

Transmission licensees,
generators, suppliers, consumer
groups and any other party who
has an interest in the
transmission arrangements

Date: 3 September 2014

Dear colleague

Decision under section 11A(1)(a) of the Electricity Act 1989 to make a licence modification for the Anglo Scottish Incremental project under the Further Works mechanism.

We are today publishing our decision, attached to this letter, to make a modification to National Grid Electricity Transmission plc's (National Grid) electricity transmission licence. This follows a statutory consultation¹ on the proposed licence change, which we published on 18 July 2014. The modification will take effect on 30 October 2014.

The proposed modification

On 18 July 2014, we made a decision² to increase National Grid's 2012-13 allowances by £8.4 million (in 2009-10 prices) for the Anglo Scottish Incremental project. We issued a statutory consultation on a proposed modification to Special Condition 6B (Supplementary provisions in relation to transmission asset owner incentives scheme activity in the legacy period) of National Grid's licence. This modification would insert the additional 2012-13 capital expenditure allowance into Table 4 in Appendix 1 to the condition³.

Our consultation, which closed on 18 August 2014, sets out the background to the proposed change and the reasons for our determination.

Responses to the statutory consultation

We did not receive any responses to our consultation. Therefore, our view on the need for the proposed modification remains as outlined in our statutory consultation.

Schedule 1 of the modification decision published alongside this letter sets out the licence modification to Special Condition 6B of National Grid's licence. Table 4 shows the changes we consulted on in our statutory consultation in red text. We do not propose to make any additional changes.

¹ <https://www.ofgem.gov.uk/ofgem-publications/88811/signedstatcononanglo-scottishincremental.pdf>

² <https://www.ofgem.gov.uk/ofgem-publications/88809/signedangloscottishincrementaldetermination.pdf>

³ <https://www.ofgem.gov.uk/ofgem-publications/88812/signednoticeofchangestongetlicenceforangloscottishincremental.pdf>

The modification for the Anglo Scottish Incremental project will take effect on 30 October 2014.

Yours sincerely,

Kersti Berge
Partner – Electricity Transmission