

To: National Grid Electricity Transmission plc

Direction issued by the Gas and Electricity Markets Authority under Part C of Special Condition 6G (Mitigating the impact of Pre-existing Transmission Infrastructure on the visual amenity of Designated Areas) to modify the electricity transmission licence of National Grid Electricity Transmission plc

Whereas

1. National Grid Electricity Transmission plc ('the Licensee') is the holder of an electricity transmission licence ('the Licence') granted or treated as granted under section 6(1)(b) of the Electricity Act 1989 ('the Act').
2. Special Condition (SC) 6G (Mitigating the impact of Pre-existing Transmission Infrastructure on the visual amenity of Designated Areas) of the Licence establishes the circumstances in which the Gas and Electricity Markets Authority (the 'Authority')¹, by way of direction, can make changes to the Licensee's Enhancing Pre-existing Infrastructure (EPI) Outputs and associated Allowed Expenditure (EPIE values²) specified in that same condition.
3. Part B of SC 6G also sets out the basis of 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. The reason why the Authority is making these modifications is explained in its determination letter dated 30 March 2017.³ 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.
5. The effect of the proposed modifications is also set out in the Authority's March determination letter. 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) and to make the Licensee accountable for the delivery of the EPI Outputs by the timescales specified.
6. In accordance with the requirements set out in SC 6G, on 30 March 2017, the Authority gave notice of the proposed modifications to Table 1 in Part B of SC 6G and Table 2 in Part D of that same condition and specified that any representations concerning the proposed modifications should be made by 28 April 2017.
7. The Authority received four non-confidential responses which unconditionally support the Authority's determination and its proposed modification to SC 6G. All of the consultation responses are available on the website.

Now the Authority pursuant to the provisions of SC 6G, **hereby directs** that the EPI Outputs and EPIE values for the Licensee referred to in paragraph 4 are to be modified as shown in Schedule 1.

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

³ <https://www.ofgem.gov.uk/publications-and-updates/determination-new-outputs-national-grid-s-electricity-transmission-price-control>

This document is notice of the reasons for the decision to modify the Licence as required by section 49A(2) of the Act.



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Steven McMahon
Associate Partner, RIIO Electricity
Duly authorised on behalf of the
Gas and Electricity Markets Authority

8 June 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><u>Beautiful Boundaries project</u> <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="4"><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><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><u>High Weald Area of Outstanding Natural Beauty</u> <u>Combined visual and landscape impact of existing lines</u></p> <table border="1"> <tbody> <tr> <td><u>4ZJ.1</u></td> <td><u>25</u></td> </tr> <tr> <td><u>4ZJ.2</u></td> <td><u>10</u></td> </tr> <tr> <td><u>4ZJ.3</u></td> <td><u>8</u></td> </tr> <tr> <td><u>4ZJ.4</u></td> <td><u>13</u></td> </tr> <tr> <td><u>4VM</u></td> <td><u>10</u></td> </tr> </tbody> </table>		<u>4ZJ.1</u>	<u>25</u>	<u>4ZJ.2</u>	<u>10</u>	<u>4ZJ.3</u>	<u>8</u>	<u>4ZJ.4</u>	<u>13</u>	<u>4VM</u>	<u>10</u>	<u>2021</u>						
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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