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**THE NATIONAL GRID VIKING LINK LIMITED (VIKING LINK INTERCONNECTOR)  
COMPULSORY PURCHASE ORDER 2019**

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**STATEMENT TO THE INSPECTOR ON BEHALF OF CADENT GAS LIMITED  
("CADENT")**

**25 JUNE 2019**

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- 1.1 This statement is further to Cadent's position statement of 4 June 2019 which is to be taken as read.
- 1.2 The National Grid Viking Link Limited (Viking Link Interconnector) Compulsory Purchase Order (the **CPO**) seeks to authorise the compulsory acquisition of land in association with works regarding a high voltage direct current electricity interconnector, including a converter station at North Ing Drove, and a high voltage alternating current connection to the National Grid Electricity Transmission Plc substation at Bicker Fenn, and associated works, to facilitate the transfer of electrical power between the UK and Denmark (the **Proposed Scheme**).
- 1.3 As previously confirmed, the CPO seeks to authorise the compulsory acquisition of Cadent's interests, and will interfere with Cadent's apparatus.
- 1.4 Since March 2019, Cadent has been negotiating an asset protection agreement (APA) with NGVL. This has been substantially agreed with NGVL.
- 1.5 On 14 June 2019, NGVL also provided Cadent with a form of parent company guarantee (PCG) that it is willing to provide alongside the APA, to provide security on the performance by the undertaker of the obligations within the APA. Negotiations are ongoing as to the acceptability of the PCG, and the associated security and insurance provision required set down in the APA.
- 1.6 This statement focusses on the outstanding issues between NGVL and Cadent, which are required to be addressed in order to fully deal with Cadent's concerns in respect of the impact that the CPO will have on its apparatus. They therefore have a bearing on the public interest and justification for that CPO.
- 1.7 The key outstanding points for agreement between the parties are as follows, each which potentially have a significant impact on the risks to Cadent and its delivery of crucial services:
  - 1.7.1 The nature and identity of any replacement guarantor provisions;
  - 1.7.2 The cap on liability which will be met by the guarantor;
  - 1.7.3 The criteria for release of the guarantor; and
  - 1.7.4 The level, nature and timescales of the insurance which is required to be provided by NGVL to ensure that Cadent's assets are appropriately protected.
- 1.8 Cadent expects these points to be settled with NGVL within 7 days of this statement, and will update the Inspector further once matters are fully progressed.

**25 June 2019**