**National Grid Electricity System Operator (NGESO)**

**Reporting year: 202X/2X**

## Chapter 1 – Table commentary

**1.1 Disposals**

|  |
| --- |
| **Allocation methodologies** |
|  |
| **Systems used to populate worksheet** |
|  |
| **Additional commentary** |

**1.2 Price Control Financial Model (PCFM) Inputs Summary**

|  |
| --- |
| **Allocation methodologies** |
|  |
| **Systems used to populate worksheet** |
|  |
| **Summary views** (maximum words: 250 per summary section) |
| 1. Please state the value of each Licence Term making up the Internal System Operator Revenue for the previous year and the current year and provide commentary on material differences. |
|  |
| **Additional commentary** |
|  |

**1.3 Pass Through**

|  |
| --- |
| **Allocation methodologies** |
|  |
| **Systems used to populate worksheet** |
|  |
| **Additional commentary** |
|  |

* 1. **Tax Pools Totex Allocations**

|  |
| --- |
| **Allocation methodologies** |
|  |
| **Systems used to populate worksheet** |
|  |
| **Additional commentary** |
|  |

**2.1 Totex Summary**

|  |
| --- |
| **Allocation methodologies** |
|  |
| **Systems used to populate worksheet** |
|  |
| **Summary views** (maximum words: 400 per summary section). The ESO may refer to its six-monthly incentives reporting if necessary. |
| 1. Please summarise outturn costs in the current year and the main drivers. |
|  |
| 1. Please compare outturn costs in the current year to outturn costs in the previous year(s), summarising key changes in the main drivers. |
|  |
| 1. Please summarise the updated forecasts for the remainder of RIIO-2. |
|  |
| 1. Please explain any material differences in the outturn spend and updated forecasts to previous years’ outturn and forecast spend. |
|  |
| **Additional commentary** |
|  |

**2.2 Cost Benchmark Summary**

|  |
| --- |
| **Allocation methodologies** |
|  |
| **Systems used to populate worksheet** |
|  |
|  |
| **Summary views** (maximum words: 400 per summary section). The ESO may refer to its six-monthly incentives reporting if necessary. |
| 1. Please provide a short summary of the material changes in costs identified in the value for money assessments within the reporting year for each Role. |
|  |
| 1. Please identify and explain any differences from the figures reported against the cost benchmarks in the six-monthly incentives reports within the reporting year. Where these differences are immaterial, minimal explanation is required. |
|  |
| **Additional commentary** |
|  |

**2.3 Related Party Transactions**

|  |
| --- |
| **Allocation methodologies** |
|  |
| **Systems used to populate worksheet** |
|  |
| **Additional commentary** |
|  |

**3.1 Opex Summary**

|  |
| --- |
| **Allocation methodologies** |
|  |
| **Systems used to populate worksheet** |
|  |
| **Summary views** (maximum words: 400 per summary section). The ESO may refer to its six-monthly incentives reporting if necessary. |
| 1. Please summarise outturn costs in the current year and the main drivers. |
|  |
| 1. Please compare outturn costs in the current year to outturn costs in the previous year(s), summarising key changes in the main drivers. |
|  |
| 1. Please summarise the updated forecasts for the remainder of RIIO-2. |
|  |
| 1. Please explain any material differences in the outturn spend and updated forecasts to previous years’ outturn and forecast spend. |
|  |
| **Additional commentary** |
|  |

**3.2 Salary and Full Time Equivalent (FTE) Numbers**

|  |
| --- |
| **Allocation methodologies** |
|  |
| **Systems used to populate worksheet** |
|  |
| **Summary views** (maximum words: 200 per summary section) |
| 1. Year-on-year comparison of:    1. FTE numbers and whether this relates to any changes in the mix of different employee grades. |
| **Additional commentary** |
|  |

**3.3 Provisions**

|  |
| --- |
| **Allocation methodologies** |
|  |
| **Systems used to populate worksheet** |
|  |
| **Additional commentary** |
|  |

**4.1 Business Support Costs (BSC)**

|  |
| --- |
| **Allocation methodologies** |
|  |
| **Systems used to populate worksheet** |
|  |
| **Summary views** (maximum words: 400 per summary section). The ESO may refer to its six-monthly incentives reporting if necessary. |
| 1. Please summarise outturn costs in the current year and the main drivers. |
|  |
| 1. Please compare outturn costs in the current year to outturn costs in the previous year(s), summarising key changes in the main drivers. |
|  |
| 1. Please summarise the updated forecasts for the remainder of RIIO-2. |
|  |
| 1. Please explain any material differences in the outturn spend and updated forecasts to previous years’ outturn and forecast spend. |
|  |
| **Additional commentary** |
|  |

**4.2 Business Support Costs (BSC) Allocation**

|  |
| --- |
| **Allocation methodologies** |
|  |
| **Systems used to populate worksheet** |
|  |
| **Additional commentary** |
|  |

**5.1 Capex Summary**

|  |
| --- |
| **Allocation methodologies** |
|  |
| **Systems used to populate worksheets** |
|  |
| **Summary views** (maximum words: 400 per summary section). The ESO may refer to its six-monthly incentives reporting if necessary. |
| 1. Please summarise outturn costs in the current year and the main drivers. |
|  |
| 1. Please compare outturn costs in the current year to outturn costs in the previous year(s), summarising key changes in the main drivers. |
|  |
| 1. Please summarise the updated forecasts for the remainder of RIIO-2. |
|  |
| 1. Please explain any material differences in the outturn spend and updated forecasts to previous years’ outturn and forecast spend. |
|  |
| **Additional commentary** |
|  |

**6.1 Cyber Resilience IT Costs**

|  |
| --- |
| **Allocation methodologies** |
|  |
| **Systems used to populate worksheet** |
|  |
| **Additional commentary** |
|  |

**6.2 Pension Administration Costs**

|  |
| --- |
| **Allocation methodologies** |
|  |
| **Systems used to populate worksheet** |
|  |
| **Summary views** (maximum words: 400 per summary section). The ESO may refer to its six-monthly incentives reporting if necessary. |
| 1. Please summarise outturn costs in the current year and the main drivers. |
|  |
| 1. Please compare outturn costs in the current year to outturn costs in the previous year(s), summarising key changes in the main drivers. |
|  |
| 1. Please summarise the updated forecasts for the remainder of RIIO-2. |
|  |
| 1. Please explain any material differences in the outturn spend and updated forecasts to previous years’ outturn and forecast spend. |
|  |
| **Additional commentary** |
|  |

**7.1 Non-Activity Based Costs**

|  |
| --- |
| **Allocation methodologies** |
|  |
| **Systems used to populate worksheet** |
|  |
| **Summary views** (maximum words: 400 per summary section) |
| 1. Please summarise outturn costs in the current year and the main drivers. |
|  |
| 1. Please compare outturn costs in the current year to outturn costs in the previous year(s), summarising key changes in the main drivers. |
|  |
| 1. Please summarise the updated forecasts for the remainder of RIIO-2. |
|  |
| 1. Please explain any material differences in the outturn spend and updated forecasts to previous years’ outturn and forecast spend. |
|  |
| **Additional commentary** |
|  |

**7.2 Directly Renumerated Services (DRS)**

|  |
| --- |
| **Allocation methodologies** |
|  |
| **Systems used to populate worksheet** |
|  |
| **Summary views** (maximum words: 250 per summary section) |
| 1. Current year    1. Describe the outputs delivered through works associated with de minimis spend.    2. Provide information where excluded services have had a notable impact on non-excluded areas. |
|  |
| **Additional commentary** |
|  |

**7.3 Network Innovation Allowance (NIA) Expenditure**

|  |
| --- |
| **Allocation methodologies** |
|  |
| **Systems used to populate worksheet** |
|  |
| **Summary views** (maximum words: 250 per summary section) |
| 1. Please list the successfully completed and reported NIA projects. |
|  |
| 1. Please state total spend against allowable NIA expenditure, the 3rd party income / contributions received and confirm that the ESO has adhered to the RIIO-2 NIA Governance Document. |
|  |
| **Additional commentary** |
|  |

**7.4 RIIO-1 Carry Over Network Innovation Allowance (CNIA) Expenditure**

|  |
| --- |
| **Allocation methodologies** |
|  |
| **Systems used to populate worksheet** |
|  |
| **Summary views** (maximum words: 250 per summary section) |
| 1. Please list the successfully completed and reported NIA projects carried over from RIIO-1. |
|  |
| **Additional commentary** |
|  |

**7.5 Network Innovation Competition (NIC) Expenditure**

|  |
| --- |
| **Allocation methodologies** |
|  |
| **Systems used to populate worksheet** |
|  |
| **Summary views** (maximum words: 600 per summary section) |
| * + - 1. Current year:  1. Summary and status of successful NIC projects including a brief summary of whether conditions set by Ofgem have been met 2. NIC funding allowance for each project – breaking down innovation funding and funding by licensee. 3. NIC expenditure on each project (net and gross) explaining royalties/revenues. 4. Reasons for over or under expenditure. |
|  |
| **Additional commentary** |
|  |

**7.6 Strategic Innovation Fund (SIF) Expenditure**

|  |
| --- |
| **Allocation methodologies** |
|  |
| **Systems used to populate worksheet** |
|  |
| **Summary views** (maximum words: 600 per summary section) |
| 1. Current year: 2. Summary and status of successful SIF projects including a brief summary of whether conditions set by Ofgem have been met 3. SIF funding allowance for each project – breaking down innovation funding and funding by licensee. 4. SIF expenditure on each project (net and gross) explaining royalties/revenues. 5. Reasons for over or under expenditure. |
|  |
| **Additional commentary** |
|  |

**8.1 System Operator (SO) Electricity Market Reform (EMR) Data**

|  |
| --- |
| **Allocation methodologies** |
|  |
| **Systems used to populate worksheet** |
|  |
| **Additional commentary** |
|  |