

## SSEN Distribution Response to ED2 Draft Determination Annex 3 - Traceability of our responses to Ofgem's feedback

Title	Annex 3 - Traceability of our responses to Ofgem's feedback
Description	In the Draft Determination documents and during bilaterals, Ofgem have raised feedback points to be addressed or additional information that needed to be provided as part of our Draft Determination response. In this document, we have evidenced where in our Draft Determination response we have responded to key pieces feedback to ensure completeness and transparency.

SSEN Distribution Response to ED2 Draft Determination Annex 3 - Traceability of our responses to Ofgem's feedback

Ofgem Document	Page	Section	Topic	Ofgem's requirements	Description of where the requirement has been addressed in our response to Ofgem
Core Methodology	p.38	3.7	LV service unit rates	We will require further information from DNOs ahead of Final Determinations to enable us to set these unit costs	This has been addressed in answer to Core-Q4 and Annex 11 - Load UM Annex
Core Methodology	p.24	3.15 and 3.42	Load Related Expenditures (LRE)	We propose enabling strategic investment through our LRE package but at this stage the DNOs have put forward very little discrete, clearly justified, strategic investment. We remain open to considering the case for additional strategic investment in baseline expenditure, while this will also be enabled through our uncertainty mechanisms  As highlighted earlier, our assessment of the plans showed there to be limited discrete strategic investment proposed. Where it was proposed, DNOs highlighted and justified their strategic investment to ensure it was not removed in benchmarking. We consider the approach we have taken to setting baseline allowances to be appropriate and that any efficient investment ahead of need will be funded within our approach to setting allowances. Through the Draft Determinations consultation process we remain open to further evidence for well justified investment ahead of need.	This has been addressed in answers to Core-Q3 and Core-Q4
Core Methodology	p.59	Consultation position	BCF (Reducing building energy use emissions)	Submission of evidence to address concerns regarding SLC 43B (prohibition on generation) A1.21 We propose to approve the baseline funding requests for renewable generation at DNO sites provided the companies submit evidence that they satisfy the requirements set forth in SLC 43B (Prohibition of Generation) and the supporting guidance document. While we agree that energy efficiency and energy reduction are positive activities, companies must demonstrate a satisfactory methodology that matches solar array output to consumption in their respective consultation responses	Our Building Energy Use is not affected by SLC 43B as we do not intend to install any generation equipment at our sites. This has been addressed in Core-Q13 and in section 2 of Annex 8.
Core Methodology	p.59	Consultation position	Carbon offsetting	Submit further information as part of their consultation response (see Appendix 1) A1.41 We are still considering the path forward for how carbon offsetting will be implemented during RIIO-ED2 due to the variance in proposals and approaches. A1.43 At this stage, we would like to invite DNOs to submit as part of their responses to this consultation, where it has not already been provided, the following information: <ul style="list-style-type: none"><li>• A marginal abatement cost curve for carbon.</li><li>• A joint consumer willingness-to-pay study for carbon offsetting and/or carbon removal projects.</li><li>• Stakeholder and/or consumer support for offsetting activities.</li><li>• A summary of the benefits to network consumers.</li><li>• Detail on any carbon offsetting projects or schemes undertaken and/or supported, including expected emissions to be offset per annum in RIIO-ED2. SSEN Annex Table 15: We are proposing to reject this proposal as we do not consider it to be good value for money for consumers as the restoration efforts are not linked to network projects, developments, or delivering benefits on existing sites. SSEN has not provided a sufficient methodology for how long-term carbon sequestration will be accounted for within their science-based target. We request that SSEN submit further information as outlined in the Core Methodology Document.</li></ul>	Our response to these points is provided in Q13, 89 and detail provided in Annex 8
Core Methodology	p.59	Consultation position	FFC	We propose to accept DNO's proposals subject to the request for additional information and evidence (Appendix 1) A1.34 At this stage, we do not have sufficient information on the investment drivers of the indicated activities and the optioneering presented to allow us to form our position. Therefore, all DNOs should provide the following as part of their consultation responses: <ul style="list-style-type: none"><li>• A leakage reduction target (in percentage and litres). This should also include the number of kilometres of cables expected to be replaced during RIIO-ED2.</li><li>• Further evidence and justification for the primary and secondary investment drivers, the associated costs, risks to delivery, optioneering and environmental benefits.</li></ul>	This is provided in section 6 of annex 8 and in Core-Q13
Core Methodology	p.95	4.85	Incentive targets	We will consult on DSO incentive guidance in Autumn 2022 ahead of FDs and use working groups to set company specific targets	N/A Not part of DD submission
Core Methodology	p.194	6.127	Worst served customers	We will work with the DNOs through the SRRWG and other stakeholders through targeted engagement to develop the governance document that we propose will form an Associated Document under the licence, and that we will consult on as part of the formal licence consultation.	N/A Not part of DD submission
Core Methodology	p.201	6.148	NARMS	Evidence that we have prioritised spending on resilience to severe weather and will be considering how best to achieve this within the NARM framework.	Core-Q54 includes our response on the interaction of Storm Arwen proposals with NARMS Non-Load EIP addendum Annex 15
Core Methodology	p.167	6.38	IIS - VoLL customer satisfaction	Finally, the DNOs or other stakeholders may provide evidence in response to our Draft Determinations, which demonstrates that customers understand the cost of greater improvements and still want greater reliability. We would consider this, as part of our review of consultation responses and how it might affect our proposed positions on incentive rates, the cap and collar and the target setting methodologies.	This has been addressed in Core-Q44
Core Methodology	p.285	7.213	Asset replacement	Where the DNOs' forecasts are above any of the volume assessment outputs, three key questions are considered: <ul style="list-style-type: none"><li>• Has the DNO proposed using a substitute asset, e.g. plastic underground cables for paper underground cables?</li><li>• Has the DNO provided additional evidence as to why the volumes are higher, e.g. a higher level of deterioration than age would indicate?</li><li>• Are there complementary assets which have been allowed, e.g. LV poles for LV conductor?</li></ul>	This has been addressed in Core-Q73, Deliverability Annex 7, and in the Non-load EIP addendums Annex 15
Core Methodology	p.286	7.214	Asset replacement	For substitution of an asset, we considered the following questions: <ul style="list-style-type: none"><li>• Has the DNO indicated lower disposal volumes than replacement volumes (indicating that it is disposing of assets elsewhere)? If the disposals are lower than replacement volumes is the aggregate modelling volume for the substitutes greater than the DNO's proposed replacement volumes?</li><li>• If aggregate volumes are not sufficient are there other reasons to increase volumes?</li><li>• If proposed volumes are accepted has sufficient evidence (e.g. a CBA) been supplied to support higher unit costs?</li></ul>	This has been addressed in Core-Q73, Deliverability Annex 7, and in the Non-load EIP addendums Annex 15
Core Methodology	p.305	7.273	OHL Clearances	The importance of the activity does not warrant any change to volumes submitted except for SSEN, who did not provide final volumes for this activity as part of the RIIO-ED2 Business Plan submissions, as at the time it had not received their latest Light Detecting and Ranging Surveys (LiDAR) flight data. As such, for Draft Determinations, we propose not to include SSEN's costs in the anticipation that volume data will be provided following the consultation. We propose to accept the other DNOs' submitted volumes, based on the submitted supporting documents which detailed their volume forecast methodology. In this respect, we note that most DNOs have based their forecasts on previous volumes or have introduced the use of LiDAR into their inspection regimes which ensures greater data accuracy.	This has been addressed in Core-Q81 and Non-load EIP addendums Annex 15
Core Methodology	p.314	7.299	RLMs	We note however that there are issues around consistency of RLM data reported by DNOs. We intend to raise a request to each DNOs for further data which will help ensure consistency.	We have provided an addendum for RLM regarding sample size and unit costs; we have also provided the information requested in August 2022

				We propose to assess this category using industry median unit costs, except SSEN's costs which we consider unjustified. SSEN proposed a bespoke PCD for SF6 asset replacement. Our consultation position for this proposal can be found in the SSEN Annex.	
Core Methodology	p.320	Table 50	SF6	SSEN Annex Table 15: We are proposing to reject this proposal, as we are not satisfied that SSEN has provided the evidence or justification to support the proposed activities at the identified cost to consumers. We will engage with the DNOs on their methodology used to identify SF6 contaminated assets for the purposes of the AER and the environmental reopeners.	This has been provided in section 4 of annex 8 and in Core-Q13 and Q89
Core Methodology	p.321	7.319	PCBs	We intend to develop a disaggregated allocation methodology for Final Determinations in order to exclude these PCB PMT replacement costs from modelled ex ante Environmental Reporting allowances and instead include these costs separately in variant totex, in line with the structure of the volume driver.	We have given our view on the proposal for addressing PCB contamination in PMTs through a volume driver in RIIO-ED2 in answers to Core-Q16 and Core-Q90
Core Methodology	p.329	7.342	Fleet Bramley	We note that for ENWL's Harker project there are ongoing discussions with National Grid Electricity Transmission (NGET), and that SSEN's Fleet and Bramley substation investigations into a whole system option with NGET will remain ongoing into 2022. Accordingly, and we will continue to keep these proposals under review. We accept these costs as submitted for Draft Determinations but may review these projects further for Final Determinations in light of the scope and cost of work and proposals for the HVP re-opener.	This has been provided in Load EJP Addendum Annex 14
Core Methodology	p.357	7.428-7.431	Cost-quality relationship	While the cost-quality relationship has been articulated conceptually, we have yet to be provided with quantitative data and justification that individual DNOs' historical and forecast costs are necessarily consistent or inconsistent with performance targets expected from the sector in RIIO-ED2. We propose to continue working with stakeholders through the CAWGs on this issue ahead of Final Determinations. Specifically, we would welcome evidence on any perceived funding gap between the allowances that companies are set and the outputs they are expected to deliver. We consider that the onus is on DNOs to justify their case for any proposed adjustments, and we propose to set a high evidential bar for accepting any cost adjustment claims. The high evidence bar is appropriate in that there exists an asymmetric risk to consumers here in favour of companies, similar to that of the Regional and Company Specific Factors process. As such, in the qualification and quantification of this issue, it is our view that there should be some consideration in line with the following principles: <ul style="list-style-type: none"><li>• We do not expect to consider claims that are not materially significant enough to warrant an adjustment.</li><li>• The effect is not already captured in our benchmarking.</li><li>• There is sufficient variation between DNOs in terms of targets/ambition.</li></ul>	This has been provided our response in Core-Q106
Core Methodology	p.366	Ongoing efficiency	Ongoing efficiency	We expected companies to include an assumption for ongoing efficiency within their Business Plans and to evidence how this assumption has been derived. Companies submitted ongoing efficiencies separately from their forecast costs.	This has been provided in Core-Q110, in Cost Assessment Annex B, Cost Assessment Annex C and Cost Assessment Annex D
Core Methodology	p.371	Ongoing efficiency	Ongoing efficiency	We will continue to review the available evidence and would welcome further relevant evidence in response to this consultation. For example, external analysis (cited by CEPA252) finds that historical TFP growth in the ED sector varies from -0.5% to 3.8% per annum. Given the wide range in the figures, we plan to further consider the evidence before assessing whether such analysis provides a useful "sense check" to help calibrate the target we are setting.	This has been provided in Core-Q110, in Cost Assessment Annex B, Cost Assessment Annex C and Cost Assessment Annex D
Core Methodology	p69	3.182	PCBs	So far, the DNOs have submitted a variety of proposals to meet their compliance obligation and address this uncertainty. We request that the DNOs provide further data and evidence for the costs and volume of work as part of their consultation responses. If this data and evidence can support the design of a robust volume driver, we propose to confirm the design in our Final Determinations, including the form and granularity of the mechanism to reflect the unit rate(s) and possible upsizing requirements. If the DNOs do not provide sufficient data and evidence, we propose to set an evaluative PCD to ensure appropriate delivery.	This has been provided in Core-Q16
Core Methodology	p.378	A1.14	Losses	We would encourage the DNOs to improve upon their distribution losses strategies to increase transparency to stakeholders on their direct actions to manage distribution losses.	We have explained our position concerning Losses and how they are dealt through the Price Control in Core-Q13. We have a robust strategy and have already committed to report on this annually
Core Methodology	p.382	A1.27	Supply chain	We are proposing to accept the EAP commitments made by the DNOs without any amendment. We note that the DNOs have taken different approaches to collaborating with their suppliers to reduce supply chain emissions or environmental impact. While we do not consider it appropriate to prescribe a uniform course of action for the DNOs to adopt at this time, the DNOs should ensure that they are transparently reporting on actions taken and how it benefits consumers.	Commitment to report transparently on actions taken and associated consumer benefits made in Core-Q13
SSEN Annex	p.21	Table 16	LO	We support SSEN's proposal as we recognise the potential implications for security of supply, in the interim, prior to the new transmission connection coming online, and in the longer term. We note from the proposal that SSEN is committed to enhancing reliability of supply to island customers. It notes that there are limited options to deliver this solution and we are of the view that this is the most efficient option given timescales indicated. We will work with SSEN on the details of this LO ahead of Final Determinations.	This has been provided in North of Scotland Annex 10
SSEN Annex	p.22	Table 17	Marine biodiversity	We consider that SSEN's proposal goes beyond business as usual (BAU) and provides a consumer benefit. Please see paragraphs 2.23 to 2.28 below for further detail. We have concerns about the methodology used by SSEN to calculate consumer benefits and the resulting CVP reward amount. We intend to engage with SSEN to develop a sufficiently robust methodology for calculating the value that consumers place on biodiversity ahead of RIIO-ED2 Final Determinations. SSEN has indicated in its proposal that there is stakeholder support for this proposal and that SSEN should explore new and different ways to address biodiversity across its licence areas. While SSEN has not proposed a methodology for monitoring the biodiversity improvements, we are of a view that this can be adequately addressed through a commitment between SSEN and the group(s) to deliver the seagrass planting. Furthermore, we propose that SSEN report on the progress of this proposal in the Annual Environmental Report. SSEN has committed to implementing a clawback methodology that returns both the funding and any proportionate associated element of the reward to	This has been addressed in SSEN-Q4 and Annex 8
	p.26	3.5	Outperformance Wedge	We have reflected the CMA's findings from the RIIO-GD&T2 appeals in these Draft Determinations for RIIO-ED2. The main change is that we propose to remove the Expected Outperformance adjustment of 0.25% from Step 3. The CMA agreed with our view that there is asymmetry of information between the regulator and regulated entities. <sup>41</sup> The CMA also considered the overall extent of operational outperformance in RIIO-1 to have provided strong support for GEMA treating the scope for operational outperformance as an important risk area for RIIO-2, in relation to which significant changes might be required to protect consumers appropriately. In light of the CMA's conclusions on operational outperformance and information asymmetry, we remain open to proposals as to how these issues might best be addressed. Note: this one is included because of request primarily aimed at other stakeholders.	This has been provided in SSEN-FQ14
SSEN Annex	p.35	3.6	UM	For Shetland, SSEN's revised submission (received in April 2022) of £56m was significantly lower than its original Business Plan submission of £100m. In its resubmission, costs were moved from baseline to uncertainty mechanisms. Given this significant change in submitted costs, after the original deadline, we consider these costs to be lower confidence. We do not propose removing any costs at this stage as we have not had sufficient time to fully assess the proposal. We will continue to work with SSEN on its proposal for Shetland in the run up to Final Determinations.	This has been provided in North of Scotland Annex 10

SSEN Annex	p.37	3.15	EJPs	We asked supplementary questions (SQ) of SSEN to support the background information and assumptions used within EJPs and to help with our engineering assessment; for example, the source of asset condition data and demand assumptions. As a result of the engineering review of the EJPs, we have identified risks mainly related to optioneering (which in some cases drives volumes) and deliverability	This has been provided in Load and non-load EJP addendums - Annex 14 and 15, and in the Deliverability Annex 7.
SSEN Annex	p.38	3.18-3.20	EJPs	There are, however, some instances where we were not satisfied that SSEN provided sufficient evidence of the need for investment in RIIO-ED2 against the scenarios presented and the optioneering process appears limited, both in selection of preferred options and the proposed delivery plans. A number of schemes appear to be at an early stage of development which give rise to some concerns regarding cost certainty. However, the volumes proposed, and associated costs are highly dependent on actual demand uptake forecasts which naturally are based on assumptions. We consider that this leads to a risk that the cutback volumes will differ from those proposed within SSEN's business plan.	This has been provided in Load EJP Addendum - Annex 14, in Core-Q3 and Core-Q105.
SSEN Annex	p.38	3.22	EJPs	Generally, we consider that SSEN has provided sufficient evidence to demonstrate the needs case for the proposed condition-based asset replacement and refurbishment EJPs. However, there are numerous examples where volumes have increased from RIIO-ED1 with limited justification and the associated ramp up presents a risk in deliverability. Based on the information provided by SSEN, the plans in these areas appear to be at an early stage and only generic information regarding optioneering and delivery strategy has been presented.	This has been provided in Non-load EJP addendums - Annex 15 and in Deliverability Annex 7.
SSEN Annex	p.39	3.23-3.24	EJPs	SSEN presented several EJPs for subsea cable investments related to the islands of Orkney and the Hebrides. During the review period SSEN proposed changes to its original Business Plan through the Hebrides and Orkney Whole System (HOWS) Uncertainty Mechanism. We recognise and understand that there is a need for the proposed investments, however several of the proposed investments would benefit from further individual justification, such as inspection and test data, how the timing of investment has been chosen, detailed costs, and programme information for individual projects. The portfolio of projects also needs to be reviewed to take account of dependencies between individual circuits and to provide an overarching delivery strategy to better clarify the benefits and economies of scale related to projects being undertaken together	Additional requested info in Appendix A of Annex 10.
SSEN Annex	p.39	3.25-3.26	EJPs	SSEN's other non-load related EJPs cover a wide range of topic areas, including replacement of new System Control Centres, and IT and Telecom investments. These EJPs are varied in terms of the quality of supporting evidence presented for the proposed investment and we consider that several of the EJPs do not show a sufficient level of maturity to justify the proposed investment; with insufficient evidence provided for aspects such as planning considerations and deliverability. We also note that several of these EJPs, mostly in relation to Non-Operational IT investment are dependent on, or enable, other Non-Operational IT investments which will require close control and monitoring to ensure all the benefits are delivered for the budgets stated.	This has been provided in Annex 16 - IT EJPs Annex and in Annex 17 - OT EJPs Annex
SSEN Annex	p.40	Table 27	Control room	Needs case clear however, no specific information is provided regarding the proposed locations, delivery dates, design stages, or procurement strategies for the proposed new control centres. As such, it is not possible to determine how deliverable the proposals are or whether the requested allowances are appropriate.	The answers to these points are provided in the Annex 9 - Control room annex.
SSEN Annex	p.48	5.5	NIA	However, we are not confident that SSEN has in place rigorous procedures for innovation to be rolled out to BAU which we consider must include a robust process to monitor benefits from innovation projects. SSEN did not submit evidence that clearly demonstrated it has such a process in place. SSEN did previously populate the E6 table of the regulatory reporting packs in RIIOED1, which reports quantified benefits from innovation. However, in response to our recent request, it did not provide supporting evidence, such as in the form of models, that these estimates were based on a robust process. Moreover, SSEN's Business Plan submission contained only a brief narrative with little detail on its process in this area, and we are therefore not satisfied that SSEN is already monitoring benefits using a robust process.	This will be provided ahead of the 5th of September.
Ofgem Environment Bilateral 14/07	NA	NA	SF6	Ofgem is keen to see the updated carbon values and how this will look in our proposal. Ofgem is looking for further justification around the condition of assets containing SF6 and how this translates into health index scoring. SSEN should also include a the latest view on ongoing F gas review (changes since DD) and add some content in this area	This has been provided in section 4 of Annex 8
Ofgem Environment Bilateral 14/07	NA	NA	FFC	- SSEN to re-run NARMs for FFC volumes and compare between options to show difference. - SSEN to clarify reasoning behind methodology particularly for drivers of Portsmouth Water cables and benefits - SSEN review PCD elements of offering in response	This has been provided in section 6 in annex 8
Ofgem Environment Bilateral 14/07	NA	NA	Nature Based solutions	SSEN has committed during the Bilateral with Ofgem to provide information on WtP data already produced in support of nature" and to provide view of how we are addressing biodiversity net gain legislation and how credits work when located away from works."	WtP Information emailed to Ofgem on 16th July, and further provided in our response to Q13 & Q89 and in section 3 of Annex 8
Ofgem Environment Bilateral 14/07	NA	NA	Flood Mitigation	Address comment raised on EJP	SSEN has addressed the comment raised on EJP in Core-Q85 and in section 8 of Annex 8
Ofgem Environment Bilateral 14/07	NA	NA	CVP	■ SSEN to show how it developed the flow through the methodology and how it works in practice ■ Need to show how SSEN monitors lifespan and progress and how it all flows through in practice. ■ Answer this 3 questions noted on a near to subsea cable, methodology/consumer benefits, and breakdown of costs. Ofgem to look at a formula to calculate reward and SSEN to provide info on reward per hectare.	This has been addressed in SSEN-Q4 and Annex 8
LRE bilateral 18/07	NA	NA	Net zero compliance and the demand-driven adjustor	■ Ofgem would welcome more specific information on why SSEN thinks that the DD is not net zero compliant. ■ SSEN to provide further evidence in our DD response on the £23m "strategic investment" and what it will deliver (specific supporting stakeholder engagement and views of substation overloading). ■ Ofgem is open to further discussion on how demand-driven reductions have been applied to the entire plan and to explore potential alternatives – perhaps through the cost bilateral. It would be useful to Ofgem for SSEN to explain why it believes Ofgem's approach is wrong.	This has been addressed in Core-Q105, in Core-Q3 and in Annex 1
LRE bilateral 18/07	NA	NA	Ensuring a deliverable UM	■ Ofgem is keen that the UM VD mechanism is fit-for-purpose and is open to SSEN providing further evidence on why it thinks that a single set of rates for GB is not appropriate. ■ Ofgem is open to evidence from SSEN that helps mitigate the risks coming from the LRE package and its ability to cover flexibility SSEN has identified – could be covered in the working group in August. ■ Ofgem would welcome further conversation on the issue of indirect cost funding and any supporting evidence related to LRE.	This has been addressed in Core-Q4 and Annex 11
Ofgem bilat 28/07	NA	NA	Modelling issues	Ofgem are looking for our response and reasoning for a different weightings in Totex 3 model between heat pumps and EVs	This has been addressed in Cost Assessment Annex E
Ofgem bilat 28/07	NA	NA		Ofgem open to alternative drivers for indirects if we can evidence they are better modelling alternatives.	This has been addressed in Cost Assessment Annex E, Core-Q102 and Core-Q103

Ofgem bilat 28/07	NA	NA	NoS annex	Ofgem saying that they found the NoS annex hard to understand, in particular the smaller claims around helicopters etc. -> Ofgem asking for a spreadsheet and schematic on these kinds of breakdowns and the mapping to different tables / models. / Ofgem need to understand the clear boundary as to what is in the sparsity claim. Ofgem keen for us to share SSEN's work on statistical significance ahead of our DD response	Annex 10 now contains the detail and itemised costs provided within the Appendices of Annex 10.
Ofgem bilat 28/07	NA	NA	Sub-sea Cables	Ofgem stating that more information on the data points about the 25 cables, and how we came to this decision. Need to manage the fact that SSEN have said we can't predict, but then we have given a number. Ofgem looking to understand the counterfactual.	The counterfactual position is clarified in Annex 10
Ofgem bilat 28/07	NA	NA	LV/HV cables EJP	LV/HV cables and why they were partially justified – Ofgem stating there was no relationship between the investments portfolio and the faults (as the faults were generic). SSEN emphasising that specific circuit data was used and we are happy to share in a follow up. Ofgem want to understand how the faults data impacts the investments we want to do. Ofgem want to understand more about our deliverability constraints and this would move our position towards justified. Ofgem stating these are close to being justified.	This has been provided in Core-Q73 and in Annex 7 - Deliverability annex
Shetland and Pentland Firth East bilateral 01/08		NA	Shetland and Pentland Firth East	SSEN presented an overview of all NoS Company Specific Factors to help Ofgem understand the specifics. SSEN to provide the additional clarity in an easy to follow format to allow Ofgem to evaluate. Details of the cost elements to be provided in Annex.	This has been provided in North of Scotland Annex 10
CS and Vuln Bilateral 03/08	NA	NA		SROI model – Ofgem asking SSEN about some of the other activities captured in SROI model. Ofgem accepted that our proposals followed guidance and compared well to other DNOs. SSEN are willing to explore wider SROI benefit calculations and best practice with Ofgem. SSEN were mid pack in terms of SROI and NPV. Value in IA role for comparison across DNOs. RF to send through thoughts on SROI.	This isn't addressed in the consultation, but agreed in the August 2022 working group that this activity would-be completed by the end of September. SIA Partners have been appointed.
CS and Vuln Bilateral 03/08	NA	NA		During the bilateral with Ofgem, SSEN has provided information about the PRP CVP. Ofgem would welcome this to be set out in our response, but also would welcome looking at different options for delivering PRPs. Ofgem would also like to understand where costs would sit, and would like to understand what additional resources dedicated resources	This has been provided in Core-Q5
Engineering Hub Bilateral 09/08	NA	NA	NARMS & Monetised Risk	ED1 breakout - Ofgem are looking to understand our ED1 track record through our EJPs. SSEN approach has changed between ED1 and ED2 in terms of use of CBRM. Ofgem would like this to be clarified as it would be clear justification for a change and how this has impacted volumes between ED1 and ED2 and we could do more to bring this out.  Ofgem expecting addendums to specific EJPs where appropriate (e.g. changes to our risk management approach), but that we should flag this within our core methodology response.	This has been provided in Annex 15 - Non-load EJP addendums
Engineering Hub Bilateral 09/08	NA	NA	CV7 Disaggregated Modelling	Ofgem looking for information on the interaction of our data on poles, our inspection rate etc. and how this fits into our ED2 proposed volumes. Ofgem looking to understand the risk and how we have come to our volume numbers.	This has been provided in Annex 15 - Non-load EJP addendums
Engineering Hub Bilateral 09/08	NA	NA	CV7 Disaggregated Modelling	For poles as an example, Ofgem have requested data on the inspection frequency, confirmation of the number of HIS poles and then how our methodology arrives at the volumes of assets for intervention. Ofgem advised that we should apply this for other relevant asset categories too where appropriate. Ofgem stating that clarity on inspections data will help us to justify the volumes.	This has been provided in Annex 15 - Non-load EJP addendums
Engineering Hub Bilateral 09/08	NA	NA	CV7 Disaggregated Modelling	Ofgem stating that how we manage our HIS poles and the link to our NAIM is not clear in our response and additional information on this should be in the DD response to justify the volume ask.	This has been provided in Annex 15 - Non-load EJP addendums
Engineering Hub Bilateral 09/08	NA	NA	CV7 Disaggregated Modelling	Ofgem want more information in terms of our awareness of managing current risks in ED1 where we have step changes in volumes for ED2 e.g. cables and the reasons we are not addressing in ED1.	This has been provided in Annex 15 - Non-load EJP addendums and Annex 7 - Deliverability Annex
Engineering Hub Bilateral 09/08	NA	NA	CV7 Disaggregated Modelling	Ofgem stating that refresh rates should also include LRE investments e.g. for cables. SSEN to include the LRE volumes in the delivery statements to clarify the total position to assist Ofgem's assessment.	This has been provided in Annex 15 - Non-load EJP addendums
Engineering Hub Bilateral 09/08	NA	NA	HV/LV Cables	Ofgem questioning how we have applied deliverability constraints to reduce the CBA outputs. Ofgem looking for further information on how we came to this number. Ofgem looking for our volumes to be better tied to the needs case. Ofgem stating that this is close to being justified and was a good EJP with slightly more evidence.	This has been provided in Annex 7 - Deliverability annex
Engineering Hub Bilateral 09/08	NA	NA	HV/LV Cables	Ofgem stating that if we can articulate our supply chain early engagement it will support our volumes justifications.	This has been provided in Annex 7 - Deliverability annex
Engineering Hub Bilateral 09/08	NA	NA	HV/LV Cables	SSEN raising that we will present arguments as part of our DD response on unit rates for cables. Ofgem will accept more unique submitted unit costs where DNOs can justify them. Ofgem stating that expert rate would be the lower of median or submitted, except where DNOs can justify a uniquely higher rate.	This has been provided in Annex 12 - Unit rates annex
Engineering Hub Bilateral 09/08	NA	NA	RLMs	Ofgem questioning our sampling rate on RLMs and SSEN responded by explaining that the sample size is considered to be statistically significant and therefore can be used to forecast ED2 volumes.  Ofgem stating that the justification of the paper was not far off, but insufficient information was provided. Ofgem asking for more information on the sampling size and how this was used.	This has been provided in Annex 15 - Non-load EJP addendums