

Dale Winch
Ofgem
Commonwealth House
3rd Floor
32 Albion Street
Glasgow
G1 1LH

15 January 2021

Dear Dale,

Consultation on Ofgem's assessment of NGET's proposal for reducing visual amenity impacts in the Peak District National Park

This letter is National Grid Electricity Transmission's (NGET) response to your consultation dated 11 December 2020. We appreciate the time that you have taken to assess the Peak East VIP project. With regard to your three questions outlined, our response is below:

1. Based on the information in this consultation, do you agree with our assessment of NGET's Peak East VIP project?

We note that you have followed the same robust assessment process that was carried out for the Dorset VIP project. We agree that your approach in assessing Peak East VIP has been appropriate and has followed the criteria set out in our Transmission Licence.

2. Based on the information in this consultation do you agree with our assessment and proposed funding allowances for the Peak East VIP project?

We are pleased that your assessment agrees that the majority of the project costs are economical and efficient. With regard to the reduction of the risk allocation, we are in general agreement that this is appropriate. As you are aware, this related to uncertainty over the impact of Brexit on costs. During the assessment period we agreed for any subsequent trading tariff changes to be updated within our submission. This is no longer necessary as the Brexit deal was agreed at the end of December, which allows the UK and EU to trade without additional taxes on goods.

Regarding the planning permission risk, we agree that this should be retired, as since the submission of the project, we received consent for planning.

3. Do you have any other comments or information relevant to our assessment?

We have no further comments relevant to your assessment.

Yours sincerely

[by email]

Steve Lam
Regulatory Submissions Manager