

# NESO1 Enabling Functions Annex

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# 1. Executive Summary

## Summary and Context

National Energy System Operator (NESO)'s Enabling Functions deliver services on behalf of the whole organisation. NESO has the following Enabling Functions:

- Digital, Data & Technology (DD&T)
- Chief Financial Officer (CFO)
- People
- Legal and Regulation
- Corporate Affairs
- Strategy and Policy

Following the separation of NESO from National Grid, some of the services provided by these functions are still supported by National Grid through Transitional Service Agreements (TSAs) and Operational Service Agreements (OSAs). This Annex provides an overview of each Enabling Function, the services currently provided through TSAs and OSAs, and the associated costs. This Annex is a supplement to the NESOI submission and is intended to provide an overview only of the Enabling Functions for which services are partially provided under TSAs and OSAs.

## Services under TSA/OSA

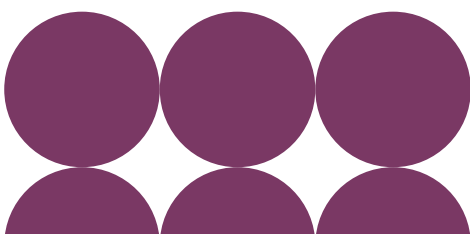
NESO has undergone significant transformation to establish itself as an independent organisation under new ownership. To enable this transformation with minimal disruption, NESO is supported by TSAs and OSAs provided by National Grid. These commercial agreements ensure the continuation of critical services between NESO and National Grid during a transitional period (between 1 October 2024 and 30 September 2026 for TSAs and until December 2031 for OSAs). Formal governance assures service levels are regularly monitored and measured to ensure that NESO can continue to operate without disrupting licence obligations and business as usual activities.

## Exit Planning

During the transitory period, NESO is building its own capability and services to ensure that these TSAs and OSAs can be exited once no longer required. Overall, NESO is on track for the targeted 60% exit of services by April 2026. Most TSA exits are managed by two programmes:

1. **Elevate** – focused on the provision of the Human Resources, Finance and Procurement (HRFP) system and associated services
2. **Foundational Services** – focused on the provision of foundational IT services required for NESO operations. There are multiple workstreams within this programme including: Digital Workplace Services, Cyber and Physical Security, Service Management, M365, Application Migration, and Networks and CNI (Critical National Infrastructure) services.

See Section 3 for more information.



## 2. Cost Summary

### TSA Cost Summary

Costs/cost ranges for TSAs are provided below.

**Table 1: TSA Cost Summary**

Cost Type	Costs / Cost Ranges
Annual TSA Cost	£36m
Variable TSA Cost	£30m-37m
Standup Cost (one-off)	£110m
Future Ongoing Run Cost	£50m-£60m

- **Annual TSA Cost:** Transitional Service Agreement cost including:
  - **Fixed TSAs:** Fixed monthly charges e.g. Commercial services, Application support and maintenance, IT Service management, Security Services.
- **Variable TSAs:** Variable monthly passthrough charges e.g., Shared Regulatory Projects, Project Support Requests, TSA Commercial Order Requests.
- **Standup Cost (one-off):** NESO's Cost to Achieve Day 2 separated systems, processes and procedures.
- **Future Ongoing Run Cost:** Rough Order of Magnitude (ROM) figure representing the annual future run costs of the services being stood up to replace the TSAs. As services come into effect the cost will become more defined. Where future costs have not yet been determined through contracts, existing TSA run costs have been used to estimate future costs for that service.

### OSA Cost Summary

Indicative costs for the OSA exits are provided below.

**Table 2: OSA Cost Summary**

Cost Type	Indicative Costs
Annual OSA Cost	£14m
Indicative Total OSA Exit Cost	£38m

- **Annual OSA Cost** - This figure represents the annual amount that NESO is paying to National Grid to run all IT and Business Services related to the OSAs.
- **Indicative Total OSA Exit Cost** - Total cost of NESO's OSA exit from National Grid and standing up of NESO OSA services, including NCI network, Optel, Meter Operating Agreement, and contingency and evacuation plans.

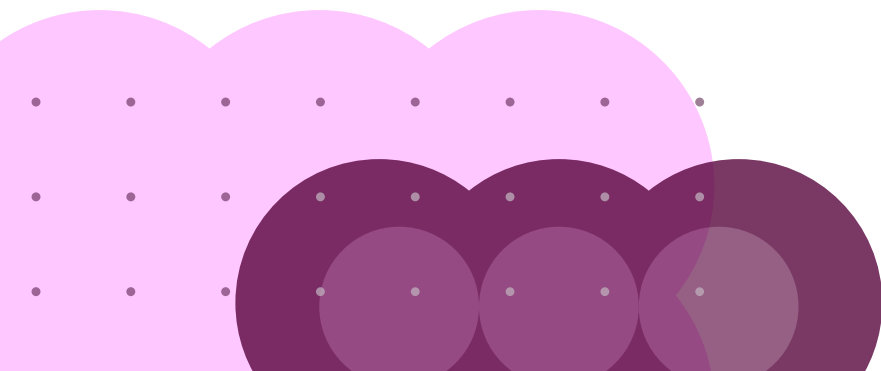
## 3. Enabling Functions Summaries

### Digital, Data, & Technology (DD&T)

The DD&T team own NESO's Digital, Data and Technology strategy, enabling our business, employees, and customers through a digital first approach, deployment of digital technologies, data-centric enablement, and long-term transformative innovation. Digital, Data and Technology are critical enablers for a future where everyone has access to reliable, clean and affordable energy and to positioning NESO as a catalyst for change across the global community.

DD&T delivers secure and reliable technology operations across NESO, a substantial modernisation of the technology landscape, and a transition of technology services from National Grid. It provides the data services to enable consumption and access to data and manages NESO's innovation portfolio working to innovate across the industry to solve complex challenges.

Our technology investments are delivered by resources dedicated to NESO projects. Previously shared general technology projects delivered by National Grid are currently provided under TSA/OA whilst new capabilities or solutions are being planned for NESO.



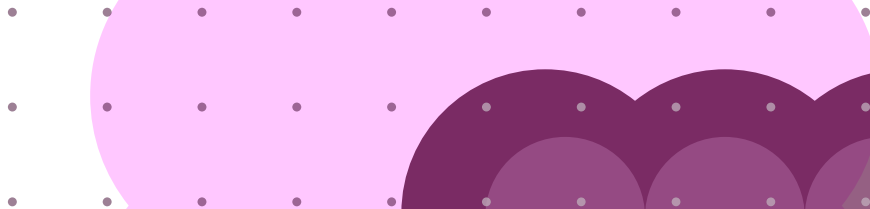
## Transitional Service Agreements (TSAs) associated with DD&amp;T

Table 3: DD&amp;T TSAs and Exit Plans

Reference	TSA Name	Description	Exit Plan	Planned Exit Date	TSA cost (Annual)
TSA-IT-002	Commercial Services	Supply of vendor / contract management and contract handover services to support the management of contracts related to the provision of TSA services.	The Commercial Services TSA is not being exited through the two main programmes (Elevate & Foundational Services). It is therefore being managed through a separate system. As TSAs transition to dial down and exit, the associated contracts will be managed and dialled down accordingly. The planned exit date is September 2026 and this is on track.	Sept 2026	£0.7m
TSA-IT-003	Application licences, support & maintenance (non-CNI)	IT application licences and maintenance support for non-CNI applications.	<p>This TSA is being exited via the Foundational Services programme (Application Migration and M365 workstreams). The exit readiness decision is expected in March 2026 for a planned exit date of July 2026.</p> <ul style="list-style-type: none"> <li>The M365 workstream will stand-up NESO's own M365 applications to replace those used from National Grid.</li> <li>The Application Migration workstream is responsible for migrating all IT applications required for NESO operation across from National Grid and is continuous throughout separation. It is being conducted over multiple waves and to date several applications have been successfully migrated. This work is operating in coordination with the device and network roll-out.</li> </ul>	July 2026	£9.0m

Reference	TSA Name	Description	Exit Plan	Planned Exit Date	TSA cost (Annual)
TSA-IT-004	Application & hosting (non-CNI)	Operate, manage and support the non-CNI computing hardware, operating systems, storage and back-up, and environment management within all data centres as well as current cloud solutions.	<p>This TSA is being exited via the Foundation Services programme (Application Migration workstream). Application migration is an overarching TSA, with cross delivery by other TSA Foundational Services teams i.e. HRF and Cyber Security. The target dial down date is March 2026 for core and non-core applications. The aim is to exit this TSA in July 2026, which is currently on track.</p> <ul style="list-style-type: none"> <li>• Core applications: these are “lift and shift” applications from National Grid to the NESO estate. This will be delivered across multiple waves, completing in March 2026.</li> <li>• Non-core applications: these are primarily Software as a Service applications that require interfaces to be repointed, reconfigured, or rebuilt across multiple waves, completing in December 2025.</li> </ul>	July 2026	£7.4m
TSA-IT-005	Infrastructure processes, procedures and services	Provision / use of existing Wide Area Network (WAN), Local Area Network (LAN), telephony, network management and network security services.	<p>The TSA is being exited via the Foundational Services programme (Networks and CNI workstream). The exit readiness decision is due in November 2025 with a view to exit the TSA in July 2026. This is currently on schedule. The capabilities being established under this TSA are:</p> <ul style="list-style-type: none"> <li>• Telephony</li> <li>• Network Management</li> <li>• Network Security Services</li> </ul>	July 2026	£0.8m

Reference	TSA Name	Description	Exit Plan	Planned Exit Date	TSA cost (Annual)
TSA-IT-006	IT Service Management Processes and Procedures	Service desk provision including incident, problem and change management.	The TSA is being exited via the Foundational Services programme (Service Management workstream). The exit readiness decision is planned for March 2026 with a target exit date of July 2026. ServiceNow is the primary application being stood up to replace this TSA.	July 2026	£1.4m
TSA-IT-007	Digital Workplace Services (DWS), Processes and Procedures	Support of non-CNI end user devices (office and field force), productivity tools, printing and user access (Active Directory), and including but not limited to, Virtual Desktops, Video Conferencing, collaboration tools, desktop, laptops and hardware.	<p>The TSA is being exited via the Foundational Services programme (DWS workstream). The exit readiness decision is due in March 2026 with a view to exit the TSA in July 2026, which is currently on schedule. The capabilities being established under this TSA are:</p> <ul style="list-style-type: none"> <li>• Print Services</li> <li>• Telephony, Meeting Rooms, and Digital Signage</li> <li>• Service Desk</li> <li>• Azure Virtual Desktop</li> </ul> <p>A strategic partner will be onboarded to manage DWS systems. Device migration planning, testing, and deployment is underway.</p>	July 2026	£2.8m





Reference	TSA Name	Description	Exit Plan	Planned Exit Date	TSA cost (Annual)
TSA-IT-009	Cyber Security	Protection of IT assets and networks used by NESO within National Grid environments.	<p>The TSA is being exited via the Foundational Services programme (Security workstream). The exit readiness decision is due in June 2026, with a target exit date of September 2026. There is a large range of services being stood up as part of the programme including:</p> <ul style="list-style-type: none"> <li>• Continuous network monitoring</li> <li>• Centralised log collection and management</li> <li>• Security event case management and automated actions</li> <li>• Incident response, digital forensic and e-discovery, and other tooling</li> <li>• Cyber threat intelligence, feeds and data integration</li> <li>• Cyber exercising</li> <li>• Metrics reporting</li> <li>• Privilege access management</li> </ul>	Sept 2026	£11.8m
TSA-IT-010	Physical Security	<p>Provision of site and personal security services including event and building security:</p> <ul style="list-style-type: none"> <li>• Provision of physical and personal security services including alarm monitoring and response, incident management</li> <li>• Asset maintenance and fault response, system maintenance and fault response</li> </ul>	<p>This TSA is being exited via the Foundational Services programme (Security workstream) with a planned exit date of January 2026.</p> <p>The capabilities being replaced are:</p> <ul style="list-style-type: none"> <li>• Physical Security Infrastructure</li> <li>• Physical Security Operations Centre (PSOC)</li> <li>• Corporate Physical Security</li> </ul>	Jan 2026	£0.6m

Reference	TSA Name	Description	Exit Plan	Planned Exit Date	TSA cost (Annual)
TSA-IT-011	(PSR001) Additional Project Support	Provision of support for additional projects required to support separation and additional knowledge transfer as required where that support would not otherwise be available.	This TSA is related to the provision of services from National Grid relating to work that is required on the services they provide under the other TSAs. Therefore, this TSA does not have an "exit plan" but will instead end when all other TSAs end. Total costs reflect ROM to complete separation from NG.	Sept 2026	£20m - £25m
TSA-IT-012	Shared Investment Portfolio Projects	Provision of project and programme delivery capability or support via its existing programme delivery, engineering, and infrastructure teams.	This TSA covers National Grid services required by other TSAs and will terminate when all related TSAs conclude. Costs shown are ROM estimates for full separation from NG.	Sept 2026	£10m - £12m
TSA-IT-013	Pass-through third-party costs relating to NESO	Pass-through costs that relate directly to the provision of Services to the Service Recipient, where the costs have not already been included within the Charges associated with the other Services. For example, mobile phone provision and package costs, background screening costs and visas. All requests raised via the IT Portal will be charged as Pass-through Costs.	This TSA covers National Grid services required by other TSAs and will terminate when all related TSAs conclude. Costs shown are ROM estimates of 3rd party costs passthrough from National Grid to NESO.	Sept 2026	£120m - £140m (ROM)

Reference	TSA Name	Description	Exit Plan	Planned Exit Date	TSA cost (Annual)
TSA-IT-015	Risk and Compliance	Monitoring and management of Technology risk and compliance within the environments that NG plc is using to provide services to NESO under TSA, as well as provision of vendor risk assurance services where relevant for services provided under the TSA.	This TSA exit is being managed under the Risk and Compliance plan. The exit readiness decision is due in June 2026, with a planned exit date of September 2026. As this TSA relates to the provision of other TSAs there is no ongoing service being stood up to replace it.	Sept 2026	£0.7m

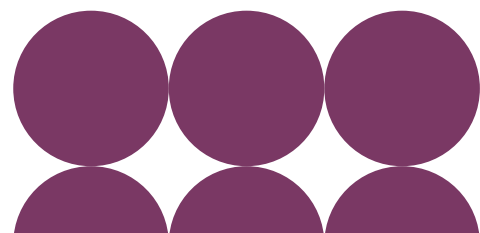
### DD&T Day 2 Services

Table 4: DD&T Day 2 Services

Day 2 Service	Service description	Standup cost	Estimated future run cost	Associated TSAs
Digital Workplace Services	This service includes collaboration tools, conferencing, device, support, M365, and Identity and Access Management (IDAM).	£11.5m	£12m	TSA-IT-007: Digital Workplace Services, Processes and Procedures TSA-IT-003: Application licences, support & maintenance (non-CNI)
Cyber Security Services	This workstream is standing up all the required cyber security services required to maintain a secure cyber environment for NESO.	£9.1m (Year 1 only)	£5m	TSA-IT-009: Cyber Security
Physical Security Services	This includes standing up the physical security systems required for safe NESO operations. This includes development of alarm monitoring, incident management, asset and system maintenance, and fault response.	£3.6m (Year 1 only)	£1.5m	TSA-IT-010: Physical Security

Day 2 Service	Service description	Standup cost	Estimated future run cost	Associated TSAs
Service Management Services	This service is the independent NESO Service Desk, including incident management, problem management, change management, and AI Ops.	£4.3m	£5m	TSA-IT-006: IT Service Management Processes and Procedures
Application Migration Services	This workstream is responsible for migrating all IT applications required for NESO operation across from National Grid and is continuous throughout separation.	£6.6m	N/A	TSA-IT-003: Application licences, support & maintenance (non-CNI) TSA-IT-004: Application & hosting (non-CNI)
Networks and CNI Services	This service includes establishing Telephony, Network Management, and Network Security Services.	£17.6m	£0.8m (only Corporate Networks)	TSA-IT-005: Infrastructure processes, procedures and services
Cloud and Hosting Services	This workstream is responsible for standing up and operation of Cloud and Hosting services.	£9.0m	£5m	TSA-IT-004 Application & hosting (non-CNI)

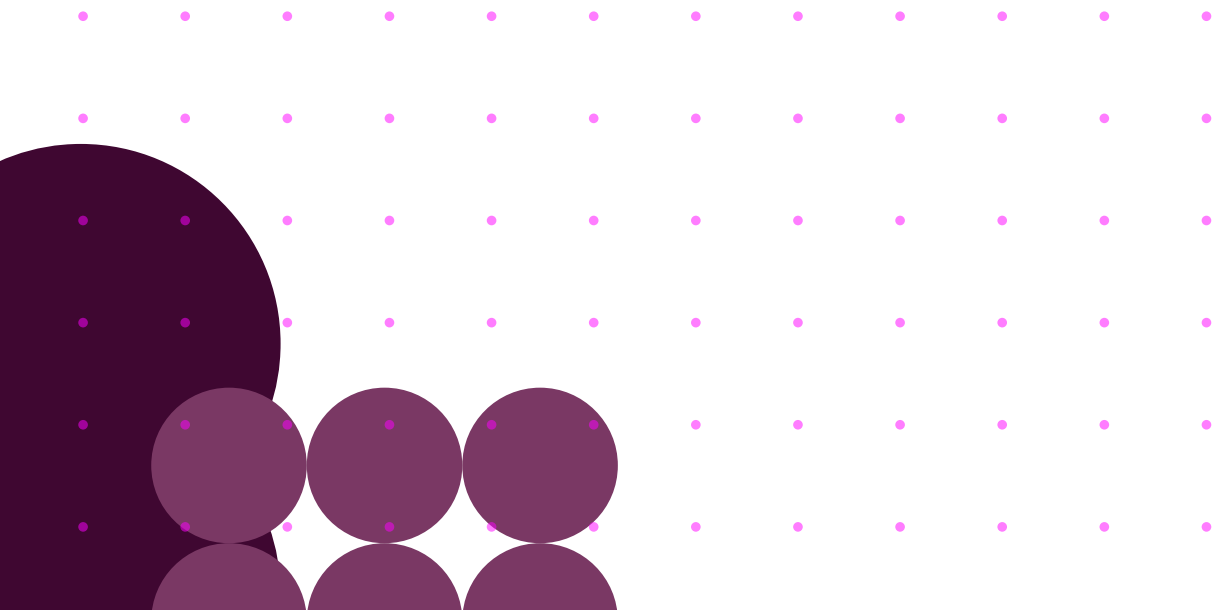
*Note: this table does not include project management costs as these are distributed across each workstream.*



## Chief Financial Officer (CFO)

The CFO directorate supports NESO to deliver excellent outcomes and value for the consumer through insightful information, advice and control across finance, procurement, portfolio management and property. By providing specialised insight, advice and control, it contributes to NESO's ability to make informed decisions, effectively manage resources, and prioritise the needs and interests of consumers.

CFO ensures accurate accounting records along with compliance with standards and legislation. It manages the balancing services and network charges, combining financial expertise with strategic planning skills to support NESO's objectives, overseeing financial and project governance, performance reporting and resource allocation. CFO oversees programme and project delivery to achieve NESO's strategic objectives, providing insight on strategic alignment, finances, risk, and resources. It provides a centralised, responsive and compliant approach to procuring goods and services, managing risks, and adding value. CFO also oversees the management of facilities across the estate, ensuring resilience to critical national infrastructure.



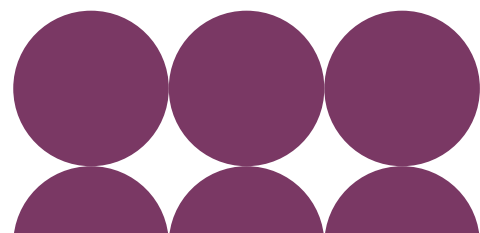
## Transitional Service Agreements (TSAs) associated with CFO

Table 5: CFO TSAs and Exit Plans

Reference	TSA Name	Description	Exit Plan	Planned Exit Date	TSA cost (Annual)
TSA-BUS-09	System Admin Support Coupa and Concur	Technical (non-process) support for cloud-based business support applications including expense management, travel management and indirect procurement software.	<p>This TSA is being exited via the Elevate programme, which is currently in the Build and Configure stage. All TSAs within the Elevate programme will conduct an exit readiness decision in April 2026, with a plan to exit in July 2026.</p> <p>Milestones completed to date:</p> <ul style="list-style-type: none"> <li>• Data requirements confirmed</li> <li>• Communications to third parties completed</li> </ul> <p>The core HRFP application is due to go live in April 2026, and the TSA is on track to exit in July 2026.</p>	July 2026	£0.1m
TSA-BUS-10	Master Data Management	An on-request service for the creation, maintenance, and governance of finance-related master data.	<p>This TSA is being exited via the Elevate programme, which is currently in the Build and Configure stage. All TSAs within the Elevate programme will conduct an exit readiness decision in April 2026, with a plan to exit in July 2026.</p> <p>Milestones completed to date:</p> <ul style="list-style-type: none"> <li>• Data requirements confirmed</li> <li>• Communications to third parties completed</li> </ul> <p>The core HRFP application is due to go live in April 2026, and the TSA is on track to exit in July 2026.</p>	July 2026	N/A - On request service

Reference	TSA Name	Description	Exit Plan	Planned Exit Date	TSA cost (Annual)
TSA-BUS-11	Accounting Services	Ad-hoc call down support for general accounting services and month end journal preparation.	This is an ad-hoc TSA which will exit as required in September 2026, with the expectation that the HRFP application (Elevate programme) will have been implemented and functional by this stage.	July 2026	£0.1m
TSA-BUS-15	Robotic Process Automation (RPA)	Assistance with monitoring and repairing existing bot automations within the NESO estate supporting business processes.	<p>This TSA is being exited via the Elevate programme, which is currently in the Build and Configure stage. All TSAs within the Elevate programme will conduct an exit readiness decision in April 2026, with a plan to exit in July 2026.</p> <p>Milestones completed to date:</p> <ul style="list-style-type: none"> <li>• Data requirements confirmed</li> <li>• Communications to third parties completed</li> </ul> <p>The core HRFP application is due to go live in April 2026, and the TSA is on track to exit in July 2026.</p>	July 2026	£0.02m
TSA-BUS-16	Controls Monitoring Platform Data Provision	Provision of a quarterly data extract from the Controls Monitoring Platform to enable manual journal fraud controls.	<p>This TSA is being exited via the Elevate programme, which is currently in the Build and Configure stage. All TSAs within the Elevate programme will conduct an exit readiness decision in April 2026, with a plan to exit in July 2026.</p> <p>Milestones completed to date:</p> <ul style="list-style-type: none"> <li>• Data requirements confirmed</li> <li>• Communications to third parties completed</li> </ul> <p>The core HRFP application is due to go live in April 2026, and the TSA is on track to exit in July 2026.</p>	July 2026	£0.02m

Reference	TSA Name	Description	Exit Plan	Planned Exit Date	TSA cost (Annual)
Property Lease	Faraday House & National Grid House	Provision of Faraday House to NESO under terms of a lease agreement plus to enable expansion of NESO business, additional space in National Grid House (access restricted to NESO staff and contractors).	The lease of Faraday House expires in January 2032, however from February 2029, either party (National Grid or NESO) may terminate the lease with 12 months' notice. A 'forced relocation' within 12 months would cause too much disruption. As a result of this risk, the property team have initiated a project to plan the lease exit. A consultancy has been appointed to this project, and a steering group is being formed. The initial scope of the project (discovery phase) is to understand requirements and localities, with an output of being able to brief a retained surveyor to undertake property searches.	Earliest exit: Feb 2030  Latest exit: Jan 2032	N/A
Property Reverse Lease	Warwick – CNI & Optel	Warwick facility overheads associated with the provision of Critical National Infrastructure (CNI) and Optel services (CNI time, facilities management, overhead, utilities).	Due to the nature of this Property Reverse Lease, with NESO as landlord and NGET (National Grid Energy Transmission) as tenant, there is no current plan from NESO to exit this TSA. Should NESO vacate the premises, it would revert to NGET as landlord.	N/A	N/A





## CFO Day 2 Services

Table 6: CFO Day 2 Services

Day 2 Service	Service description	Standup cost	Estimated future run cost	Associated TSAs
Elevate: Finance and Procurement	This service includes the delivery of an integrated solution underpinned by cloud-based Finance and Procurement platforms. This also includes an operating model for Finance and Procurement services.	£16.2m	£5m (Total Elevate estimated future run cost, including People Services)	<ul style="list-style-type: none"> <li>• TSA-BUS-10: Master Data Management</li> <li>• TSA-BUS-11: Accounting Services</li> <li>• TSA-BUS-15: Robotic Process Automation (RPA)</li> <li>• TSA-BUS-16: Controls Monitoring Platform Data Provision</li> <li>• TSA-BUS-09: System Admin Support Coupa and Concur</li> </ul>
Property	The process associated with exiting the ongoing property leases between NESO and National Grid.	N/A	N/A	Property Lease Reverse Property Lease

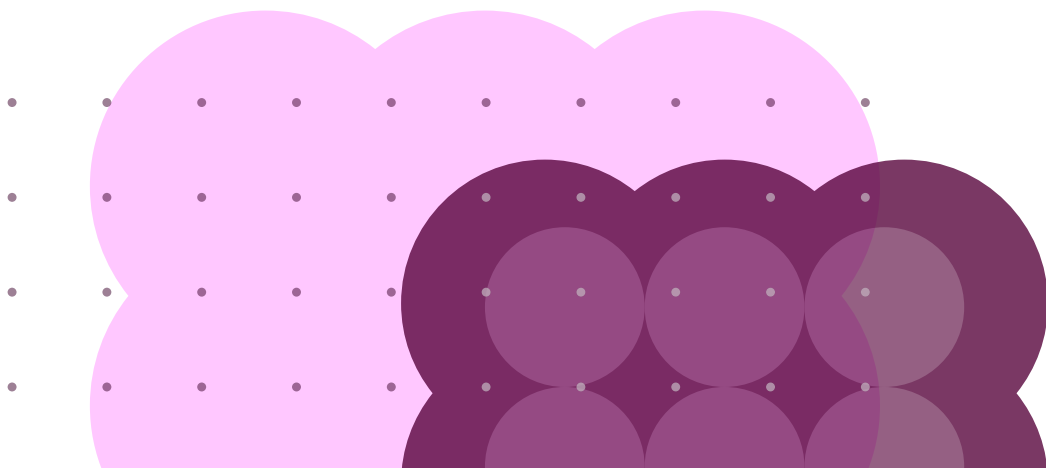
Note: this table does not include project management costs as these are distributed across each workstream.

## People

NESO's People function aims to deliver a high-quality full life cycle people experience aligned with our employer brand, values and business priorities. The people programmes are aligned to the business strategy with a critical focus on:

- Defining, forecasting, attracting and developing the leadership capabilities and technical expertise required to meet our current and future obligations
- Building a culture and working environment which fosters belonging, high performance, wellbeing and engagement
- Delivering a balanced employee value proposition to attract and retain the capabilities required to meet our obligations

We work alongside the business to enable our managers to ensure delivery of the expected employee experience and support the continuous improvement of performance and capabilities.



## Transitional Service Agreements (TSAs) associated with People

Table 7: People TSAs and Exit Plans

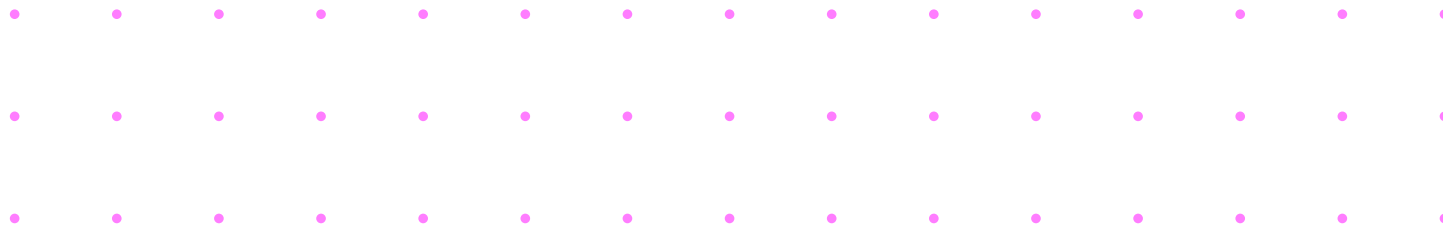
Reference	TSA Name	Description	Exit Plan	Planned Exit Date	TSA cost (Annual)
TSA-BUS-08	People Services	Provision of people related services such as payroll, onboarding, right to work validation and the HR contact centre.	<p>This TSA is being exited via the Elevate programme, which is currently in the Build and Configure stage. All TSAs within the Elevate programme will conduct an exit readiness decision in April 2026, with a plan to exit in July 2026. Milestones completed to date:</p> <ul style="list-style-type: none"> <li>• Data requirements confirmed</li> <li>• Communications to third parties completed</li> </ul> <p>The core HRFP application is due to go live in April 2026, and the TSA is on track to exit in July 2026.</p>	July 2026	£0.7m
TSA-P&C-14	MyHub System Admin Support	Support for the logically separated MyHub system including but not limited to release testing, configuration testing, management of annual performance forms.	<p>This TSA is being exited via the Elevate programme, which is currently in the Build and Configure stage. All TSAs within the Elevate programme will conduct an exit readiness decision in April 2026, with a plan to exit in July 2026. Milestones completed to date:</p> <ul style="list-style-type: none"> <li>• Data requirements confirmed</li> <li>• Communications to third parties completed</li> </ul> <p>The core HRFP application is due to go live in April 2026, and the TSA is on track to exit in July 2026.</p>	July 2026	£0.3m

## People Day 2 Services

Table 8: People Day 2 Services

Day 2 Service	Service description	Standup cost	Estimated future run cost	Associated TSAs
Elevate: People	This includes the delivery of an integrated solution and operating model for People services, including payroll, underpinned by the cloud-based platform.	£18.6m	£5m (Total Elevate estimated future run cost, including Finance and Procurement Services)	TSA-BUS-08: People Services TSA-P&C-14: MyHub System Admin Support

Note: this table does not include project management costs as these are distributed across each workstream.



# 4. General Services and Operational Service Agreements

## General Services Agreements (GSAs)

All General Services Agreements have been stood down and transferred to either TSAs or OSAs depending on their requirements. There are no more GSAs in operation.

## Operational Service Agreements (OSAs)

Operational Service Agreements (OSA) are contractual agreements between National Grid and NESO to record the terms on which the Service Provider will provide certain operational services on a transitional basis to the Service Recipient.

OSAs have a longer duration than the TSA period (up to 8 years), and a subsection of services are bi-directional, i.e. services will be provided to NESO by National Grid and by National Grid to NESO.

### OSAs (National Grid Electricity Transmission to NESO)

**Table 9: Table of OSAs**

Reference	OSA Name	Description
OSA-IT-008	CNI Hosting Management	Operation, management and support of the CNI hosting and network.
OSA-IT-014 Optel Services (Telecoms Lot 2)	CNI Data Centre Wide Area Network (WAN) and Telephony Systems	Long-term agreement for provision of Operational Telecoms services.
OSA-PSR-002	OSA Commercial Order Request (COR) Support Service	Provision of support for additional projects required to support separation and additional knowledge transfer as required where support would not otherwise be available.
OSA-COR-002	OSA COR Request Support Service	Provision of access to Third Party Suppliers under the Commercial Order Request process for technical support services or technical and delivery resource augmentation.
GSA2 2.4	Meter Operating Agreement (MOA) Service	Provision of servicing to code 1-5 metering systems and offshore metering systems using sufficiently regulated MOA.
GSA2 2.5	Contingency and Evacuation Arrangements	Readiness of property facilities & physical access at the Service Provider's Transmission Network Control Centre (TNCC) in case of evacuation.

Reference	OSA Name	Description
OSA-IT-012	Shared regulatory Investment Projects	Provision of project and programme delivery capability or execute via its existing programme delivery, engineering, and infrastructure teams on shared regulatory investment projects.
OSA-IT-013	On-demand pass-through costs relating to services provided to the Service Recipient	Third party costs that relate directly to the provision of Services to the Service Recipient where the costs have not already been included within the Charges associated with other Services e.g., mobile phone costs, background screening costs, and visas.



## OSA Exit Plans

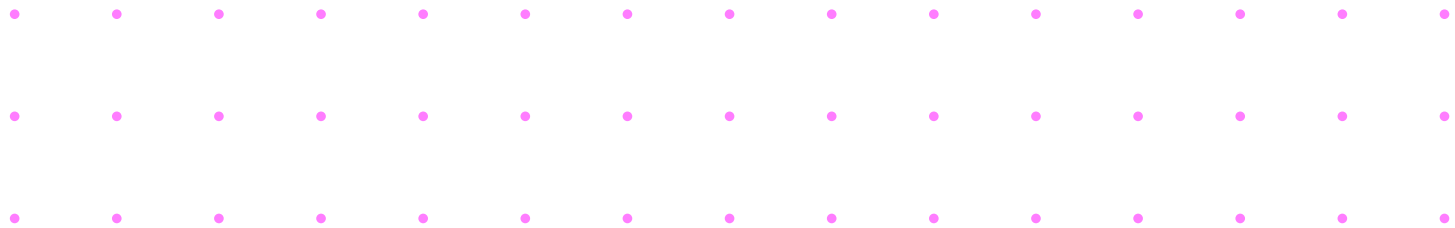
The OSAs are on a longer timeframe compared to the TSAs, but actions are being undertaken to ensure the smooth exit from the OSAs, and final separation from National Grid.

Please note: OSA-PSR-002 and OSA-COR-002 are not included in the table as the costs associated are spread across the other OSA exit costs. OSA-IT-012 and 013 exit data to be provided by National Grid.

**Table 10: OSA Exit Plans**

Reference	OSA Name	High Level Strategy	Partial Exit Date	Exit Date	Exit Cost (ROM)
OSA-IT-008	CNI Hosting Management	NESO will take full ownership of all hosting services currently managed by NGET at Wokingham, Reading, Southern Data Centre (SDC), and Western Data Centre (WDC), and dial back the service to Warwick only. This includes controlling access, support processes, and change activities.  Exit of this service is dependent on completing the decommissioning activities at Warwick and transferring the remaining supporting service for TNCC to Contingency and Evacuation Arrangements.	June 2026	Dec 2031	£1.7m
OSA-IT-014 Optel Services (Telecoms Lot 2)	CNI Data Centre WAN	NESO will build its own optical network to run its own secure and resilient Wide Area Network (WAN). This will be separate from NGET and the current Optel solution, other than a proposed link between Warwick and SDC. This ensures NESO has full control over its network operations moving forward delivering the high bandwidth and low latency needed by our new applications. This network will be National Power Outage resilient for a minimum of 72 hours.	N/A	Feb 2028	£16.9m
	Telephony Systems	NESO will move away from the NGET core control telephony solution but retain the turrets in Wokingham and Reading. It will deploy its own core at SDC and WDC and integrate this into NGET's Control Telephony Solution via Session Initiation Protocol trunks. NESO will use the new CNI Data Centre WAN to connect to Wokingham and Reading, while having local survivability in case of a WAN or Data Centre failure. NGET will continue to provide the current Telephony System service (under OSA-IT-014) for NESO use at TNCC until TNCC exit.	N/A	March 2028	£14.3m

Reference	OSA Name	High Level Strategy	Partial Exit Date	Exit Date	Exit Cost (ROM)
GSA2 2.4	Meter Operating Agreement (MOA) Service	Transition plan updated for the Code 1 and 2 services. The plan ensures any changes reflect the agreed treatment approach, with input from Distribution Network Operators and Distribution System Operators.	TBC	TBC	£0.9m
GSA2 2.5	Contingency and Evacuation Arrangements	NESO will exit TNCC by decommissioning existing infrastructure and transferring the CNI Health Team (CHT) to a new location. NESO has currently not finalised its property strategy for a third control room and will update this plan at the end of January 2026 to reflect the decision from the board.	N/A	Dec 2031	£0.5m





## Reverse OSAs (NESO to National Grid Electricity Transmission)

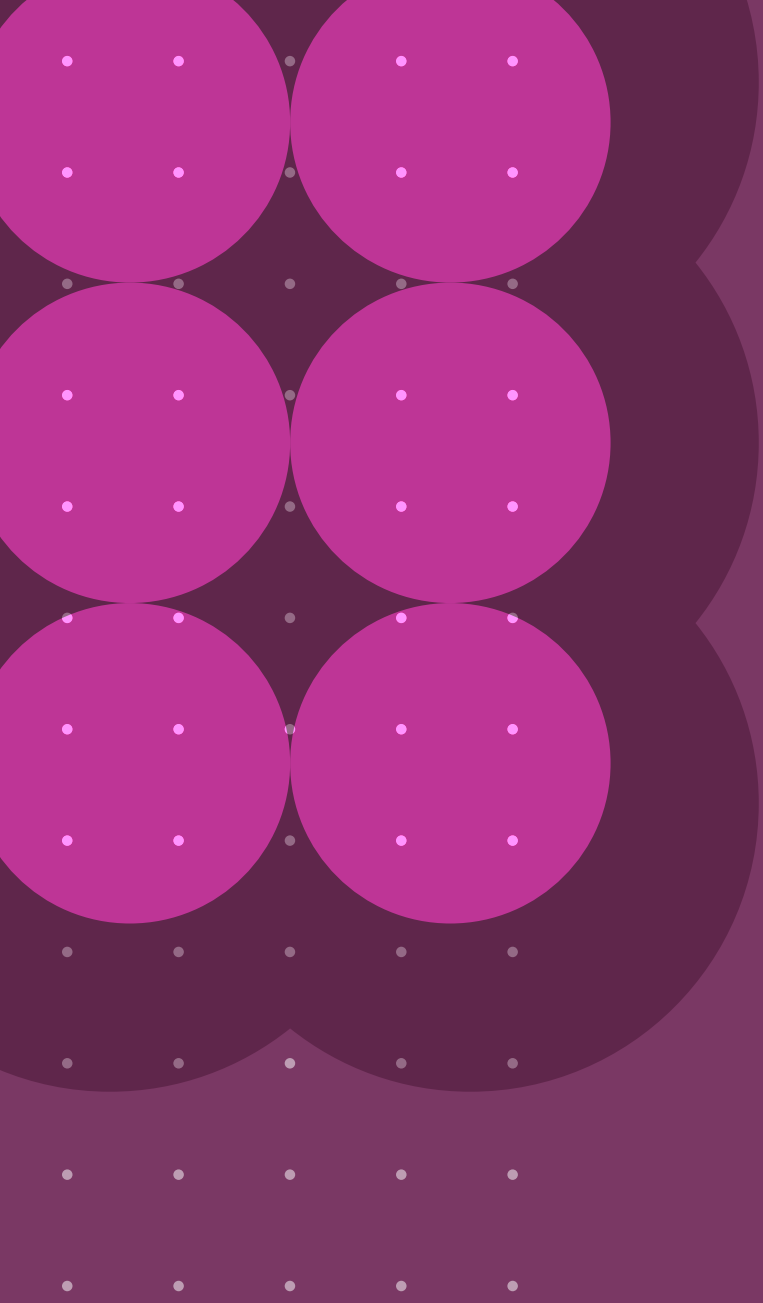
Table 11: Reverse OSAs

Reference	OSA Name	Description
OSA-rCNI-001	CNI Network	On novation of the network services contract, the Service NGET was providing for CNI Networks transitions to NESO, who will provide the CNI Network Service to NGET.
OSA-rCHT-001	System Health Team	Provision of CNI Health Team services to NGET's TNCC & support of CNI Privileged Access Workstation device administration, provision of physical device support (TNCC), site access management (Warwick), videowall assistance (TNCC) & any data backup solution support (Warwick).
OSA-rIEMS-001	IEMS	Infrastructure support (e.g. monitoring and support of Integrated Energy Management System (IEMS) servers and workstations, File Transfer), Application Support (operational interface activities with the Service Provider), Network support, Operational Change Management, Database and Displays, Data Historian.
OSA-rPSR003	Additional project support for Separation and other essential PSR project requests	Provision of Project Separation Request (PSR) support for additional projects required to support separation and additional knowledge transfer as required where that support would not otherwise be available.
OSA-rCOR-003	OSA COR Request Support Service	Provision of access to Third Party Suppliers under the COR process for technical support services or technical and delivery resource augmentation.
OSA-rGSA-001	Contingency and Evacuation Arrangements	Provision of building infrastructure (at Control 2) to house the Service Recipient's TNCC contingency.

No exit plans are provided for the Reverse OSAs as these are the responsibility of National Grid.

## 5. Acronyms List

Acronym	Description
CFO	Chief Financial Officer
CNI	Critical National Infrastructure
COR	Commercial Order Request
DD&T	Digital, Data, and Technology
DWS	Digital Workplace Services
GSA	General Service Agreement
HRFP	Human Resources, Finance and Procurement
IDAM	Identity and Access Management
IEMS	Integrated Energy Management System
LAN	Local Area Network
MOA	Meter Operating Agreement
NESO	National Energy System Operator
NG	National Grid
NGET	National Grid Electricity Transmission
OSA	Operational Service Agreement
PSOC	Physical Security Operations Centre
PSR	Project Separation Request
PSR	Project Service Request
ROM	Rough Order of Magnitude
SDC	Southern Data Centre
TSA	Transitional Service Agreement
TNCC	Transmission Network Control Centre
WAN	Wide Area Network
WDC	Western Data Centre



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