

Electricity  
Transmission

# T2 financial and output performance reporting

November 2018

nationalgrid



# Welcome to our financial and output performance reporting webinar

Thank you for joining us!

You will be joined in listen only mode.

Please do not unmute yourself or turn your camera on

You can ask questions via the chat function throughout

There will also be an opportunity to ask voice questions in the Q&A session –dial in via telephone if you want to do this

Please note we will be recording this webinar

Both the recording and slides will be made available on our website

For more information on how we're building our RIIO-2 plans with you can visit [youenergyfuture.nationalgrid.com/electricity-transmission](http://youenergyfuture.nationalgrid.com/electricity-transmission)

**National Grid**

**Electricity Transmission**  
David Wright explains how you can get involved

Hi everyone!

### Welcome to Electricity Transmission

The energy landscape is changing and is placing new demands on our network.

Offshore wind farms, solar parks and battery storage, more electric vehicles and improvements in safety technology mean that our network needs to adapt.

It's more important than ever that we listen to the changing needs of our customers and use your insight to create our future business plan. Through engagement with you we will get the benefits of your experience, the insights we need and the performance outcomes that we need.

We're currently seeking for our next business plan submissions to begin the next regulatory period. RIIO-2 begins in 2023. We invite all of our RIIO-2 stakeholders to our annual plan the process. We will get in touch with you through video in our next call. You can find all more about how we're planning to begin on the [Get involved](#) page.

We're really excited about this approach and would like you to get involved - we'll have to make sure we make time to listen to you and make a plan that can help us all to succeed.

Hope you find this slide useful and informative. Thank you for your interest in our business.

**For more information on Electricity Transmission**

- Get involved
- What we do
- Our performance
- Planning assumptions
- ET Stakeholder Group

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# Agenda

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Scope and context 02

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Current reporting 03

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Feedback so far 05

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Creating a stakeholder-led business plan 06

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Your views 07

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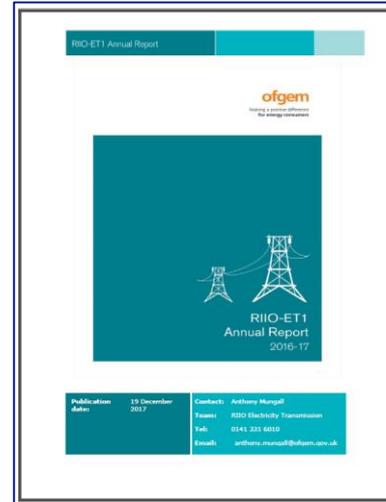
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# Current reporting

## Financial and operational performance



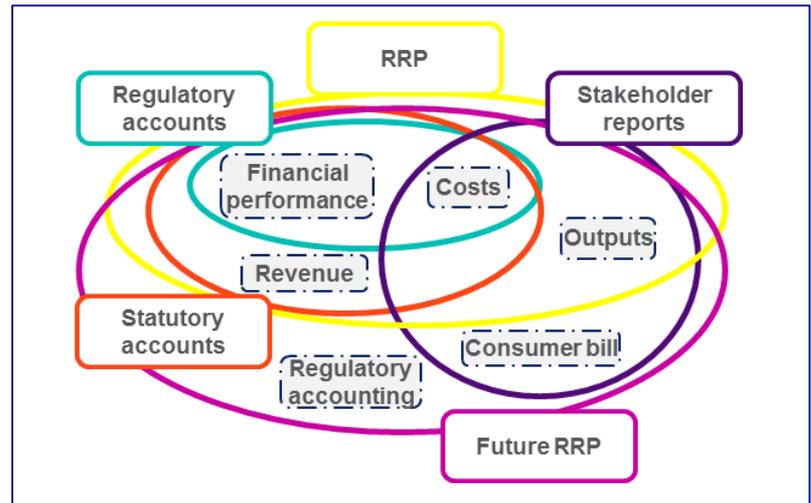
**Annual Report** –The report has 4 sections including NG Strategy, Corporate Governance, Financial Statements including auditors reports and Additional Disclosure and Information . Link: [Nationalgrid Annual Report](#)



**RRP and Ofgem annual report** - Provides costs, outputs & incentive data so Ofgem can collect accurate and consistent data from the three electricity transmission owners. RRP is a key part of our reporting and it feeds Ofgem’s annual report and our stakeholder reporting: [https://www.ofgem.gov.uk/system/files/docs/2017/12/riio\\_transtmission\\_annual\\_report\\_2017\\_final\\_1.pdf](https://www.ofgem.gov.uk/system/files/docs/2017/12/riio_tr_anstmission_annual_report_2017_final_1.pdf)



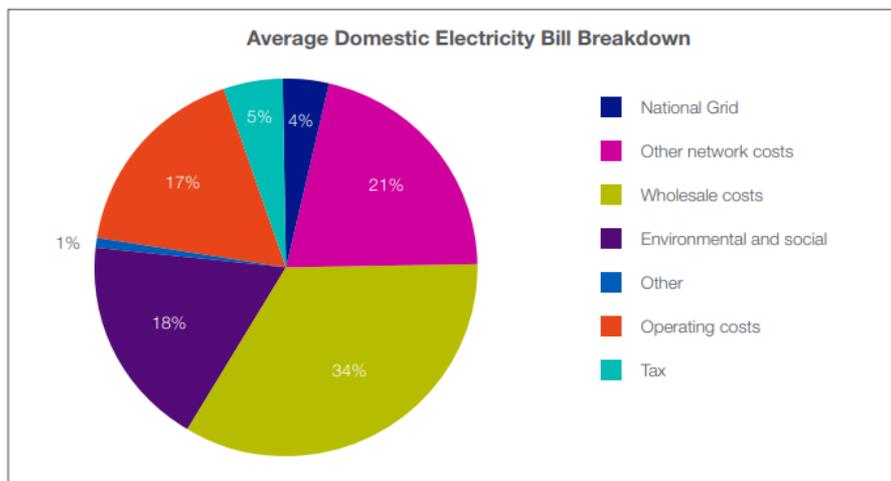
**Stakeholder Performance** - This report provides a summary of NGET yearly performance in simple & concise manner including data tables with comparative to prior year and to allowances. Link :[National Grid Transmission Performance Doc.](#)



# Current reporting

## Customer and consumer impact

### Annual Report and Stakeholder Performance



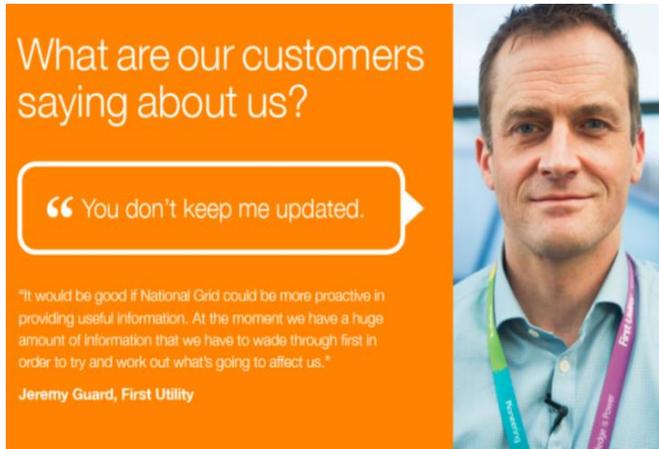
We publish the network costs attributable to National Grid within the consumer bill and what we have delivered against these costs.

### TNUOs Tariffs and Transportation Statement

Allowed revenue
Nominal prices based on
Base Revenue, BR
Pass Through Items Adjustment, PT
Output Incentive Revenue Adjustment, OIR
Network Innovation Allowance, NIA
Network Innovation Competition
PARCA Termination Value
Correction Term Revenue Adjustment
$MR_t = BR_t + PT_t + OIR_t + NIA_t + NICF_t - K_t$
Income (Actuals and Forecasts)
TO Entry Capacity Charges
TO Exit Capacity Charges
TO Entry Commodity
TO Exit Commodity
Metering income
DN Pension Deficit
Other TO income
TO Entry Commodity Rebate
Total Income

We publish information about how we calculate our tariffs and details of the revenue recovered through these charges.

# Feedback so far



**‘As things stand, networks lack transparency’**

Citizens Advice

**‘We want to take steps to improve reporting and increase transparency’**

Ofgem

## CSAT feedback from customers

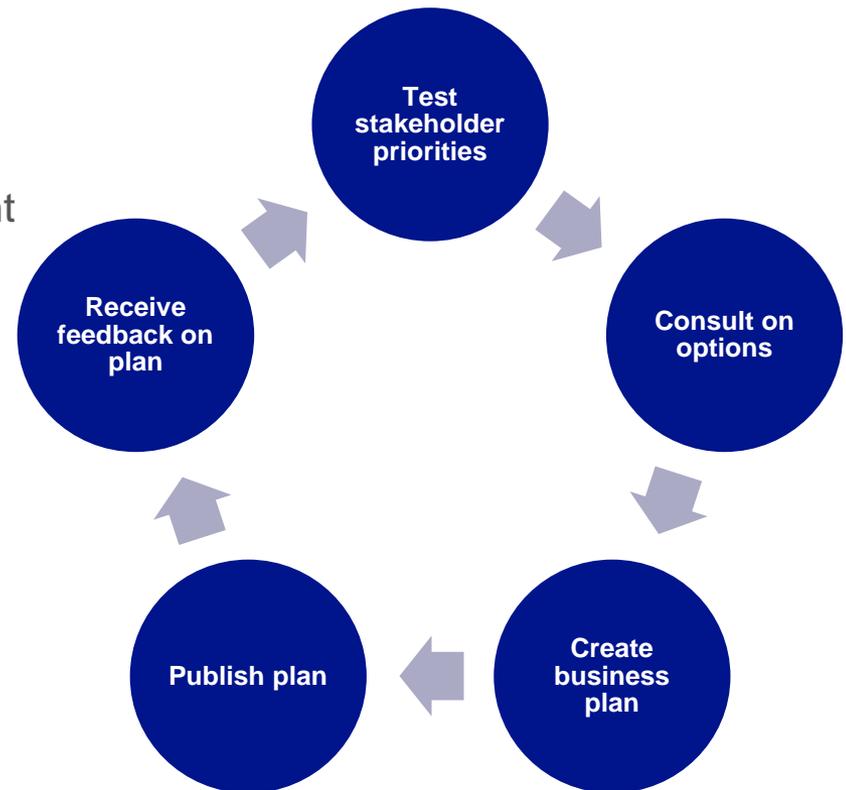


**‘There are huge swings in your charges which impact are business and we do not understand why’**

**‘Can you better link consumer and customer bill information to your operations and performance’**

# Creating an annual stakeholder-led business plan

- Our current annual business planning process is mainly inward-facing
- Other organisations are more consultative and transparent with their plans
- We're learning from our RIIO-2 engagement to create an ongoing stakeholder-led process
- Each year we'll start by talking to our stakeholders
- The aim is to introduce this for 2020/21
- In RIIO-2, we'll work with our stakeholders to improve the process



# Your views

## Quick polls



# Your views

## Questions

- Any questions?

# Your views

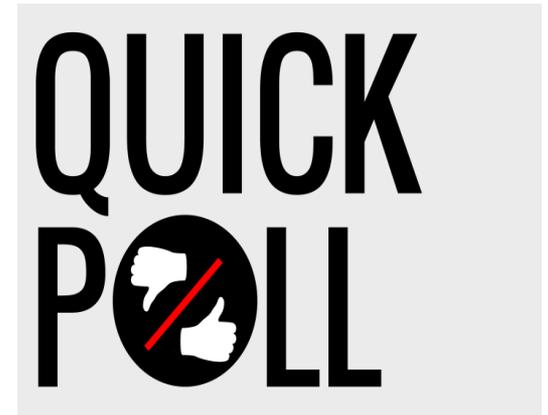
## Understanding your Requirements

**Nationalgrid is committed to a reporting that is transparent but we need your help in order to ensure that the reporting meet your needs.**

- What NG information or reports do you currently use and how often?
- For information you currently use what is useful and what could be improved?
- What additional performance information would you like to receive in future?
- What are your views on our proposals for an annual stakeholder-led business plan process?
- Would you like to be involved in further discussion on this topic? And if so by what means?

# Please give us feedback so we can improve future engagement

1. How would you rate the content of this webinar?
2. How would you rate the deliver of content by our speakers?
3. How would you rate webinars as a vehicle for delivering content?
4. Any general comments? (free text)



Please give us feedback so we can improve future engagement

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