STCP 24-1 Issue 003 Revenue Forecast Information Provision

STC Procedure Document Authorisation

Company	Name of Party Representative	Signature	Date
National Grid Electricity System Operator Ltd			
National Grid Electricity Transmission plc			
SP Transmission plc			
Scottish Hydro Electric Transmission plc			
Offshore Transmission Owners			

STC Procedure Change Control History

Issue 001	20/11/2013	New STCP – PM067
Issue 002	04/11/2015	Issue 002 incorporating PM084
Issue 003	01/04/2019	Issue 003 incorporating National Grid Legal Separation changes

1 Introduction

1.1 Scope

1.1.1 This document describes the data exchange process between NGESO and other TOs, which is required so that NGESO can regularly publish the forecast annual revenue for all TOs over a five year period.

- This procedure applies to all TOs.
- Reporting of information by the TOs is to be routinely twice a year with additional reports by exception.
- This procedure applies from the implementation date of CUSC modification CMP206 - Requirement for NGESO to provide and update year ahead TNUoS.

1.2 Objectives

1.2.1 The objective of this document is to provide for an effective data exchange between NGESO and other TOs to enable NGESO to regularly publish the forecast revenues of each TO for the next five years, so that parties that pay TNUoS charges can understand future changes.

1.2.2 To meet this objective, this document specifies the following:

- the responsibilities of NGESO and other TOs in relation to data provision, related to the forecast of revenue; and
- the lines of communication to be used.

2 Key Definitions and Interpretation

2.1 For the purposes of STCP24-1:

2.1.1 **Transmission Owner (TO)** means the holder of an Electricity Transmission Licence under the authority of the Gas and Electricity Markets Authority (GEMA) pursuant to the Utilities Act 2000.

2.1.2 **Licence Terms** are the specific revenue items from the Transmission Owner Electricity Transportation Licence describing its allowed transmission revenue e.g. Revenue Correction (K_t).

3 Procedure

3.1 Overview of Revenue Forecast Publication Process

3.1.1 An overview of the interfaces between NGESO and other TOs is represented in the swim lane diagram in Appendix A.

3.2 Forecast Revenue Information

3.2.1 As part of the GB Transmission quarterly forecast of total revenues, it is necessary for all the other TOs in GB to provide NGESO with certain detailed information in order to enable the publication of the forecast revenue for all TOs.

3.2.2 The data required for the forecast are the values of the specific Licence Terms for each TO and are to be provided utilising the template, Appendix B.

3.2.3 Each TO will separately report or forecast their revenue for the previous year, current year and each of the next five financial years on a nominal price basis (money of the day).

3.2.4 NGESO will, as part of the published report, provide a view of inflation.

3.2.5 All financial values will be supplied to the nearest £100k.

3.2.6 A narrative for the forecast figures will be provided by each TO.

3.2.7 Each TO will provide contact details with respect to answering any query with regards to their data.

3.2.8 NGESO shall provide all necessary assistance in response to any reasonable query from the other TOs regarding the publication of the data.

3.2.9 Each TO shall provide all necessary assistance in response to any reasonable query from NGESO regarding the data submitted by that TO.

3.3 Publication

3.3.1 NGESO will use reasonable endeavours to collate and publish the forecast revenues on the NGESO website by the end of the following months - January, April, July and October.

3.3.2 The forecast revenue information specific to each TO will be separately detailed within the report and will include the narrative on changes provided by the TO.

3.3.3 NGESO will produce a Forecast Revenue summary split by Transmission Owner for existing TOs.

3.3.4 NGESO shall, where possible, provide a forecast of future revenues for potential future TOs within the report.

3.4 Timescales

3.4.1 Each TO is required to provide the forecast revenue data and narrative by e-mail no later than the close of the 5th business day each February and October..

3.4.2 Where additional information is required for future Revenue forecast reports, NGESO will endeavour to provide 30 days notice before a formal request is made.

3.4.3 Each TO will endeavour to provide any additional data requested by e-mail within 30 days of receipt of the data request or within timescales agreed by both NGESO and the TO.

~~3.4.3~~3.4.4 In the Financial Year preceding the next regulatory price control period, NGESO and the Onshore Transmission Owners may notify one another and agree (on a unanimous basis only), any reasonable temporary adjustments to the provisions in 3.2 and 3.4 to allow them to be fulfilled. E.g. data substitutions, submission date changes.

4 Use of Substitute Data

4.1.1 Where the TO forecast has not been updated under this or other STC procedures (including clause 3.4.4 above) then NGESO may use the most recent forecast adjusted for movements in actual and forecast inflation. Therefore the April and July publications will be based on the TO's February forecast pursuant to this procedure. The October publication will be based on the TO's October forecast pursuant to this procedure. The January publication will be based on a combination of the TO's October forecast pursuant to this procedure and more up to date information available pursuant to other STC Procedures.

4.1.2 Where no data is provided by the TO, NGESO shall use, for the purposes of GB forecast revenue, substitute data. NGESO shall indicate, within the published report, that no data has been received and that substitute data has been used and how that data has been derived.

Appendix A: Overview of Data exchange for Quarterly five year revenue forecasts

Note that the Process Diagrams shown in this Appendix A are for information only. In the event of any contradiction between the process represented in this Appendix and the process described elsewhere in this STCP, then the text elsewhere in this STCP shall prevail.

Appendix B: Revenue Forecast Template

Onshore Transmission Revenue Forecast			**Updated:**	**DD/MM/YYYY**						
Description		**Licence Term**	**Yr t-1**	**Yr t**	**Yr t+1**	**Yr t+2**	**Yr t+3**	**Yr t+4**	**Yr t+5**	
Regulatory Year			**2014/15**	**2015/16**	**2016/17**	**2017/18**	**2018/19**	**2019/20**	**2020/21**	**Notes**
Actual RPI			XXX.XXX	XXX.XXX	XXX.XXX	XXX.XXX	XXX.XXX	XXX.XXX	XXX.XXX	
RPI Actual		RPIAt	X.XXX	X.XXX	X.XXX	X.XXX	X.XXX	X.XXX	X.XXX	
Assumed Interest Rate		It	X.XX%	X.XX%	X.XX%	X.XX%	X.XX%	X.XX%	X.XX%	
Opening Base Revenue Allowance (2009/10 prices)	A1	PUt	X.X	X.X	X.X	X.X	X.X	X.X	X.X	
Price Control Financial Model Iteration Adjustment	A2	MODt	X.X	X.X	X.X	X.X	X.X	X.X	X.X	
RPI True Up	A3	TRUt	X.X	X.X	X.X	X.X	X.X	X.X	X.X	
RPI Forecast	A4	RPIFt	X.XXX	X.XXX	X.XXX	X.XXX	X.XXX	X.XXX	X.XXX	
Base Revenue [A=(A1+A2+A3)*A4]	**A**	**BRt**	**X.X**	**X.X**	**X.X**	**X.X**	**X.X**	**X.X**	**X.X**	
Pass-Through Business Rates	B1	RBt	X.X	X.X	X.X	X.X	X.X	X.X	X.X	
Temporary Physical Disconnection	B2	TPDt	X.X	X.X	X.X	X.X	X.X	X.X	X.X	
Pass-Through Items [B=B1+B2]	**B**	**PTt**	**X.X**	**X.X**	**X.X**	**X.X**	**X.X**	**X.X**	**X.X**	
Reliability Incentive Adjustment	C1	RIt	X.X	X.X	X.X	X.X	X.X	X.X	X.X	
Stakeholder Satisfaction Adjustment	C2	SSOt	X.X	X.X	X.X	X.X	X.X	X.X	X.X	
Sulphur Hexafluoride (SF6) Gas Emissions Adjustment	C3	SFIt	X.X	X.X	X.X	X.X	X.X	X.X	X.X	
Awarded Environmental Discretionary Rewards	C4	EDRt	X.X	X.X	X.X	X.X	X.X	X.X	X.X	
Financial Incentive for Timely Connections Output	C5	-CONADJt	X.X	X.X	X.X	X.X	X.X	X.X	X.X	
Outputs Incentive Revenue [C=C1+C2+C3+C4+C5]	**C**	**OIPt**	**X.X**	**X.X**	**X.X**	**X.X**	**X.X**	**X.X**	**X.X**	
Network Innovation Allowance	D	NIAt	X.X	X.X	X.X	X.X	X.X	X.X	X.X	
Transmission Investment for Renewable Generation	G	TIRGt	X.X	X.X	X.X	X.X	X.X	X.X	X.X	
Correction Factor	K	-Kt	X.X	X.X	X.X	X.X	X.X	X.X	X.X	
Maximum Revenue (M= A+B+C+D+G+J+K]	**M**	**TOt**	**X.X**	**X.X**	**X.X**	**X.X**	**X.X**	**X.X**	**X.X**	
Excluded Services	P	EXCt	X.X	X.X	X.X	X.X	X.X	X.X	X.X	
Site Specifc Charges	S	EXSt	X.X	X.X	X.X	X.X	X.X	X.X	X.X	
TNUoS Collected Revenue (T=M+P-S)	**T**	**TSPt/TSHt**	**X.X**	**X.X**	**X.X**	**X.X**	**X.X**	**X.X**	**X.X**	General System Charge
Final Collected Revenue	U	TNRt	X.X	X.X	X.X	X.X	X.X	X.X	X.X	

Note all values are to be in nominal prices indicated by the RPI Forecast.

Appendix C: Abbreviations & Definitions

Abbreviations

STC	System Operator –Transmission Owner Code
STCP	System Operator –Transmission Owner Code Procedure
TO	Transmission Owner

Definitions

STC definitions used:
Financial Year
GB Transmission System
NGESO
NGET
Party
Transmission Licensee
Transmission Owner
User