

Phil Sheppard Head of Network Strategy National Grid Electricity Transmission plc National Grid House Warwick Technology Park Gallows Hill Warwick CV34 6DA Promoting choice and value for all gas and electricity customers

Direct Dial: 020 7901 7159 020 7901 7060 Email: <u>Andy.Burgess@ofgem.gov.uk</u> <u>Min.Zhu@ofgem.gov.uk</u>

Date: 19 March 2013

Dear Phil,

Directions required under special condition C4 (Role in respect of the national electricity transmission system operator area located in offshore waters) and submission of the Seven Year Statement under standard condition C11 (Production of information about the national electricity transmission system)

Thank you for your letter of 19 February 2013, setting out National Grid Electricity Transmission plc's (NGET) proposals for the publication of its long-term planning documents in 2013.

On 30 November 2012, you published the first Electricity Ten Year Statement (ETYS) combining two existing network planning documents, the Seven Year Statement (SYS) and the Offshore Development Information Statement (ODIS). In your letter you propose to continue to publish this combined document in place of separate ODIS and SYS documents.

As the form of the licence drafting for the ETYS has yet to be finalised, the current licence obligations for the ODIS and SYS remain. You have asked us to make two directions in relation to current licence obligations, to apply until the licence obligations are modified.

This letter provides these two directions to delay publication of the 2013 edition of ODIS and to delay notification of any proposed revisions to the form of the 2013 enduring offshore development information statement to no later than 1 June 2013. This letter also confirms that we do not currently propose to take any action in the event that you do not prepare the SYS by 31 May 2013 in accordance with the licence.

NGET licence obligations

You asked us to agree to a delay in the publication of the 2013 ODIS and the preparation of the 2013 SYS as you intend to continue to develop and publish the ETYS. You also indicated how we could permit that delay, given your existing licence obligations. We set out below the relevant licence obligations and our view in each case.

For the SYS

Standard condition C11 (Production of information about the national electricity transmission system) of NGET's electricity transmission licence:

- paragraph 1 requires NGET to prepare the SYS by 31 May. You request a delay to the publication of the SYS from 31 May for it to be replaced by the ETYS document which will be published by 30 November 2013. Please note that we do not have a

power to issue a formal direction to change the preparation date under standard condition C11;

 we note that you are taking steps to facilitate compliance with standard condition C11 by proposing to publish the ETYS which replaces the SYS and the ODIS by 30 November 2013. Therefore, subject to you preparing the ETYS in the form approved by us by 30 November 2013, we do not currently propose to take any action for possible non-compliance with the requirement to prepare the SYS by 31 May 2013 in paragraph (1) of standard condition C11, subject to any other relevant information or change of circumstances that may come to light.

For the ODIS

Special condition C4 (Role in respect of the national electricity transmission system operator area located in offshore waters) of NGET's electricity transmission licence states:

- in paragraph 6, that NGET shall publish the ODIS in a form approved by the Authority by 30 September. You request a delay to the publication of the ODIS and replace it with the ETYS which will be published by 30 November 2013. Paragraph 6 allows us to issue a direction to change the deadline for the publication of the ODIS to a later date; and
- in paragraph 10, that NGET shall submit any proposed revisions to the form of the ODIS to us by 1 March in each financial year, or at such other date we direct. We note that paragraph 10 allows us to issue a direction to change the deadline for the submission of changes to the form of ODIS to a later date.

Directions

We issue a direction extending the publication date for the ODIS to 30 November 2013. We also issue a direction extending the date for submission of any changes to the form of the 2013 ODIS for our approval by 1 June 2013. These directions are issued to allow you to continue to publish the ETYS by 30 November in place of the earlier publication of the separate ODIS.

We attached the relevant directions. This document also constitutes a notice under section 49A of the Electricity Act 1989 of the reasons for the decisions of the Authority to issue the relevant directions specified above.

Should you wish to discuss this further, please contact Elizabeth McLeod (e-mail: <u>Elizabeth.McLeod@Ofgem.gov.uk</u>, tel: 0141 331 6025) for any ODIS enquiries, or Simon Cran-McGreehin(<u>Simon.Cran-McGreehin@Ofgem.gov.uk</u>, tel: 020 7901 7440) for any SYS enquiries.

Yours sincerely,

Andy Burgess Associate Director, Transmission and Distribution Policy Min Zhu Associate Partner, Offshore Transmission Direction issued to National Grid Electricity Transmission plc pursuant to paragraph 6 of special condition C4 (Role in respect of the national electricity transmission system operator area located in offshore waters) of its electricity transmission licence

- This Direction is issued by the Gas and Electricity Markets Authority ("the Authority") pursuant to paragraph 6 of special condition C4 of the electricity transmission licence ("the Licence") granted or treated as granted under section 6(1)(b) of the Electricity Act 1989 to National Grid Electricity Transmission plc ("the Licensee").
- 2. Paragraph 6 of special condition C4 of the Licence provides that the Licensee shall, by 30 September each year, or such later date that the Authority may direct, use reasonable endeavours to prepare and publish a statement of network development information ("the enduring offshore development information statement") in a form approved by the Authority.
- 3. Subject to paragraph 4 of this Direction, the Authority hereby directs, pursuant to paragraph 6 of special condition C4 of the Licence that the Licensee shall by 30 November 2013 use reasonable endeavours to prepare and publish the enduring offshore development information statement in a form approved by the Authority.
- 4. This Direction shall have immediate effect and shall remain in effect until such time as the Authority may revoke or vary this Direction in writing upon reasonable notice.

Dated: 19 March 2013

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Signed on behalf of the Authority by Min Zhu, Associate Director, Offshore Transmission Duly authorised for that purpose by the Authority

Direction issued to National Grid Electricity Transmission plc pursuant to paragraph 10 of special condition C4 (Role in respect of the national electricity transmission system operator area located in offshore waters) of its electricity transmission licence

- This Direction is issued by the Gas and Electricity Markets Authority ("the Authority") pursuant to paragraph 10 of special condition C4 of the electricity transmission licence ("the Licence") granted or treated as granted under section 6(1)(b) of the Electricity Act 1989 to National Grid Electricity Transmission plc ("the Licensee").
- 2. Paragraph 10 of special condition C4 of the Licence provides that the Licensee shall submit to the Authority for approval any revisions to the form of the statement of network development information ("the enduring offshore development information statement") by no later than 1 March each year or at such other date as directed by the Authority.
- 3. Subject to paragraph 4 of this Direction, the Authority hereby directs, pursuant to paragraph 10 of special condition C4 of the Licence, that the Licensee shall submit to the Authority for approval any proposed revisions to the form of the 2013 enduring offshore development information statement by no later than 1 June 2013.
- 4. This Direction shall have immediate effect and shall remain in effect until such time as the Authority may revoke or vary this Direction in writing upon reasonable notice.

Dated: 19 March 2013

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Signed on behalf of the Authority by Min Zhu, Associate Director, Offshore Transmission Duly authorised for that purpose by the Authority