

Amendments

Amendments to the Dinorwig-Pentir Project Assessment Decision

The following is a list of corrections that have been applied to the 'Dinorwig-Pentir Project Assessment Decision' document for the purpose of correcting typos and clarification to certain paragraphs.

Indicated in **bold** are the parts that have been corrected for each of the paragraphs below.

- P.5, exec summary, first paragraph, originally stated:
"This document confirms our decision to provide NGET with a total additional capital cost allowance of £140.6m² for the delivery of the Dinorwig-Pentir project (**the Project**) under the Large Onshore Transmission Investment (LOTI) re-opener mechanism. This is in addition to the existing funding of £19.1m for the project in RIIO-1 and RIIO-2 baseline allowances. It also sets out the details of the Large Project Delivery (LPD) mechanism that will apply to this Project."

P.5, exec summary, first paragraph, now states:

"This document confirms our decision to provide NGET with a total additional capital cost allowance of **£141.8m²** for the delivery of the Dinorwig-Pentir project (**the Project**) under the Large Onshore Transmission Investment (LOTI) re-opener mechanism. This is in addition to the existing funding of £19.1m for the project in RIIO-1 and RIIO-2 baseline allowances. It also sets out the details of the Large Project Delivery (LPD) mechanism that will apply to this Project."

- P.5, exec summary, fifth paragraph, originally stated:
"Of the additional £161.7m funding request, we have decided to provide an ex-ante allowance of £140.6m for Project delivery, which constitutes an adjustment of £21.1m (13.0%) to NGET's submitted costs. This adjustment is made of £14.5m of outright disallowance, and £6.6m of costs that NGET can recover where it demonstrates that they have been efficiently incurred."

P.5, exec summary, fifth paragraph, now states:

"Of the additional £161.7m funding request, we have decided to provide an ex-ante allowance of **£141.8m** for Project delivery, which constitutes an adjustment of **£19.9m (12.0%)** to NGET's submitted costs. This adjustment is made of **£13.3m** of outright disallowance, and £6.6m of costs that NGET can recover where it demonstrates that they have been efficiently incurred"

- P.20, paragraph 3.10 originally stated:
"Of the £129.5m requested for work packages, we proposed to disallow £8.7m. Following our consideration of the responses to the consultation we decided to maintain the same disallowance. Below, we outline the rationale we followed to arrive at this decision for each deduction proposed in the consultation"

P.20, paragraph 3.10 now states:

"Of the £129.5m requested for work packages, we proposed to disallow £8.7m. Following our consideration of the responses to the consultation, we **have decided to disallow £7.6m.**"

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Below, we outline the rationale we followed to arrive at this decision for each deduction proposed in the consultation”.

- P.21, paragraph 3.14 originally stated:

“Our proposed approach is also consistent with the logic on any Totex allowances where, by fixing an ex-ante value, companies are incentivised to deliver more economically and efficiently (or get a better sale price) than the fixed ex-ante value or benchmark.”

P.21, paragraph 3.14 now states:

“Our **approach** is also consistent with the logic on any Totex allowances where, by fixing an ex-ante value, companies are incentivised to deliver more economically and efficiently (or get a better sale price) than the fixed ex-ante value or benchmark, **therefore we have decided to disallow £3.2m for the rebate from cable scrap**”.

- P.22, paragraph 3.17 originally stated:

“NGET also disagreed with the removal of cable spares cost and commented that the additional cable and joints are part of a mitigation strategy to ensure that outage periods are not missed during cable installation works in case any issue arise. However, they did not comment whether the provision of spares through the RIIO-2 final determinations would meet the need for spares of this Project, therefore we are considering not to change our view and disallow those costs. NGET did not comment on the disallowance of costs associated with the uplift for worker sustenance pay and travel expenses, therefore we are minded to maintain our position and disallow these costs”

P.22, paragraph 3.17 now states:

“NGET also disagreed with the removal of cable spares cost and commented that the additional cable and joints are part of a mitigation strategy to ensure that outage periods are not missed during cable installation works in case any issue arise. However, they did not comment whether the provision of spares through the RIIO-2 final determinations would meet the need for spares of this Project, therefore we are considering not to change our view and disallow those costs. NGET did not comment on the disallowance of costs associated with the uplift for worker sustenance pay and travel expenses, therefore **we have decided** to maintain our position and disallow these costs.”

- P.27, paragraph 3.40 originally stated:

“We have decided to proceed with option 2 in paragraph 3.34 above and therefore we propose to modify the COAE provision for the Project to include a ringfenced no-threshold section for pain-share costs capped at the established value included in the licence; this position is consistent with the decision at section 3.21. We recognise that the contract terms for pain-share arrangements represent value for consumers, however the potential pain-share cost of £[redacted] remains uncertain. Any proportion of these costs would be reviewed to ensure that they are economic and efficient.”

P.27, paragraph 3.40 now states:

“We have decided to proceed with option 2 in paragraph 3.34 above and therefore we **have decided** to modify the COAE provision for the Project to include a ringfenced no-threshold section for pain-share costs capped at the established value included in the licence; this position is consistent with the decision at section 3.21. We recognise that the contract terms for pain-share arrangements represent value for consumers, however the potential pain-

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share cost of £[redacted] remains uncertain. Any proportion of these costs would be reviewed to ensure that they are economic and efficient.”

- P.29, paragraph 3.51 originally stated:

“In consideration of the responses received to our January consultation, we are minded-to set the delivery dates for the Project as follow:

- Dinorwig-Pentir circuits output by 31 December 2026 – the last day of the period proposed by NGET.
- Dinorwig-Pentir decommissioning output by 31 March 2028 - the last day of the 2027/2028 financial year.

We have also considered the comments provided around outputs and are minded-to accept the corrections to the Project output as set under section 3.52 above.”

P.29, paragraph 3.51 now states:

“In consideration of the responses received to our January consultation, **we have decided** to set the delivery dates for the Project as follow:

- Dinorwig-Pentir circuits output by 31 December 2026 – the last day of the period proposed by NGET.
- Dinorwig-Pentir decommissioning output by 31 March 2028 - the last day of the 2027/2028 financial year.

We have also considered the comments provided around outputs and **have decided** to accept the corrections to the Project output as set under section **3.50** above.

- P.29 paragraph 3.52 originally stated:

“The delivery dates and amended outputs will feed into our proposed implementation of the Large Project Delivery framework discussed below.”

P.29 paragraph 3.52 now states:

“The delivery dates and amended outputs will feed into **the** implementation of the Large Project Delivery framework discussed below”.