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STATUTORY INSTRUMENTS

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**2009 No. 1340**

**The Electricity (Competitive Tenders for Offshore  
Transmission Licences) Regulations 2009**

**PART 2**

**CALCULATION AND PAYMENT OF COSTS INCURRED IN CONNECTION  
WITH TRANSMISSION ASSETS FOR A TRANSITIONAL TENDER EXERCISE**

**Calculation of costs**

**3.—**(1) Prior to commencing a transitional tender exercise in relation to a qualifying project, the Authority shall calculate the economic and efficient costs which ought to be, or ought to have been, incurred in connection with developing and constructing the transmission assets, based on all relevant information available to the Authority, in accordance with paragraph (2).

(2) The calculation of costs in paragraph (1) shall be—

- (a) where the construction of the transmission assets has not reached the stage when those transmission assets are available for use for the transmission of electricity, an estimate of the costs which ought to be incurred in connection with the development and construction of those transmission assets, or
- (b) where the construction of the transmission assets has reached the stage when those transmission assets are available for use for the transmission of electricity, an assessment of the costs which ought to have been incurred in connection with the development and construction of those transmission assets.

(3) Where the Authority—

- (a) has previously estimated the costs in accordance with paragraph (2)(a); and
- (b) is satisfied with the evidence provided by the developer that those transmission assets are available for use for the transmission of electricity,

the Authority shall, as soon as reasonably practicable, assess the costs which ought to have been incurred in connection with the development and construction of those transmission assets.

(4) The developer shall provide such further information to the Authority as the Authority reasonably requires to enable it to estimate, in accordance with paragraph (2)(a), or assess, in accordance with paragraph (2)(b) or (3), the costs which ought to be, or ought to have been, incurred in connection with the development and construction of those transmission assets.

**Payment of costs**

**4.—**(1) Where the Authority has estimated the costs in accordance with regulation 3(2)(a), it shall, as soon as reasonably practicable, give notice to the developer to make a payment to the Authority of a sum determined in accordance with the Authority's cost recovery methodology in relation to estimating those costs.

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**Status:** This is the original version (as it was originally made). This item of legislation is currently only available in its original format.

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(2) Where the Authority has assessed the costs in accordance with regulation 3(2)(b) or 3(3), it shall, as soon as reasonably practicable after the transitional tender exercise has been held in accordance with these Regulations, give notice to the successful bidder to make a payment to the Authority of a sum determined in accordance with the Authority's cost recovery methodology in relation to assessing those costs.