

Cheryl Mundie
Senior Manager, Transmission Policy
Transmission
Ofgem
3rd Floor
Cornerstone
107 West Regent Street
Glasgow
G2 2BA

Andy Balkwill
Regulatory Policy Manager
Andy.balkwill@nationalgrid.com
Direct tel +44 (0)1926 65 5988

www.nationalgrid.com

30 April 2012

Dear Cheryl

Transmission Investment Incentives: Statutory consultation and Notices under section 11A(2) of the Electricity Act 1989 of proposed modifications to electricity transmission licences

National Grid Electricity Transmission (NGET) welcomes the opportunity comment on the above statutory consultation and Notices. We have considered the proposed Licence changes and are content that these are correct. We have one minor comment: in Special Condition D11, Paragraph 1C (a) we consider that the definition of "RPIF_t" is potentially confusing and capable of being misinterpreted. We suggest the minor changes set out below (underlined in red italic text) would provide additional clarity.

RPIF_t is the price index adjustment for the formula year t, and shall take the same meaning as *is* given *to that term* in the definition of the PR_t term in paragraph 2 of Special Condition D2 (Restriction on Transmission Network Revenue).

If you would like to discuss the above or have any other questions then please contact me at andy.balkwill@uk.ngrid.com or 01926 65 59 88.

Yours sincerely

[by e-mail]

Andy Balkwill
Regulatory Policy Manager