

# ***STCP 24-1 Issue 005 Revenue Forecast Information Provision***

## ***STC Procedure Document Authorisation***

| <b>Company</b>                                | <b>Name of Party Representative</b> | <b>Signature</b> | <b>Date</b> |
|---|-------------------------------------|------------------|-------------|
| 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 |
| Issue 004 | 29/10/2020 | Annual Charge Setting - data submission flexibility            |
| Issue 005 | 01/07/2021 | Revenue Forecast Information Provision                         |

## 1 Introduction

### 1.1 Scope

- 1.1.1 This document describes the data exchange process between NGESO and TOs which is required so that NGESO can regularly publish the forecast annual revenue for all TOs for the upcoming financial year and the five financial years which follow it.
- This procedure applies to all TOs in respect of this data exchange process, however some items specific to Offshore Transmission Operators (OFTOs) are indicated accordingly.
  - Reporting of information by the TOs is to be routinely twice a year with additional reports by exception.
- 1.1.2 The TOs' annual revenue informs, with other things, the Transmission Network Use of System (TNUoS) Charges as defined in and payable by Users (as defined in the CUSC) in accordance with CUSC. As, in accordance with STCP 13-1, the 'TO General System Charges paid to Onshore TOs reflect the TNUoS charges as invoiced under CUSC, this document outlines within section 3.5 additional data provided by NGESO to Onshore TOs monthly, quarterly and annually to enhance the TOs' visibility of the applicable TNUoS forecasting and invoicing processes.

### 1.2 Objectives

- 1.2.1 The objective of this document is to provide for an effective data exchange between NGESO and TOs to enable NGESO to regularly publish the forecast revenues for each TO for Financial Year Y+1 and the five years from Financial Year Y+2 onwards on a rolling basis, so that parties that pay TNUoS charges can understand future changes. It also has the objective of NGESO providing additional data to the Onshore TOs so that they have visibility of year to date revenue forecast, revenue distribution and ongoing reconciliation data.
- 1.2.2 To meet these objectives, this document specifies the following:
- the responsibilities of NGESO and TOs in relation to data provision, related to the forecast of revenue
  - the lines of communication to be used, and

provision of data assurance statements from NGESO to Onshore TOs, inclusive of confirmation of controls and control changes

## 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 ( $K_t$ ).
- 2.1.3 **Financial Year Y** means the current Financial Year beginning on 1<sup>st</sup> April and ending 31<sup>st</sup> March.

2.1.4 [For the purpose of Section 3.5, the Onshore TOs are:](#)

- [NGET](#)
- [SPT](#)
- [SHET](#)

### **3 Procedure**

#### **3.1 Overview of Revenue Forecast Publication Process**

- 3.1.1 A high-level overview of the interfaces between NGESO and the TOs is represented in the swim lane diagram in Appendix A.

#### **3.2 Forecast Revenue Information Provision**

- 3.2.1 As part of the GB Transmission quarterly forecast of total revenues, it is necessary for all the 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 forecast their revenue for Financial Year Y+1, and each of the following five Financial Years from Financial Year Y+2 onwards (i.e. Y+2, Y+3, Y+4, Y+5 and Y+6) on a nominal price basis (money of the day).
- 3.2.4 NGESO will, as part of its published quarterly forecast 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 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 Forecast Revenue & TNUoS Tariff Publication**

- 3.3.1 NGESO will use reasonable endeavours to collate and publish the forecast TNUoS revenues and tariffs on the NGESO website according to the timetable that is published by NGESO by 31<sup>st</sup> January each year. The forecasts include initial, updated, draft and final TNUoS revenues and tariffs for the Y+1 and a five year view for Y+2 onwards i.e. Y+2, Y+3, Y+4, Y+5 and Y+6.
- 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**

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- 3.4.1 Appendix E 'Monthly Data Flow Table' outlines the key milestones throughout the Financial Year pertaining to requests from NGESO for and provision by Onshore TOs of data, and engagement between NGESO and Onshore TOs for the CUSC Transmission Network Use of System (TNUoS) tariff setting process.
- 3.4.2 NGESO shall be entitled to request, and each TO is required to provide, the forecast revenue data and narrative by e-mail according to the timetable below and in accordance with paragraph 3.1.1 of STCP13-1 and paragraph 3.4 of STCP14-1. Where dates shown do not fall on a Business Day, the action shall be completed by the next Business Day.

| Date By | 5 <sup>th</sup> Business Day in August | 5 <sup>th</sup> Business Day in October                                | 12 <sup>th</sup> November                          | 30 <sup>th</sup> November            | 7 <sup>th</sup> January  | 14 <sup>th</sup> January                               | 25 <sup>th</sup> January   | 31 <sup>st</sup> January           |
|---------|--|--|--|--------------------------------------|--|--|--|------------------------------------|
| Action  | NGESO send data request to onshore TOs | TOs submit a forecast of revenue for FY+1, FY+2, FY+3, FY+4, FY+5 FY+6 | NGESO share draft tariffs for Y+1 with onshore TOs | NGESO publish draft tariffs for FY+1 | Onshore TOs confirm final revenue for FY+1, and updated forecast for FY+2, FY+3, FY+4, FY+5 FY+6 | NGESO shares indicative final tariffs with onshore TOs | Offshore TOs confirm final revenue for FY+1 and updated forecast for FY+2, FY+3, FY+4, FY+5 FY+6 | NGESO publishes FY+1 final tariffs |

- 3.4.3 The timetable NGESO publishes by January 31<sup>st</sup> annually detailing the publication timeline for Financial Year Y+1 initial forecast TNUoS tariffs, quarterly forecast updates and the five year forecast for Financial Year Y+2 onwards, may be amended within Financial Year Y where required as a result of unforeseen circumstances. Should such cases arise, TOs will be consulted by way of NGESO-instigated email communication, telephone call, or meeting as early as reasonably practicable. NGESO and the TOs shall use their reasonable endeavours to agree alternative dates for Appendix E – Monthly Data Flow Table.
- 3.4.4 Where additional information is required for future revenue forecast reports, NGESO will endeavour to provide 30 days' notice before a formal request is made.
- 3.4.5 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.
- 3.4.6 By 31<sup>st</sup> of May in Financial Year Y, NGESO will provide a statement of assurance to Onshore TOs in relation to its TNUoS tariff setting, billing activities and associated financial SOX controls. The statement of assurance will contain confirmation of the SOX controls being performed and details of any adverse findings if appropriate.
- 3.4.7 In the Financial Year preceding the next regulatory price control period, NGESO and the relevant 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.

### 3.5 NGESO Revenue Forecast Information Provision for Onshore TOs

- 3.5.1 By the second Business Day of January, April, July and October in Financial Year Y, NGESO will provide a quarterly report to the Onshore TOs containing information relating to actual and forecast TNUoS revenue. This information will be split across the CUSC charge types of half-hourly, non half-hourly, and generation data.
- 3.5.2 Forecast demand revenue data shall be that available under the CUSC and based on actual demand sourced from the most currently available metering data, and assumptions based on historic demand. Forecast generation revenue data shall be

based on the latest TEC register published under the CUSC for onshore generators and the expected asset transfer date of the relevant offshore transmission system to an OFTO.

- 3.5.3 An example of the standard format and content to be exchanged in the quarterly report is provided for information at Appendix D. The structure, format, and content of the report may only be amended by unanimous agreement of NGESO and all Onshore TOs and without the need to change this STC Procedure. The quarterly report shall as a minimum contain (but may not be limited to) the following information:
- Updated total TNUoS revenue forecast
  - Updated Demand revenue forecasts split out by half-hourly and non half-hourly data
  - Updated Generation revenue and reconciliation forecast (final quarter only)
  - TNUoS revenue distribution forecast versus actual data e.g. breakdown of NGESO, OFTO, and onshore TO distribution
  - NGESO TNUoS revenue summary
  - Narratives at a high level to explain deviations from previous quarterly reports and from expectations at final tariff setting
- 3.5.4 On the first Business Day of each month in each Financial Year a high-level monthly report will be provided by NGESO to each of the Onshore TOs. The report will contain (but may not be limited to) the following information:
- Monthly TNUoS revenue forecast split per Onshore TO
  - Monthly revenue distribution split per Onshore TO
  - Monthly and year-to-date revenue invoiced by NGESO
  - Generation and reconciliation invoicing forecast using available data with accompanying narrative outlining differences to previous month's forecast, and at a high level from expectations at final tariff setting
- 3.5.5 Each year by 12<sup>th</sup> November and 14<sup>th</sup> January NGESO will issue reports regarding tariff setting inputs to the TOs. The reports will contain (but may not be limited to) the following information:
- Tariff setting data inputs, for example:
    - DNO/DCC data
    - Generation forecast and Generation charging base
    - Network model
    - Allowed revenue
    - Demand charging base
    - Annual load factors
    - Off shore tariffs
  - Assumptions used for the draft TNUoS tariffs and the indicative final TNUoS tariffs
  - Any significant variances from previous expectations e.g. due to unforeseen events
- 3.5.6 NGESO and individual Onshore TOs may exchange any of the data within this section 3.5 additionally at increased frequencies or on an ad hoc basis where agreed by NGESO and the relevant Onshore TO. Where such additional exchanges

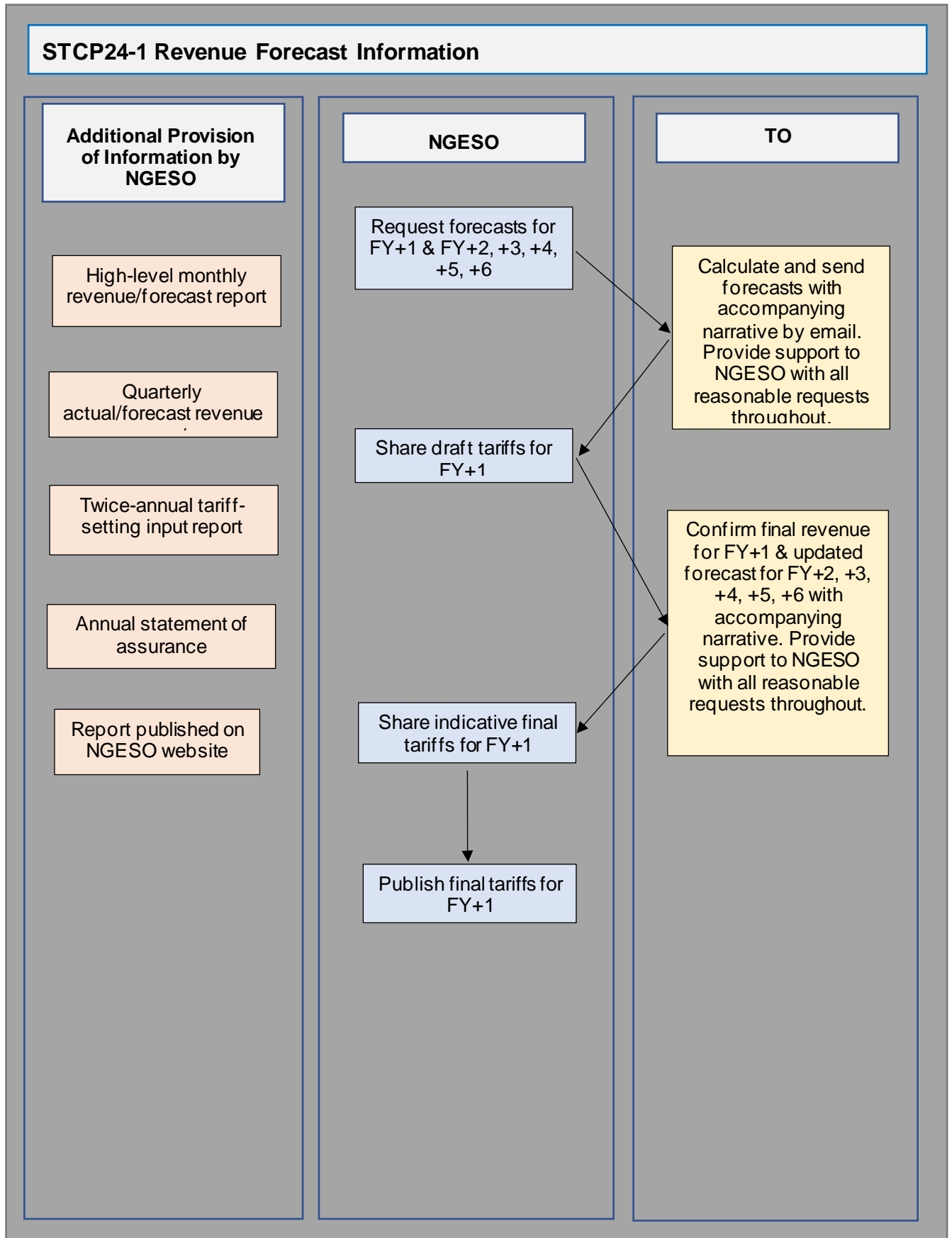
are agreed to occur between NGESO and an individual Onshore TO, all Onshore TOs shall be supplied with the same information simultaneously.

## **4 Use of Substitute Data**

- 4.1.1 Where a TO forecast has not been updated under this or other STC procedures then NGESO may use the most recent forecast provided adjusted for movements in actual and forecast inflation. Therefore the NGESO initial and updated publications (in accordance with 3.3.1) will be based on the TO's January forecast pursuant to this procedure. The Draft TNUoS tariffs published by NGESO will be based on the TOs' October forecast pursuant to this procedure. The final publication of TNUoS tariffs by NGESO will be based on a combination of the final TO 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 a 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

| Transmission Revenue Forecast                             |          |              | Updated DD/MM/YYYY |         |         |         |         |         |         |       |
|---|----------|--------------|--------------------|---------|---------|---------|---------|---------|---------|-------|
| Description   |          | Licence Term | Yr. Y              | Yr. Y+1 | Yr. Y+2 | Yr. Y+3 | Yr. Y+4 | Yr. Y+5 | Yr. Y+6 | Notes |
|   |          |              | 2021/22            | 2022/23 | 2023/24 | 2024/25 | 2025/26 | 2026/27 | 2027/28 |       |
|   |          |              |                    |         |         |         |         |         |         |       |
| Inflation 2018/19   |          | PI201819     |                    |         |         |         |         |         |         |       |
| Inflation   |          | PIt          |                    |         |         |         |         |         |         |       |
| Opening Base Revenue Allowance (2018/19 prices)           | A1       | Rt           |                    |         |         |         |         |         |         |       |
| Price Control Financial Model Iteration Adjustment        | A2       | ADJt         |                    |         |         |         |         |         |         |       |
| <b>[ADJRt=(PIt/PI201819)*Rt+ADJRt]</b>                    | <b>A</b> | <b>ADJRt</b> |                    |         |         |         |         |         |         |       |
| SONIA   | B1       | It-1         |                    |         |         |         |         |         |         |       |
| Allowed Revenue   | B2       | ARt-1        |                    |         |         |         |         |         |         |       |
| Recovered Revenue   | B4       | RRt-1        |                    |         |         |         |         |         |         |       |
| <b>Correction Term [Kt=(ARt-1-RRt-1)*(1+It-1+1.15%)]</b>  | <b>B</b> | <b>Kt</b>    |                    |         |         |         |         |         |         |       |
| Legacy pass-through                                       | C1       | LPt          |                    |         |         |         |         |         |         |       |
| Legacy MOD  | C2       | LMODt        |                    |         |         |         |         |         |         |       |
| Legacy K correction                                       | C3       | LKt          |                    |         |         |         |         |         |         |       |
| Legacy TRU term   | C4       | LTRUt        |                    |         |         |         |         |         |         |       |
| Close out of the RIIO-ET1 stakeholder satisfaction output | C5       | LSSOt        |                    |         |         |         |         |         |         |       |



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|  |          |                   |  |  |  |  |  |  |  |  |
|--|----------|-------------------|--|--|--|--|--|--|--|--|
| Close out of the RIIO-1 adjustment in respect of the Environmental Discretionary Reward Scheme   | C6       | LED <sub>Rt</sub> |  |  |  |  |  |  |  |  |
| Close out of the RIIO-ET1 Incentive in respect of the sulphur hexafluoride (SF6) gas emissions incentive   | C7       | LSF <sub>It</sub> |  |  |  |  |  |  |  |  |
| Close out of the RIIO-ET1 reliability incentive in respect of energy not supplied  | C8       | LR <sub>It</sub>  |  |  |  |  |  |  |  |  |
| Close out of RIIO-1 Network Outputs  | C9       | NOC <sub>Ot</sub> |  |  |  |  |  |  |  |  |
| <b>Legacy Adjustment</b><br><b>[LART=LPT<sub>t</sub>+LMOD<sub>t</sub>+LK<sub>t</sub>+LTRU<sub>t</sub>+NOC<sub>Ot</sub>+LSSO<sub>t</sub>+LED<sub>Rt</sub>+LSF<sub>It</sub>+LR<sub>It</sub>]</b> | <b>C</b> | <b>LART</b>       |  |  |  |  |  |  |  |  |
|  |          |                   |  |  |  |  |  |  |  |  |
|  |          |                   |  |  |  |  |  |  |  |  |
| <b>Total Allowed Revenue [ART=ADJR<sub>t</sub>+K<sub>t</sub>+LART]</b>   | <b>D</b> | <b>Art</b>        |  |  |  |  |  |  |  |  |

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

## ***Appendix C: Abbreviations & Definitions***

### ***Abbreviations***

|      |  |
|------|--|
| SOX  | Sarbanes-Oxley Act controls                        |
| STC  | System Operator –Transmission Owner Code           |
| STCP | System Operator –Transmission Owner Code Procedure |
| TEC  | Transmission Entry Capacity                        |
| TO   | Transmission Owner                                 |

### ***Definitions***

#### **STC definitions used:**

Financial Year  
GB Transmission System  
NGESO  
NGET  
Party  
Transmission Licensee  
Transmission Owner  
User

#### ***CUSC Definitions Used***

Transmission Entry Capacity

## **Appendix D: Quarterly Revenue Forecast Information Provision Example**

This reporting template does not form part of the STC and is an example of the typical format and content to be exchanged only.

# **TNUoS Revenue Quarterly Reporting for Onshore TOs**

In accordance with STCP 24-1, the ESO is required to provide quarterly actual and forecast Transmission Network Use of System (TNUoS) revenue reports to the onshore TOs as set out in this document.

## **Background**

In accordance with the CUSC, suppliers are invoiced monthly based on their forecast of Non Half-Hourly (NHH) Demand and Half-Hourly (HH) Gross Demand, and which are validated as part of the billing process. Billed amounts are reconciled in June following the end of the financial year, based on actual metered demand. The HH Embedded Export tariff is paid to embedded generators at the demand reconciliation.

Generators are invoiced monthly based on the amount of Transmission Entry Capacity (TEC) held by the power station during the financial year. Offshore generators become liable for additional offshore tariffs which are issued following asset transfer of the relevant offshore transmission network. Generator charges are reconciled in April following the end of the financial year, to charge net station demand taken over the triad(s) and assess the need to charge any stations that were invoiced a negative tariff.

**Budget** in this document refers to the amount of revenue required to be collected from each of the charges in accordance with the Final TNUoS tariffs published in January.

**Forecast demand revenue** is based on actual demand from the latest available metering data<sup>1</sup>, also using historic demand data as the basis for assumptions about the distribution of demand over the year.

**Forecast generation revenue** is based on the latest TEC register for onshore generators and expected asset transfer date of the relevant offshore transmission system.

## **Total TNUoS Revenue Outlook**

The forecast of total TNUoS revenue has [summary of change] compared to the last forecast. The main reasons are:

- supplier forecast challenge
- OFTO asset transfer
- Metering date update

Assumptions made in the forecast are:

- NHH demand to remain in line with YTD trend

**Table 1 - Total TNUoS Revenue Forecast**

| TNUoS Charge* | Budget<br>£m | Forecast<br>£m | Variance<br>£m | Variance<br>% |
|---------------|--------------|----------------|----------------|---------------|
| NHH Demand    |              |                |                |               |
| HH Demand     |              |                |                |               |
| Generation    |              |                |                |               |
| <b>TOTAL</b>  |              |                |                |               |

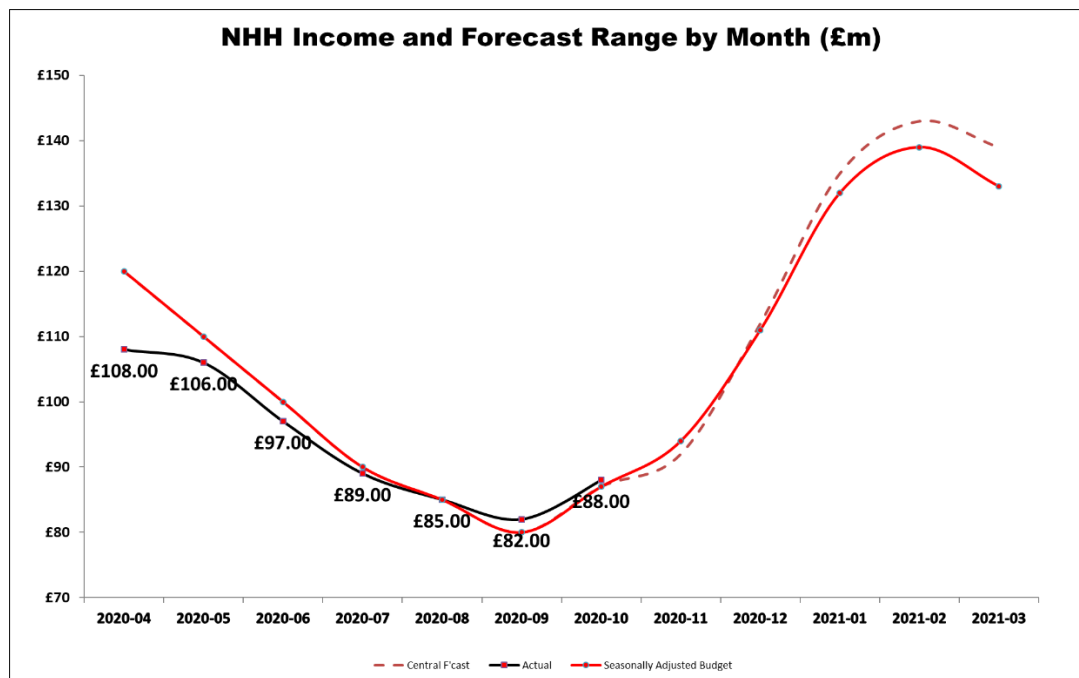
- HH demand in line budget

## 1. NHH Demand Revenue

NHH forecast revenue has [ ] which is due to [ ]. This results [ ].

**Table 2 - NHH Income Actual and Forecast (£m)**

| Month  | Central<br>Forecast | Actual<br>(metered) | Cumulative<br>(Actual/<br>Forecast) | Cumulative<br>Seasonally<br>Adj Budget | Variance | Status | Cumulative NHH<br>Revenue (supplier<br>forecast) | Predicted<br>Reconciliation |
|--------|---------------------|---------------------|-------------------------------------|--|----------|--------|--|-----------------------------|
| Apr-21 |                     |                     |                                     |  |          |        |  |                             |
| May-21 |                     |                     |                                     |  |          |        |  |                             |
| Jun-21 |                     |                     |                                     |  |          |        |  |                             |
| Jul-21 |                     |                     |                                     |  |          |        |  |                             |
| Aug-21 |                     |                     |                                     |  |          |        |  |                             |
| Sep-21 |                     |                     |                                     |  |          |        |  |                             |
| Oct-21 |                     |                     |                                     |  |          |        |  |                             |
| Nov-21 |                     |                     |                                     |  |          |        |  |                             |
| Dec-21 |                     |                     |                                     |  |          |        |  |                             |
| Jan-22 |                     |                     |                                     |  |          |        |  |                             |
| Feb-22 |                     |                     |                                     |  |          |        |  |                             |
| Mar-22 |                     |                     |                                     |  |          |        |  |                             |

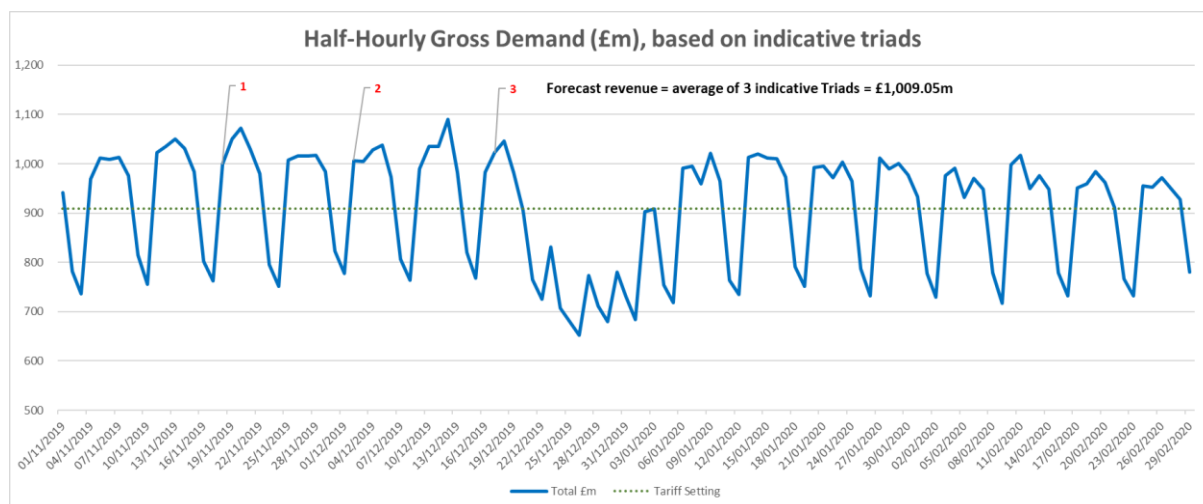
**Chart one - NHH Income and Forecast Range (£m)****HH Demand Revenue**

HH forecast revenue for HH demand has [ ] which is due to [ ].

**Table 3 - HH Income and Forecast (£m)**

| Month  | Forecast Annual Revenue | Annual Budget | Variance | Status | Cumulative HH Revenue (supplier forecast) | Predicted Reconciliation |
|--------|-------------------------|---------------|----------|--------|---|--------------------------|
| Apr-21 |                         |               |          |        |   |                          |
| May-21 |                         |               |          |        |   |                          |
| Jun-21 |                         |               |          |        |   |                          |
| Jul-21 |                         |               |          |        |   |                          |
| Aug-21 |                         |               |          |        |   |                          |
| Sep-21 |                         |               |          |        |   |                          |
| Oct-21 |                         |               |          |        |   |                          |
| Nov-21 |                         |               |          |        |   |                          |
| Dec-21 |                         |               |          |        |   |                          |
| Jan-22 |                         |               |          |        |   |                          |
| Feb-22 |                         |               |          |        |   |                          |
| Mar-22 |                         |               |          |        |   |                          |

## Chart two - HH Forecast Revenue Based on Triads (£m)



## Generation Revenue

Generator forecast revenue has [ ]. This is due to [ ].

| Month  | Forecast Total Annual Revenue | Total Annual Budget | Variance | Status | Cumulative Generator Revenue (Invoiced) | Predicted Reconciliation |
|--------|-------------------------------|---------------------|----------|--------|---|--------------------------|
| Apr-21 |                               |                     |          |        |   |                          |
| May-21 |                               |                     |          |        |   |                          |
| Jun-21 |                               |                     |          |        |   |                          |
| Jul-21 |                               |                     |          |        |   |                          |
| Aug-21 |                               |                     |          |        |   |                          |
| Sep-21 |                               |                     |          |        |   |                          |
| Oct-21 |                               |                     |          |        |   |                          |
| Nov-21 |                               |                     |          |        |   |                          |
| Dec-21 |                               |                     |          |        |   |                          |
| Jan-22 |                               |                     |          |        |   |                          |
| Feb-22 |                               |                     |          |        |   |                          |
| Mar-22 |                               |                     |          |        |   |                          |

## TNUoS Revenue Distribution

Table 4 - TNUoS revenue distribution actual and forecast

| Revenue Breakdown        | Budget | YTD Payment | Year End Forecast | Comments   |
|--------------------------|--------|-------------|-------------------|--|
| ESO<br>(breakdown below) |        |             |                   | There has been a change in the [licence fee / ITC] value for ESO   |
| OFTO                     |        |             |                   | [no / change] to the expected dates for offshore asset transfer resulting in an [Increase / decrease] in the distribution of revenue to the onshore TOs. |
| Other                    |        |             |                   |  |
| Sub-total                |        |             |                   |  |
| NGET                     |        |             |                   |  |
| SPT                      |        |             |                   |  |
| SHETL                    |        |             |                   |  |
| Sub-total                |        |             |                   |  |
| Total                    |        |             |                   |  |

Table 5 - ESO revenue summary

| ESO TNUoS Revenue (£m)         | Budget |
|--------------------------------|--------|
| Strategic Innovation Allowance |        |
| Network Innovation Competition |        |
| RIIO1 Legacy Items             |        |
| Connections Adj.               |        |
| Bad Debt                       |        |
| ESO Pass Through               |        |
|                                |        |
| Total                          |        |

**Appendix E – Monthly Data Flow Table – NGESO and Onshore TO Interactions**

| Month | Charging Event   | Data Exchange - Date | Data Exchange - Detail  |
|-------|--|----------------------|---|
| April | Commencement of charges for new Financial Year             | 1st Business Day     | NGESO confirms amount payable for the month to Onshore TOs (includes monthly report)  |
|       |  | 2nd Business Day     | NGESO to provide Quarterly Revenue Forecast Report  |
|       |  | 4th Business Day     | Onshore TOs invoice NGESO for the monthly payment   |
|       |  | 15th                 | NGESO pays Onshore TO for the monthly payment   |
|       |  | Last Business Day    | Final year-end report (includes final Generation reconciliation and indicative Demand Reconciliation forecast)  |
| May   | Generation reconciliation invoicing for Financial Year Y-1 | 1st Business Day     | NGESO confirms amount payable for the month to Onshore TOs (includes monthly report) and amount payable/receivable to reconcile Generation Financial Year Y-1 |
|       |  | 4th Business Day     | Onshore TOs issue invoice/credit to NGESO to reconcile Generation Financial Year Y-1  |
|       |  | 4th Business Day     | Onshore TOs invoice NGESO for the monthly payment   |
|       |  | 15th                 | NGESO pays Onshore TO for the monthly payment   |
|       |  | 30th                 | NGESO or Onshore TO completes payment of invoice/credit to reconcile Generation Financial Year Y-1  |
|       |  | End of May           | NGESO to provide Assurance statement for SOX controls & billing activities occurred in Y-1, including generation reconciliation                               |
| June  |  | 1st Business Day     | NGESO confirms amount payable for the month to Onshore TOs (includes monthly report)  |
|       |  | 4th Business Day     | Onshore TOs invoice NGESO   |
|       |  | 15th                 | NGESO pays Onshore TO   |



| Month  | Charging Event   | Data Exchange - Date | Data Exchange - Detail   |
|--------|--|----------------------|--|
| July   | Initial demand reconciliation invoicing for Financial Year Y-1   | 1st Business Day     | NGESO confirms amount payable for the month to Onshore TOs (includes monthly report), and amount payable/receivable to reconcile Demand Financial Year Y-1 |
|        |  | 2nd Business Day     | NGESO to provide Quarterly Revenue Forecast Report (to include demand reconciliation for Financial Year Y-1)   |
|        |  | 4th Business Day     | Onshore TOs invoice NGESO for the monthly payment  |
|        |  | 4th Business Day     | Onshore TOs issue invoice/credit to NGESO to reconcile Demand Financial Year Y-1   |
|        |  | 15th                 | NGESO pays Onshore TO for the monthly payment  |
|        |  | 30th                 | NGESO or Onshore TO completes payment of invoice/credit to reconcile Demand Financial Year Y-1   |
|        |  | Ad hoc               | Quarterly review meeting, go through the Quarterly Revenue forecast report and answer any queries  |
| August | NGESO publication of quarterly tariff update for Financial Year Y+1  | 1st Business Day     | NGESO confirms amount payable for the month to Onshore TOs (includes monthly report)   |
|        | Note - We publish the TNUoS Tariff forecast timetable by the end of January and it may be updated within a year. We will inform you of any changes ASAP. | 4th Business Day     | Onshore TOs invoice NGESO  |
|        |  | 5th Business Day     | NGESO requests a forecast of General System Charges i.e. TO revenue for the Financial Year Y+1 and for the five years from Financial Year Y+2 onwards      |
|        |  | 15th                 | NGESO pays Onshore TO  |

| Month     | Charging Event   | Data Exchange - Date | Data Exchange - Detail  |
|-----------|--|----------------------|---|
| September | NGESO and TOs meet to review indicative tariff volume forecasts for Financial Year Y+1 | 1st Business Day     | NGESO confirms amount payable for the month to Onshore TOs (includes monthly report)  |
|           |  | 4th Business Day     | Onshore TOs invoice NGESO   |
|           |  | 15th                 | NGESO pays Onshore TO   |
|           |  | Ad hoc               | Review meeting of TNUoS tariff forecasts incl. demand and generation charging base forecast & historical analysis (based on August forecast)      |
| October   |  | 1st Business Day     | NGESO confirms amount payable for the month to Onshore TOs (includes monthly report)  |
|           |  | 2nd Business Day     | NGESO to provide Quarterly Revenue Forecast Report  |
|           |  | 4th Business Day     | Onshore TOs invoice NGESO   |
|           |  | 5th Business Day     | TOs submit a forecast of General System Charges i.e. TO revenue for the Financial Year Y+1 and for the five years from Financial Year Y+2 onwards |
|           |  | 15th                 | NGESO pays Onshore TO   |
|           |  | 31st                 | NGESO confirms amount payable/receivable to reconcile Demand Financial Year Y-2   |
|           |  | Ad hoc               | Quarterly review meeting, go through the Quarterly Revenue forecast report and answer any queries   |

| Month    | Charging Event   | Data Exchange - Date                | Data Exchange - Detail   |
|----------|--|-------------------------------------|--|
| November | Final demand reconciliation invoicing for Financial Year Y-2 | 1st Business Day                    | NGESO confirms amount payable for the month to Onshore TOs (includes monthly report & information required for AIP)  |
|          |  | 4th Business Day                    | Onshore TOs invoice NGESO  |
|          |  | 4th Business Day                    | Onshore TOs issue invoice/credit to NGESO to reconcile Demand Financial Year Y-2   |
|          |  | 15th                                | NGESO pays Onshore TO the monthly payment  |
|          |  | 12th                                | NGESO shares the tariff setting report incl. the key inputs (demand and generation charging base and revenue split, allowed revenue, Network Model, Week 24 demand and Annual Load Factors) and draft TNUoS tariffs for Financial Year Y+1 |
|          |  | Ad hoc, no later than 19th November | Tariff setting review meeting, go through the Tariff setting report and answer any queries   |
|          |  | 30th                                | NGESO publishes draft tariffs for Financial Year Y+1   |
|          |  | 30th                                | NGESO or Onshore TO completes payment of invoice/credit to reconcile Demand Financial Year Y-2   |
| December |  | 1st Business Day                    | NGESO confirms amount payable for the month to Onshore TOs (includes monthly report)   |
|          |  | 4th Business Day                    | Onshore TOs invoice NGESO  |
|          |  | 15th                                | NGESO pays Onshore TO  |

| Month    | Charging Event                              | Data Exchange - Date               | Data Exchange - Detail  |
|----------|---|------------------------------------|---|
| January  | Publication of final TNUoS tariffs for FY+1 | 1st Business Day                   | NGESO confirms amount payable for the month to Onshore TOs (includes monthly report)  |
|          |   | 2nd Business Day                   | NGESO to provide Quarterly Revenue Forecast Report  |
|          |   | 4th Business Day                   | Onshore TOs invoice NGESO   |
|          |   | 7th                                | Onshore TOs confirm final revenue for Financial Year Y+1 & updated forecast for five-year view for Financial Year Y+2 onwards   |
|          |   | 14th                               | NGESO shares indicative final TNUoS tariffs with TOs for Financial Year Y+1, including the updates to the inputs (demand and generation charging base, allowed revenue and Annual Load Factors) |
|          |   | 15th                               | NGESO pays Onshore TO   |
|          |   | Ad hoc, no later than 21st January | NGESO and TOs meet to review the indicative final TNUoS tariffs for Financial Year Y+1 and answer any queries   |
|          |   | 31st                               | NGESO publishes final TNUoS tariffs for Financial Year Y+1  |
|          |   | 31st                               | NGESO publishes tariff setting timetable and information provision timescale for forthcoming year   |
|          |   | Ad hoc                             | Quarterly review meeting, go through the Quarterly Revenue forecast report and answer any queries   |
| February |   | 1st Business Day                   | NGESO confirms amount payable for the month to Onshore TOs (includes monthly report)  |
|          |   | 4th Business Day                   | Onshore TOs invoice NGESO   |
|          |   | 15th                               | NGESO pays Onshore TO   |

| Month | Charging Event  | Data Exchange - Date | Data Exchange - Detail   |
|-------|---|----------------------|--|
| March | Publication of the initial TNUoS tariffs for the following year and five-year forecast          | 1st Business Day     | NGESO confirms amount payable for the month to Onshore TOs (includes monthly report) |
|       | Note - the TNUoS Tariff forecast timetable to be reviewed annually and may change within a year | 4th Business Day     | Onshore TOs invoice NGESO  |
|       |   | 15th                 | NGESO pays Onshore TO  |
|       |   | Last Business Day    | NGESO and TO year-end review meeting   |
|       |   | Last Business Day    | NGESO to provide indicative year-end report  |