

From: Graham Craig <Graham.Craig@ofgem.gov.uk>
Sent: 13 August 2023 20:06
To: Robert Garden; Mckenna, John (Energy Security)
Cc: Emma Hurst; James Dunshea; Thomas Mackenzie
Subject: RE: [EXTERNAL] Ulverston CPO - Cadent Gas Limited [CMCK-UK.FID118534907] [OFFICIAL]

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We write in response to correspondence from CMS Cameron McKenna Nabarro Olswang LLP dated 30 June 2023.

On 25 June 2023 Cadent Gas Ltd, has submitted the Whassett to Barrow High Pressure Gas Pipeline Diversion) Compulsory Purchase Order 2023 to the Secretary of State for the Department for Energy Security and Net Zero, for confirmation, under section 9 of and schedule 3 to the Gas Act 1986 (“Gas Act”).

Schedule 3 paragraph 1(1) of the Gas Act states that “the Secretary of State, after consultation with the Director, may authorise a gas transporter to purchase compulsorily any land” and that paragraph 1(2) of Schedule 3 makes it clear that the reference to “land” includes any right over land and the power of the Secretary of State includes the power to authorise the acquisition of rights over land by creating new rights as well as acquiring existing ones. The functions of the “Director” have been transferred to the Gas and Electricity Markets Authority (Ofgem).

This is Ofgem’s formal consultation response to the Secretary of State pursuant to paragraph 1(1) of Schedule 3 to the Gas Act.

Ofgem in discharging its functions under the Gas Act published in December 2021 its [Final Determinations](#) as to the level of funding that Cadent Gas during the RIIO-2 Price Control Period (1 April 2021 – 31 March 2026), £4.7 billion (2018-19 prices). This included a specific allowance for pipeline diversions. In addition we have created a Repex – Pipeline Diversions and Loss of Land Development Claims which allows Cadent Gas Ltd to apply for additional funding for diversions.

. The RIIO-2 price control therefore ensures that Cadent Gas Ltd will have sufficient funding to meet the implementation and land acquisition/compulsory purchase compensation costs associated with Ulverston Canal project as and when required (including any advance payments).

Should you require any further input please do not hesitate to get in contact.

Regards

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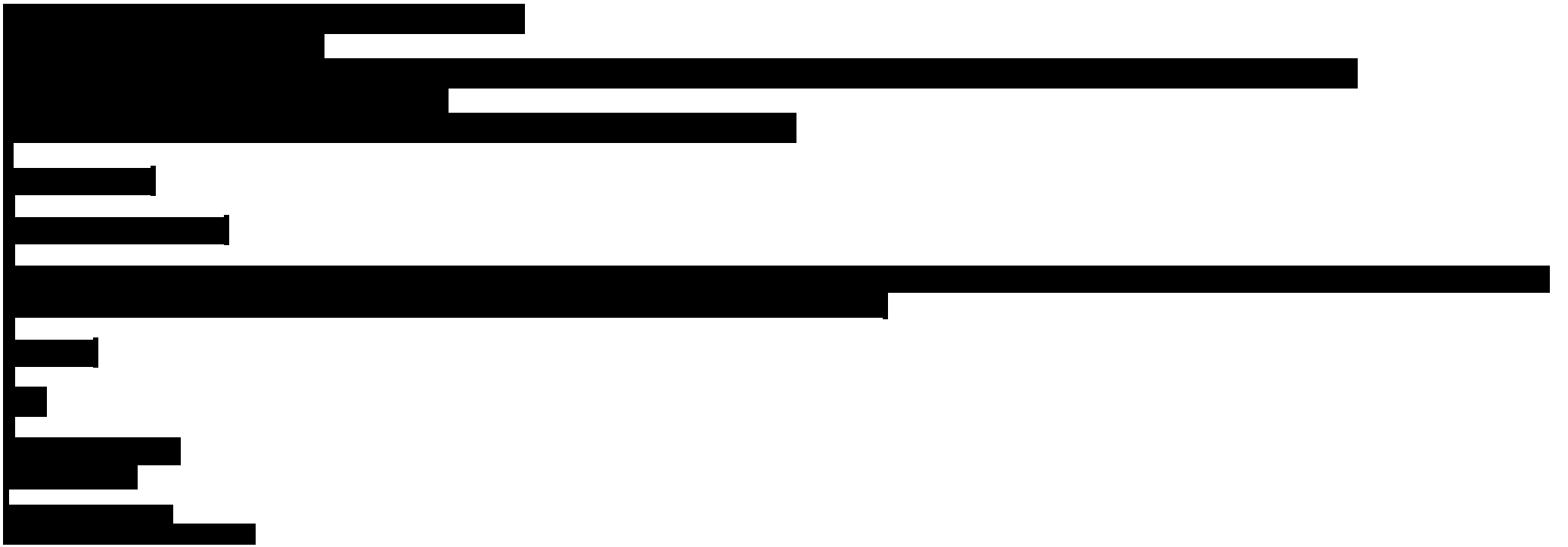
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