

# TPCR4 roll over – initial stakeholder workshop

Ofgem workshop – 13<sup>th</sup> April 2010



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# Adapted roll over consultation

# Welcome

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- ◆ Proportionate approach
- ◆ Promise that there will be no delay to critical investments
- ◆ We are looking forward to working with Ofgem to develop the process to allow efficient planning

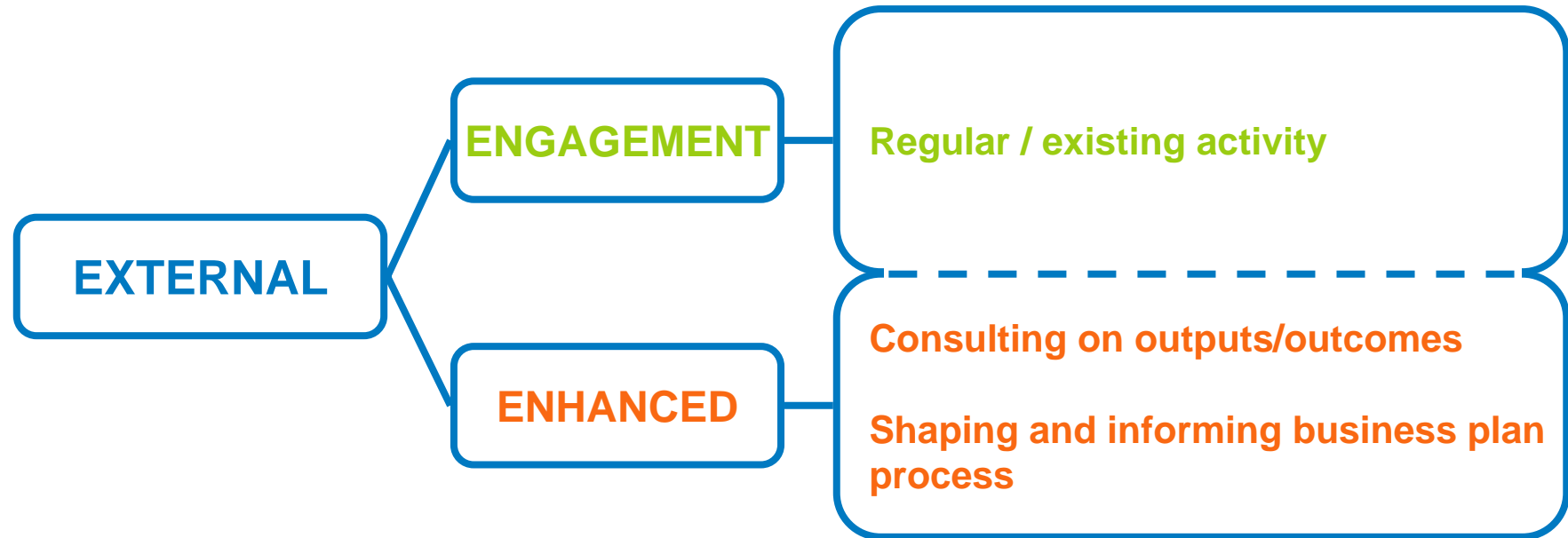
# Process

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- ◆ Timetable
  - Data submissions
- ◆ Engagement with Ofgem
  - Collaborative planning and process review session on the 23<sup>rd</sup> April

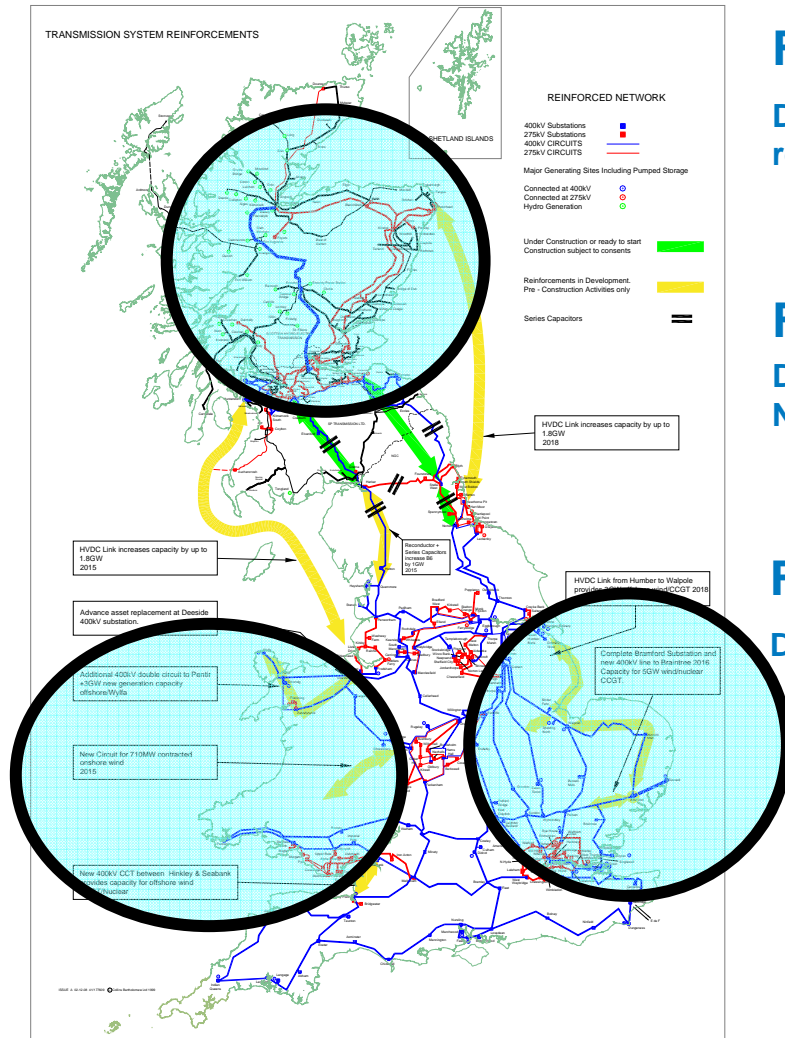
# TPCR5 Stakeholder Engagement

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# The future outlook context

# UK Strategic Investment (ENSG report)



## Focus on Scotland

Driven by onshore/offshore renewables

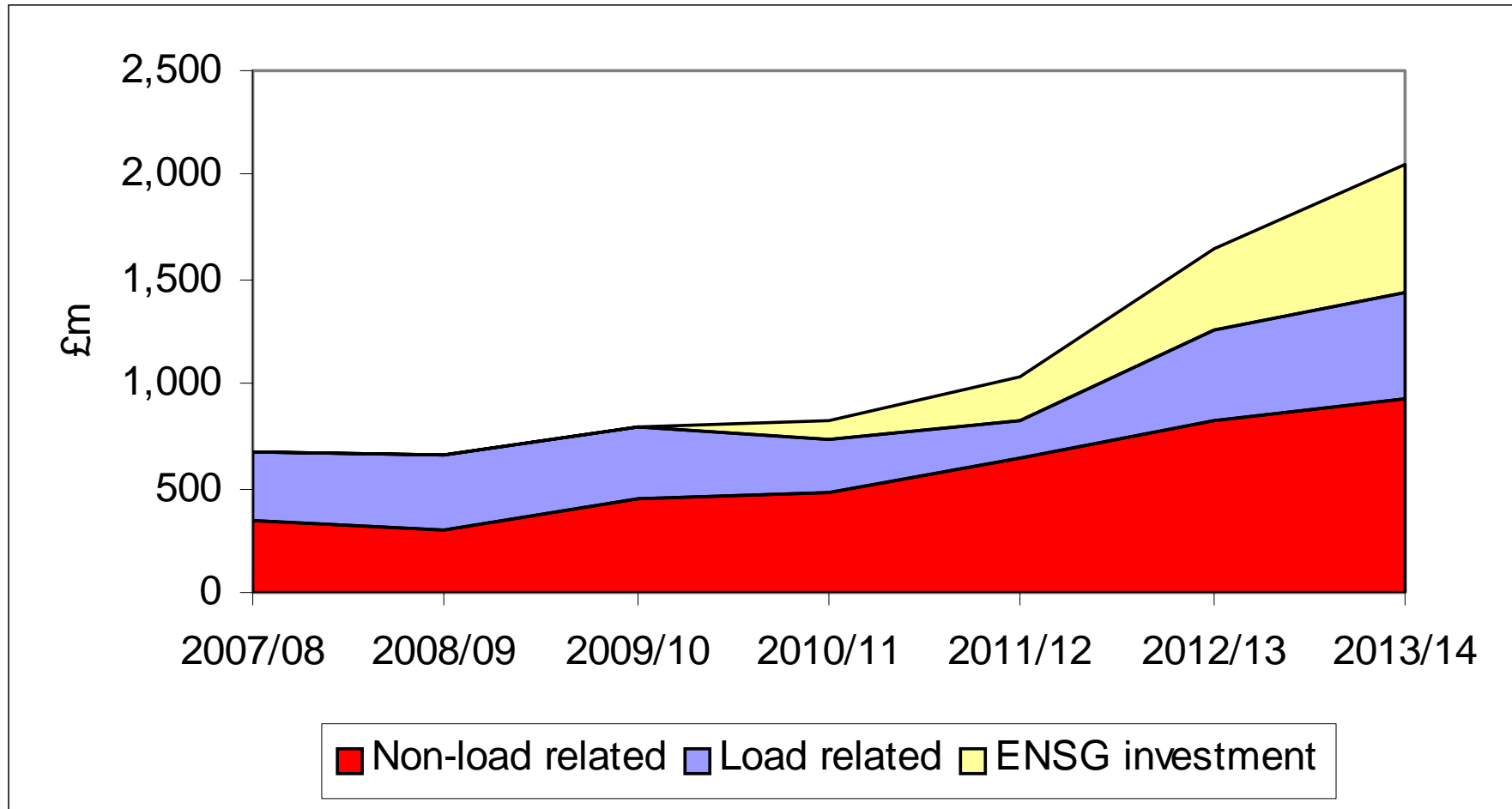
## Focus on East Coast

Driven by offshore renewables & Nuclear generation

## Focus on South & West

Driven by nuclear/wind generation

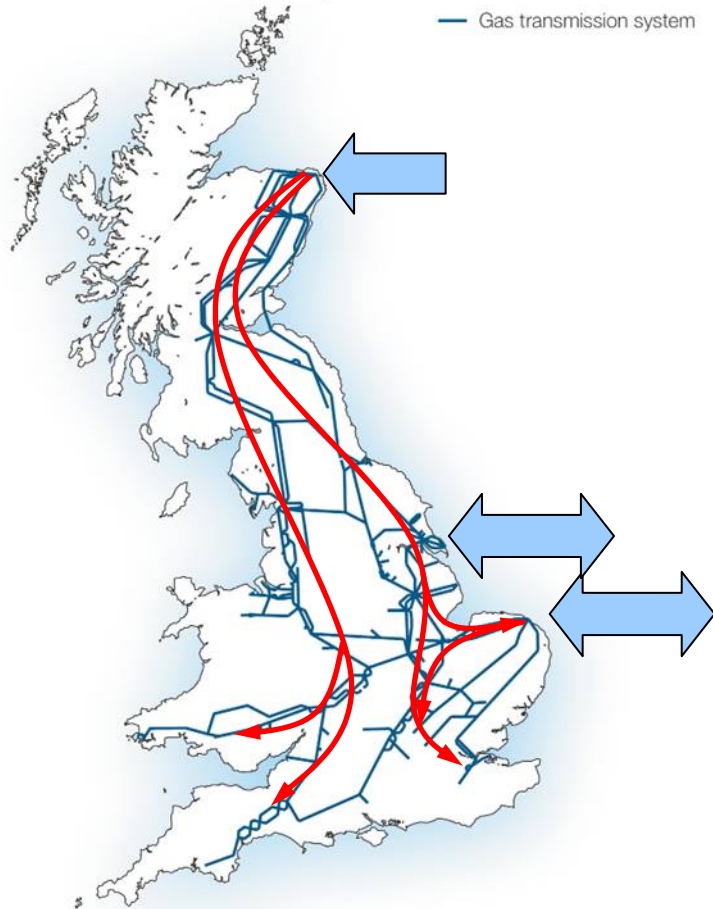
# UK Electricity Transmission capital investment



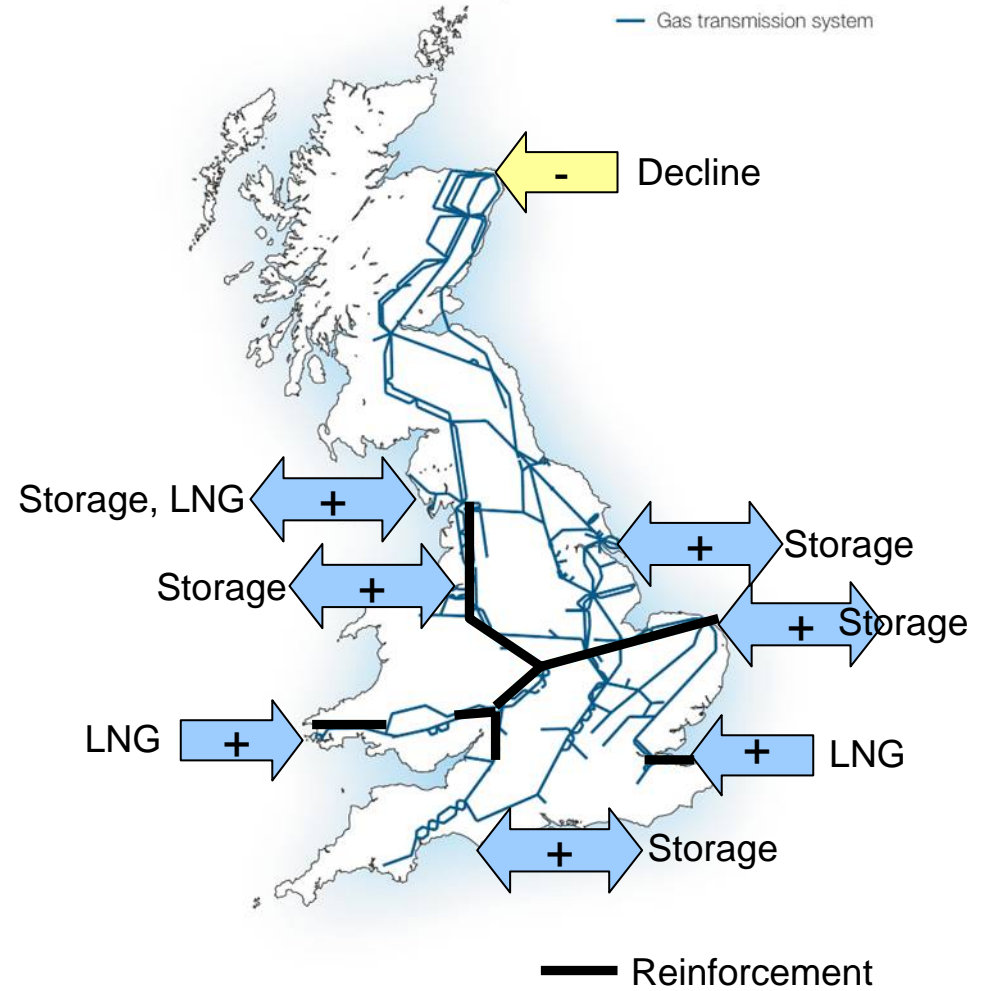


# UK Gas Transmission - Outlook

Mid 90's to late 00's



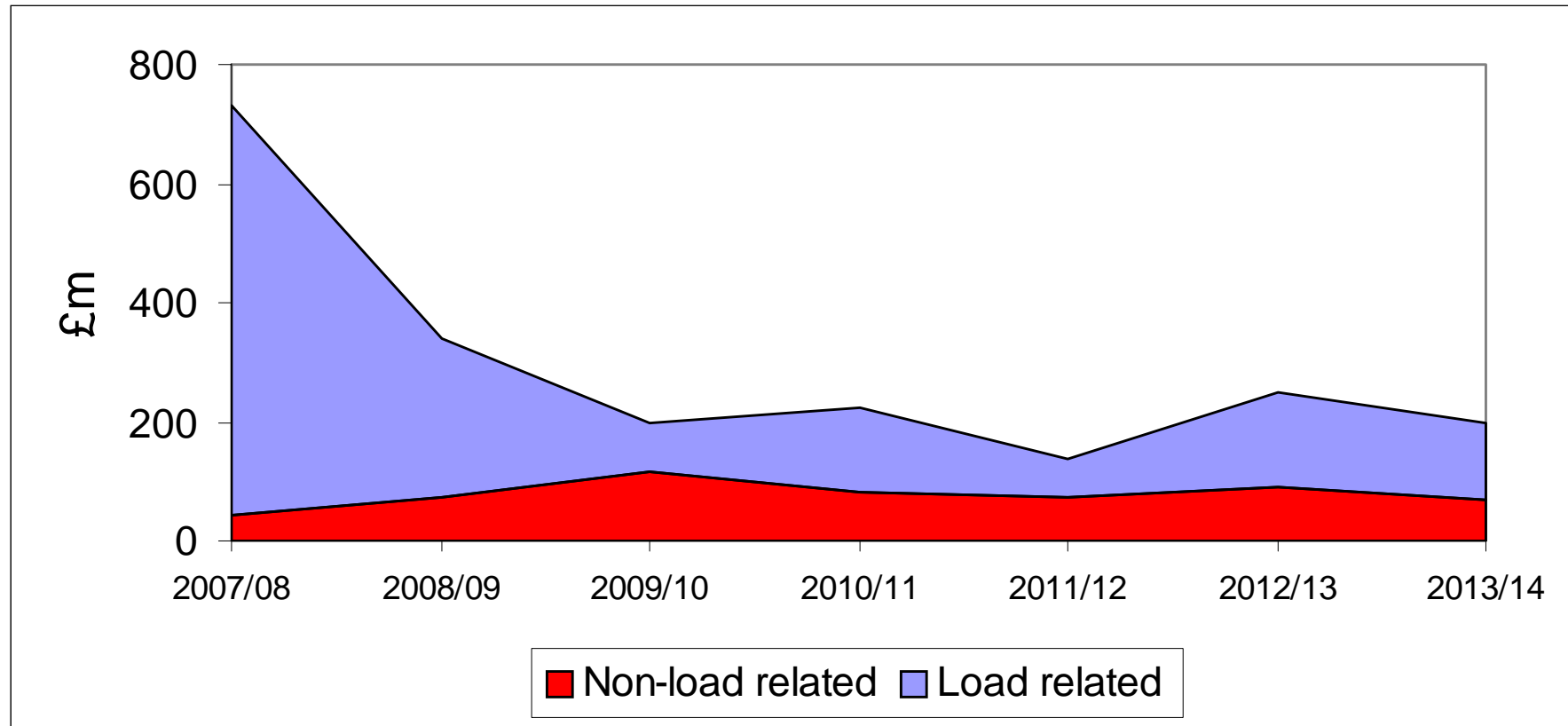
Late 00's to 2020



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# UK Gas Transmission capital investment



# Initial views on the 'minded to' positions

# Initial view on Ofgem's 'minded to' positions

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- ◆ Capex
  - logged up and regulatory WIP and the associated foregone income
  - New / increased activities
- ◆ Opex
  - new costs
- ◆ Incentives
  - question the need to recalculate electricity unit cost allowances
- ◆ Cost of capital
- ◆ Pensions – seek clarity
  - DPCR5 principles as applied to transmission
  - how ongoing costs are proposed to be treated within the proposed options
- ◆ Anticipatory investment – in or out of roll over?

# Questions?



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