

RIO-3 Draft Determinations

Our response to other sector and company documents

August 2025



Navigating our response

Cadent's response to Ofgem's RIIO-3 Draft Determinations is structured as follows.

1. Executive Summary

2. Summary of our response

3. Question responses to the Draft Determination documents

a. Response to Overview Document

b. Response to Gas Distribution Document

c. Response to Cadent Document

d. Response to Finance Document

e. Response to other sector or company questions documents

4. Annexes

Ofgem Question Reference	Annex Reference	Annex Title
		No annexes referenced alongside questions in this document

About this document

This document covers our responses to the questions in the other sector or other company documents in the Draft Determinations.

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Gas Transmission

GTQ28. Do you agree with the proposed expanded scope of the Authority-triggered Gas Strategic Planning Re-opener?

We agree with the proposed expanded scope of the Authority-triggered Gas Strategic Planning re-opener.

However, this re-opener should be extended to all Gas Transporters, and the relevant licence drafting should include the power for Ofgem to amend the NTS licence if they need to socialise the costs across all GB gas consumers (rather than just a specific GDNs’).

This approach would enable to use of a GDNs’ Local Transmission System (LTS) to resolve constraints on the NTS should this be identified by the NESO as the optimal approach.

The NESO CSNP Methodology drafting is also clear that anyone can propose options for hydrogen infrastructure (not just the NTS) and acknowledges that the NESO assessment must also consider the impact from asset repurposing on the methane system. This suggests that a GDN could submit proposals to solve a hydrogen SSEP system need, through LTS repurposing, which requires work on the methane system as an enabler.

As such, GDNs will also require a re-opener for Gas Strategic Planning.

Scotia Gas Networks

SGNQ13. Do you agree with our proposal to reject SGN's submitted Other Distribution Mains and Services Re-opener?

It is our view that rejecting SGN's submitted Other Distribution Mains and Services Re-opener would be inappropriate, particularly if their baseline funding does not adequately address the necessary volume of Cost-Benefit Analysis (CBA) mains activity. The adoption of the Digital Platform for Leakage Analytics (DPLA) and the associated Advanced Leakage Management (ALD) approach is fundamentally about enhancing efficiency and ensuring targeted investment. As we have evidenced through the development of our own Hybrid Leakage Model (HLM), informed by extensive data from 10,000km of surveys, ALD data facilitates a granular, pipe-level identification of leakage. This proves significantly more effective than traditional methods, such as the Shrinkage Leakage Model (SLM), in pinpointing specific high-leakage assets requiring intervention. This data-driven prioritisation ensures that our efforts are directed towards areas delivering the greatest value and emissions reduction, which may include assets located outside the immediate vicinity of buildings (i.e., beyond 30m).

While SGN and other networks are in the process of developing similar capabilities, they currently lack the same quality and depth of data that we possess, which has understandably impacted their ability to fully incorporate these advanced insights into their base plans. The crucial element of SGN's proposal lies in its acknowledgement that advanced analytical capabilities, such as ALD, can indeed reveal the need for additional interventions not foreseen in initial baseline planning. By proposing to utilise ALD data, SGN is aligning with evolving best practices within the industry and demonstrating a commitment to optimising asset management. Whether these additional interventions are recognised through mechanisms like "Justified" or "Clearly Identifiable Over Delivery" under NARM, or indeed via a re-opener as SGN suggests, the underlying principle of allowing for data-backed adjustments to investment plans is sound. To reject this re-opener would be to overlook a more sophisticated and effective methodology for managing network leakage and emissions.

SGNQ14. Do you agree with our proposal to reject SGN's request for a bespoke River and Coastal Erosions - Asset Intervention Strategy re-opener?

We agree with Ofgem that the workload described within paragraph 4.14 of the Draft Determination SGN annex should be within the scope of the common Diversions and Loss of Development Claims re-opener.

Should there be evidence that the current licence drafting associated with this common re-opener is insufficient then it should be updated to ensure that it delivers against this policy intent.

Across all re-opener mechanisms it will be critical that the intent of the policy decisions set out across the Determinations are clearly captured within the licence drafting with no ambiguity.