

ASSET MANAGEMENT POLICY FOR UK ELECTRICITY TRANSMISSION

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PURPOSE AND SCOPE

This policy provides a framework for asset management in National Grid Electricity Transmission. It applies to all assets which compose the UK electricity network in England and Wales and covers all National Grid UK employees and contractors undertaking work related to these assets.

Its aim is to set goals and promote continual improvements in asset management and is intended to help focus the organisation in addressing the most important asset management issues and opportunities.

This policy is consistent and integrated with other National Grid Group and National Grid Electricity Transmission policies including the National Grid UK risk management framework. It also takes account of the requirements of ISO 55000, Asset Management.

The scope of the electrical transmission assets comprises the regulated high voltage substations, overhead lines, underground cables and the associated control and communications throughout England and Wales.

The scope of activities covered by this policy, for National Grid Electricity Transmission, includes:

- a) The setting of functional asset management policies (e.g. maintenance policy), to ensure appropriate network and asset performance over the whole life of the assets.
- b) The long term planning, development, design and programme management of customer connections, system reinforcement and asset replacement schemes.
- c) The management of the transmission capital construction projects, including specifically the installation and commissioning of new assets, and decommissioning and/or disposal of redundant assets.
- d) The maintenance, repair and, where required, modification of assets.
- e) The development of the network outage plan.
- f) The development and management of an overall work programme for the construction, decommissioning, maintenance and repair of assets.
- g) The management of asset records and technical data.
- h) The management of an innovation programme to enhance National Grid Electricity Transmission's asset management capability.
- i) The continual improvement of asset management activities and capability through the analysis and reporting of asset and process performance, investigation of incidents and internal and external benchmarking.

PART 1 – POLICY

1 ASSET MANAGEMENT POLICY FRAMEWORK

- 1.1** Asset management activities shall be undertaken to comply with applicable legislation, regulatory and statutory requirements.
- 1.2** Asset management activities shall be undertaken to meet National Grid Electricity Transmission's obligations are met as described within:
- a) To implement and comply with the Health and Safety At Work Act 1974.
 - b) To develop and maintain the transmission system in an economic, co-ordinated and efficient manner. This is a statutory duty under the Electricity Act 1989 (as amended by the Utilities Act 2000 and the Energy Act 2004).
 - c) To meet the security standards set out in the National Electricity Transmission System Security and Quality of Supply Standards (NETSSQSS) as required under Standard Condition C17 of the Transmission Licence.
 - d) To implement and comply with the requirements of the Grid Code.
- 1.3** Asset management activities shall be undertaken to facilitate achieving National Grid's Vision and Strategy (see Asset Management strategy document AMS01).
- 1.4** Asset management activities shall be undertaken to comply with other relevant National Grid UK policies (some of which require performance which goes beyond compliance with legislation, regulatory and statutory requirements) including:
- a) National Grid UK Group policies for Safety, the Environment and Security.
 - b) National Grid UK Transmission's Financial Controls Manual and Investment Management Procedure.
 - c) National Grid UK policies for Information Security and Information Assurance.
 - d) National Grid UK Human Resources policies.
 - e) National Grid UK Procurement policies.
- 1.5** Asset management activities shall be undertaken to comply with the following frameworks and network policies:
- a) Engineering Framework
 - b) Information management Framework
 - c) Contract Control Code
 - d) Network Development Policy
 - e) Network Access Policy
- 1.6** Specific asset management functional policies shall be developed to provide a clear framework in which asset management decisions will be made to achieve:
- a) Optimisation of transmission network performance in terms of availability, reliability, health, safety and environmental performance.