



30 July 2018

National Grid plc

Ofgem's RIIO-2 Framework decision and decision on Hinkley

Ofgem today published its RIIO-2 Framework Decision. We are pleased that the decision provides further clarity on the length of the price control from April 2021 and continues to put consumers and other stakeholders in a central role in the process. We look forward to continuing to work constructively with Ofgem and other stakeholders over the coming months to achieve the best possible outcome for all stakeholders.

Separately, Ofgem has also published its final decision on the delivery model for the Hinkley-Seabank project (HSB) today, in which it chose the Competition Proxy model.

Ofgem's decision does not affect our commitment to delivering HSB to time and to quality as per our licence obligations.

We will now review the detailed decision by Ofgem and consider all of our options prior to Ofgem formally implementing the proposals into our licence later in the year or early 2019.

The HSB project is expected to have a total cost of around £650m, with the majority of forecast spend by National Grid Electricity Transmission plc in the RIIO-T2 price control period from April 2021 onwards.

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