

To: National Grid Electricity Transmission plc, and other interested parties

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 specify 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 provides that the Gas and Electricity Markets Authority (the 'Authority')¹ may, by way of direction, make modifications to the Enhancing Pre-existing Infrastructure (EPI) Outputs and associated Allowed Expenditure (EPIE values).
3. Paragraph 6G.14 of Part B of SC 6G sets out the determination process the Authority will follow where it receives a notice from the licensee under paragraph 6G.12 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, and any other interested parties 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 9 January 2019 which is published alongside this Notice.² In summary, the purpose of the modifications is to specify five 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 £0.599m (2009/10 prices).
7. The proposed modifications, which have been calculated in line with Part C, 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).
8. The proposed modifications are intended to come into effect on 21 February 2019.

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.

9. Any representations with respect to the proposed licence modifications must be made on or before 7 February 2019 to: Anna Kulhavy, Office of Gas and Electricity Markets, 32 Albion Street, Glasgow, G1 1LH or by email to anna.kulhavy@ofgem.gov.uk.
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.

Clothilde Cantegreil

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

9 January 2019

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

The proposed modification will add five new rows to existing Table 1: EPI outputs, as follows:

Part B: Assessment of Allowed Expenditure for EPI Outputs

Table 1: EPI Outputs

EPI Output description			Designated Area	Delivery date																				
<p><u>High Downs project</u> <u>Project addresses the impacts of the overhead line by shifting the public focus to enhanced landscapes through restoration and creation of a conservation network.</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>Ancient woodland restoration</u></td> <td><u>70 ha</u></td> </tr> <tr> <td><u>Chalk grassland restoration</u></td> <td><u>11 ha</u></td> </tr> <tr> <td><u>Acid grassland and heathland restoration</u></td> <td><u>50 ha</u></td> </tr> <tr> <td><u>Hedgerows and scrubland restoration</u></td> <td><u>15 ha</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>Ancient woodland restoration</u>	<u>70 ha</u>	<u>Chalk grassland restoration</u>	<u>11 ha</u>	<u>Acid grassland and heathland restoration</u>	<u>50 ha</u>	<u>Hedgerows and scrubland restoration</u>	<u>15 ha</u>	<p><u>Kent Downs Area of Outstanding Natural Beauty</u></p> <table border="1"> <thead> <tr> <th colspan="2"><u>Combined visual and landscape impact of existing line sections</u></th> </tr> </thead> <tbody> <tr> <td><u>ZY.1</u></td> <td><u>20</u></td> </tr> <tr> <td><u>ZY.2</u></td> <td><u>7</u></td> </tr> <tr> <td><u>ZY.3</u></td> <td><u>16</u></td> </tr> </tbody> </table>	<u>Combined visual and landscape impact of existing line sections</u>		<u>ZY.1</u>	<u>20</u>	<u>ZY.2</u>	<u>7</u>	<u>ZY.3</u>	<u>16</u>	<u>2021</u>
<u>EPI output</u>	<u>Mitigation activity</u>	<u>Volume</u>																						
<u>Landscape enhancement and reduced visual impact</u>	<u>Ancient woodland restoration</u>	<u>70 ha</u>																						
	<u>Chalk grassland restoration</u>	<u>11 ha</u>																						
	<u>Acid grassland and heathland restoration</u>	<u>50 ha</u>																						
	<u>Hedgerows and scrubland restoration</u>	<u>15 ha</u>																						
<u>Combined visual and landscape impact of existing line sections</u>																								
<u>ZY.1</u>	<u>20</u>																							
<u>ZY.2</u>	<u>7</u>																							
<u>ZY.3</u>	<u>16</u>																							
<p><u>North Downs Living Grid project</u> <u>Project addresses the visual and landscape impacts of overhead line through landscape scale plantings that enhance diversity and character of the AONB.</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>New meadowland</u></td> <td><u>5 ha</u></td> </tr> <tr> <td><u>New chalk grassland</u></td> <td><u>4 ha</u></td> </tr> <tr> <td><u>Native woodland</u></td> <td><u>0.5 ha</u></td> </tr> <tr> <td><u>Hedgerow planting</u></td> <td><u>1,800 metres</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>New meadowland</u>	<u>5 ha</u>	<u>New chalk grassland</u>	<u>4 ha</u>	<u>Native woodland</u>	<u>0.5 ha</u>	<u>Hedgerow planting</u>	<u>1,800 metres</u>	<p><u>Kent Downs Area of Outstanding Natural Beauty</u></p> <table border="1"> <thead> <tr> <th colspan="2"><u>Combined visual and landscape impact of existing line sections</u></th> </tr> </thead> <tbody> <tr> <td><u>ZY.1</u></td> <td><u>20</u></td> </tr> <tr> <td><u>ZY.2</u></td> <td><u>7</u></td> </tr> <tr> <td><u>ZY.3</u></td> <td><u>16</u></td> </tr> </tbody> </table>	<u>Combined visual and landscape impact of existing line sections</u>		<u>ZY.1</u>	<u>20</u>	<u>ZY.2</u>	<u>7</u>	<u>ZY.3</u>	<u>16</u>	<u>2021</u>
<u>EPI output</u>	<u>Mitigation activity</u>	<u>Volume</u>																						
<u>Landscape enhancement and reduced visual impact</u>	<u>New meadowland</u>	<u>5 ha</u>																						
	<u>New chalk grassland</u>	<u>4 ha</u>																						
	<u>Native woodland</u>	<u>0.5 ha</u>																						
	<u>Hedgerow planting</u>	<u>1,800 metres</u>																						
<u>Combined visual and landscape impact of existing line sections</u>																								
<u>ZY.1</u>	<u>20</u>																							
<u>ZY.2</u>	<u>7</u>																							
<u>ZY.3</u>	<u>16</u>																							

EPI Output description	Designated Area	Delivery date																														
<p><u>Gentleshaw Common in the Future project</u> Project addresses the visual and landscape impact of the overhead line by restoring and managing lowland heathland restoration.</p> <table border="1" data-bbox="188 376 820 674"> <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>Bracken and scrub control</u></td> <td><u>60 ha</u></td> </tr> <tr> <td><u>Purple moor grass cutting</u></td> <td><u>7 ha</u></td> </tr> <tr> <td><u>Footpath upgrading</u></td> <td><u>80 m</u></td> </tr> <tr> <td><u>Broadwalk installation</u></td> <td><u>38 m</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>Bracken and scrub control</u>	<u>60 ha</u>	<u>Purple moor grass cutting</u>	<u>7 ha</u>	<u>Footpath upgrading</u>	<u>80 m</u>	<u>Broadwalk installation</u>	<u>38 m</u>	<p><u>Cannock Chase Area of Outstanding Natural Beauty</u></p> <table border="1" data-bbox="850 311 1142 544"> <thead> <tr> <th colspan="2"><u>Combined visual and landscape impact of existing line sections</u></th> </tr> </thead> <tbody> <tr> <td><u>ZN.1</u></td> <td><u>5</u></td> </tr> <tr> <td><u>ZN.2</u></td> <td><u>5</u></td> </tr> </tbody> </table>	<u>Combined visual and landscape impact of existing line sections</u>		<u>ZN.1</u>	<u>5</u>	<u>ZN.2</u>	<u>5</u>	<p><u>2020</u></p>												
<u>EPI output</u>	<u>Mitigation activity</u>	<u>Volume</u>																														
<u>Landscape enhancement and reduced visual impact</u>	<u>Bracken and scrub control</u>	<u>60 ha</u>																														
	<u>Purple moor grass cutting</u>	<u>7 ha</u>																														
	<u>Footpath upgrading</u>	<u>80 m</u>																														
	<u>Broadwalk installation</u>	<u>38 m</u>																														
<u>Combined visual and landscape impact of existing line sections</u>																																
<u>ZN.1</u>	<u>5</u>																															
<u>ZN.2</u>	<u>5</u>																															
<p><u>Reconnecting the Ridgeway project</u> Project addresses the visual and landscape impact of the overhead line by enhancing key landscape features which will divert, screen and filter views from certain locations.</p> <table border="1" data-bbox="188 902 820 1332"> <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="8"><u>Landscape enhancement and reduced visual impact</u></td> <td><u>Tree planting</u></td> <td><u>20 trees</u></td> </tr> <tr> <td><u>Hedgerow laying</u></td> <td><u>1,700 m</u></td> </tr> <tr> <td><u>Hedgerow fencing</u></td> <td><u>1,500 m</u></td> </tr> <tr> <td><u>Scrub clearance</u></td> <td><u>4.7 ha</u></td> </tr> <tr> <td><u>Grassland seeding</u></td> <td><u>2.5 ha</u></td> </tr> <tr> <td><u>Pond creation</u></td> <td><u>2</u></td> </tr> <tr> <td><u>Dry stone wall restoration</u></td> <td><u>200 m</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>Tree planting</u>	<u>20 trees</u>	<u>Hedgerow laying</u>	<u>1,700 m</u>	<u>Hedgerow fencing</u>	<u>1,500 m</u>	<u>Scrub clearance</u>	<u>4.7 ha</u>	<u>Grassland seeding</u>	<u>2.5 ha</u>	<u>Pond creation</u>	<u>2</u>	<u>Dry stone wall restoration</u>	<u>200 m</u>	<p><u>Dorset Area of Outstanding Natural Beauty</u></p> <table border="1" data-bbox="850 837 1142 1169"> <thead> <tr> <th colspan="2"><u>Combined visual and landscape impact of existing line sections</u></th> </tr> </thead> <tbody> <tr> <td><u>4YA.4</u></td> <td><u>13</u></td> </tr> <tr> <td><u>4YA.5</u></td> <td><u>25</u></td> </tr> <tr> <td><u>4YA.6</u></td> <td><u>10</u></td> </tr> <tr> <td><u>4VN.1</u></td> <td><u>18</u></td> </tr> <tr> <td><u>4VN.2</u></td> <td><u>25</u></td> </tr> </tbody> </table>	<u>Combined visual and landscape impact of existing line sections</u>		<u>4YA.4</u>	<u>13</u>	<u>4YA.5</u>	<u>25</u>	<u>4YA.6</u>	<u>10</u>	<u>4VN.1</u>	<u>18</u>	<u>4VN.2</u>	<u>25</u>	<p><u>2024</u></p>
<u>EPI output</u>	<u>Mitigation activity</u>	<u>Volume</u>																														
<u>Landscape enhancement and reduced visual impact</u>	<u>Tree planting</u>	<u>20 trees</u>																														
	<u>Hedgerow laying</u>	<u>1,700 m</u>																														
	<u>Hedgerow fencing</u>	<u>1,500 m</u>																														
	<u>Scrub clearance</u>	<u>4.7 ha</u>																														
	<u>Grassland seeding</u>	<u>2.5 ha</u>																														
	<u>Pond creation</u>	<u>2</u>																														
	<u>Dry stone wall restoration</u>	<u>200 m</u>																														
	<u>Combined visual and landscape impact of existing line sections</u>																															
<u>4YA.4</u>	<u>13</u>																															
<u>4YA.5</u>	<u>25</u>																															
<u>4YA.6</u>	<u>10</u>																															
<u>4VN.1</u>	<u>18</u>																															
<u>4VN.2</u>	<u>25</u>																															
<p><u>Arncliffe Wood and Scarth Wood Moor Restoration project</u> Project addresses the visual and landscape impacts of overhead lines by enhancing the landscape, biodiversity and public access.</p> <table border="1" data-bbox="188 1496 820 1825"> <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>Ancient woodland restoration</u></td> <td><u>22 ha</u></td> </tr> <tr> <td><u>Woodland and heathland restoration</u></td> <td><u>6.5 ha</u></td> </tr> <tr> <td><u>Traditional boundary restoration</u></td> <td><u>9,500 m</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>Ancient woodland restoration</u>	<u>22 ha</u>	<u>Woodland and heathland restoration</u>	<u>6.5 ha</u>	<u>Traditional boundary restoration</u>	<u>9,500 m</u>	<p><u>Dorset Area of Outstanding Natural Beauty</u></p> <table border="1" data-bbox="850 1431 1142 1630"> <thead> <tr> <th colspan="2"><u>Combined visual and landscape impact of existing line sections</u></th> </tr> </thead> <tbody> <tr> <td><u>4VC.1</u></td> <td><u>6</u></td> </tr> </tbody> </table>	<u>Combined visual and landscape impact of existing line sections</u>		<u>4VC.1</u>	<u>6</u>	<p><u>2021</u></p>																
<u>EPI output</u>	<u>Mitigation activity</u>	<u>Volume</u>																														
<u>Landscape enhancement and reduced visual impact</u>	<u>Ancient woodland restoration</u>	<u>22 ha</u>																														
	<u>Woodland and heathland restoration</u>	<u>6.5 ha</u>																														
	<u>Traditional boundary restoration</u>	<u>9,500 m</u>																														
<u>Combined visual and landscape impact of existing line sections</u>																																
<u>4VC.1</u>	<u>6</u>																															

Part D: Determination of revisions to EPIE values by the Authority

Table 2: EPIE values after modifications determined in accordance with 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
	0.166	0.556	0.976	1.271	2.003	9.448 9.720	44.881 45.085	22.636 22758