

Extraction of excess dividends by energy grid companies

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The shareholders who own the privatised electricity and gas transmission and distribution grids of Britain extracted over £2.8bn. in dividends in 2023, as shown in the table below. These figures are taken from the accounts of the companies themselves, filed at Companies House: links are provided in the table.

- That is about £100 per household, or £2 per week, taken from energy bills, not used for investment or operating the grid.
- It represents more than a quarter of the total cost of the grids – which is £363 per household in OFGEM's price cap for July-Sept 2024.¹
- The grids are the second largest cost element in the system, after the cost of energy itself.

The three groups of shareholders which benefitted most from this were

- the Australian bank McQuarie and partners, which took £855m. from gas networks;
- the Spanish multinational Iberdrola, owner of Scottish Power's transmission and distribution companies, which extracted £928m.;
- the international owners of the National Grid group, which took £525m. from its British electricity transmission and distribution businesses.

These dividends are paid out of profit margins which are higher than any other non-banking sector in the country, according to a Financial Times report.²

The extraction of £2.8bn. in dividends in a single year also amounts to about one-third of the total 5-year budget announced by the Labour Party for Great British Energy

The privatised grids have been criticised by the National Audit Office and others for costing too much, partly because of weak regulation, including setting low standards of performance.³ Others have criticised them more strongly for failing to connect new renewable energy generation into the system.⁴

Dividends of £2.8bn. in a single year cannot be justified as incentivizing shareholders to inject more capital. The shareholders who own the grid companies have injected a net total of £5.1bn. of their own money in the 34 years since privatisation, as measured by the share capital reported in the companies' accounts.

National Grid Electricity Transmission, for example, which owns and runs the nationwide transmission network, has only £44m. of share capital – but paid £300m. in dividends in 2023 to the owners of the shares.

¹ OFGEM <https://www.ofgem.gov.uk/energy-price-cap>

² FT 14 Mar 2022 [Gas and electricity networks top UK profit margin rankings](#)

³ <https://www.nao.org.uk/press-release/electricity-networks/>

⁴ <https://www.ft.com/content/bc200569-cb85-4842-a59a-f04d342805fc>

Table: Dividends paid out by energy grid companies in Britain year end march 2023 (or nearest year)⁵

2024-04 list of electricity licencees OFGEM

Type	Company		Pre-tax profits	Dividends	Shares	Share premium	Share capital	Ownership
ET	National Grid Electricity Transmission Plc	02366977	691	300	44	0	44	National Grid 100%
ET	Scottish Hydro Electric Transmission Plc	SC213461	358	0	354	0	354	SSEPD 75%, 25% Ontario Teachers PP (Nov 22>)
ET	SP Transmission Plc	SC189126	173	337	385	0	385	Iberdrola 100%
TOTAL ETs			1222	637	783	0	783	
ED	Eastern Power Networks Plc	2366906	392	97	126	6	132	CK Infra 40%, Power Assets 40%, CK Asset 20%
ED	Electricity North West Ltd.	2366949	195	23	238	5	243	CK Infra 40%, Power Assets 40%, CK Asset 20%
ED	London Power Networks Plc	3929195	239	78	10	0	10	CK Infra 40%, Power Assets 40%, CK Asset 20%
ED	National Grid Electricity Distribution (E Midlands) Plc	2366923	223	100	288	46	334	National Grid 100%
ED	National Grid Electricity Distribution (S Wales) Plc	2366985	104	75	292	23	315	National Grid 100%
ED	National Grid Electricity Distribution (South West) Plc	2366894	133	50	438	4	442	National Grid 100%
ED	National Grid Electricity Distribution (W Midlands) Plc	3600574	260	0	235	714	949	National Grid 100%
ED	Northern Powergrid (Northeast) Plc	2906593	146	31	200	0	200	Berkshire Hathaway (=Warren Buffett)
ED	Northern Powergrid (Yorkshire) Plc	4112320	164	43	290	0	290	Berkshire Hathaway (=Warren Buffett)
ED	Scottish Hydro Electric Power Distribution Plc	SC213460	62	0	62	0	62	SSEPD 75%, 25% Ontario Teachers PP (Nov 22>)
ED	South Eastern Power Networks Plc	3043097	212	86	145	0	145	CK Infra 40%, Power Assets 40%, CK Asset 20%
ED	Southern Electric Power Distribution Plc	4094290	174	0	108	0	108	SSE
ED	SP Distribution Plc	SC189125	161	307	300	0	300	Iberdrola 100%
ED	SP Manweb Plc		123	284	300	3	303	Iberdrola 100%
TOTAL EDs			2587	1174	3032	801	3833	
TOTAL ETs+EDs			3809	1811	3815	801	4616	
<u>2024-04 list of gas licencees OFGEM</u>								
GT (NTS)	National Gas Transmission plc	02006000	354	505	45	204	249	McQuarie 60%, BCI 20%, Nat Grid 20%
GT	Cadent Gas Ltd	10080864	740	350	0	0	0	McQuarie-led consortium inc Allianz, CIC, QIA +
GT	Northern Gas Networks Limited	05167070	184	88	24	0	24	PGApril, Beta Central, SAS (Australia)
GT	Scotland Gas Networks Plc	SC264065	83	23	49	0	49	OTPP, GIP +
GT	Southern Gas Networks Plc	5167021	139	47	160	0	160	OTPP, GIP +
GT	Wales & West Utilities Limited	5046791	263		31	0	31	CK Hutchinson Infrastructure
TOTAL GTs			1763	1013	309	204	513	
TOTAL ETs, EDs, GTs			5572	2824	4124	1005	5129	

⁵ y/e Dec 22 for SP Transmission, SP Distrib, SP Manweb; and y/e Dec 23 for Northern Powergrids