

To: National Grid Electricity Transmission plc

Notice under Part C of Special Condition 6G (Mitigating the impact of Pre-existing Transmission Infrastructure on the visual amenity of Designated Areas) of the Electricity Transmission Licence to make modifications to the EPI outputs and Allowed Expenditure

1. National Grid Electricity Transmission plc ('the licensee') is the holder of an Electricity Transmission Licence granted or treated as granted under section 6(1)(b) of the Electricity Act 1989.
2. Special Condition (SC) 6G (Mitigating the impact of Pre-existing Transmission Infrastructure on the visual amenity of Designated Areas) of the Electricity Transmission Licence establishes the circumstances in which the Gas and Electricity Markets Authority (the 'Authority')¹, by way of direction, can make changes to the Enhancing Pre-existing Infrastructure (EPI) Outputs and associated Allowed Expenditure (EPIE values).
3. Part B of SC 6G sets out the determination process the Authority will follow in considering a request from the licensee for an adjustment to the EPIE values in its price control to deliver an EPI Output.
4. In accordance with SC 6G.18, the Authority hereby gives notice to the licensee that it proposes to modify Table 1 in Part B of SC 6G and Table 2 in Part D of that same condition in the manner indicated in Schedule 1 to this Notice.
5. The reason why we propose to make these modifications is explained in our determination letter dated 30 March 2017 which is published alongside this Notice.² In summary, the purpose of the modifications is to specify three new EPI Outputs that the licensee is required to deliver and to specify the associated EPIE values.³
6. The effect of the proposed modifications has been set out in our determination letter which accompanies this Notice. In summary, the effect of these licence modifications is to increase the licensee's Allowed Expenditure under the electricity transmission price control by £432,000 (2009/10 prices).
7. The proposed modifications are set out in Schedule 1 to this Notice and are shown in tracked changes. A copy of the proposed modifications and other documents referred to in this Notice are also published on our website (www.ofgem.gov.uk). Alternatively they are available from our Research and Information Centre, 9 Millbank, London, SW1P 3GE (020 7901 7003).
8. The proposed modifications will come into effect on 5 May 2017.
9. Any representations with respect to the proposed licence modifications must be made on or before 28 April 2017 to: Anna Kulhavy, Office of Gas and Electricity Markets, 9 Millbank, London, SW1P 3GE or by email to anna.kulhavy@ofgem.gov.uk.

¹ The "Authority", "Ofgem", "we" and "our" are used interchangeably in this document. The Office of Gas and Electricity Markets (Ofgem) supports GEMA in its day to day work.

² <https://www.ofgem.gov.uk/network-regulation-riio-model/riio-t1-price-control>

³ This is the specific licence term used in SC 6G for Allowed Expenditure associated with EPI Outputs.

10. All representations will normally be published on our website. However, if you do not wish your response to be made public then please clearly mark it as not for publication. We prefer to receive responses in an electronic form so they can be placed easily on our website.

Steve McMahon

**Duly authorised on behalf of the
Gas and Electricity Markets Authority**

30 March 2017

Schedule 1: Modifications to Special Condition 6G of National Grid Electricity Transmission plc's electricity transmission licence

Part B: Assessment of Allowed Expenditure for EPI Outputs

Table 1: EPI Outputs

EPI Output description			Designated Area	Delivery date																														
<p>Beautiful Boundaries project <u>Project addresses the visual and landscape impacts of five sections of existing lines on publicly accessible viewpoints and enhances landscape through restoration and creation of characteristic boundary features.</u></p> <table border="1"> <thead> <tr> <th><u>EPI Output</u></th> <th><u>Mitigation activity</u></th> <th><u>Volume</u></th> </tr> </thead> <tbody> <tr> <td rowspan="3"><u>Landscape enhancement and reduced visual impact</u></td> <td><u>Coppice gap up and fence</u></td> <td><u>5.3km</u></td> </tr> <tr> <td><u>New hedge and fence</u></td> <td><u>3.6km</u></td> </tr> <tr> <td><u>Plant trees</u></td> <td><u>232</u></td> </tr> <tr> <td></td> <td><u>Fence ancient woodland</u></td> <td><u>5.4km</u></td> </tr> </tbody> </table>			<u>EPI Output</u>	<u>Mitigation activity</u>	<u>Volume</u>	<u>Landscape enhancement and reduced visual impact</u>	<u>Coppice gap up and fence</u>	<u>5.3km</u>	<u>New hedge and fence</u>	<u>3.6km</u>	<u>Plant trees</u>	<u>232</u>		<u>Fence ancient woodland</u>	<u>5.4km</u>	<p>High Weald Area of Outstanding Natural Beauty</p> <table border="1"> <thead> <tr> <th colspan="2"><u>Combined visual and landscape impact of existing lines</u></th> </tr> </thead> <tbody> <tr> <td><u>4ZI.1</u></td> <td><u>25</u></td> </tr> <tr> <td><u>4ZI.2</u></td> <td><u>10</u></td> </tr> <tr> <td><u>4ZI.3</u></td> <td><u>8</u></td> </tr> <tr> <td><u>4ZI.4</u></td> <td><u>13</u></td> </tr> <tr> <td><u>4VM</u></td> <td><u>10</u></td> </tr> </tbody> </table>	<u>Combined visual and landscape impact of existing lines</u>		<u>4ZI.1</u>	<u>25</u>	<u>4ZI.2</u>	<u>10</u>	<u>4ZI.3</u>	<u>8</u>	<u>4ZI.4</u>	<u>13</u>	<u>4VM</u>	<u>10</u>	2021					
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Part D: Determination of revisions to EPIE values by the Authority

Table 2: EPIE values after modifications in Part C of this condition

£m (2009/10 prices)	Relevant Year t							
	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
	0.0	0.0	<u>0.00.082</u>	<u>0.00.087</u>	<u>0.00.209</u>	<u>0.00.040</u>	<u>0.00.014</u>	0.0