide information on which connections and wider works are being taken forward compared to the ones that the unit costs were based upon and whether any variation is within the bounds of what was expected to be captured.

On the 14 August 2015, SPT received correspondence from Ofgem requesting that SPT provides information in relation to the impacts of the early closure of the RO for onshore wind and delay to the CFD auction and exclusion of onshore wind from this. In SPT's response dated 17 September 2015, SPT explained that it had received feedback from developers indicating that although there is significant uncertainty, they remain fully committed to their projects. SPT also explained that its strategic wider works (SWW) project for Dumfries and Galloway is a fundamental need as this is required, alongside other reasons, to replace ageing infrastructure. However, it will be sized according to the amount of renewable generation anticipated which will influence the voltage at which it operates.

SPT is aware through its on-going engagement that recent government policy changes have undermined confidence in the developer community with respect to the viability of some of their projects. This is manifested in increased levels of information being requested by developers on potential costs. These requests range from greater clarity on likely capacity for schemes with restricted access in advance of upgrades being completed, to costs for termination.

These enquiries have not, currently, led to a significant change in its contracted position, which drives its reinforcement programme. SPT is responding to this change in a proactive manner by encouraging transparency from developers in respect of the viability of their schemes and this is reinforced by increasing levels of security being required to support the investment SPT is making in its projects. SPT is reviewing all of its projects against user commitment and seeking further information with regard to the likelihood of actual generation levels that may materialise. However, many off-shore generation projects do not have ROCs or CfD support and therefore, there is much speculation as to whether these projects will go ahead. At this point in time, SPT is not in a position to reliably predict any outcomes.

It should be noted that in its current forecasts provided to Ofgem for transmission connected generation, SPT is only including projects where the developer has formally contracted with the SO. Where SPT is at an advanced stage of project delivery and require to place contracts, it will only progress with a formal commitment on the basis that the developer is willing to secure the additional costs of termination should they not progress to connection.

In response to question 10, SPT outlines the changes to the overall generation connection and enabling works it is forecasting to connect during RIIO-T1. SPT has provided further detail on these works in its Regulatory Reporting Pack (RRP) submission for 2014/15. In it, SPT highlights that whilst there have been changes to the mix and scale of connections; it continues to progress all contracted connections in accordance with its licence obligations.

It is clear, for a number of shared-use infrastructure schemes, the technical solutions being planned by SPT cannot be aligned in a fair and transparent manner with the respective allowances that would be granted under the incentive mechanism. In such cases, SPT does not consider these variations to be within the bounds of what was expected to be captured when setting the price control. This matter is considered further in question 10.

On the subject of wider works, SPT is currently proceeding with all the schemes scheduled to commence in the first half of RIIO-T1. As highlighted in responses to other questions, the identified need cases for the schemes in progress, which are kept under regular review, remain strong. There is, however, a single small value wider works scheme (c£15m) which was included as baseline wider works under Licence Special Condition 6I (LSpC6I) that SPT does not believe would be in consumers' interests to deliver in RIIO-T1. SPT highlighted in the original RIIO-T1 Business Plan submission that this scheme was subject to some uncertainty in timing. It should be noted that this particular issue bears no relationship to changes in government renewable energy policy.

The scheme is designed to provide additional reactive compensation on the network to accommodate the closure of Hunterston B Power Station. Hunterston B power station, subsequent to agreement of the RIIO-T1 price control, was granted a seven year extension to its nuclear operating licence and is no longer expected to cease generation within the RIIO-T1 period to 2020/21 (earliest closure date in National Grid's 2014 Future Energy Scenarios is April 2024).

The regular review of generation backgrounds undertaken by the System Operator, with assistance from the TOs, has identified a particular issue in relation to control of system voltage. Following a detailed voltage analysis undertaken jointly with SHE Transmission and National Grid, a requirement has been identified to install an additional 420MVar of reactive compensation equipment in the SPT area to support the effective management of system voltage. It is proposed to meet this requirement via installation of seven 33kV 60MVar shunt reactors by Spring 2017 at a cost of c£10m. These works were not included in the RIIO-T1 price control as wider works. Due to the required timescales to manage this required output, TOs are progressing development of the relevant schemes.

SPT has identified this issue to Ofgem as part of the annual reporting process, in order to agree a way forward that is in the interests of all stakeholders. It is not necessarily a Mid-Period Review issue, due to materiality, and could be dealt with under the auspices of an Output Amendment to the existing licence condition.

Question 10: We ask that the network companies provide information on any connections and wider works that are not easily correlated to a specific funding mechanism in the licence. We also ask that evidence is provided of the materiality of such issues as part of any response.

SPTs enabling and connection works required for new generation is funded through its generation connections incentive mechanism (Licence Special Condition 6F (LSpC6F)). SPT has seen a significant level of increase in its best view of connection capacity forecast from its RIIO-T1 submission, rising from 2503MW to a current contracted position to the end of RIIO-T1 of approximately 3500MW. SPT is also currently forecasting to connect in excess of 3200MW of contracted connections in the RIIO-T2 period.

This has led to three issues in respect of how these works will be funded:

1. Reinforcement projects that are not covered by the unit cost allowances defined in LSpC6F,
2. Contracted projects that specify the Dumfries and Galloway Strategic reinforcement works as 'enabling works' in their commercial agreements,
3. Reinforcement and connection investment that will be incurred during the current price control for projects that will connect in RIIO-T2 (addressed in response to question 12),

These issues are addressed further in the sections below.

1. Licence Special Condition 6F – Shared-Use Infrastructure Allowances

As part of the RIIO-T1 price control, Ofgem and SPT agreed a mechanism for works associated with local reinforcement of the network to accommodate multiple generation connections. This was based on defined unit cost allowances for specific technical solutions (mainly new build on green-field sites) that were envisaged at that time.

In the intervening period, the increased volume of contracted generation has necessitated a much wider range of technical solutions. SPT is developing these schemes as the most economic and efficient technically compliant solutions. They include utilisation of higher capacity conductor on existing overhead lines, increased use of underground cables as well as replacing existing transformers and circuit breakers with higher capacity units. This, in turn, has created uncertainty on the value of funding that would be appropriate for such solutions that do not perfectly align with the incentive mechanism.

SPTs current assessment is that approximately 60% of schemes could be aligned with the existing mechanism. The balance, which amounts to c£150m (2009/10 prices) would require an expansion of the existing range of technical solutions and subsequent agreement of efficient unit cost allowances. SPT has proposed a potential solution to address this issue, outlining how it might work in its 2014/15 RRP submission, and would seek to continue this engagement with Ofgem to agree an approach that is in stakeholders interests.

2. Interaction between SWW and Local Generation schemes

The Needs Case for the Dumfries and Galloway SWW project includes options that are assessed against a range of generation scenarios. The outcome of the economic assessment of these options could result in the current contracted position not being met. If this was to be the case, a solution that accommodates this outcome would need to be identified.

SPT considers it appropriate to establish clarity for baseline schemes whose need has changed or been superseded by other developments. SPT is keen to work with Ofgem to establish a mechanism to ensure that investments are efficiently managed and that the substitution or non-delivery of outputs is considered to be justified by both the TO and Ofgem.

Question 11: We welcome views on whether there needs to be clarification of output requirements and treatment of activities (load related projects in particular), that sit outside of the revenue drivers, where they are no longer required or have been substituted.

The introduction of the new RIIO model for price controls created a comprehensive set of initial outputs and incentives which are designed to cover major investment areas in support of UK & Scottish government energy policy. The investment on existing networks is designed to manage risks to consumers related to quality and continuity of electricity supply. SPT re-iterates that the need for specific works is reviewed on a regular basis, both internally, and across the industry to ensure that they continue to be necessary.

The amount of investment covered by specific incentive mechanisms and outputs is very extensive for SPT and has not materially changed from Business Plan. The coverage, for load projects, is 94% under specific incentives, with the balance (c£50m) related to a small number of local enabling (exit) schemes. The justification for these schemes and their outputs were outlined in its RIIO-T1 Business Plan submission. It should also be recognised that there is an existing (generic) incentive mechanism (Totex Incentive Mechanism) that can be used to adjust allowances, which applies to all TOs.

There are other outputs that SPT is now required to deliver, which were not originally identified and not reasonably foreseeable at the time of the RIIO-T1 Business Plan. These relate to activities associated with the diversion of existing SPT infrastructure (mainly overhead lines) associated with new residential and commercial developments. There is, currently, no specific revenue driver associated with this type of output, which is externally driven and not within the control of a TO.

It is appropriate to establish clarity for those schemes whose outputs do not currently fall into specific incentive mechanisms and where this may be a material omission within the context of a price control. SPT would welcome the opportunity to work with Ofgem to establish appropriate guidance, which ensures investments are efficiently managed and that the substitution or non-delivery of outputs is justified by both TO and Ofgem.

Question 12: How material do you consider the RIIO-T2 outputs issue to be? Do you consider this is an issue that we should take forward?

SPT does not have a defined mechanism in RIIO-T1 setting out the treatment of necessary and efficient investment incurred in RIIO-T1 for the delivery of outputs in RIIO-T2. SPT considers that this omission is not consistent with best regulatory practice as this is a credible and recurring scenario under a price control.

SPT currently has a significant volume (3200MW) of contracted generation forecast to connect beyond 2021, primarily in the first two-to-three years of RIIO-T2. SPT has a licence obligation to proceed with contracted projects in a timely manner, subject to consents, to achieve the stipulated connection date. The timescales associated with required works necessitate investment in RIIO-T1. The incentive mechanism (LSpC6F), however, will only provide funding on completion of outputs within the RIIO-T1 period. At present, SPT is forecasting c£60m (2009/10 prices) of investment in RIIO-T1 associated with delivery of outputs in RIIO-T2 under this incentive mechanism.

There is a need for guidance on the treatment of “transition” projects, i.e. spanning a price control boundary (eg RIIO-T1 to T2). This issue creates a level of uncertainty for stakeholders as future parameters and incentive mechanisms are not defined.

Questions 13 to 19

The questions relate to gas transmission and gas distribution, therefore, SPT does not consider it appropriate to respond on such matters.

Question 20: Do you agree that we should clarify some areas where it isn't clear how late or non-delivery will be treated? If so, which areas do you consider would benefit from such clarification?

SPT agrees that suitable and sufficient guidance should be provided to enable a reasonable and prudent operator to properly and fully assess the potential impact of changes in outputs. SPT does not consider that this matter specifically needs to be addressed via a MPR and it may be more appropriate to evaluate relevant outputs on a category basis eg load and non-load, generation connections and wider works. The guidelines could subsequently be developed on an actual case study to ensure that they are properly tested and can be applied in a pragmatic and transparent manner.

SPTs view of the issues raised in the consultation identifies four key elements:

1. Justification for Output
2. Specification of Output
3. Criticality of Output
4. Delivery of Output (including Substitution)

These elements may require separate consideration, and could be subject to a materiality or proportionality assessment. The issues around the justification for an output – initial need case and ongoing review.

The specification of an output is, perhaps, the most contentious issue to address. It may be defined in terms of functional performance and/or physical characteristics. As a result, the output could be achieved in terms of performance, however, it may be physically different from original design. The introduction of the RIIO model sought to avoid differentiation between capital or operational expenditure approaches and encouraged TOs to adopt the most economic whole-life solutions, which would be in consumers' long-term interests.

SPT is not in a position to draw conclusions from the Avonmouth gas pipeline example due to the limited information provided. SPT does, however, consider that there is merit in establishing the principles for evaluating successful completion of outputs in advance. It should be recognised, however, that this will not necessarily be an exact science and a degree of pragmatism will still be required. Furthermore, it may require several case studies to better understand the precedents being set to ensure consistent application of agreed principles. In the interests of fairness, transparency, and to encourage the right behaviours, it would be appropriate to adopt a proportionate approach in judging success or failure.

The importance (or criticality) of an output is already defined for the majority of non-load outputs and is not considered further. In the case of load related projects, (eg generation connections, wider works) this aspect is not fully defined in a consistent manner other than, say, NETSQQS compliance or system constraints. It would, however, be a crucial aspect of evaluating the impact of late or non-delivery of outputs.

Each of the electricity TOs has a range of outputs to deliver within the RIIO-T1 price control period. A number of these can be considered flexible in terms of delivery within the period. This recognises the constraints associated with delivering a large and varied portfolio of investment connected (or connecting) to a live system. There are others, however, which are subject to timely delivery standards and have completion dates specified in the relevant licence conditions (eg wider works). There is an adjustment mechanism to modify the profile of revenues associated with the progress of projects that ensures consumers are not funding TO investment significantly ahead of need. Therefore, the main consideration relates to wider works projects that are delivered late. It would be beneficial to provide further guidance on what the potential impacts of late delivery may be. It should also be recognised that late delivery may well result in no disadvantage to consumers.

SPT suggests that this should be assessed utilising both a quantitative and qualitative assessment. External factors, such as changes to Government Policies must be considered. It is also important that companies are incentivised to deliver outputs in the best interest of consumers. Therefore, it would be inappropriate to penalise a company for late delivery should a decision have been made with the best interests of the consumer in mind. Penalties should only be applied where there is a material adverse impact on consumer bills.

Question 21: How material do you consider innovation tax relief has been and is likely to be for the network companies? Do you consider this is an issue that we need to pursue as part of any MPR? We request that the network companies provide estimates of the benefits accrued so far due to this tax relief as part of their responses.

To date the benefits in respect of innovation tax relief have been relatively minor for SPT and it does not expect this to change in the future. The benefits accrued are 100% capital allowances in year 1 rather than 8% reducing balance (so only a timing benefit). The following are the relevant expenditure amounts so far in RIIO-T1:

- 31 December 2013 – expenditure of £630,562
- 31 December 2014 – expenditure of £1,984,823

SPT does not consider this is an issue that needs to be pursued as part of a MPR.