

Min Zhu
Deputy Director
Transmission Sector
Ofgem
10 South Colonnade
Canary Wharf
London
E14 4PU

Mark Brackley
Head of ET Regulation,
Regulation
National Grid

mark.brackley@nationalgrid.com
Direct tel +44 (0)1926 65 6024

8 April 2021

www.nationalgrid.com

Dear Min,

Assurance Statement - NGET Non-Operational IT Capex Re-opener applications, April 2021

I refer to the above re-opener applications. The purpose of this letter is to provide written confirmation in line with the assurance requirements set out in Ofgem's Re-opener Guidance.¹ I provide this confirmation in my role as Head of Electricity Transmission Regulation where I am accountable for the RIIO-2 regulatory allowances for National Grid Electricity Transmission (NGET) including any re-opener changes to these allowances. I provide the following statements below regarding how the reopener applications have been prepared and submitted in relation to each of the three assurance points requested by Ofgem:

It is accurate and robust, and that the proposed outcomes of the Re-opener are financeable and represent good value for consumers

- The applications have been prepared by a multi-disciplinary team involving leaders from UK Regulation, Electricity Transmission and IT. Iterative internal challenge and review between these teams supports the accuracy and robustness of the proposals.
- The relevant senior leaders have confirmed support for the re-opener proposals in terms of: needs case, consumer benefits, deliverability inside RIIO-2 and alignment with wider business strategy.
- The proposed increase in NGET baseline allowances is small in comparison to total RIIO-2 planned expenditure and therefore does not materially impact financeability.

There were quality assurance processes in place to ensure the licensee has provided high-quality information to enable Ofgem to make decisions which are in the interests of consumers

- The information in the submissions and supporting files has, as a minimum, been subject to both peer review and approval by a manager more senior than the author.
- Calculations of proposed allowances presented in the re-opener submissions have been assured by the relevant Finance Business Partners.
- The applications have been subject to robust assurance and are accompanied by supporting information which includes the relevant Irregular Submission Assurance Reports and Risk Assessments.
- Draft contents of the applications have been shared in advance with Ofgem and discussed in a

¹ [RIIO-2 Re-opener Guidance and Application Requirements Document: Version 1, 26 February 2021](#)

series of pre-application bi-lateral meetings during February and March 2021. The purpose of these sessions was to support the agile, efficient and proportionate process for re-openers outlined by Ofgem in Final Determinations². We have taken on board Ofgem's feedback from those sessions leading us to understand that our applications provide a proportionate amount of evidence having regard to the values of allowances and complexity involved.

The application has been subject to internal governance arrangements and received sign off at an appropriate level within the licensee

- The applications have been subject to internal governance through monthly meetings of the Electricity Transmission Delivery Board, chaired by the Director of UK Regulation, during the period February to April 2021. The President of Electricity Transmission and Chief Information Officer are represented at this forum.

NGET's designated point of contact for this reopener application is Jade Ison, RIIO-2 Regulatory Submission Manager, email jade.ison@nationalgrid.com, telephone 07977 021952.

Yours, sincerely,



Mark Brackley
Head of Electricity Transmission Regulation, National Grid

² [RIIO-2 Final Determinations – Core Document \(REVISED\), 3 February 2021](#) see section 7.26 to 7.34