

**Erratum notice – Modification of the amended standard conditions of the offshore electricity transmission licence held by Greater Gabbard OFTO plc**

The Authority<sup>1</sup> issued a notice under section 11A of the Electricity Act 1989 on 28 July 2023 (the **Notice**).<sup>2</sup> modifying amended standard conditions of the offshore electricity transmission licence held by Greater Gabbard OFTO plc (the **OFTO Licence**).

We have identified an error in the Schedule to the Notice. The Notice correctly outlined a modification to amended standard condition E12- J4: Restriction of Transmission Revenue: Annual Revenue Adjustments of the OFTO Licence. The Schedule set out the correct drafting of the intended modification. However, in error, the sections highlighted in red in the schedule to this notice, but not modified in the OFTO Licence, were incorrectly stated in the Schedule to the Notice.

We have amended that part of the Schedule to the Notice to correctly state the sections highlighted in red in the schedule to this notice. The remainder of the Schedule to the Notice and the Notice remain as published on 28 July 2023

If you have any questions regarding this letter, please contact me at [yvonne.naughton@ofgem.gov.uk](mailto:yvonne.naughton@ofgem.gov.uk).



**Yvonne Naughton**  
**Head of the OFTO Licensing and Compliance**

**Duly authorised on behalf of the**  
**Gas and Electricity Markets Authority**

**27 August 2024**

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<sup>1</sup> The terms 'The Authority', "we" and "us" are used interchangeably in this letter. The Authority is the Gas and Electricity Markets Authority.

<sup>2</sup> Link to [Decision on proposed modification to offshore electricity transmission licences | Ofgem](#)

## **Schedule : Licence Modification**

### Amended Standard Condition E12 - J4: Restriction of Transmission Revenue: Annual Revenue Adjustments

1. The purpose of this condition is to provide for adjustments to allowed transmission revenue in relation to the licensee's transmission system performance and this condition shall not take effect until the transmission system to which this licence relates has been transferred to the licensee.
2. For the purposes of paragraph 4 of amended standard condition E12 - J2 (Restriction of Transmission Revenue: Revenue from Transmission Owner Services),  $PA_t$  is derived from the following formula:

$$PA_t = TSAI_t + TSAP_t + ICA_t \quad (10)$$

where:

$TSAI_t$  means the transmission system availability incentive, whether of a positive or of a negative value, as derived from the formula set out in paragraph 6;

$TSAP_t$  means the transmission system availability payment for the value of performance credits from the last 5 years of the revenue period, as determined in accordance with paragraph 21; and

$ICA_t$  means the incremental capacity incentive adjustment term as derived from the formula set out in paragraph 22.

#### **Part A: Transmission system availability incentive**

3. The licensee shall, in providing transmission owner services, use reasonable endeavours to make its transmission system available to the System Operator in accordance with standard condition E15 (Obligation to provide transmission services) and Good Industry Practice to minimise the effect and duration of any transmission service reduction.
4. Where a transmission service reduction applies to a part of the licensee's transmission system and the licensee reasonably expects that the duration of such a transmission service reduction will apply for a period of more than 21 days then the licensee shall within 7 days of the transmission service reduction occurring notify the Authority in writing of the transmission service reduction including:
  - (a) details of the transmission service reduction on the transmission services the licensee provides to the System Operator;
  - (b) the cause of the transmission service reduction and whether, in the licensee's opinion, the transmission service reduction has been caused (in whole or in part) by an exceptional event;
  - (c) any interim work or other actions which are being undertaken to minimise the effect of the transmission service reduction; and
  - (d) indicate the timescale in which the licensee reasonably considers that the transmission service reduction will be resolved together with supporting information that shall include (without limitation) any Service Restoration Proposal agreed with the System Operator in accordance with the STC.
5. Where, in the incentive period  $y$ , the total effect and duration of all transmission service reductions, excluding those caused (in whole or in part) by an exceptional event:

- (a) results in transmission system availability being, on average, below 75 per cent in that incentive period; or
- (b) results in transmission system availability being, on average, below 80 per cent when considering the 24 month period of the incentive period y and the incentive period y-1;

then the licensee shall provide a written statement to the Authority, from an authorised director of the licensee, within three months of the end of incentive period y, explaining how the steps the licensee has taken have discharged the obligations in paragraph 3.

6. For the purposes of paragraph 2, the term  $TSAI_t$  is derived from the following formula:

$$TSAI_t = \left( \frac{BR_{t-1}}{PR_{t-1}} \times TSAC_y \times PR_{t-6} \right) - BR_{t-1} \times TSAF_y \quad (11)$$

where  $t=y$

where:

$BR_t$  means base revenue calculated in accordance with the formula specified in paragraph 4 of amended standard condition E12 – J2 (Restriction of Transmission Revenue: Revenue from Transmission Owner Services); and

$TSAC_y$  means the transmission system availability credit factor, which in any relevant year before the commencement relevant year shall take the value zero and in each subsequent relevant year is the percentage credit revenue adjustment factor based on the licensee’s performance against the transmission system availability incentive during incentive period y, and is derived from the following formula:

$$TSAC_y = TSIF \times \left( \frac{PAPC_y}{AVCOL_{y-5}} \right) \quad (12)$$

where:

$TSIF$  means the transmission system incentive factor and shall in each incentive period y take the value of 10 per cent.

$PAPC_y$  means the performance availability payout credits, after being held in the performance balance for 5 incentive periods and offsetting any penalties in that period, available to be cashed in incentive period y as set out in paragraph 8.

$AVCOL_y$  means the annual value of the collar and is derived from the following formula:

$$AVCOL_y = \sum_{i=1}^{i=12} MVCOL_{i,y} \quad (13)$$

where:

$MVCOL_{i,y}$  means the monthly value of the collar and is derived from the following formula:

$$MVCOL_{i,y} = MTSA_i \times COL \quad (14)$$

where:

$COL$  means the maximum penalty collar for the availability incentive of 4 per cent.

$MTSA_i$  means the maximum transmission system availability in month  $i$  that is required to be delivered being the minimum of:

- (i) the aggregate Transmission Entry Capacity; and
- (ii) the maximum system availability in month  $i$  that is capable of being delivered by the licensee by providing transmission services to the Normal Capability Limits;

both expressed as number of MW hours that could be achieved if the available capacity were fully utilised.

$TSAF_y$  means the transmission system availability penalty factor, which in any relevant year before the commencement relevant year shall take the value zero and in each subsequent relevant year is the percentage penalty revenue adjustment factor based on the licensee's performance against the transmission system availability incentive during incentive period  $y$  and, subject to paragraphs 14 to 16, is derived from the following formula:

$$TSAF_y = TSIF \times \left( \frac{-PPRO_y}{AVCOL_y} \right) \quad (15)$$

where:

$PPRO_y$  means the performance penalty revenue offset representing the number of penalty permits that are offset against revenues in incentive period  $y$  as set out in paragraph 7.

7. For the purposes of paragraph 6, the performance penalty revenue offset ( $PPRO_y$ ) shall be calculated in accordance with the following formula:

If  $TPAPE_y < 0$  then (16)

If  $TPAPE_y < -AVCOL_y$  then

$$PPRO_y = -AVCOL_y$$

If  $TPAPE_y \geq -AVCOL_y$  then

$$PPRO_y = TPAPE_y$$

If  $TPAPE_y \geq 0$  then

$$PPRO_y = 0$$

where:

$TPAPE_y$  means the total performance availability permits earned representing the cumulative value of penalties and credits earned up to and including incentive period  $y$  along with those credits and penalties up to period  $y$  that have effected revenue, being calculated as follows:

$$TPAPE_y = TPAPE_{y-1} + TSPP_y + TSPC_y - 5YPL_y - PPRO_{y-1} - PAPC_{y-1} \quad (17)$$

where:

**TSPP<sub>y</sub>** means the transmission system performance penalties incurred in each month *i* of incentive period *y*, being calculated as follows:

$$TSPP_y = \sum_{i=1}^{i=12} APE_{i,y} \quad (18)$$

where:

**APE<sub>i,y</sub>** means the availability penalties earned in each month *i* of incentive period *y* being calculated as follows:

$$\text{If } APAPE_{i,y} < 0 \text{ then} \quad (19)$$

$$APE_{i,y} = APAPE_{i,y}$$

$$\text{If } APAPE_{i,y} \geq 0 \text{ then}$$

$$APE_{i,y} = 0$$

**APAPE<sub>i,y</sub>** means the adjusted performance availability permits earned in each month *i* of incentive period *y*, being calculated as follows:

$$APAPE_{i,y} = (RSIP_{i,y} - (TSIT_i \times MTSA_i)) \times TSIR_i \quad (20)$$

where:

**TSIT<sub>i</sub>** means the base transmission system incentive target, in percentage terms, for month *i* as set out in Annex A.

**RSIP<sub>i,y</sub>** means the reported system incentive performance (expressed as the number of MW hours the system was capable of delivering) in respect of month *i* in incentive period *y* derived in accordance with paragraph 9 to 13.

**TSIR<sub>i</sub>** means the transmission system incentive rate as set out against the table in Annex A to this condition.

**TSPC<sub>y</sub>** means the transmission system performance credits earned in each month *i* of incentive period *y*, being calculated as follows:

$$TSPC_y = \sum_{i=1}^{i=12} ACE_{i,y} \quad (21)$$

where:

**ACE<sub>i,y</sub>** means the availability credits earned in each month *i* of incentive period *y* being calculated as follows:

$$\text{If } APAPE_{i,y} > 0 \text{ then} \quad (22)$$

$$ACE_{i,y} = APAPE_{i,y}$$

$$\text{If } APAPE_{i,y} \leq 0 \text{ then}$$

$$ACE_{i,y} = 0$$

**5YPL<sub>y</sub>** means the 5 year penalty limit, which limits the effect of large outages to only 5 years of OFTO revenue, taking the value zero until incentive period *y*=6 and is then calculated as follows:

If  $TSPP_{y-5} + AVCOL_{y-5} < 0$  and if  $5YPB_y < 0$  then (23)

$$5YPL_y = 5YPB_y$$

If  $TSPP_{y-5} + AVCOL_{y-5} \geq 0$  or  $5YPB_y \geq 0$  then

$$5YPL_y = 0$$

where:

$5YPB_y$  means the 5 year penalty balance being calculated as follows:

$$5YPB_y = 5YPB_{y-1} + TSPP_{y-5} + TSPC_{y-1} - PPRO_{y-1} - 5YPL_{y-1} - PAPC_{y-1} \quad (24)$$

8. For the purposes of paragraph 6 the performance availability payout credits ( $PAPC_y$ ), represent those credits to effect revenue after being held in the performance balance (through the  $5YCM_y$  mechanism) for 5 years from the incentive period  $y$  and offsetting any penalties in the intervening period, is determined in accordance with the following formula:

If  $5YCM_y > 0$  then (25)

$$PAPC_y = 5YCM_y$$

If  $5YCM_y \leq 0$  then

$$PAPC_y = 0$$

where:

$5YCM_y$  means the 5 year credit mechanism, which holds all credits in the performance balance for 5 years, using them to offset any penalties in the intervening period before those credits can be cashed, and is calculated as:

$$5YCM_y = 5YCM_{y-1} + TSPC_{y-5} + TSPP_y - PPRO_{y-1} - 5YPL_{y-1} - PAPC_{y-1} \quad (26)$$

9. For the purposes of this amended standard condition "reported system incentive performance ( $RSIP_{i,y}$ )" shall mean, in month  $i$  of incentive period  $y$ , the extent to which the licensee made transmission services available to the System Operator for the purposes of conveying, or affecting the flow of, electricity and reported system incentive performance ( $RSIP_{i,y}$ ) shall be calculated as the maximum transmission system availability in month  $i$  ( $MTSA_i$ ) less the effect, also in month  $i$ , of any transmission service reduction that applied to licensee's transmission system, subject to the following exclusions:
- (a) any reduction in transmission system availability resulting from a de-energisation or disconnection of a user's equipment under an event of default as defined in the CUSC;
  - (b) any reduction in transmission system availability resulting from a user's request for disconnection in accordance with the Grid Code;
  - (c) any reduction in transmission system availability resulting from emergency de-energisation by a user as defined in the CUSC; and
  - (d) any reduction in transmission system availability resulting from an emergency de-energisation or disconnection of a user's equipment necessary to ensure compliance with the Electricity Safety, Quality and Continuity Regulations 2002, as amended from time to time, or to otherwise ensure public safety.
  - (e) any reduction in transmission system availability directly resulting from undertaking

the Health Review (as defined in paragraph 44A of amended standard condition E12-J3 (Restriction of transmission revenue: Allowed pass-through items), provided that the cumulative total of such period or periods of reduction does not exceed 7 calendar days and subject to the licensee acting in compliance with any directions given by the Authority and guidance issued in relation to the Health Review to manage the impact of the Health Review on the availability of services provided to the System Operator including using its best endeavours to co-ordinate any reduction in transmission system availability as a result of undertaking the Health Review with any planned outages;

(f) any reduction in transmission system availability required as a result of Investment Works (as defined in paragraph 56 of amended standard condition E12-J3 (Restriction of transmission revenue: Allowed pass-through items), provided that the cumulative total of such period or periods of reduction does not exceed 7 calendar days and subject to the licensee, acting in compliance with any directions given by the Authority and guidance issued in relation to the Investment Works to manage the impact of the Investment Works on the availability of services provided to the System Operator including using its best endeavours to co-ordinate any reduction in transmission system availability as a result of undertaking the Investment Works with any planned outages; and

(g) any reduction in transmission system availability directly resulting from undertaking a Health Review or Investment Works which exceeds a cumulative total of 7 calendar days in either case, provided that:

(i) the licensee provides details to the Authority of the reduction in transmission system availability, the reasons why the reduction has exceeded a total of 7 calendar days and the duration of the reduction in transmission system availability;

(ii) the licensee provides to the Authority any additional information or analysis the Authority requests;

(iii) the extent of the exclusion from the reported system incentive performance shall be directed by the Authority and shall be based on the extent to which the Authority is satisfied that the licensee has acted in accordance with Good Industry Practice, any directions given by the Authority and guidance issued in relation to the Health Review and/or Investment Works, to manage the impact of the Health Review and/or the Investment Works on the availability of services provided to the System Operator including using its best endeavours to co-ordinate any reduction in transmission system availability as a result of undertaking the Investment Works with any planned outages.

10. The Authority shall, by written notice to the licensee, direct that, for the purpose of calculating the reported system incentive performance ( $RSIP_{i,y}$ ) that the value of reported system incentive performance ( $RSIP_{i,y}$ ) shall be adjusted to the extent specified in that direction to offset the impact of the exceptional event, where:

(a) the licensee considers that any event on the licensee's transmission system that causes a transmission service reduction has been wholly or partially caused by an exceptional event;

(b) the licensee has notified the Authority of such an event within 14 days of its occurrence;

- (c) the licensee has provided details of the reduction in system availability that the licensee considers resulted from the exceptional event (including the anticipated duration of any reduction in availability) and such further information, if any, as the Authority may require in relation to such an exceptional event; and
  - (d) the Authority is satisfied that the event notified to it under sub-paragraph (b) is an exceptional event
11. For the purpose of paragraph 10, the adjustment directed by the Authority shall be based on the extent to which the Authority is satisfied that the licensee had taken reasonable steps, consistent with Good Industry Practice, to manage the impact of the event on the availability of services provided to the System Operator in accordance with standard condition E15 (Obligation to provide transmission services) (both in anticipation of the event and after the event has occurred).
12. A direction under paragraph 10 shall not have effect unless, before it is made, the Authority has given notice to the licensee:
- (a) setting out the terms of the proposed direction, including the extent to which the value of reported system availability performance for month  $i$ , and each subsequent month, should be increased to offset the impact of the exceptional event;
  - (b) stating the reasons, having regard to the information provided by the licensee and Good Industry Practice, why it proposes to issue the direction; and
  - (c) specifying the period (not being less than 14 days from the date of the notice) within which the licensee may make representations or objections
- and the Authority has considered such representations or objections and given reasons for its decision.
13. The licensee may request that a direction issued by the Authority pursuant to paragraph 10 be modified, where the licensee considers that:
- (a) there has been a material change to the information previously provided by the licensee in relation to the exceptional event specified in the previous direction; and
  - (b) it has notified the Authority of the material change, no later than 3 months after the end of the incentive period to which it relates.

14. For the purposes of paragraph 6, the licensee may request that the transmission system availability penalty factor ( $TSAF_y$ ) in respect of the incentive period  $y$ , take a value:

$$TSAF_y > \left[ TSIF \times \left( \frac{-PPRO_y}{AVCOL_y} \right) \right] \quad (27)$$

being an amount between 10 and 50 per cent, with the purpose of bringing forward future long term penalties.

15. In making a request pursuant to paragraph 14, the licensee shall set out:
- (a) its reasons for making the request;
  - (b) its calculations and supporting information in support of the proposed value of  $TSAF_y$  in incentive period  $y$ ; and
  - (c) its proposals for future restrictions on the value of  $TSAF_{y+1}, \dots, TSAF_{y+4}$  that the licensee considers would be necessary to maintain revenue neutrality with respect to the penalty liabilities incurred in respect of incentive period  $y$ .



16. The proposed value of  $TSAF_y$  and proposed restrictions on  $TSAF_{y+1}, \dots, TSAF_{y+4}$  set out in the requested pursuant to paragraph 14 shall only apply if, following consultation with interested parties, the Authority gives its consent, in writing, to the licensee; and the Authority's consent shall not be unreasonably withheld.

**Part B: Transmission System Availability Incentive: Supplementary Provisions**

17. The licensee shall, by no later than 14 days after the end of each three month period (being the three months ending either 31 March, 30 June, 30 September and 31 December), submit to the Authority a report setting out the reported system incentive performance ( $RSIP_{i,y}$ ) for each of the months within the three month period and the report should include the calculation of  $RSIP_{i,y}$  and provide a commentary in relation to those months where reported system incentive performance ( $RSIP_{i,y}$ ) has fallen below the monthly incentive target ( $TSIT_i \times MTSA_i$ ).
18. The licensee shall, by no later than sixteen years after this condition comes into force, procure, to the satisfaction of the Authority, financial security for the purposes of covering future financial liabilities up to and including the closing relevant year.
19. For the purposes of paragraph 18, the licensee shall, by no later than 3 months before the date that is sixteen years after this condition comes into force, provide to the Authority a notice specifying:
- the amount of financial security that the licensee intends to procure, being no less than 50 per cent of base transmission revenue;
  - the form of the financial security that the licensee intends to procure;
  - the independent financial institution with which the financial security is to be lodged; and
  - the detailed terms on which the security can be called upon in the closing relevant year to meet the financial payments that have been incurred by the licensee in respect of the Transmission System Availability Incentive.
20. The Authority shall, within 2 months of receiving the notice specified in paragraph 19, indicate to the licensee whether the proposed arrangements for financial security (as specified in the notice) would be satisfactory. In the event that the Authority considers that the financial security arrangements proposed by the licensee are not satisfactory, the Authority shall set out in writing to the licensee the reasons why the proposed financial security arrangements are not satisfactory and those areas where modifications would be required. The Authority shall also set out the timescales within which the licensee is required to provide its amended proposal.
21. For the purposes of paragraph 2,  $TSAP_t$  shall take the value zero except in the relevant year following the closing relevant year, where it shall be calculated in accordance with the following formula which uses the incentive periods 23 to 27 to calculate the value of the final credit payouts:

$$TSAP_{22} = \sum_{y=23}^{y=27} \frac{BR_{21}}{PR_{21}} \times TSAC_y \times PR_{t-6} \quad (28)$$

where  $t=y$

**Part C: Incremental Capacity Incentive Adjustment**

22. For the purposes of paragraph 2, the incremental capacity incentive adjustment term ( $ICA_t$ ) is derived from the following formula:

$$ICA_t = ICUA_t + (ACA_t \times RIT_t) \quad (29)$$

where:

$ICUA_t$  means the incremental capacity utilisation adjustment, as derived from the formula set out in paragraph 23; and

$ACA_t$  means the ~~additional capacity~~ incremental investment adjustment, which for the purposes of this licence shall take the value zero, but may be changed, in accordance with paragraph 24.

$RIT_t$  means the revenue indexation adjustment term calculated in accordance with the formula specified in paragraph 4 of amended standard condition E12 – J2 (Restriction of Transmission Revenue: Revenue from Transmission Owner Services).

23. For the purposes of paragraph 22, the incremental capacity utilisation adjustment term ( $ICUA_t$ ) shall be derived in accordance with the following formula:

$$ICUA_t = \max(0, ICRD_t \times ICU_t) \quad (30)$$

where:

$ICRD_t$  means the incremental capacity revenue driver (in £/kW) and shall take the value as defined by the formula:

$$ICRD_t = \frac{BR_t}{CCR \times PF} \times RCF \quad (31)$$

where:

$CCR$  means the composite circuit rating based on the thermal rating of the offshore transmission cable circuit and shall take the value 501,000 kVA.

$PF$  means the power factor (kW to kVA ratio) associated with the offshore transmission cable circuit and shall take the value of 0.95.

$RCF$  means the risk compensation factor and shall take the value 0.31.

$ICU_t$  means the incremental capacity utilisation term (expressed in kW) representing the amount of capacity that the licensee has agreed to make and has made available to the System Operator in accordance with standard condition E17.

24. For the purposes of paragraph 22, the ~~additional capacity~~ incremental investment adjustment term ( $ACA_t$ ) shall be determined by the Authority in accordance with paragraphs 25 to 27 and shall otherwise take the value zero.
25. Where the licensee has entered into an agreement with the System Operator in accordance with standard condition E17 (Obligations in relation to offers for connection etc) ~~to provide additional capacity~~ it shall:
- (a) submit a notice in writing to the Authority, together with supporting evidence, setting out the revenue adjustment that it considers is required to remunerate the costs that it will incur in providing-complying with that additional capacity, agreement which shall include (without limitation):
    - (i) the amount of additional capacity (if any) that the licensee is contractually required to make available to the System Operator;
    - (ii) the capital costs that it expects to incur in providing the additional capacity, complying with that agreement demonstrating that such costs are not more than 20 per cent of the original investment cost incurred by the licensee in respect of the licensee's transmission system in the commencement relevant year;

- (iii) the anticipated additional costs of operation and maintenance that are expected to be incurred as a consequence of ~~providing the additional capacity~~ entering into that agreement; and
  - (iv) the costs of financing the additional investment in the licensee's transmission system.
- (b) provide such additional information as the Authority may require to make a determination of the appropriate revenue adjustment in accordance with paragraph 27.
26. A notice referred to in paragraph 25 shall be given as soon as is reasonably practicable after the licensee has entered an agreement with the System Operator in accordance with standard condition E17 (Obligations in relation to offers for connection etc), and, in any event, not later than three months after the end of the relevant year in which it occurs.
27. The Authority shall determine:
- (a) the revenue adjustment ( $ACA_t$ ) that would be required to remunerate the efficient costs that the Authority considers to have been reasonably incurred by the licensee;
  - (b) the relevant year from which the adjustment shall apply.
28. For the purposes of paragraph 27, in determining an appropriate adjustment:
- (a) the Authority may request that the licensee provide such information that it reasonably requires for the purposes of making its determination. The licensee is required to provide such information within the timescales set out by the Authority;
  - (b) the Authority shall, following consultation with interested parties, notify the licensee in writing of its proposed determination of the incremental investment adjustment to allowed transmission owner revenue ( $ACA_t$ );
  - (c) the licensee, shall have 28 days, or within such extended time as permitted by the Authority, within which to make representations to the Authority's proposed determination that has been notified to it pursuant to sub-paragraph (b);
  - (d) the Authority, having regard to any representations made by the licensee and not withdrawn, shall propose a modification to the  $ACA_t$  pursuant to sections 11A to 11F of the Act. The proposed modification shall only take effect where made by the Authority and in accordance with sections 11A to 11F of the Act.

29. In this condition:

"financial security"

means a deposit of money, a performance bond or bank guarantee, an insurance policy or a letter of credit.

"Good Industry Practice"

means in relation to any undertaking and any circumstances, the exercise of that degree of skill, diligence, prudence and foresight which would reasonably and ordinarily be expected from a skilled and experienced operator engaged in the same type of undertaking under the same or similar circumstances.

"normal capability limits"

means the technical limits that would normally apply to the provision of its transmission services in accordance with the STC as at the date this condition comes into force.

"service restoration proposal"

means a transmission owner's proposal, in accordance with the STC as at the date this condition comes into force, in reasonable but not excessive detail for, as appropriate:

- (a) any interim works or other actions which are able to be undertaken by such transmission owner to minimise the effect of the services reduction or services reduction risk and including, where relevant, any revised operational capability limits that would apply during the period of such services reduction or services reduction risk;
- (b) restoring the transmission services such that they are provided in accordance with their services capability specification (and to their normal capability limits); and
- (c) otherwise removing, mitigating or dealing with a services reduction risk,

including, in the case of sub-paragraphs (b) and (c), where necessary and appropriate, by proposing to amend the content of its services capability specification (including any normal capability limits).

"Transmission Entry Capacity"

means the figure specified as such for a connection site in a transmission owner construction agreement in accordance with the STC as at the date this condition comes into force.

ANNEX A to Amended Standard Condition E12 - J4 (Restriction of Transmission Revenue: Annual Revenue Adjustments)

**Performance incentive parameters**

1. For the purposes of paragraph 7, the performance availability parameters are set out in the table below:

<b>Month i</b>	<b>Jan(i=1)</b>	<b>Feb (i=2)</b>	<b>Mar (i=3)</b>	<b>Apr (i=4)</b>	<b>May (i=5)</b>	<b>Jun (i=6)</b>
TSIR <sub>i</sub>	134.4%	114.0%	99.4%	84.0%	88.8%	73.2%
TSIT <sub>i</sub>	98.00%	98.00%	98.00%	98.00%	98.00%	98.00%
<b>Month i</b>	<b>Jul (i=7)</b>	<b>Aug (i=8)</b>	<b>Sept (i=9)</b>	<b>Oct (i=10)</b>	<b>Nov (i=11)</b>	<b>Dec (i=12)</b>
TSIR <sub>i</sub>	74.4%	67.2%	87.6%	122.4%	123.6%	130.8%
TSIT <sub>i</sub>	95.88%	97.34%	98.00%	98.00%	98.00%	98.00%