

STRICTLY PRIVATE AND CONFIDENTIAL

16 March 2023

Ofgem  
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London, E14 4PU

By email to

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[yvonne.naughton@ofgem.gov.uk](mailto:yvonne.naughton@ofgem.gov.uk)

For the attention of Stuart Borland

Dear Mr Borland,

Gwynt y Môr OFTO plc (the Licensee) – Income adjusting Event (IAE) Notice pursuant to amended standard licence condition E12-J3 (the Condition) regarding failure of subsea export cable 3 (SSEC3)

The Licensee submits this IAE Notice seeking recovery of further costs incurred in resolving issues arising from a latent defect that exists in the PE sheath of the fibre optic cable contained within SSEC3. The Licensee does not have recourse to its insurance policies to recover the costs which are being claimed and submits this IAE Notice on the grounds of Uninsurability.

The Licensee refers the Authority to the following correspondence in connection with the power core failure to SSEC3 that occurred in October 2020 (the Cable Fault):

- the IAE Notice submitted by the Licensee on 18 June 2021 (the 2021 IAE Notice); and
- the IAE Notice submitted by the Licensee on 24 June 2022 (the 2022 IAE Notice); and
- all the related responses to information requests issued by the Authority in connection with the 2021 IAE Notice and the 2022 IAE Notice;

As set out in the 2021 IAE Notice, the issues that gave rise to the power core fault in October 2020 could not be resolved in a single repair and the Licensee made plans to conduct:

- a [REDACTED] Repair (the costs of which were included in the 2021 IAE Notice) to repair the power core fault that had occurred
- followed by a [REDACTED] Repair to remove the known fibre optic cable (FOC) breaks that remain in the SSEC3 subsea cable.

The [REDACTED] Repair took place in 2022 and the Licensee submitted details of the repair plan in its email to the Authority dated 5 April 2022. The costs associated with the [REDACTED] Repair are set out in the 2022 IAE Notice and this IAE Notice. The [REDACTED] Repair was completed in August 2022.

The Licensee holds an offshore electricity transmission licence, granted on 11 February 2015 under section 6(1)(b) of the Electricity Act 1989 (the "Licence"). The Licensee hereby gives Notice to the Authority, pursuant to paragraph 14 of the Condition, that it has incurred an increase in costs and/ or expenses that it considers is an IAE on the grounds of uninsurability. The increase in costs relate to the [REDACTED] Repair, in excess of the IAE Condition thresholds, in the current Relevant Year (starting 1 April 2022).

Paragraph 16 of the Condition requires the Licensee to give particulars of:

(a) the event to which the Notice relates and why the event constitutes an IAE;

This information has been provided in the 2021 IAE Notice and remains the case for the costs included in the 2022 IAE Notice and this IAE Notice. In summary, the event:

- has been caused by a latent defect that existed prior to the Licensee owning the asset;
- the Licensee was not aware of the latent defect, and could not have been aware of the latent defect prior to purchasing the asset;
- the event would normally be covered by insurance with a LEG 3 Exclusion but the Licensee's insurance policies include a specific exclusion for events connected with this latent defect;
- the Licensee has incurred costs above the IAE condition threshold.

(b) the amount of any change in costs and/or expenses that have been caused by each event and how the amount of these costs and/or expenses has been calculated;

The Licensee sets out the nature and relevance of the costs incurred in Annex A to this letter and summarises the costs incurred in the Relevant Year in Table 1 below. The Licensee notes that it has secured a material contribution from the [REDACTED] towards the [REDACTED] Repair costs that has reduced the amount, which would otherwise be, claimed by £ [REDACTED]

Table 1 Summary of new costs in this IAE Notice

Cost Category	01-Apr-20	01-Apr-21	01-Apr-22	Total
01. Testing	[REDACTED]			
02. TA/legal/comm				
03. Safety				
04. Repair Mgmt				
06. Insurance				
07. Parts_ [REDACTED] - Joints - Cable				
08. Repair contract				
09. Cable loading				
12. [REDACTED]				
Totals				

(c) the amount of any allowed revenue adjustment proposed as a consequence of each event and how this allowed revenue adjustment has been calculated;

The total amount claimed in this IAE Notice is [REDACTED]2. Under the terms of the 28-Nov-18 Decision (the "IAE Decision Document")<sup>1</sup>, the Licensee understands that the Authority can apply a deductible set at the level adopted by the Licensee at tender stage. In this case, the applicable deductible is [REDACTED] (the "Deductible").

[REDACTED]

<sup>1</sup> <https://www.ofgem.gov.uk/publications-and-updates/income-adjusting-events-policy-offshore-transmission-owner-licences>

- (d) any other analysis or information that the Licensee considers sufficient to enable the Authority and the relevant parties to assess fully each event to which the Notice relates.

The Licensee has no further information to provide that it has not already provided.

The Licensee confirms that its position set out in the 2021 IAE Notice remains the same in respect of (i) why the event was beyond the Licensee's control, and (ii) why the Licensee's claim for uninsurability is legitimate and there has been no relevant change in the Licensee's insurance position. The Licensee does not repeat (in this IAE Notice) the evidence it has already provided in the 2021 IAE Notice or the 2022 IAE Notice to support this position.

Evidence is provided in this IAE Notice to explain how the costs incurred in the [REDACTED] Repair have been procured and delivered efficiently [REDACTED].

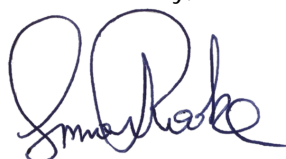
The Licensee updated the Authority on its financial position in a letter dated 22 November 2022. The Licensee recognises the support provided in the determinations of several Exceptional Event Claims in January 2023. Nevertheless, the Licensee's financial position remains very weak. The Authority will be aware that the Licensee did manage to procure a drawdown on its PBCE facility to finance the [REDACTED] Repair pending an IAE determination. Interest is charged on funds drawn from the PBCE facility by reference to the prevailing Bank of England Interest rate. The impact of this is that the Licensee is currently paying [REDACTED] per month in interest on the outstanding PBCE funds. These are costs that the Licensee would not have expected to incur but for this latent defect in SSEC3. We therefore ask the Authority to:

- accelerate the determination of the 2022 IAE Notice and, assuming that a positive decision is made, agree that the revenue adjustment can be settled by NETSO immediately; and
- agree to allow an interim payment to the Licensee, that is payable as soon as practicable, against the amounts claimed in this IAE Notice.

This will allow the Licensee to materially reduce the outstanding balance drawn on the PBCE facility and reduce the interest payments that it is currently having to incur (at [REDACTED] per month).

Should Ofgem require any further information, please do not hesitate to contact me.

Yours sincerely,



Simon Rooke

For and on behalf of Gwynt y Môr OFTO plc

Encl: Annex 1 – Evidence to support the costs claimed under this IAE Notice.  
Spreadsheet named 230316\_SSEC3\_IAE\_Notice\_[REDACTED]Repair\_EXCEL ISSUED  
Zip file containing the invoices received for each of the costs incurred.

## ANNEX 1 - Evidence to support the costs claimed under this IAE Notice

This annex provides the evidence to support the costs claimed as part of this IAE Notice. The Licensee has provided a summary of all the costs incurred for the [REDACTED] Repair under each cost heading and then provided a reconciliation to identify the costs claimed in previous IAE claims and the residual amount remaining that is included in this latest IAE claim.

The associated spreadsheet provided with this IAE Notice sets out cost summaries for:

- [REDACTED] Repair – Costs claimed in the IAE Notice (June 2021) [REDACTED]
- [REDACTED] Repair Interim – Costs claimed in the IAE Notice (June 2022) [REDACTED]
- [REDACTED] Repair Final – Costs claimed in this IAE Notice (March 2023) [REDACTED]
- [REDACTED] Repair Consolidated – Costs for the [REDACTED] Repair [REDACTED]
- Cost recovery from [REDACTED]

Each of the cost tables in this annex typically includes a column headed ID3. This refers to the invoice ID in the spreadsheet tab '[REDACTED] Summary'.

### 1. Testing

Most of the costs associated with testing have already been claimed in the IAE Notice submitted in June 2022. The only additional cost claimed in this IAE Notice is for testing the residual cable handed back by the Repair Contractor after the [REDACTED] Repair. The testing occurred in Vlissingen, Netherlands.

The testing costs associated with the [REDACTED] Repair are set out in Table 2.

Table 2 Summary of Testing and analysis undertaken for [REDACTED] Repair

ID3	Supplier	Invoice	Description	2021/22	2022/23	Total
22	[REDACTED]	[REDACTED]	SSEC3 optical testing (help determine [REDACTED] Repair scope)	[REDACTED]	[REDACTED]	[REDACTED]
27			Testing Residual cable handed back by following [REDACTED] Repair			
85			Stress testing of NKT cable to assess impact of lifting the cable (to help determine [REDACTED] Repair scope)			
86			Further tests to understand how FOC sheath can be breached			
87						
96			Analyse [REDACTED] sheath test results ([REDACTED] Repair scope)			
			Total			
Included in the 2022 IAE Claim (June 2022)						
Included in this IAE Claim						

## 2. External Advisors

A brief description of the external advisors used are provided below with costs summarised in Table 3:

Expert advice on failure mechanism of the fibre optic cables within SSEC3

██████████ continued to provide expert advice on the cable behaviour resulting in two reports:

- ██████ Technical Report: Extent of degradation of the FOCs, 29 January 2022
- ██████ Technical Note: On the effect of lifting the power cap on, 14 March 2022

Lenders Advisors

██████████ provided a technical review of tender responses and contractor selection and LOC provided a similar review from a marine perspective.

██████████ provided a legal review of the repair contract to ensure it was fit for purpose and in accordance with recognised industry practice.

Marine Licencing Advisor

██████████ provided the interface with the marine licencing authority, Natural Resources Wales (NRW)

Fisheries Liaison Officer

██████████ provided liaison between the Project Repair Team and the local fishing community. This was necessary to ensure the fishing community was aware of the area of operations occupied by the repair vessels and any restrictions that might be necessary during the repair.

Crown Estate Lease

The new cable was installed c.40m to the east of the existing SSEC3 cable route. The Crown Estate charged a fee to amend the Licensee's seabed lease to show the new SSEC3 alignment following the repair.

Legal advice

As referenced in the 2022 IAE Notice, the Licensee used ██████████ to determine options for challenging the position set out in the Insurer's letter of 5 November 2021. The associated costs shown in Table 3 have all been claimed in the 2022 IAE Notice.

Commercial Advisor

██████████ assisted the Project Manager with negotiating the terms of the repair contract, including any feedback from the Lender's legal advisor. They also managed commercial issues during the course of the repair and supported the Project Manager during routine meetings with the Insurers / Loss Adjusters.

Marine Advisor

██████████ providing assurance that all works were planned and delivered in accordance with good marine industry practice. They checked all project documentation from a marine technical perspective and managed the master document register to ensure that all project documentation was up to date and archived correctly on completion of the repair.

Rhyl Flats Crossing

The ██████ Repair required the new cable to cross the three 33kV export cables which serve the Rhyl Flats wind farm. The intention was to lay the new cable circa 40m to the east of the route where the original

SSEC3 cable crossed the Rhyl Flats cables. The Licensee worked with the Rhyl Flats Wind Farm Limited (RWFFL) to agree the technical details of the crossing and put a crossing agreement in place. The Licensee incurred the following costs in delivering the new crossing:

- [REDACTED] produced the technical design for the crossing, based on the design used during construction for the original crossing of the Rhyl Flats cables. RWFFL employed their own consultants, [REDACTED], to review the suitability of the crossing design.
- The Licensee and RWFFL incurred legal costs in drafting and reviewing the crossing agreement. RWFFL confirmed their signing of the crossing agreement on 27 May 2022. RWFFL used [REDACTED] to negotiate the new crossing agreement.
- As allowed for under the terms of the crossing agreement, RWFFL employed [REDACTED] to act as the RWFFL technical representative on board the repair vessels when installing the cable crossing.

Table 3 Summary of External Advisors used for [REDACTED] Repair

ID3	Supplier	Invoice	Description	2021/22	2022/23	Total
3 - 9	[REDACTED]	[REDACTED]	Commercial advisor	[REDACTED]	[REDACTED]	[REDACTED]
31 32			Support in [REDACTED] Repair Insurance Claim			
40			Fisheries Liaison Officer (FLO)			
41- 49			Marine Licence			
50- 57			Lenders technical advisor			
82- 83			Lenders legal advisor			
84			Crossing Agreement Advisors			
97			Technical Reports on SSEC3 cable			
106- 118			Marine advisors			
128			Amendment to seabed lease			
			Total			
Included in the 2022 IAE Claim (June 2022)						
Included in this IAE Claim						

### 3. Safety Management

This category includes the Marine Warranty Surveyor costs and the HSE advisor employed by the Licensee. The work carried out is summarised below and the associated costs are provided in Table 4.

#### Senior Authorised Person

████████ provided Senior Authorised Persons (SAP) to provide "safety from the system" and issue relevant permits to work.

#### Marine Warranty Surveyor

- Project Management activities (including reporting) and attending project meetings, document review meetings and HIRA.
- Review and approval of all the Repair Contractor technical documents
- Conduct suitability surveys for all repair vessels
- Attendance at all critical activities (e.g. cable loading and unloading, mattress installation, cable deburial, cable cutting, jointing, testing, laydown and reburial)
- The MWS services were provided by ██████████. They were used on earlier repairs and have a good reputation with highly experienced and effective personnel. This repair required three MWS offshore, managed by a senior MWS onshore.

#### HSE Advisor

- ██████████ provided assurance that all works carried out under this project comply with all legal SHEQS and CDM requirements and all SHEQS requirements of the OFTO.
- Checking project documentation from a HSE perspective.
- Ensuring any HSE incidents are fully investigated and closed out.

Table 4 Summary of Safety Management Costs for ██████████ Repair

ID3	Supplier	Invoice	Description	2021/22	2022/23	Total
25-27	████████	████████	SAP support for Repair Contractor	████████	████████	████████
33			Review of ITT documents for ██████████ Repair			
34			MWS attendance during new cable unloading			
35			Review of Contractor's repair plans - Mar-22			
36 - 39			MWS services during ██████████ Repair - May-22			
88-95			HSE services for ██████████ Repair			
			Total			
Included in the 2022 IAE Claim (June 2022)						
Included in this IAE Claim						

## 4. Repair Management

To support with managing the delivery of the repair contract, the Licensee established a project repair team (PRT). The PRT costs are shown in Table 5 below. The PRT costs represent approximately 1.4% of the total [REDACTED] repair costs (excluding joints and cable costs). This is significantly below the industry norm for managing a project of this size and complexity. A brief description of the roles and responsibilities of each member of the PRT is as follows:

Project Director	<ul style="list-style-type: none"> <li>• Primary interface between the OFTO Board and the Project Repair Team.</li> <li>• OFTO Board director with responsibility for delivery of the repair.</li> <li>• Accountable to the OFTO Board.</li> <li>• Authorised to approve milestone events.</li> </ul>
Project Manager	<ul style="list-style-type: none"> <li>• Responsible for delivery of the repair contract safely and within budget.</li> <li>• Responsible for routine management of and engagement with the repair contractor.</li> <li>• Daily management of the PRT.</li> <li>• Manage all engagements with external advisors.</li> <li>• Regular updates to Project Director to facilitate stakeholder engagement and communications.</li> </ul>
Deputy Project Manager	<ul style="list-style-type: none"> <li>• Deputise for the PM as necessary</li> <li>• Lead on all engagement with the OFTO's O&amp;M contractor, [REDACTED].</li> <li>• Operational liaison with NGENSO and the Generator (GYMOWFL)</li> </ul>
Finance	<ul style="list-style-type: none"> <li>• Management of project budget and accounts</li> </ul>
Client representative on the vessel(s)	<ul style="list-style-type: none"> <li>• Technical presence on-board the repair vessels to ensure that all works are safely planned and delivered in accordance with good marine industry practice.</li> <li>• Provide a client representation on board the vessel for resolving less serious matters with the minimum delay.</li> <li>• Witness all cable handling and jointing operations on the repair vessels.</li> <li>• Provide daily updates on the progress of works on board the repaired vessels.</li> </ul>

Table 5 Summary of Repair Management Costs for [REDACTED] Repair

ID3	Supplier	Invoice	Description	2022/23	Total
30	[REDACTED]	[REDACTED]	Project Director	[REDACTED]	[REDACTED]
11-12			Project Manager		
13-14			Deputy Project Manager		
15			Project Finance Manager		
118-121			Client representatives		
			Total		
Included in the 2022 IAE Claim (June 2022)					
Included in this IAE Claim					



## 5. Insurance costs

In order to conduct the repair it was necessary for the repair contractor to have in place a construction all risk (CAR) insurance to provide protection for the Licensee and the Contractor in event of any damage caused to the contract works including materials and plant used in the repair. It is normally more cost effective for the client to put the CAR insurance policy in place, rather than the contractor.

The Licensee needed to agree endorsements to its existing 'Surrounding property damage and liability policy' (OAR) and third party liability (TPL) insurances.

The CAR insurance and extensions to the OAR and TPL insurances were facilitated by the Licensee's insurance broker, [REDACTED].

The cost of insurance put in place by the Licensee to support the [REDACTED] repair are shown in Table 6 below.

Table 6 Insurance costs

ID3	Supplier	Invoice	Description	2021/22	2022/23	Total
98, 99	[REDACTED]	[REDACTED]	Brokers fee		[REDACTED]	[REDACTED]
100			CAR insurance			
101, 102, 103			OAR insurance			
104, 105			TPL insurance			
			Total			
Included in the 2022 IAE Claim (June 2022)						
Included in this IAE Claim						

## 6. Joints and Cable

### 6.1 Joint costs

The Licensee purchased four subsea universal joints (from [REDACTED]) in 2020/21 in preparation for attempting to complete a more extensive [REDACTED] Repair in addition to three universal joints (from [REDACTED]). These joints had a lead time for delivery and the Licensee was considering several solutions to procure lengths of cable from other OFTOs which would have required multiple joints to join multiple lengths of cable.

[REDACTED]

Each joint contains several time-limited items. These items needed to be replaced before the [REDACTED] Repair. The Licensee purchased replacement components for three joints, two for the repair and one as a contingency should it be needed during the repair. The joints had been stored at the [REDACTED]. [REDACTED] arranged for the joints to be moved to the [REDACTED] storage facility at [REDACTED], where they were collected by the Repair Contractor.

The costs associated with providing the Joints for the [REDACTED] Repair are set out in Table 7.

Table 7 Joint costs

ID3	Supplier	Invoice	Description	2020/21	2021/22	2022/23	Total
18			Shipping costs				
20-21			2 Universal Joints				
26			Support - deliver cable /joints for [REDACTED] Repair				
81			Replacement parts				
			Total				
			Included in the 2022 IAE Claim (June 2022)				
			Included in this IAE Claim				

## 6.2 Cable costs

The Licensee purchased 8.5km of offshore cable from [REDACTED] for the [REDACTED] Repair. The cable was delivered into Sunderland during March 2022 and then collected by the Repair Contractor for the [REDACTED] Repair:

Note 1) The Licensee expected that c.7.5km would be used for the repair to (i) overlay and replace the defective section of cable, and (ii) use 750m of cable to replace the cable section damaged during the over-boarding incident during the [REDACTED] Repair.

This was the assumption used for the 2022 IAE claim, however following the [REDACTED] Repair.

Note 2) 1,074m of cable was returned to the Licensee's store, which is 74m more than expected. The Licensee assumes that the cost of 1000m of cable is a legitimate IAE claim and the cost of 74m of cable should be borne by the Licensee.

Note 3) The [REDACTED] Repair cost is set out in Section 9 and included the cost of 750m of cable. Therefore, to avoid any double counting, the total cost for 8500m of cable (less 74m) should now be claimed through the IAE notices that the Licensee submits.

Table 8 sets out the cable cost recovery proposed by the Licensee.

Table 8 Cable costs

ID3	Supplier	Invoice	Description	2020/21	2021/22	2022/23	Total
1			Cable x 8.5 km – 30%				
2			Cable x 8.5 km – 70%				
			Total (equals the sum of A + B + C + D + E)				
A			Included in 2021 IAE Claim [REDACTED]				
B			Included in 2022 IAE Claim [REDACTED]				
C			Included in 2022 IAE Claim ([REDACTED] Repair) - - 100% of 6750m of cable (see Note 1)				
D			Licensee share - 100% of 74m of cable (see Note 2)				
E			Cable cost included in this IAE Claim - balance of cable cost (see Note 3)				

## 7. [REDACTED] Repair Contractor

On 11 March 2022, the Licensee signed a repair contract with [REDACTED] as the Repair Contractor for the [REDACTED] Repair. The selection process is described in our IAE Notice issued in June 2022. The repair contract included a payment schedule which required the Licensee to pay the Repair Contractor upon completion of key stages (known as 'Milestones') within the repair programme. Table 9 summarises the invoices received for each milestone. The repair work was completed between May and August 2022.

Table 9 Summary of fixed price costs paid to the Repair Contractor

ID3	Invoice	Description	2021/22	2022/23
58	[REDACTED]	MS-01 Project Management & Admin	[REDACTED]	[REDACTED]
66		MS-02 Project documentation		
78		MS-03 Insurance Costs		
61		MS-04a Mobilise vessel, equipment & personnel		
63		MS-04b Mobilise vessel, equipment & personnel		
71		MS-05a Demobilisation Start		
75		MS-05b Demobilisation End		
62		MS-06 - Testing and checks of Equipment		
64		MS-07 Collect, Load & Transport Equipment to Site		
67		MS-08 Cable repair 1st Joint		
69		MS-09 Cable Repair 2nd Joint		
70		MS-10a Cable reburial		
75		MS-10b Mattresses Laid		
68		MS-11 Cable handed over ready for energisation		
73		MS-12 Transport, unload of residual Material		
		Total		
		Included in the 2022 IAE Claim (June 2022)		
		Included in this IAE Claim		

The repair contract included the provision for the parties to agree 'Variations' to deal with costs that emerge during the repair that fall outside of the scope of the agreed repair programme. During the repair the Licensee and the Repair Contractor needed to agree to five such Variations, with each one documented within a variation order ('VO').

A summary of each VO is listed below and the costs for the five VOs are shown in Table 10 below.

Variation Order	Description
01 Move nearshore joint to KP 5.0:	The repair contract scope replaced SSCE3 between KP 5.5 and KP 12.5. Subsequently, the Licensee became concerned that if new FOC breaks were identified before the repair was completed, it may not be possible to change the repair plan. So, the Repair Contractor was asked to determine how close to the shore they could install the nearshore joint. After reviewing the survey data, the Repair Contractor advised that the nearshore joint could be installed at KP 5.0 (shallow water depth constrained any

Variation Order	Description
	further movement). This would still leave 1km of spare cable for the Licensee, so it was a sensible precaution to change the repair plan and move the nearshore joint to KP 5.0. This VO was issued on 22 March. The Licensee continued to conduct OTDR tests on the SSEC3 fibres, which identified new FOC breaks at KP 6.05 (28 March), KP 5.95 (7 April), and KP 5.90 (14 April) and then no new breaks until the repair was completed.
02	Install two additional concrete mattresses over the Rhyl Flats crossing The [REDACTED] Repair required the new cable to be installed over the three export cables serving the Rhyl Flats wind farm (the 'Rhyl Flats crossing'). This 'new' crossing was designed on the same basis as the original design (when the GyM export cables were installed); 34 concrete mattresses installed over each GYM export cable. Subsequently, a detailed assessment identified that 36 mattresses were required to achieve the required level of coverage. On 22 March 2022, the Licensee issued a VO to the Repair Contractor requesting that they install the two additional post-lay concrete mattresses required for the Rhyl Flats crossing.
03	Rhyl flats crossing survey Prior to signing the repair contract, the Repair Contractor could not fix the cost for a sub-sea survey of the Rhyl Flats crossing. The Licensee agreed that a variation order would be issued when a firm price was known.
08	Cable storage contract and scrapping recovered cable The Licensee agreed that the Repair Contractor would take the circa 7.5km of redundant cable (removed from the seabed) to the Netherlands for scrapping. The parties also agreed that the Repair Contractor would take the circa 1.0 km of new cable, remaining after the repair, to the Netherlands for storage. This variation order resulted in the Repair Contractor issuing the Licensee with a credit note.
09	Fuel price increase The repair contract allowed for the Repair Contractor to recover fuel costs if the unit fuel cost exceeded £535/MT by more than 5%. The Repair Contractor submitted evidence that additional fuel costs of [REDACTED] had been incurred.
	Contract Milestone adjustment There was a small discrepancy of [REDACTED] between the 'Fee' quoted in the repair contract and the sum of the Milestone payments. The Repair Contractor issued the Licensee with a credit note to correct this discrepancy.

Table 10 Summary of Variation Order costs paid to the Repair Contractor

ID3	Invoice	Description	2021/22	2022/23
72	[REDACTED]	VOR-001 - Move to KP5.0		[REDACTED]
76	[REDACTED]	VOR-002 - 2 x additional mattresses		[REDACTED]
59, 60, 65	[REDACTED]	VOR-003 - RF crossing Survey Presented in 3 stage payments		[REDACTED]
79	[REDACTED]	VOR-008 - Cable storing & scrapping		[REDACTED]
77	[REDACTED]	VOR-009 - Fuel increase		[REDACTED]
80	[REDACTED]	Credit Note (delta between MS total and Contract Fee)		[REDACTED]
		Total	-	[REDACTED]
		Included in the 2022 IAE Claim (June 2022)	-	[REDACTED]
		Included in this IAE Claim	-	[REDACTED]

## 8. Cable offloading and reloading (see IAE claim June 2022 for further details)

The Licensee entered a contract with [REDACTED] to unload the cable and place it into storage once it arrived in Sunderland. Under the terms of the contract [REDACTED] had to construct a temporary storage ring onshore to hold the cable until it was ready to load on to the repair vessel for the [REDACTED] Repair. [REDACTED] was also contracted to provide the CAR insurance for the unloading activity as they could procure this cover under their policy arrangements at a lower cost than the Licensee could secure.

The Licensee arranged for its O&M Contractor, [REDACTED] to project manage the delivery contract including arranging access with the Port of Sunderland and procure a storage agreement.

To allow for the cable to be stored in Sunderland, between the cable arrival [REDACTED] and loading for the [REDACTED] repair, [REDACTED] agreed to a temporary storage contract with [REDACTED] (the landlord for the proposed storage area). The initial contract was for 10 weeks with an option to store any residual cable left over after the [REDACTED] Repair. The storage contract remained in place until the [REDACTED] Repair was completed because the storage ring remained on site for this period.

The Licensee agreed a variation with the Repair Contractor (VOR 008) to store the residual cable left over after the [REDACTED] Repair in Vlissingen (Netherlands). As a result, the Licensee instructed [REDACTED] to remove the storage ring from Sunderland and for [REDACTED] to settle the storage costs with [REDACTED]. The cable unloading and loading costs are set out in Table 11.

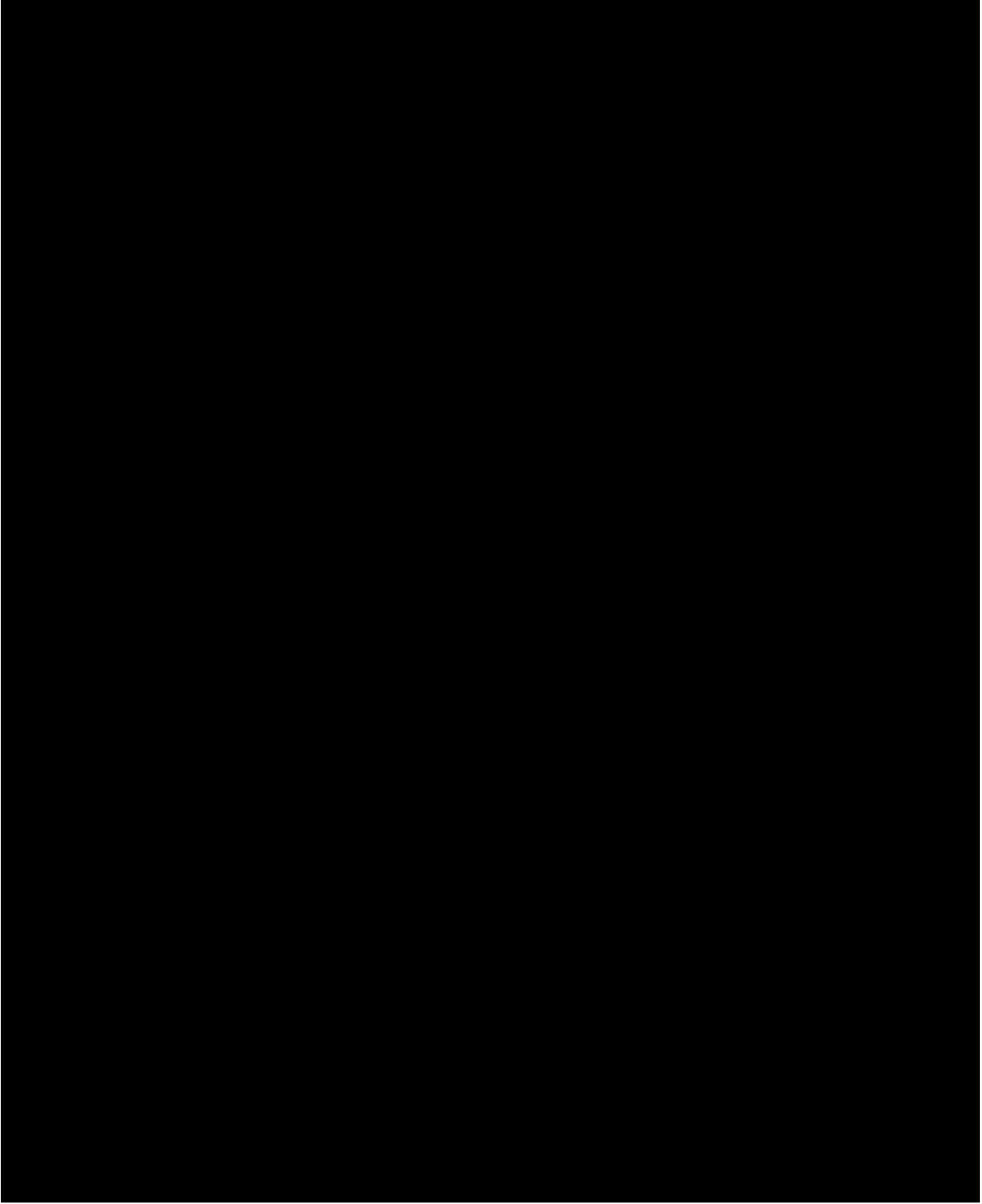
The total cost of the cable unloading and loading activity was [REDACTED] was included in the 2022 IAE Claim and the balance is claimed in this IAE claim.

Table 11 Cable unloading and loading costs at Sunderland

ID3	Supplier	Invoice	Description	2021/22	2022/23
10	[REDACTED]	[REDACTED]	Import clearance charge	[REDACTED]	[REDACTED]
24			Support unload/store/test cable		
23			Support unload/store cable		
29			Support to remove storage ring & extra storage costs at Sunderland		
16			Cable offload contractor		
17			CAR Insurance for offload		
19			Contractor for removing storage ring		
			Total		
Included in the 2022 IAE Claim (June 2022)					
Included in this IAE Claim					

9. Contribution from [REDACTED]

The [REDACTED] has agreed that the SSEC3 cable was damaged during the overboarding of the Omega joint in March 2021. [REDACTED]



## 10. Summary of costs included in this IAE claim

The total costs included in this IAE claim are [REDACTED] as set out in Table 13.

Table 13 Total costs claimed under IAE Notice March 2023

	2020/21	2021/22	2022/23	Total
Table 2 – Testing and analysis	[REDACTED]			
Table 3 – External Advisors				
Table 4 – Safety Management				
Table 5 – Repair Management				
Table 6 – Insurance Costs				
Table 7 – Joints				
Table 8 – Cable				
Table 9 – Repair Contractor - Base				
Table 10 – Repair Contractor - Variations				
Table 11 – Cable unloading and loading				
Table 12 – [REDACTED] contribution				