

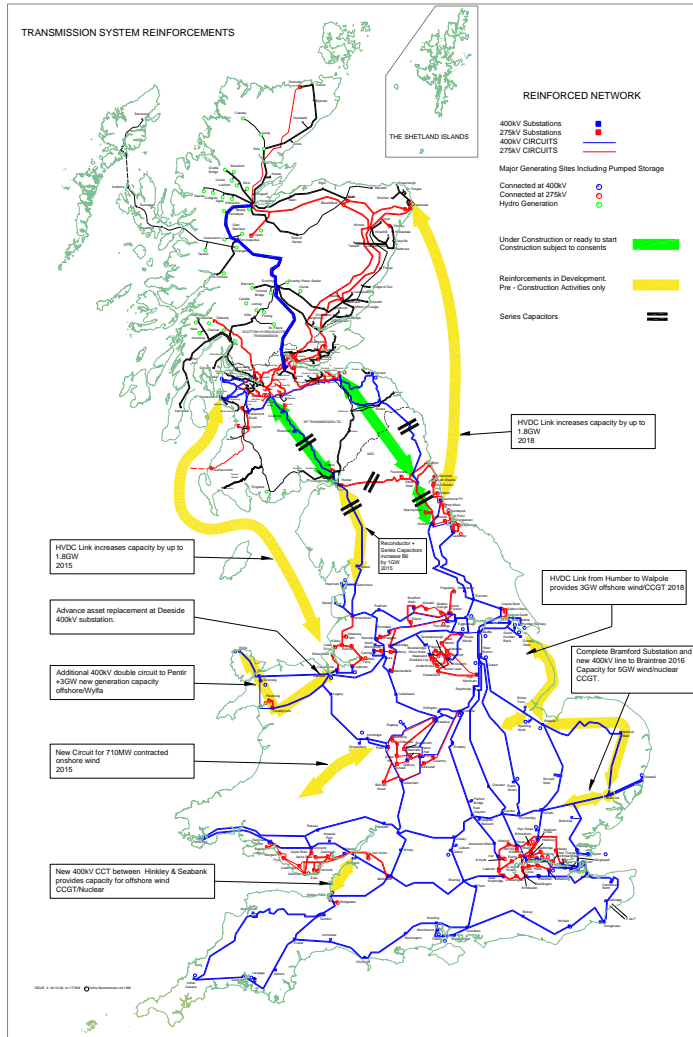
TRANSMISSION OUTLOOK

Ofgem stakeholder workshop

- The world is changing
- Next steps for the networks

The world is changing

Lots of views of the future ...



DEPARTMENT OF ENERGY & CLIMATE CHANGE

Annual Energy Statement

DECC Departmental Memorandum

HM Government

2050 Pathways Analysis

July 2010

UK energy landscape is changing

Existing
powerstation
closures

~25% *

of total capacity by 2020



Gas from
UK sources

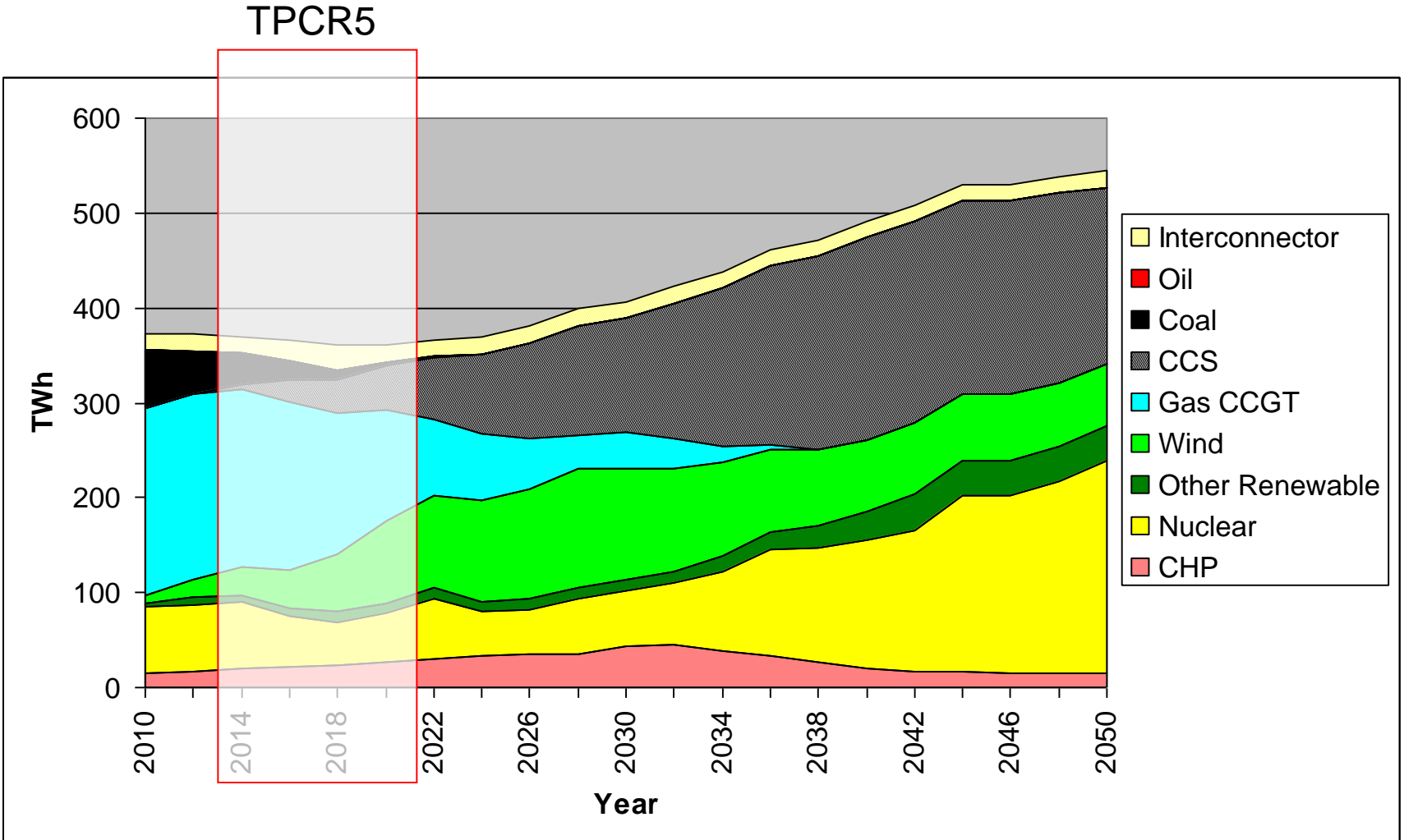
~25% *

of total supplies by 2020



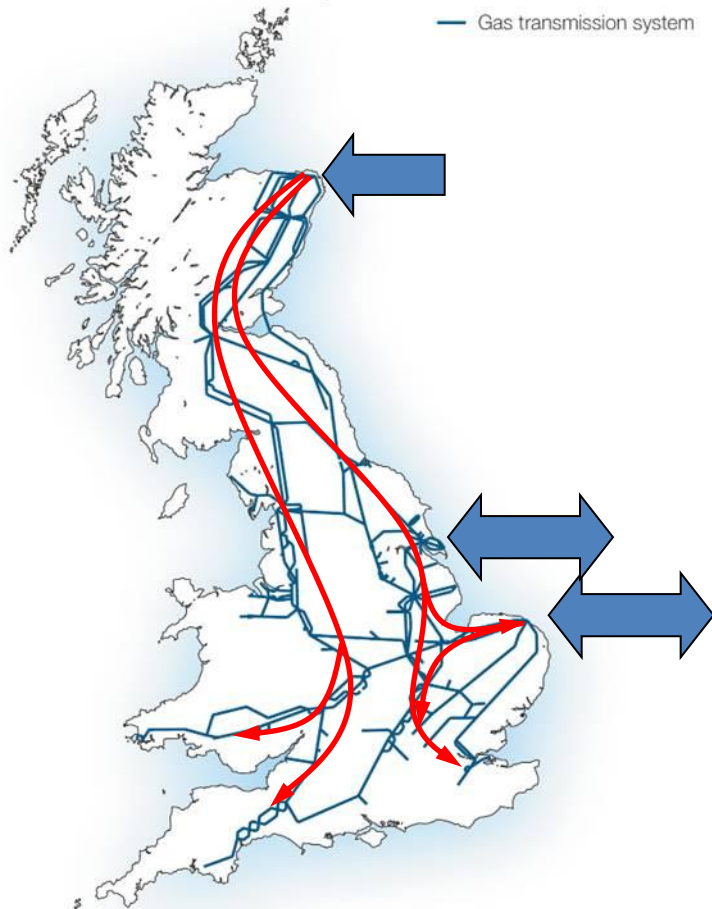
The consequences of
this changing
generation mix will
drive investment

The generation mix is changing

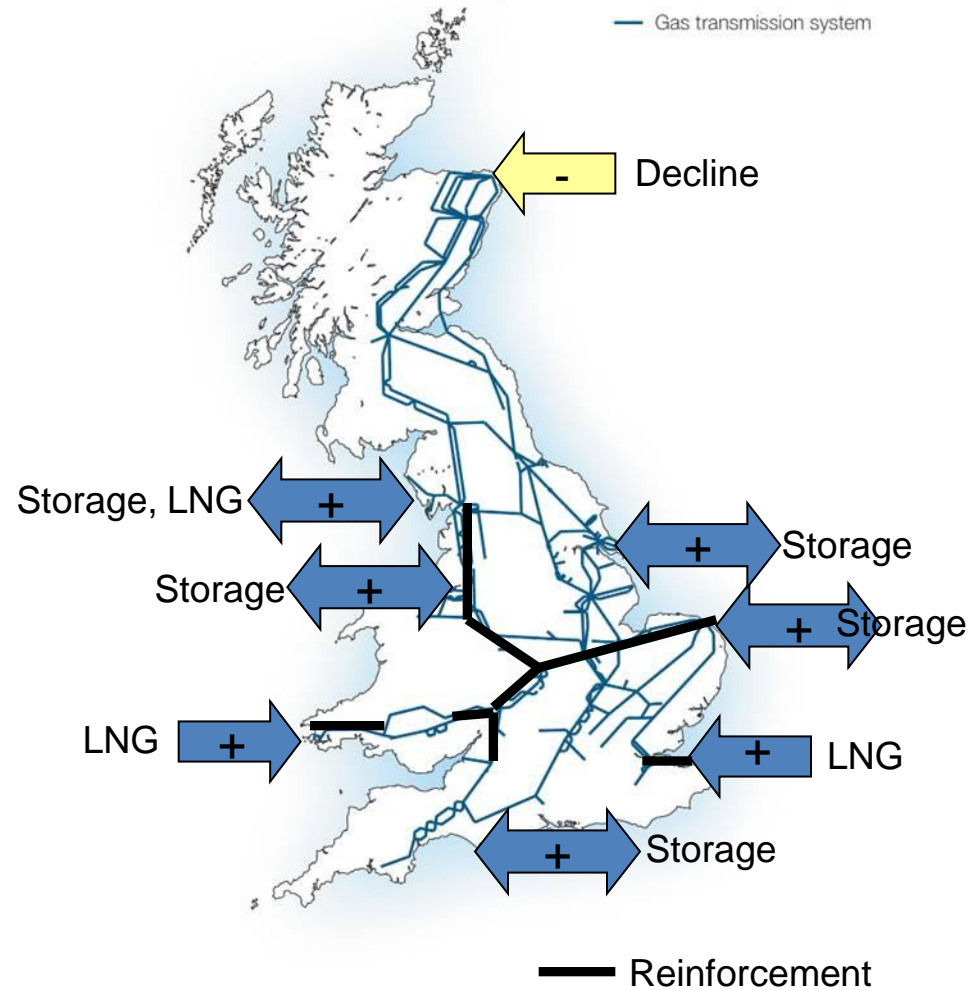


Gas outlook

Mid 90's to late 00's



Late 00's to 2020



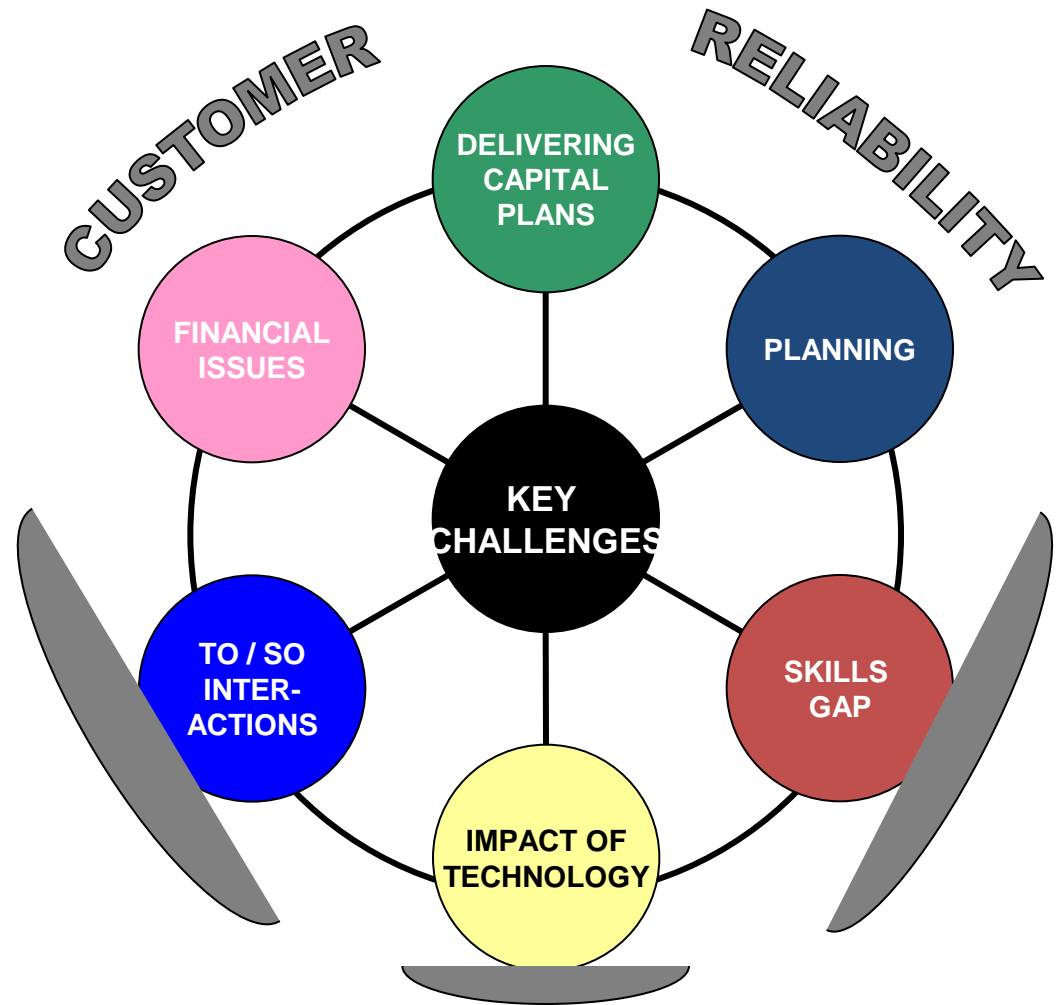
Key issues in play

INTERACTION
WITH THE
OFFSHORE
REGIME

CHARGING
REVIEW

IMPACT OF
EUROPE

TransmiT



Next steps

Developing a well justified plan

a 'well justified' business plan is based on the following elements*:

- Longer term context
- Outputs
- Stakeholder engagement
- Evidence
- Environmental considerations
- Rules

* Source – Ofgem TPCR5 Open letter

Stakeholder engagement



transmission.review@sse.com
1st October deadline for responses



Pre-consultation October – open 4 weeks
December consultation - 13 weeks

nationalgrid

The power of action.™

Preliminary consultation results
published
Oct – Jan: consultation round 1
www.nationalgrid.com/tpcr5views



In summary ...

- The world is changing
- Challenges are:
 - wide
 - varied
 - interrelated
- Networks will be actively seeking your views to inform the business plans