

Addendum to "Consultation letter: Fleetwood Income Adjusting Event (Reference: 28/11)".

Within the framework of the System Operator (SO) Activity Revenue Restriction (Special Condition C8C) of National Grid Gas's (NGG's) Gas Transporter licence, Centrica Energy has given notice to Ofgem that it believes an Income Adjusting Event (IAE) has occurred in 2010/11. The claim is associated with the Canatxx Shipping Limited signal for entry capacity at Fleetwood.

On 7 March 2011, Ofgem issued a consultation letter to invite views on the IAE notice. The consultation is available on the Ofgem website (www.ofgem.gov.uk). An important part of the information provided in the consultation is NGG's assessment of its expenditures in meeting the Fleetwood signal. These were provided in aggregate form. Subsequently, a more detailed breakdown of the costs incurred by NGG on the Fleetwood entry point has been obtained and is presented below. This information is presented to assist consultees in their consideration of the issues raised in the consultation.

The consultation closes on 1 April 2011.

If you have any comments or questions on this note please contact Paul O'Donovan on +44 20 7901 7293 or gas.transmissionresponse@ofgem.gov.uk in the first instance.

Fleetwood Costs

	06/07	07/08	08/09	09/10
(motd)	£ms	£ms	£ms	£ms
Main Works Contract	0.0	5.4	(0.3)	0.2
Land/Compensation	0.0	(0.3)	1.3	1.3
Project Management	0.2	1.5	(0.3)	0.0
NG Staff	0.1	0.3	(0.0)	0.0
Other	-	0.4	-	-
Total	0.291	7.342	0.705	1.557

Total	
£ms	
5.3	Cost relate to [contractor name omitted] (Warburton to Audley) and [contractor name omitted] (Paull to Goxhill and Goxhill to Hatton) who undertook the conceptual design and the detail design associated with the 3 pipeline schemes. Detail design surveys included that of topographical and environmental protected species and preparation of environmental impact assessment and environmental statement UXO and UXB surveys. Ground investigations including borehole and trial hole intrusive investigation, pre and post contract land drainage and pipeline design (including special crossings and placement of material orders).
2.3	Costs associated with working towards securing easements, consents and access to land for the three pipeline routes.
1.4	Costs relate to the employment of [contractor name omitted] to undertake the Project Management conceptual and detail design.
0.4	Internal NG project management and support.
0.4	Other miscellaneous costs
9.895	