

National Grid Electricity Transmission plc ("NGET")
(Company Number: 02366977)

SP Transmission Limited ("SPTL")
(Company Number: SC189126)

Scottish Hydro Electric Transmission plc ("SHET")
(Company number: SC213461)

National Grid Electricity System Operator Limited ("NGESO")
(Company Number: 11014226)

the "Licensees"



Making a positive difference
for energy consumers

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Date: 29 April 2020

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

Whereas –

1. The Licensees each hold an Electricity Transmission Licence (the "Licence") granted or treated as granted under section 6(1)(b) of the Electricity Act 1986 (the "Act") and are subject to the conditions contained in the Licence.
2. The RIIO-ET1 Electricity Transmission Price Control - Regulatory Instructions and Guidance ("the RIGs") are the primary means by which the Gas and Electricity Markets Authority ("the Authority"¹) directs the Licensees to provide information required by the Authority to administer the conditions of the Licence and, where not referenced in the Licence, the RIIO-T1 Final Proposals².
3. In accordance with paragraph 10 of Special Condition B15 of the Licence the Authority gave Notice³ on 9 March 2020 that it proposed to modify the RIGs.
4. The Notice requested that any representations on the proposed modifications were made on or before 6 April 2020. The Authority received four responses to the

¹ The "Authority", "Ofgem", "we" and "our" are used interchangeably in this document. The Office of Gas and Electricity Markets (Ofgem) supports the Authority in its day to day work.

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

³ <https://www.ofgem.gov.uk/publications-and-updates/notice-proposing-modifications-regulatory-instructions-and-guidance-rigs-riio-et1-version-71>

consultation on the proposed modifications. All non-confidential responses are published on our website alongside this Direction.

5. We have considered the consultation responses and made a small number changes to the modifications proposed in the Notice. The changes are summarised in Appendix 1 and Appendix 2 included to this Direction. We are making the modifications to the RIGs proposed in the Notice subject to those changes.
6. The modifications apply to information required in terms of the RIGs for the reporting year 1 April 2019 to 31 March 2020, including:
 - the Costs and Outputs (“C&O”) Regulatory Reporting excel template
 - the guidance document supporting the C&O Regulatory Reporting template.
 - the supporting narrative template for each Licensee to follow when submitting commentary to support the C&O RIGs return, and
 - the Revenue Regulatory Reporting excel template for each Licensee.

Now therefore –

7. Pursuant to paragraph 8 of SC B15 of the Licence, the Authority hereby modifies the RIGs in the manner specified in the attached Schedule.
8. This document constitutes notice of the Authority’s reasons for the Direction as required by section 49A of the Act.

Extension of the deadline for submission of information

9. The Authority may extend the deadline by which the Licensees must provide the information required in terms of the RIGs⁴. The deadline for the reporting year 1 April 2019 to 31 March 2020 is 31 July 2020.
10. We have published information for energy licensees on our response to coronavirus (Covid-19)⁵. We want the energy industry to prioritise and protect consumers’ interests throughout the pandemic. As part of our response we have engaged in discussions with the Licensees around how we can assist them to do that.
11. We consider that extending the deadline for submission of the RIGs information will provide the Licensees with the additional flexibility required to manage their resources in the way that best protects and prioritises consumers’ interests at this time. For that reason, we have decided to extend the deadline to 31 August 2020.
12. For the avoidance of doubt, the Authority’s decision to extend the deadline only applies to information required to be submitted by the Licensee in terms Standard

⁴ Paragraph 1.19 of the RIGs version 7.2.

⁵ <https://www.ofgem.gov.uk/publications-and-updates/ofgem-information-energy-licensees-coronavirus-covid-19-response>

Condition B15 (Regulatory Instructions and Guidance). It does not extend the deadline of 31 July 2020 that applies to information required to be submitted by the Licensees in accordance with any other condition of the Licence.

13. This decision does not preclude the ability of a Licensee to submit information to the Authority in advance of the revised deadline.

Covid-19

14. Covid-19 is a national emergency. The Authority's over-arching objective at this time is protecting consumers, particularly those that are vulnerable, and maintaining Britain's electricity and gas supply. We are working closely with the government, licensees, consumer organisations and wider stakeholders to ensure that the energy industry responds effectively.
15. We will continue to work closely with those parties and review our regulatory response to Covid-19 in collaboration with them. If appropriate, we may make further changes to the reporting obligations for network companies.
16. We will continue to publish information on our response to Covid-19, including any changes to our regulatory approach, online⁶.

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Steven McMahon
Deputy Director, Network Price Controls, Systems & Networks
Duly authorised on behalf of the Authority
29 April 2020

⁶ <https://www.ofgem.gov.uk/coronavirus-covid-19>

Schedule to the Authority's Direction dated 29 April 2020

A copy of the RIIO-ET1 Electricity Transmission Price Control – Regulatory Instructions and Guidance: Version 7.2, RIIO-ET1 Electricity Transmission Reporting Pack Templates: Version 7.2, RIIO-ET1 Electricity Transmission Commentary Template and Revenue Reporting Pack Template for each Licensee are available on the Authority's website at:

[\[https://www.ofgem.gov.uk/publications-and-updates/direction-modify-regulatory-instructions-and-guidance-rigs-riio-et1-version-72\]](https://www.ofgem.gov.uk/publications-and-updates/direction-modify-regulatory-instructions-and-guidance-rigs-riio-et1-version-72)

Appendix 1 to the Authority's Direction dated 29 April 2020

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

Reporting Pack Version Number	Full details of the changes made since the last version	Specific Tables Changed
7.1	Version published for consultation on 9 March 2019.	
7.2	Additional clarity provided to the collection of data on assets using non-SF6 alternative Interruption and Insulation Gasses.	6.5
7.2	We have developed further minor changes to the RIGs document to provide clarification, typographical errors and improve the information submission.	

Appendix 2 to the Authority's Direction dated 29 April 2020

Modifications to RIIO-T1 Electricity Transmission Price Control – Regulatory Reporting Template

Reporting Pack Version Number	Full details of the changes made since the last version	Specific Tables Changed
7.1	Version published for consultation on 9 March 2019.	
7.2	Update to current year - cells F7 & Q7	3.1 NGET Opex
7.2	Update to cumulative title (column N) & extended sum formula to reflect new year.	3.1 NGET Opex
7.2	Update to formula in 2019 column - moved to 2020 column.	3.1 NGET Opex

7.2	Addition of sum formula (Cell L160); =sum(L154:L159)	3.1 NGET Opex
7.2	Addition of sum formula (Cell M160); =sum(M154:M159)	3.1 NGET Opex
7.2	Update to current year text - Cells C7 & D7 to read "2019/2020"	3.13
7.2	Update to current year text - Cells C7 & D7 to read "2019/2020"	3.14
7.2	Added additional column for 2019.	3.15
7.2	Update to headers - Cells AI64-AK64 & BD64-BF64 from RIIO-T2 to RIIO-T3	4.2
7.2	Update to headers - Cells AB42-AD42 & AW42-AY42 from RIIO-T2 to RIIO-T3	4.3
7.2	Changed section for 2020 & 2021 to input cells (yellow).	4.3.1
7.2	Changed section for 2020 & 2021 to input cells (yellow).	4.3.2
7.2	Changed section for 2020 & 2021 to input cells (yellow). Removed formulas for TO's to populate.	5.1
7.2	Correction to cell (H22) - it was linked to table 5.1 [cell H78]; changed to cell I78	6.3
7.2	Update to header to state "Actual"	6.11
7.2	Update to cumulative formula to include 2020 - (cells K11-K29) now include column I.	6.11
7.2	Aligned table 1c with table 1a & 1b.	2.3a
7.2	Dragged down formula from above cells to empty cells (E1367 - E1619).	4.3
7.2	Update to % format for cells BP12-BQ86	4.1
7.2	Update to headers - BI8 & BS8 previously had last year's price base instead of current year.	4.1
7.2	Update to drop down options in table & changed Ofgem scheme reference to free entry box.	6.01,6.02
7.2	AIP allowances updated	Allowances
7.2	Columns H and I; updates to formulae to reinstate auto-population with T5.6 and T5.7 for certain asset types. Removed the yellow colouring from column J (reporting year 2021).	5.1
7.2	revision to issue#590: reporting year 2021 changed from yellow to white.	4.3.2
7.2	RPI value updated	Universal data