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Date: 24 June 2019
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Dear Sir

**The National Grid Viking Link Limited (Viking Link Interconnector)
Compulsory Purchase Order 2019 ("Order")**

We act on behalf of National Grid Viking Link Limited ("NGVL") and refer to the Inspector's written questions issued by e-mail on 20 June 2019.

We have set out below NGVL's responses to the Inspector's questions using the same paragraph numbering for ease of reference. We have also indicated which of the NGVL witnesses will be able to speak to these questions if the Inspector should wish to discuss them during the course of the inquiry.

1. **From the reading of the material which I have undertaken so far, I think I have a reasonable understanding of the promoter's case for saying that this cpo is in the public interest. But, other than a few passing assertions, I have not formed any thorough understanding of the compelling nature of the promoter's case. So, I'd be grateful if the promoter and the promoter's witnesses could turn their minds to what would be the consequences and the ramifications of those consequences if the CPO were not confirmed.**
- 1.1 A 'compelling case in the public interest' is demonstrated by the Viking Link Interconnector's designation as a Project of Common Interest ("PCI") under the TEN-E Regulation, which by virtue of its status is recognised as "overriding public interest", this is further demonstrated and is the principal thrust of section 2 of the Proof of Evidence of Ms Liz Wells.
- 1.2 The Viking Link Interconnector is a project of international importance, the need for which is very clearly demonstrated in national policy and legislation (such as Core Docs E3 and A16) and the necessary consents for which have been granted in several international jurisdictions, including the UK. If the

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Order is not granted, the UK onshore parts of the project would not be capable of implementation in a timely fashion or, indeed, at all. This would have extremely serious consequences not just for the UK parts of the project, but also those in Denmark and, indeed, in international waters. Failure to implement the project would be a failure to achieve direct Government policy on interconnection and, as a consequence, would be a failure to achieve a secure and affordable supply of energy via transmission capacity which provides access to a large market of low carbon generation.

NGVL witness who can speak to this: Liz Wells

2. **I note that the (now withdrawn) objection from H A Stanley and son included a document (or possibly an extract from a document) explaining how the project proposes to deal with field drainage. The document is headed "national grid" and at the foot of the page is the Viking link logo and a rubric stating; "Co-financed by the European Union Connecting Europe Facility". I note paragraph 11.16 of the Promoter's Statement of Case asserts that the National Grid plc board has made a commitment to fund the Viking Link Interconnector project from its operational revenues. I also note that paragraph 2.20 of the Promoter's Statement of Reasons quotes from the National Infrastructure Commission's "National Infrastructure Assessment" of July 2018 the view that "the government should ensure that the current pipeline [of Interconnectors] is not affected by the UK's exit from the EU. In the light of these references would the promoter elaborate on the funding and resources available to carry on the project?**

2.1 The Viking Link Interconnector will be funded by National Grid Plc in broadly the same way as IFA2 and the North Sea Link which are in construction, and the NEMO Interconnector and BritNed which are already in operation.

2.2 The project partners, NGVL and Energinet ("ENDK"), have had the benefit of a contribution from Connecting Europe Facility ("CEF") grant funding for the project activities during the development phase to date. These are now complete. The cost of construction, land acquisition/compulsory purchase compensation costs, and future operational activities, was the subject of Financial Investment Decisions by both companies. As section 11 of the Statement of Reasons explains, both companies have full financial authorisation to build and operate the project.

2.3 ENDK received approval to commit to the cost of the project from the Danish Minister for Energy, Utility and Climate in January 2017, and it will be funded from their overall operating revenues.

2.4 On 26th September 2018, the National Grid plc board made a positive Financial Investment Decision (FID) on the Viking Link Interconnector project, to provide a full commitment to the funding and long-term investment in the Viking Link from its operational revenues.

2.5 The Viking Link Interconnector will be funded from within the overall balance sheet of the National Grid Group and from a range of Group lending sources. The Viking Link Interconnector will not require project specific external financing.

NGVL witness who can speak to this: Andrew McIntosh

3. **Paragraph 6.48 of the Statement of Reasons refers to a public footpath diversion order submitted to South Holland DC on 26.2.18. Paragraph 12.2 of the Statement of Case updates the position but notes that that the period for objections had not expired. What is the current status of this application?**

- 3.1 The diversion order was confirmed on the 8th of May 2019 as explained at paragraph 6.4 of the Proof of Evidence of Ms Liz Wells. A copy of the diversion order is included as a Core Document (CD C16) as noted in that paragraph.

NGVL witness who can speak to this: Liz Wells

4. **Paragraph 12.1 of the Statement of Reasons tells me that (at that time) two permits were still awaited for the installation of submarine cables from the German Federal Maritime and Hydrographic Agency. The later Statement of Case tells me that all permits have been obtained. Could I please have confirmation that the latter statement includes these two permits?**

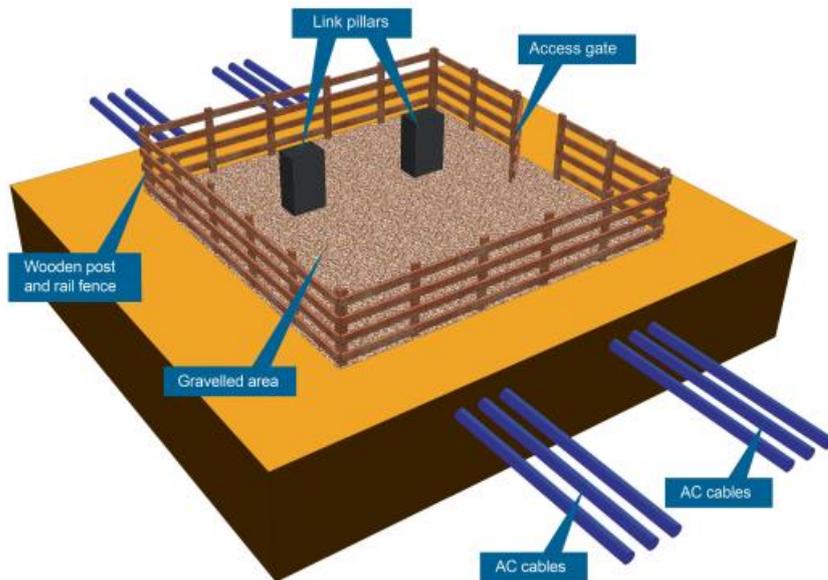
- 4.1 Paragraph 12.1 of the Statement of Reasons noted that *one* of the two permits needed from the German Federal Maritime and Hydrographic Agency (Bundesamt für Seeschifffahrt und Hydrographie) for installation of the submarine cables, had been agreed in principle but was, at the time of writing, awaited. This was received in March 2019 and is referred to in paragraph 6.3.4 of the Proof of Evidence of Ms Liz Wells. Copies of both permits are enclosed.

NGVL witness who can speak to this: Liz Wells

5. **Link pillars are needed at joints on the HVAC cables. They are referred to in paragraph 4.70 of Graham Symons's proof of evidence. Paragraph 6.65 of the Statement of Reasons tells me that these will be protected from damage by a fenced area. It is my understanding that these fenced areas are not included within the area of the CPO within which freehold rights are intended to be acquired. Is that a correct understanding? And are there any consequences which follow from that?**

- 5.1 Two link pillars will be installed at each of the two joint bays along the HVAC route. The link pillars will be surrounded by a suitable fence to protect the equipment and to identify to the landowner the position of the obstruction in their field. The photograph below shows an example link pillar, while the indicative diagram below shows a typical link pillar arrangement within protective fencing. The link pillars and fencing will be located within the 50m corridor over which HVDC Cable Rights are sought.





NGVL witness who can speak to this: Graham Symons

- 5.2 The HVDC Cable Rights package has been widely drawn to enable NGVL to install, retain, use, maintain and protect etc. the electrical interconnector infrastructure of which the protective fencing will form part. Construction, retention and use of the protective fencing is therefore within the scope of the HVDC Cable Rights and NGVL considers that seeking to acquire the freehold of the land for the link pillars and protective fencing would be disproportionate. The relevant part of the HVDC Cable Rights package grants:

"All rights necessary for the purposes of or incidental to the retention, operation, protection, repair, renewal, replacement, maintenance and decommissioning of the electricity interconnector infrastructure, including:

a) to retain, commission, operate, inspect, maintain, repair, alter, renew, replace and remove or decommission the electricity interconnector infrastructure;

b) to take access with or without vehicles, personnel and plant, machinery, apparatus, equipment and materials for such purposes;

c) to carry out de-watering and drainage works and install, alter, reinstate or remove land drainage systems;

d) to enter the land and carry out surveys and investigations, including aerial surveys (including the right to fly an unmanned aircraft over the land and to enter and retrieve and recover any such unmanned aircraft from the land);

e) to protect and prevent damage to or interference with the operation and maintenance of the electricity interconnector infrastructure;

f) to prevent any works on or use of the land that would prevent access to or the operation and maintenance of the electricity interconnector infrastructure; and

g) to prevent changes to the use, or level of the surface of, the land."

(emphasis added)

- 5.3 These rights are sufficient and appropriate to allow NGVL to fence the link pillars to ensure their protection.

NGVL's Counsel Michael Humphries QC can speak to this

- 5.4 The land on which the link pillars and fencing will be installed is owned by P&N Benjamin and Mr Wray. P&N Benjamin and Mr Wray have signed Heads of Terms for a Deed of Easement with NGVL which will enable the link pillars and protective fencing to be installed on their land. An additional payment will be made to them in respect of the link pillars under the terms of the Deed.

NGVL witness who can speak to this: Oliver Heselton

- 5.5 NGVL is part of the National Grid Group of companies which has built out a number of projects which include HVAC cable with joint bays and associated link pillars with protective fencing. As a matter of good practice, in order to ensure that National Grid Group of companies takes a proportionate approach to land acquisition, the National Grid Group of Companies obtains easements to enable link pillars and associated protective fencing to be installed, retained and maintained.

NGVL witness who can speak to this: Oliver Heselton

6. **Paragraph 13.6 of the Statement of Reasons tells me that currently installed interconnectors provide 4GW capacity. Paragraph 13.8 tells me that the Viking Link Interconnector will provide 1.4MW capacity and that this represents 40% of currently installed capacity. But 40% of 4GW equals 1.6GW, not 1.4MW. Clearly I have misunderstood the contribution which the Viking Link Interconnector would make to the installed capacity of the UK's electricity supply. Could my misunderstanding be corrected, please?**

- 6.1 The Viking Link Interconnector will provide 1,400MW or 1.4GW of installed capacity. The figure '1.4MW' in paragraph 13.8 of the Statement of Reasons is therefore a typographical error and should be 1.4GW. The Inspector is correct that 40% of 4GW equals 1.6GW. The percentage figure given at paragraph 3.8 of the Statement of Reasons had been rounded up.

NGVL witness who can speak to this: Graham Symons

7. **Paragraph 13.9 of the Statement of Reasons notes that there are unknown ownerships in the Order land. Can I be provided with**

details of the reasonable and diligent inquiry which was made to establish the identity of the landowners?

- 7.1 Where land ownership information could not be ascertained through desktop or site referencing methods, local land charges searches were undertaken and the land referencing team erected notices on site requesting information. The notices showed the land ownership boundary in question and provided details of how to contact the NGVL land team with any relevant information. These notices were checked regularly for 6 weeks and replaced if they were removed. All updates were recorded in the land referencing database and GIS. Request for information documents were also issued to adjoining land holdings requesting they confirm ownership or any known interests within the parcels. Where no information regarding ownership has been identified the plots appear in the Order schedule as "unknown".
- 7.2 Prior to making and submission of the Order for confirmation the assembled land referencing data was confirmed and corroborated by carrying out a Land Registry update to capture any changes that had occurred. A further Companies House and desktop review was completed. To confirm the accuracy of information held, "Request for Confirmation" forms were issued to all interested parties identified prior to making and submission of the Order. These consisted of a pre-populated questionnaire per land parcel and a schedule of other parties identified as having an interest in that land parcel. The forms were sent alongside land ownership boundary plans which, like the Landowner Information Questionnaires, were posted by first class mail. Recipients were requested to confirm information or amend it by providing corrections and/or updates and return the documents by email, telephone or by post in pre-paid envelopes provided. The land referencing database was then updated with any new information.

NGVL witness who can speak to this: Oliver Heselton.

8. **Section 15 of both the Statement of Reasons and the Statement of Case set out how the CPO affects Crown Land, Open space Land and Statutory Undertakers. I will need copies of the permissions and certificates given by the relevant authorities for the CPO to be made affecting these interests.**

- 8.1 As explained at paragraphs 15.2 to 15.4 of the Statement of Case, there are no proposals to compulsorily acquire any Crown interest. However, the proposed offshore and foreshore works affect land owned and/or controlled by the Crown Estate for which an agreement for lease is currently being negotiated. Negotiations are at an advanced stage and NGVL anticipated the lease being completed in Q3 2019.

NGVL witness who can speak to this: Liz Wells

- 8.2 NGVL are at an advanced stage of negotiations with the Duchy of Lancaster for a lease with associated access rights over plots 44-01, 44-02 and 44-03 and also with Highways England Historical Railways Estate for an easement over plots 31-08, 31-09, 31-10 and 31-11.

NGVL witness who can speak to this: Oliver Heselton

- 8.3 As explained in paragraph 15.22 of the Statement of Case, if confirmed, the Order will authorise the compulsory acquisition of new rights over land which forms part of an open space, as defined in the Acquisition of Land Act 1981; that is, land used for the purposes of public recreation. A certificate is being sought by NGVL from the Secretary of State for Housing, Communities and Local Government, to authorise the compulsory acquisition of rights over the open space land under the Order. The Secretary of State has made clear that he is minded to grant the certificate and by letter dated 30 April 2019 directed NGVL to publish, display and serve notice to that effect. The form of notice was agreed with the Ministry of Housing, Communities and Local Government and the process of publication, display and service has commenced. More detail regarding publication, display and service is provided in the compliance bundle which will be handed to the Inspector at the beginning of the inquiry.

NGVL witness who can speak to this: Oliver Heselton

- 8.4 As explained in NGVL's letter to the Inspector dated 20 June 2019, negotiations with statutory undertakers are at very advanced stages and it is anticipated that the remaining statutory undertaker objections will be withdrawn before the start of the inquiry or shortly thereafter. In any event no evidence has been submitted of any serious detriment.

NGVL witness who can speak to this: Oliver Heselton

9. **Paragraph 4.60 of David Royle's evidence states that the depth of the cables to be laid "will affect the ability to manage some drainage systems in the longer term and, in some circumstances, on a landowner's ability to drain the land in future. It is recognised in the material supporting the Viking Link CPO that agriculture in Lincolnshire depends on adequate land drainage. To what extent would the rights sought in this CPO compromise the ability to drain agricultural land in Lincolnshire and to what extent would this affect the public interest that agriculture be capable of being carried on?**

- 9.1 Paragraph 4.60 of the Proof of Evidence of Mr David Royle includes a description of the potential unmitigated impacts of the UK Onshore Scheme on agricultural land drainage, under the heading of drain severance. Paragraphs 5.122-5.1.184 of the proof describe the range of measures proposed by NGVL to mitigate these, and other, impacts on agricultural land drainage.

- 9.2 Conceptual Land Drainage Design plans have been prepared for each land owner and will be developed further to ensure existing land drainage schemes continue to function and that adequate outfalls are maintained for the duration of the easement. There will be no land included in the Order incapable of being drained either now or at some point in the future as a result of the scheme.

- 9.3 The UK Onshore Scheme will inevitably lead to changes in land drainage layout that might, in some circumstances, cause future disturbance to the landowner or occupier. This might, for instance, lead to additional management costs such as installing drains to a different configuration or the need for jetting of drainage systems. In this instance, residual impacts would be addressed as described at para 5.1.185 of Mr Royle's proof.

- 9.4 The rights packages sought in the Order have been tailored in such a way to allow the land affected by the Order to continue to be drained and farmed productively. They have been developed to provide flexibility for NGVL to address, as far as reasonably practicable, anticipated agricultural land drainage issues. The Order land will be returned to the landowner or occupier in no worse a condition than it was prior to the scheme being implemented and this is one of the primary reasons for the inclusion of a drainage rights package in the Order. The rights proposed therefore do not compromise the ability of NGVL to provide workable drainage solutions but strengthen them. For these reasons, agricultural use will be in continuance and proposals in this regard will not affect the public interest.

NGVL witness who can speak to this: David Royle

10. **Paragraph 5.171 of Mr Royle's evidence (referring to paragraphs 5.3.1-5.3.5 of Mr Heselton's evidence notes that final drainage design will be subject to agreement between NGVL and the individual landowner(s) affected by the scheme. This will be incorporated into an option agreement when construction detail is finalised." Is there any possibility that this consideration might require a modification to the CPO?**

- 10.1 An appropriate drainage solution, which will be acceptable to landowners, can be achieved within the Order land. However, Heads of Terms have been signed with the majority of the landowners for an Option which will provide for an agreed drainage solution to be implemented on more of the landowner's land than is included in the Order, if the landowner wishes.

NGVL witness who can speak to this: David Royle

We trust that the above responses will clarify the points the Inspector has raised. However, should the Inspector wish to do so, the NGVL witnesses would be happy to discuss these points further during the inquiry.

Yours faithfully

Eversheds Sutherland (International) LLP

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