

<u>Independent External Company</u>	<u>Company Background</u>	<u>Purpose of Engagement</u>	<u>Output</u>
Arcadis	Arcadis is a leading global design and consultancy firm for natural and built assets - with an established international track record of delivering technical and costing support to energy network companies for regulatory submissions.	To critically review the scope and costs for our RIIO-T2 plan.	<p>Arcadis carried out a review which covered over 50% of the plan's capex and tested our assumptions applied to the wider engineering plan. The review carried out took the form of a "deep dive" into the projects, in order to examine the complexity and wide range of cost drivers that are characteristic of transmission projects. The project specific engineering design that was undertaken for each project was tested by Arcadis in order to understand the scope of work in detail; this ensured a like-for-like comparison with their benchmark data.</p> <p>Feedback from Arcadis was that costs for core activities in our plan are efficient relative to benchmarks in most areas but they identified a small number of areas that we needed to review. We undertook a review of the schemes and extrapolated the findings to all relevant projects in our plan, resulting in cost reductions of £11m, 1% reduction in our planned load and non-load capital expenditure.</p>
Balfour Beatty & Prysmian	Cable system industry leaders, with a specialist cable team in Scotland which provides inspections, data analysis and background information.	To collect and interpret data, and challenge our needs case and scope for cable investment work.	We refined our candidates for cable investment work. Examination of our condition data was also enhanced during this engagement.
Complete Strategy	Complete Strategy have extensive experience advising companies during price control processes in regulated industries.	Advise on the regulatory and political context for our plan and make sure our submission meets the needs of the regulator. Support development of our assurance framework.	<p>Developed a list of Ofgem's requirements for our plan - then validated and provided feedback on our draft submission. Updates were made on the back of this, and we are confident that our plan is fully compliant with Ofgem guidelines.</p> <p>Supported us to carry out an independent risk assessment of our business plan building blocks using DAG and Enterprise Risk Reporting methodology. The output of this assessment became the framework for identifying the level of assurance activities required.</p>
Doble	Doble are specialists in power transformers. They undertake reviews and proposals of asset management methodologies and lifecycle management of transformers from design specification, fault diagnosis and life time extension	To review the robustness of the engineering methodology we used to produce the input required by the CBRM Tool for transformers	Doble were very supportive of the 'top-down' approach of the methodology used - with some small changes recommended to the way we evaluate condition indicators. These recommendations are fully addressed.
Elias Ghannoum	World renowned expert with over 48 years experience in every aspect of Overhead Transmission Lines.	Elias reviewed the robustness of the engineering methodology we used to produce the input required by the CBRM Tool for overhead lines.	<p>Elias validated our methodology - with small number of recommendations made. Changes made as a result include:</p> <p>Information on historical defects have been collected and incorporated into the plan as part of the evidence to support intervention.</p> <p>Updated our innovation plan with a new approach for site specific ratings of current environmental areas and development of a wind and corrosion map to help predict elements of fatigue and corrosion rates on OHL components across the OHL SPT Region.</p>
Strategy Associates Limited	Leading expert in the production of cost benefit analysis and economic investment appraisal using HMT Green Book methodologies.	To review the methodology we used for our CBAs and confirm that our analysis is consistent and in accordance with the agreed methodology.	Graham Boydell, Director of Strategy Associates Limited, confirmed our analysis methodology was robust. A sample check was carried out, with positive results - minor numerical errors were identified and resolved prior to submission.
Polaris	Independent technical experts in power transformers - specialising in fault diagnosis, condition monitoring and condition assessment.	To undertake the condition assessment and suitability review of the proposed 13 transformer refurbishment candidates and 13 transformer replacement candidates identified via CBRM.	<p>All 13 refurbishment candidates confirmed as suitable with 10 brought into the RIIO-T2 plan. Condition reports also proposed the required interventions that should be carried out as part of the refurbishment.</p> <p>Six of the 13 replacement candidates were confirmed as suitable for replacement in RIIO-T2. Two candidates were deemed to be suitable for refurbishment, two have been identified as higher risk and will have online DGA installed to closely monitor condition. The remaining candidates have been deferred to RIIO-T3.</p> <p>The condition assessment reports for the RIIO-T2 candidates are provided as part of Annex 1.</p>

Ramboll	A leading multi-disciplinary engineering company experienced in the delivery of major projects providing specific technical advisory, engineering design and regulatory services.	Engaged as an external technical consultant to provide independent technical review of proposals for 19 projects - and confirm we have provided sufficient evidence within the proposal documentation that we adequately considered alternative options and adequately justified the technical requirements for the selected option.	<p>The major schemes reviewed by Ramboll withstood technical challenge, with no significant issues identified. A number of minor recommendations were taken on board. Changes made include:</p> <p>Detailed site surveys for non-lead assets now available which are referenced in the Engineering justification papers submitted to Ofgem.</p> <p>Introduction of an executive summary into the SPEN internal approvals process documents - summarising the needs case, solution and options considered. This has also been introduced to the engineering justification papers requested by Ofgem.</p>
Sia Partners	A consultancy that works closely with Ofgem on designing new incentives. Sia designed the BMCS Incentive and the Social Obligations Incentive.	To review the stakeholder engagement sections of our draft business plan against Ofgem's guidance and a model of best practice.	A number of recommendations were made by Sia Partners on the stakeholder engagement sections. All of these recommendations were addressed during a full update of the relevant sections of the plan.
Gartner	Gartner are a leading research and advisory company who provide insight into IT strategies and benchmarking against comparable peers.	To review the SPT's IT plan and compare this against IT plans in similar, comparable peer organisations.	Gartner reviewed SPT's IT capital plan for both the content and the proposed investment levels. Gartner considered the specific areas of investment and compared this against the plans of similarly sized electricity transmission and distribution, and asset-intensive, utility organisations. They determined that the content and proposed levels of investment in our capital plan are broadly aligned with those expected.
CBRE	Worldwide leader in real estate services.	To critically review property rents of buildings occupied by SP Transmission against the indicative current market rental of each property.	Confirmation that SP Head Quarters is in line with market rents and both Kilmarnock & Cambuslang are below the current market rental levels for properties of this nature.
We worked with the following organisations to support us in the development of a number of areas of our business plan:			
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AccountAbility and Sia Partners	AccountAbility is a global consulting and standards firm and the custodian of the AA1000 Stakeholder Engagement standard.	We worked with AccountAbility and Sia Partners to refine our stakeholder engagement strategy.	Refinement and launch of our new stakeholder engagement strategy which is a combination of industry best practice, stakeholder and customer feedback, and years of our own experience in delivering meaningful stakeholder engagement.
Baringa Partners and Element Energy	A global company with extensive experience applying scenario-analysis in the energy market.	Develop four scenarios for the SPT network area, with the National Grid 2018 Future Energy Scenarios as a starting point.	These scenarios, which run to 2040, were used to inform our load-related investment proposals.
Explain Market Research	Explain Market Research support UK utility companies to deliver insightful and strategic engagement.	To gather Consumer insight throughout the development process to ensure our plan was founded on Consumer best interests.	Explain Market Research supported us to gain consumer insight into our plan through a number of events and surveys - including multiple strands of the 'Willingness to Pay' initiative and 'Willingness to Accept' survey. They also supported us with the creation and implementation of a "triangulation methodology" to ensure a consistent and fair approach to dealing with differences in opinion of our stakeholders.
NERA	NERA Economic Consulting are a global firm of recognised experts in regulatory economic consultancy.	To estimate the cost of equity for the RIIO-T2 price control period.	This third party advice has helped inform our view of what the correct cost of capital for RIIO-T2 is. NERA also reviewed our proposals for incentives and challenged these from an economics perspective to make sure our proposals were robust.
PWC	A leading professional services firm at the forefront of cyber security strategy and implementation.	To challenge whether our proposals for cyber resilience are in line with NIS requirements, and test the efficiency and appropriateness of costs.	The advice received has developed the strategic roadmap for the development and implementation of OT cyber security solutions into a detailed action plan. The resulting plan is mapped to the Ofgem guidance for ensuring compliance with the NIS directive and PWC have verified that the costs are appropriate and aligned with market rates.