

STCP 24-1 Revenue Forecast Information Provision

STC Procedure Document Authorisation

Company	Name of Party Representative	Signature	Date
National Grid Electricity Transmission plc			
SP Transmission Ltd			
Scottish Hydro-Electric Transmission Ltd			
Transmission Capital			

STC Procedure Change Control History

Issue 1		
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1 Introduction

1.1 Scope

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

- This procedure applies to all TOs.
- Reporting of information by the TOs is to be by exception
- The procedure applies from the implementation date of CUSC modification CMP206 - Requirement for National Grid Electricity Transmission 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 NGET and other TOs to enable NGET to regularly publish the forecast revenues of each TO for the next five years, on a quarterly basis, 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 NGET 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 NGET 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 NGET 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 forecast their expected revenue over each year for the next five financial years on a constant price basis (current prices).

3.2.4 NGET 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 NGET 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 NGET regarding the data submitted by that TO.

3.3 Publication

- 3.3.1 NGET will use reasonable endeavours to collate and publish the forecast revenues on the NGET 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 NGET will produce a Forecast Revenue summary split by England & Wales, Scotland and Offshore for existing TOs.
- 3.3.4 NGET shall, where possible, provide a forecast of future revenues for each potential future TO within the report.
- 3.3.5 NGET will provide, where possible, an expected 'go-live' date for potential future TOs within the report

3.4 Timescales

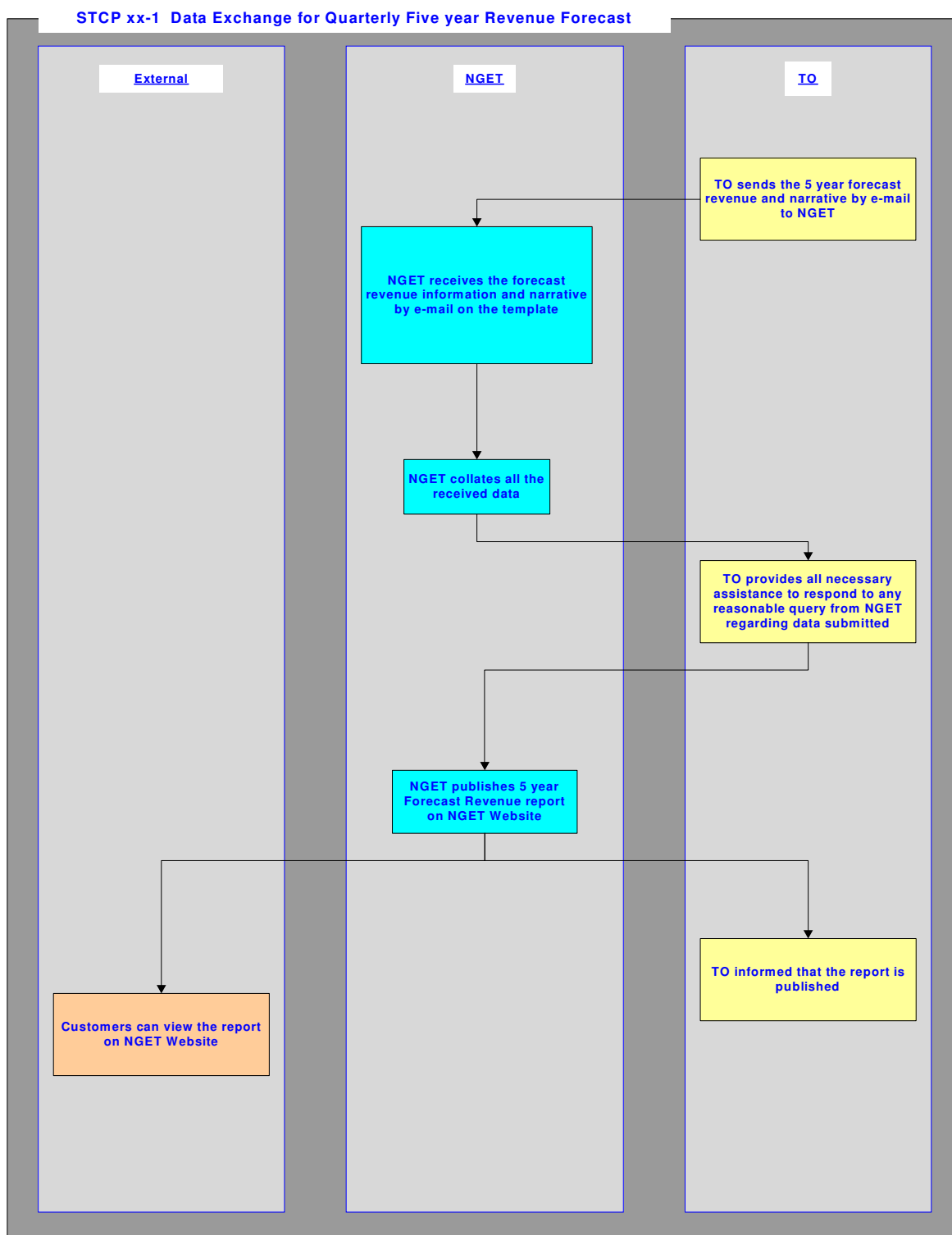
- 3.4.1 Each TO is required to provide the forecast revenue data and narrative by e-mail no later than the close of the 5th business day of the start of each quarter (i.e. January, April, July, October).
- 3.4.2 Where additional information is required for future Revenue forecast reports, NGET will endeavour 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 NGET and the TO.

4 Use of Substitute Data

- 4.1.1 Where no data is provided by the TO, NGET shall use, for the purposes of GB forecast revenue, substitute data.
- 4.1.2 NGET 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

		Regulatory Year					Notes & Assumptions
Description	Licence Term	Year 1	Year 2	Year 3	Year 4	Year 5	
A - Revenue Items							
[Revenue Item 1] - A1							e.g. Base Revenue
[Revenue Item 2] - A2							e.g. Equity issuance costs
[Revenue Item 3] - A3							
[Revenue Item 4] - A4							
[Revenue Item 5] - A5							e.g. Correction Factor (K_t)
Revenue Items Total		0	0	0	0	0	$A_t = A1 + A2 + A3 + A4 + A5$
B - Incentive Items							
[Incentive item 1] - B1							e.g. reliability incentive
[Incentive item 2] - B2							e.g. Quality of service incentive adjustment
[Incentive Item 3] - B3							
[Incentive item 4] - B4							
[Incentive item 5] - B5							
Incentive Items Total		0	0	0	0	0	$B_t = B1 + B2 + B3 + B4 + B5$
C - Allowed Pass through items							
[Pass through Items 1] - C1							e.g. EU Inter-TSO compensation participation
[Pass through Items 2] - C2							e.g. Pass-Through Business Rates
[Pass through Items 3] - C3							e.g. Pass-Through Licence Fees
[Pass through Items 4] - C4							
[Pass through Items 5] - C5							
Pass Through Items Total		0	0	0	0	0	$C_t = C1 + C2 + C3 + C4 + C5$
D - Uncertainty Mechanism Items							
[Uncertainty item 1] - D1							
[Uncertainty item 2] - D2							
[Uncertainty item 3] - D3							
[Uncertainty item 4] - D4							
[Uncertainty item 5] - D5							
Uncertainty Mechanism Items Total		0	0	0	0	0	$D_t = D1 + D2 + D3 + D4 + D5$
E - Miscellaneous Items							grouped low value items
Total to Recover		0	0	0	0	0	Total = $A_t + B_t + C_t + D_t + E$

- Notes:
- 1. All values are to be in current base year values.
 - 2. Descriptions and terms are the individual TO's licence terms and should overwrite the placeholders in []
 - 3. Additional lines should be added where necessary by the TO.

Appendix C: Abbreviations & Definitions

Abbreviations

NGET National Grid Electricity Transmission
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
NGET
Party

Transmission Licensee
Transmission Owner
User