

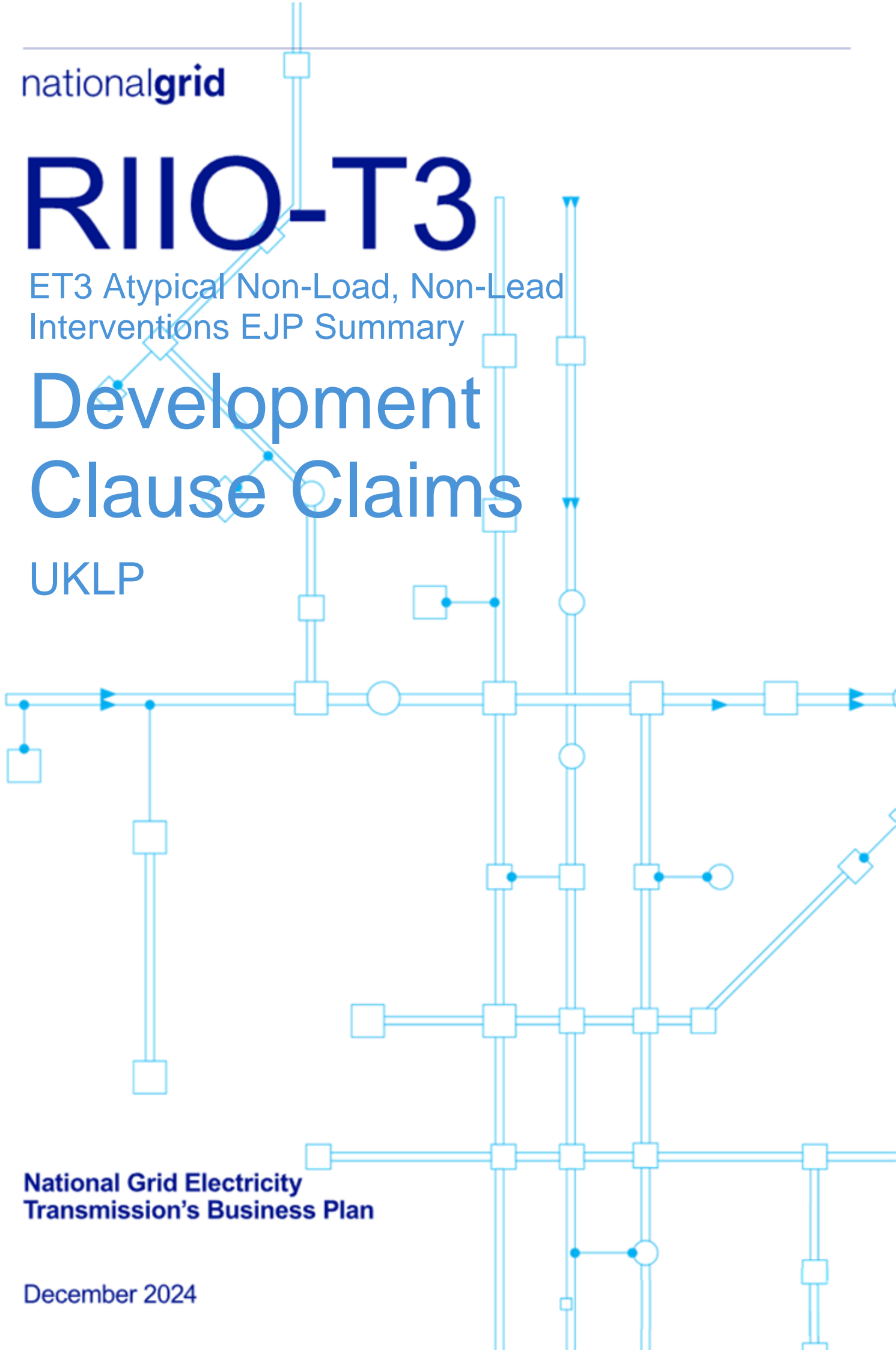
nationalgrid

# RIIO-T3

ET3 Atypical Non-Load, Non-Lead Interventions EJP Summary

## Development Clause Claims

UKLP



**National Grid Electricity  
Transmission's Business Plan**

December 2024

# Development Clause Claims: Executive Summary

## Project Summary

The Development Clause Claims project aims to address the legal obligations of National Grid Electricity Transmission (NGET) in relation to compensation for loss of development due to infrastructure hosted on land subject to agreements with landowners.

## Background

Our network includes over 7,000km of overhead lines, approximately 21,000 pylons, and over 700km of underground cables. Around X Deeds of Easement contain a development loss clause, obligating us to compensate landowners if the presence of our assets hinders development works for which X.

## Drivers for Investment

The primary driver for this investment is legal compliance: ensuring timely compensation for valid claims related to development loss, thus maintaining good relations with landowners and ensuring network access for maintenance and upgrades. Additionally, proactive measures are planned to identify potential claims ahead of time, allowing for strategic engagement with stakeholders to mitigate financial risks.

## Options Considered

Five options were evaluated:

- Do Nothing: rejected due to legal non-compliance and potential litigation costs.
- Review and Settle Claims When Received: rejected as it lacks proactive measures and may not be cost-effective.
- Challenge and Settle Claims: rejected for being reactive rather than proactive.
- Divert Assets: rejected due to high financial impact and inefficiencies.
- Proactive Review and X Clauses: selected as the preferred option for its proactive approach and cost-effectiveness.

## Preferred Solution

The chosen solution involves a proactive review of the X Deeds to identify potential development claims, engaging with Grantors to X clauses before X. This approach minimises the cost and impact of claims, ensuring better financial management and compliance with legal obligations.

## Timeline

Funding is requested for the RII0-T3 period, with claims settled as they arise. Proactive engagement and clause X will continue throughout this period to mitigate future risks.

## Conclusion

The development clause claims project will ensure we meet our legal obligations while proactively managing financial risks associated with development loss claims. The proactive X strategy will provide better value for money and maintain the integrity and resilience of the network.