



# Enhancing Regulatory Performance through Capex Project Controls

**The customer** National Grid is an international electricity and gas company based in the UK and north eastern USA that plays a vital role in connecting millions of people safely, reliably and efficiently to the energy they use. In the UK, National Grid operates under the regulatory regime set out by the Office of Gas and Electricity Markets (OFGEM).

**The challenge** During the RIIO T1 period, National Grid Electricity Transmission (NGET) was required to deliver Network Replacement Outputs for lead asset categories in accordance with its license conditions. NGET needed to improve the visibility of cost performance for lead and non-lead assets by implementing an appropriate control framework with robust management reporting capability. It was also essential to improve project tracking and reporting for circuit breakers and non-lead assets delivered under minor capex projects to avoid any negative financial impact that could arise from under-delivery.

**The Enzen solution** Enzen worked closely with National Grid to produce a gap analysis for reporting of Regulated Asset Value (RAV). We developed a baseline management approach, and implemented fit-for-purpose cost performance reports to provide visibility of project cost forecasts against sanctioned budgets.

**Delivered value**

**Economic Benefits**  
Enzen improved the accuracy of forecasts to safeguard revenues of annual minor capex project portfolio valued at over £30m, and reported overspend against the sanctioned annual budget to control future projects. Incorrect cost allocation on legacy projects was prevented by accelerated closure and RAV was increased by accelerating capitalisation of ~£40m linked with legacy projects. Effective cost and schedule performance tracking for 80% of the Circuit Breaker Interventions was achieved, and outage milestones at 82 locations were clearly identified to allow NGET to improve planning and optimise costs.

**Operational Benefits**  
Enzen highlighted major variations between budget and actual costs and increased control of critical data for performance management. Time savings for Asset Management and Finance Stakeholders were delivered in addition to enhanced data quality improvements which reduced the potential risk of financial liabilities under the RIIO regime

